Aimia Inc.

Second Quarter 2026 Results Conference Call

Event Date/Time: August 11, 2026 — 8:30 a.m. E.T.

Length: 46 minutes

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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the Aimia Incorporated Second Quarter 2026 Results Conference Call.

At this time, all lines are in listen-only mode.

Following the presentation, we'll conduct a question-and-answer session.

If at any time during this call you require immediate assistance, please press *, 0 for the Operator.

This call is being recorded on Tuesday, August 11, 2026.

And now, I would like to turn the conference over to Joe Racanelli. Please go ahead.

Joe Racanelli — Vice President, Investor Relations & Communications, Aimia Inc.

Thank you, Operator, and good morning, everyone.

Joining me on today's call are Rhys Summerton, Aimia's Executive Chairman; and Steven Leonard, the Company's President and Chief Financial Officer.

Before we begin with our prepared remarks, I do want to point out that we issued our financial results for the second quarter earlier this morning. All of our materials, including the news release, MD&A, and financial statements, are available from our website, as well as from our profile page on SEDAR+.

We will be using a presentation today and, for those listening to our discussion by phone, a copy is available on the IR section of our website.

Most importantly, some of the statements made on today's call may contain forward-looking information, and future results may differ materially from what we discussed. Please refer to the risks and

uncertainties that may affect our future performance referenced in our presentation, as well as in the MD&A.

In addition, we will be making note of GAAP and non-GAAP financial measures. Reconciliation of these items is provided in the appendix of our presentation.

And following today's presentation, please reach out to me if you have any outstanding questions or require any clarification of the items that we discuss today.

Please go ahead, Rhys.

Rhys Summerton — Executive Chairman, Aimia Inc.

Thanks, Joe, and good morning, everybody. Thank you for joining us.

Before we head over to questions on this call, Steve and I will briefly discuss some of the salient highlights of the second quarter.

Just to kick off with, we were especially active this quarter. We're kind of getting used to being especially active. We've completed several objectives that we set out for in the year.

In particular, we closed the sale of Bozzetto, which generated net proceeds of C$270 million.

We grew our net book value by 22 percent, to reach $3.74 per share.

We completed a tender offer to purchase senior notes due in January 2030, reducing our interest cost materially.

We took action to improve Cortland's ability to capitalize on the opportunities. And we're quite excited about this, which we'll elaborate on more in the presentation, and also to grow market share in Cortland.

And, importantly, we started to deploy capital in some investment opportunities consistent with our strategy. And we renewed our buyback program to buy up to 5 million common shares, which will take us through to June 2027.

So our performance and milestones completed in the quarter provide clear evidence that we are making progress against our strategy. We have a lot more that we would like to report in the future, and we look forward to doing that. And I'll expand on the outlook and priorities as we go through the presentation.

But first, I will ask Steve to review our financial results. Before Steve gets going, though, we want to congratulate him for becoming a granddad in the early hours of this morning and still being dedicated to make the call a few hours later. So, Steve, over to you, and congratulations.

Steven Leonard — President & Chief Financial Officer, Aimia Inc.

Thank you, Rhys. Good morning and afternoon, everyone.

Before we look at our financial performance in more detail, I wanted to begin my discussion today by reviewing the key highlights of the Bozzetto transaction and its impact on our Q2 results, as outlined on Slide 7.

First, it's important to understand that Bozzetto was classified as discontinued operations. As a result, Bozzetto's contributions were excluded from Aimia's Q2 results from continuing operations, with the exception of cash flow from operations and net earnings, which are presented on a consolidated basis and include Bozzetto's results.

Second, the transaction generated net proceeds of $270 million, including $1.8 million received in July relating to our finalization of the working capital and the debt closing accounts.

Third, the transaction resulted in a net gain of $21.7 million, a total that favourably impacted our EPS and our net book value per share at quarter-end.

Finally, I should point out that we did not incur any income tax on this transaction, as we offset approximately $45 million of the taxable capital gain by utilizing our capital loss carry-forwards.

Turning to our financial highlights. As you see from Slide 8, our results from continuing operations, that is, Cortland and the HoldCo segment, in Q2 were largely in line with the prior-year period.

Revenue was $36.4 million compared to $37.8 million last year.

Gross profit was $8.7 million compared to $8.8 million in Q2 2025.

Adjusted EBITDA was $2.3 million compared to $2.8 million last year.

The modest declines reflect the impact of geopolitical and macroeconomic developments on our rope and netting solutions business. We expect those conditions to improve in the second half of the year.

One positive item to note relates to the continued reduction in SG&A expenses at the holding level. The decrease reflects the benefits of ongoing efforts to reduce HoldCo costs for items such as insurance, rent, and professional services.

I should point out that our HoldCo expenses in particular would have been lower by $600,000, if not for costs incurred relating to one-time strategic initiatives, particularly related to dual-listing activities in the UK.

Cortland results for the second quarter are presented on Slide 9. In Q2, Cortland generated $36.4 million in revenue, down $3.7 million from last year. The year-over-year decline was due to lower sales volume, particularly in projects for the offshore energy sector, and lower demand across the broader market, due to higher selling prices.

Cortland revenue decline was partially offset by pricing surcharges implemented in response to the rising raw material and freight costs, which have impacted—which were impacted by the rising oil prices related to the geopolitical events in the Middle East.

Cortland's adjusted EBITDA in Q2 '26 was $4.4 million, down from $4.9 million last year. The decline was mainly due to lower sales volume.

To capitalize on emerging opportunities, we implemented a number of changes at Cortland aimed at improving sales, strengthening relationships with customers, improving operations, and consolidating leadership.

In part of these efforts, Thomas Cherian, a finance leader with more than 30 years of experience, will join Cortland CEO Wolfgang Wandl as CFO in our Houston office. Given the increased focus on growing sales and building customer relationships, we are optimistic that Cortland is primed for a stronger second half of the year, pending the easing of tensions in the Middle East.

We ended the quarter with $294.5 million of cash on a consolidated basis, up from $100.3 million at the end of March.

Slide 9 shows a waterfall of cash movements in the quarter. The key driver in the increase in liquidity was $268.2 million of cash proceeds from the Bozzetto transaction. And as I mentioned earlier, we received another $1.8 million in July related to the closing of working capital and the debt balances.

Other increases in Q2 included $2.7 million of cash flow from operations. The increase in liquidity was offset by an outflow that included: $22.6 million of principal repayments on the Bozzetto credit facilities, prior to closing; $25 million of Bozzetto's cash at closing; $7.5 million of interest payments; $4.3 million of investments in property, plants, and equipment; $1.8 million towards the buyback of shares; and $11.8 million in net marketable security investments.

Looking at our liquidity more closely on Slide 11, you see a breakdown of our cash position by segment at the end of June. Our consolidated liquidity includes $268.8 million of cash held at the Holding segment, and $7.7 million at Cortland.

Looking ahead, we plan to deploy the capital towards investment opportunities consistent with the strategy outlined previously. Over the next 12 months, we anticipate that HoldCo expenses will approximate $7 million.

Earlier, we mentioned that a key development in Q2 was the completion of the offer to purchase our senior notes that mature in January 2030. The purchase offer was triggered by the sale of Bozzetto. The offer expired on June 26, and we made a payment of $131.4 million for validly tendered notes and interest owing on July 3rd, after our reporting period.

In the interest of transparency, Slide 12 illustrates the impact of the tender offer on our liquidity on a pro forma basis. When taking into account the senior notes repayment, our pro forma liquidity was $173.2 million, which consisted of $163.1 million of cash, $12 million of marketable securities, less $2 million of other current borrowings. Post paydown of the notes tendered, we have a balance of $11.2 million in principal notes outstanding through to maturity in January 2030.

That concludes my prepared remarks. I'd like to turn the call back to Rhys for his closing remarks. Rhys?

Rhys Summerton

Yeah. Thank you, Steve. Well done.

And so going to Slide 14. Previously, I mentioned that one of our strategic objectives was to grow intrinsic value. And it's up to each investor and those that are interested to kind of calculate the intrinsic value of Aimia. But the net book—or net asset value per share does indicate the trajectory of it. And if you

measure net asset value per share, you'll notice that we increased this by 22 percent, to $3.74, after the sale of Bozzetto.

We don't expect similar gains to come through regularly or on a quarterly basis. Obviously, this was episodic. There will be some lumpiness in the periods ahead.

But as I wrote in the chairman's letter, what you should expect over time is that this net book value per share should appreciate, if we do—if we make the right decisions. And we would hope that that would outperform any of the benchmarks that are out there, like the S&P 500. That's what we regard as what would be par. So we want to do a bit better than that over the long term, and that will benefit all shareholders.

Going on to Slide 15. As you have heard on this call, the second quarter was particularly active. And as I said, I think that's something that we're getting used to. We will be active going forward.

Our focus on the coming months will be to continue this momentum. In particular, our priorities in the near term will centre on continuing and following through on the improvements that we are seeing at Cortland from both a sales point of view and operations. That's starting to already bear fruit.

We continue to identify and work very hard at identifying target investment opportunities. We're deploying the capital in a very disciplined way with the ultimate goal, as always, to enhance shareholder value.

And finally, we'll complete the listing in the UK, which will be a secondary listing on AIM. But over the longer term, which is really an important part, our focus will be, as I said, to grow the net book value or net asset value per share, which will benefit all of us.

So with that, thank you for your time thus far. We'll open to questions. Joe?

Q&A

Operator

Thank you. Ladies and—

Joe Racanelli

Our first question—

Rhys Summerton

Will the Operator—

Operator

Apologies on that. Ladies and gentlemen, we will now begin the question-and-answer session. If you have any question, please press *, followed by the number 1 on your touch-tone phone, and you will hear a prompt that your hand has been raised. And if you wish to decline from the polling process, please press *, followed by the number 2.

And your first question comes from the line of Surinder Thind of Jefferies. Please go ahead.

Surinder Thind — Jefferies

Thank you. A few different questions in a few different areas.

I'd like to start with Cortland. Given the changes that you guys are making at this point, from your perspective, like what would constitute success over, maybe, the next 12 to 24 months? Is the idea to focus on the top line? The margin component? Or anything else?

And then—and maybe, just, what is the time frame that we should be thinking about that you're trying to benchmark yourself over, so that the changes that you're making are kind of visible to the front?

Rhys Summerton

Yeah. I'll take that, and Steve might want to add on afterwards.

But let me just give you some context around Cortland, which might be useful. When I got involved in Aimia just over a year ago, we reviewed the portfolio of investments. And since I've been involved, there have been multiple opportunities where we could have taken the opportunity to exit Cortland and turn that into cash and raise a lot of money from it.

It's been my decision to turn that down. And the reason is that I see a lot of opportunity to make Cortland into a long-term, kind of serial acquirer or growth platform, if you like. And the building blocks that we've put in place thus far are just the start, so.

And I appreciate you, that you kind of want a time horizon about when you'll start to see the turnaround and how to quantify it, and I'll get there. But what I would say is that there's such low-hanging fruit to improve Cortland that the changes that we've made, even just in this very early stage, are easy things to do. And you'll start to see the improvement, we believe, in the second half of this year, already. So we don't ask you to look even 24 months down the road for that improvement. We think you will start to see them already. And we are seeing that coming through in the forward load and in the numbers on a weekly basis.

Now we want to make sure that that's sustainable, and that's the important part. So we will—I think it's very likely, barring some geopolitical issue, that you will see the improvement coming through.

Now, over the longer term, what's the opportunity for Cortland? And this gets really exciting, is if you take all the opportunities around where Cortland, perhaps, doesn't have a presence or could be enhanced with local, on-the-ground participation, you'll start to see that there's opportunities for Cortland to grow.

So we have world-class manufacturing out of India. We can improve distribution, we've improving sales already, and we can improve the product delivery around all of that. And if you put all

those points together, I think that you will see, both in the short term and the longer term, a vastly improved Cortland as a group.

Will it require us to make some bolt-on acquisitions along the way? Definitely. And I think what those acquisitions do is they're small, but they improve our geographic coverage, and they also make the overall business less reliant on a few key markets. So we want to be a global player in this, and I think there's a real opportunity for Cortland to get there.

So to answer your question, short term, we think you'll see an improvement. Longer term, I think you'll see that Cortland becomes a very important part of Aimia going forward.

Surinder Thind

That's helpful. And then, maybe, could you expand upon the near-term outlook in the sense of, as you expect things to get better? Is that primarily a reflection of the macro getting better? Or maybe, what are the conditions you're assuming that are leading to things getting better in the near term or in the back half of '26?

Steven Leonard

I think, Surinder, that—

Rhys Summerton

That's a—so in terms of—

Steven Leonard

Sorry. Okay. Go ahead, Rhys.

Rhys Summerton

No, no. You go, Steve. You go.

Steven Leonard

No. I think what we're seeing is—what happened as we came into '26, what happened coming, like, mid-Q1 to end of Q1 with what happened in the Middle East and impact on oil, that rippled through the cost structure. We made some changes, as you've seen in our prepared remarks, on adjusting our selling prices.

And this wasn't just Aimia—sorry, Cortland—this was other competitors as well doing that. And some of the downstream users of these products were making decisions on drawing down inventories and delaying purchasing decisions with an expectation that things would improve.

And we've seen some of that happen, as depends on the week or the day, what's going on with the geopolitical events. But we are seeing, as Rhys has said, stronger orders in the second half. So we're seeing some of that. Ultimately, these downstream users of these products still need them. So the delays that they made in the second quarter are starting to get pulled through in second half. So that's one thing we're seeing.

And then, obviously, another area that we expect to be improving is on the margin side, both on gross margin and EBITDA. So you should see an improvement of that in the second half.

Surinder Thind

That's helpful.

Rhys Summerton

And just to add there—

Surinder Thind

Yep.

Rhys Summerton

Yep. But if I—I would just add, the way to look at Cortland, Cortland in the past—and we see this a lot with different businesses. You get businesses that are simply accident-prone. So what do I mean by that? I mean that whatever event happens in the world, they seem to have—it seems to have a negative impact on them. And what that really means is that a business isn't resilient. There's no backup. It doesn't have this built-in resiliency that we want.

So the changes that we've made in Cortland is to make it a lot more resilient and defensive against kind of macro events that happen. So we don't want to be, necessarily, exposed each and every time there's some kind of issue in the world. Cortland needs to stand on its own and to be able to deliver good results, almost in spite of the environment around it. And the way we're going to get there is by diversifying where we get the revenues from, a lot more, and relying on the management team, which are now in place and operating very well, to deliver.

Surinder Thind

Thank you. And then maybe I'll sneak in one more.

When we look back at, maybe, the Bozzetto acquisition and, maybe, talk about the lessons learned there or maybe how this is going to influence kind of the future acquisition framework, any colour there would be helpful.

And then, maybe, any areas that, maybe, are off limits from an industry perspective and areas that you're definitely interested in, so.

Rhys Summerton

Yeah. That's a good question.

So obviously, Bozzetto was kind of before my time. And when I reviewed what was in Aimia—and obviously, we knew what was in Aimia before we even got involved. And what we realized about

Bozzetto is that it was an asset that had really good management. It was operating as well as it possibly could be operating. But it lacked one crucial thing for Aimia as a permanent capital vehicle. There was a—there would be a struggle, and it would be the wrong thing to take cash away from Bozzetto and to use that cash to pay down debt all the time.

So I would say the mistake that was made, at least from an outsider's point of view, is that it was—the gearing was too high on Bozzetto at an Aimia level. And it meant that we were then having this 9.75 percent debt at the HoldCo level, which needed to be serviced. And so you were kind of starving Bozzetto of cash that it could use to make acquisitions and grow, simply because you were trying to fuel a holdco in Aimia.

So the key lesson, I think, is—and obviously, we all know this—is when we look for acquisitions, we are looking for things that are not going to take up large amounts of funding. Everything that we've looked at thus far has got net cash on the balance sheet. And we now have cash at the centre, and we will deploy it into opportunities where we will enhance our cash balance, rather than reduce our cash balance. And we really don't want to get into the game of taking on big debt at the Aimia HoldCo level. So if I had to say what was the key takeaway, that would be the primary one.

The secondary one is that anything we buy, we have to make sure that the management teams that we acquire understand that we will make the capital allocation decisions. We will allocate the capital that they generate. It's not up to them to allocate the capital.

So those are really good points that, I guess, Aimia has learned. I would also probably say that the motivation to do some of those acquisitions in the past is not the same motivation as today. Today, I'm a significant shareholder, directly, indirectly. The board of Aimia has, I don't know, close to 45 percent

of the shares. And every acquisition we do is reviewed by the board. Even before we buy 1 percent of it, it gets reviewed by the board.

So there's a lot of alignment. We're not trying to rush to do any acquisitions. But we're very excited about all the acquisition potential that's out there because there's just so many. And so we're very excited about the opportunity set.

Joe Racanelli

Rhys, before we go on to other—

Surinder Thind

That's really helpful. I appreciate that. Thank you.

Joe Racanelli

Thank you. Rhys, before we go on to other callers with questions, have received a couple of emails since the start of our presentation, and so one question to you in particular.

You mentioned that you're excited about Cortland's opportunities for growth. How much of Aimia's cash are you willing to deploy towards funding its growth instead of investing in new companies?

Rhys Summerton

That's also a good question. I would say that bear in mind that Cortland is cash flow-generative already. So, we think that the bulk of acquisitions that we would look at in Cortland would be self-funded by the business. Also, Cortland has some cash and has no debt. So there's a potential to take on some gearing (phon) in Cortland if the acquisition opportunity presented itself.

But the opportunities that we've looked at so far wouldn't require cash from—or significant cash from Aimia, from the HoldCo, at all. We would try and self-fund it from the Cortland level.

Joe Racanelli

Should we be using net book value as the main metric to measure Aimia's progress?

Rhys Summerton

I think that net book value per share, it's important to stress the per-share part because we do have a share buyback program which executes virtually daily.

So net book value per share would indicate the direction of travel of the intrinsic value. There are some swings and roundabouts, some positives and some negatives to what I would perhaps estimate intrinsic value is, but that's not something we will share. For investors, it might be a bit heuristic to use net book value per share.

And certainly, the change in net book value per share, I think, would be a very useful metric to measure Aimia's success on. In fact, I would think it would be unlikely that net book value per share would grow, and intrinsic value per share would not grow along the same kind of path as the book value per share.

So it's a useful metric. It's one of the useful metrics but, obviously, every investor must decide for themselves what metric they use.

Operator

And your next question comes from the line of Rob Byde of Zeus Capital. Please go ahead.

Rob Byde — Zeus Capital

Hi, there, everybody. Two for me, please.

Can you talk a little bit more about the reasons for the further listing in the UK? And perhaps give a little bit more colour on the sectors or industries you're going to be focusing on? And is it just UK? Or are you going to be looking at the wider European sort of market?

And then my second one was, I guess, closer to home, just on Cortland. You talk in your statement about price surcharges. Could you talk a bit about how frequently you can adjust price? Is this a sort of quarterly or annual process? Thank you.

Rhys Summerton

Thanks. I'll take the first one. And, Steve, I don't know if you want to answer the second one now, and then I can revert back to the first question.

Steven Leonard

Yeah, I'll do this—I'll do that, Rhys, and then you can come back.

Yeah. Cortland has a dynamic pricing model with its clients where, with the implementation or the impact on the input pricing, mainly on raw materials, they were adjusting their pricing. And that is not daily and it's not annually. It's more on a more frequent, two or three times a month that they're looking at this in terms of pricing.

Rhys Summerton

Yeah. On your first question, so most of the opportunities that we are looking at are in the UK. And so it does make sense to have a listing in the UK for opportunities that might present themselves. I think we've discussed this on prior calls as well, but we're certainly not going to have listings in every place that we want to make acquisitions. But where the bulk of the acquisitions may sit, we'll probably have a listing there.

But I would say that if you had to look at Aimia, maybe 10 years from now, I would expect the primary listing to be in the US and not anywhere else. So that's kind of the direction of travel. How we get there, we'll have to do a little bit of an excursion into the UK. And obviously, we do have a listing on the JSE as well.

Now the opportunities that we see in the UK, there are so many and so attractive that we don't really see a need to look at Europe. We're kind of not fans of socialism that much, so we've avoided Europe. We've actually exited Europe with the sale of Bozzetto. So to go back there would be pretty interesting. It would have to really, really, really be attractive.

But just to give you some flavour about the opportunities that we've looked at and are looking at, we are looking at things in Canada, the UK, and other markets, other kind of Western countries as well. So it's really driven by where we see the most value, and we're completely agnostic.

Now, eventually, though, eventually—and we don't want to take too much time with getting to the eventually. We want to utilize the tax losses because that's where there's real value. So the sooner we get to utilize those losses, the better. Now we used a little—we utilized a little bit of that with the sale of Bozzetto, and we'll utilize a little bit more in the first—in the third quarter. But where we want to get to, is to be able to utilize those tax losses, having made good acquisitions along the way, that will generate lots of free cash flow for Aimia to continue compounding.

Rob Byde

Thanks, Rhys. Thank you.

Rhys Summerton

Thank you.

Operator

As a reminder, if you wish to ask a question, please press *, 1 to join the queue. And we have—

Joe Racanelli

Is there—

Operator

—another question—sure.

Joe Racanelli

Rhys, we've received a couple other email questions. One relates to Clear Media. What are your plans for Aimia's investment in Clear Media?

Rhys Summerton

Clear Media is turning around. Those also are definitely improving year on year. I still think there's a long runway to go with that business. And this would be the wrong time to monetize that investment. At the right time, we will obviously have something to report back to our investors. But for now, it's turning around, and the results are improving. So we're kind of happy sitting with that, going along for the journey to recovery.

Joe Racanelli

Great. The next—

Rhys Summerton

Sorry. Joe, was there another question?

Joe Racanelli

One more question. And I noticed there's someone else in queue. So can you talk—

Rhys Summerton

Yeah.

Joe Racanelli

—or explain the process that you're using to identify investment targets?

Rhys Summerton

Yeah. So that's a good one. There's ... Where can Aimia compete? That's the real question. At the moment, you're finding a lot of companies are getting acquired by private equity, and like they're obviously looking at the same kind of companies that we are. But Aimia can compete in a slightly better way, I would say.

And that is that, if you take an average sort of competitor of Aimia or somebody else looking for opportunities or acquisitions, they're going to screen the market, start doing due diligence, and knock on the company's door and make an offer. What we try and do is look for hidden value that might be in some of these companies, that the rest of the market hasn't seen.

And so far, we've been able to identify situations that really are neglected by the market. There might be very low interest from existing investors. You can kind of see that with AGM turnouts. You can see that some shareholders are kind of suffocated in that share register and that they might want to get out, for whatever reason, but they can't. And we can help them raise liquidity by buying their shares.

And it gives us the opportunity to actually buy into these companies at far more attractive prices than what private equity can buy to these companies, but. Private equity sort of makes these premium offers and then sees what happens afterwards. With us, we can build equity stakes beforehand, which may or may not lead to an offer, depending on what happens to the share price.

And the other thing that is in our favour is, if we start building a position in an investment or a target, there's nothing stopping us from reversing course and exiting that investment. So for example, if we buy into a company and the share price rallies, and we no longer think it's all that attractive, we can then exit that investment at a realized profit.

So there's multiple reasons why we should be able to execute better than what our competitors are doing, but. And when it comes to actually screening the market for ideas, I don't think there's any

substitute for hard work. And we are visiting companies, meeting with companies, reading annual reports, do all the things that just the basic due diligence would require to develop a framework and find opportunities. And, like I said earlier, there are multiple opportunities that we are looking at.

Operator

And your next question comes from the line of Conrad Scheurkogel of Goldman Sachs. Please go ahead.

Conrad Scheurkogel — Goldman Sachs

Thank you for the opportunity.

The Bozzetto transaction is interesting because it's Italian-based and, despite that—maybe, Steve or Rhys, you can give me a bit of an accounting lesson. When the transaction was finalized, you were able to utilize the tax losses, the capital loss carry-forwards. How did that come about?

And then linked to that, and also linked to your previous response, Rhys, where you said if you make an investment, and there's a capital gain or if the stock price—if the stock remains listed, I would assume—has moved beyond intrinsic value, and you exit. Will you always structure your transactions in such a way that, in the back of your mind—because this capital loss, now, has become alive, it's a real number we can look at because it's been utilized—that, that can be utilized? Or it's going to be very rule-based, depending on geographies where you make your investments?

And I bring back a previous questioner—the question about a UK listing. Is that—part of it is to be structured in such a way that if you upstream dividends or cash flow, again, that these tax losses can be utilized? That's my one question.

The second question is just on, I noticed that there's $12.1 million of securities that has come about. If you can give us a little bit of detail on that? Thank you.

Steven Leonard

I'll answer the tax question, Rhys.

Rhys Summerton

(unintelligible)

Steven Leonard

Yeah.

Rhys Summerton

Yeah. You go, Steve. Yeah.

Steven Leonard

So—yeah. So Aimia, as we've disclosed in our notes on the tax losses, the capital losses that we—which represent about half of our losses that we've quoted it, so about C$500 million—those losses are held by the Canadian Aimia Inc. company in terms of the structure. So when we are placing investments or doing certain activities on the investing side, our preferred approach in the structure—unless there's other good reasons to do it differently but, in the case of Bozzetto—we held the Italian business under the Canadian company parent, which had the taxable losses, capital losses.

So when we realized the taxable capital gain, even though the business is located in Italy, the owner of the business of that 94 percent in Bozzetto was Aimia. So the gain, taxable gain would be mitigated by the utilization of the capital losses, and that's—we applied $45 million of our capital losses against the Bozzetto gain. That was the tax gain on the transaction.

On the investments that we're making, it's a similar scenario where, in a first course, we'll invest through the parent Company that has the capital losses and then, subsequently, when we sell those

businesses, we would use those losses against taxable gains. Hope that answers your question on the tax piece.

Conrad Scheurkogel

And then if you can just expand on dividends and cash flow that's being upstreamed?

Steven Leonard

Yeah. So, I mean, there's different elements tied to certain sources of income, dividends. We would look to use the operating side of the—so again, the Canadian business holdco has Canadian operating losses that we can mitigate. And likewise, if we put a downstream loan into one of the businesses, that's another way where you have interest income coming up to the parent company and—

Conrad Scheurkogel

Mm-hmm.

Steven Leonard

—you can mitigate them. So there's different ways you structure things in terms to utilize your tax attributes efficiently, and we look at all of those when we're looking at our structures.

Conrad Scheurkogel

Perfect. Thank you.

Rhys Summerton

Yeah. And it's a good point because when people talk about serial acquirers and what makes a good serial acquirer, they always mention it's the autonomous management structure, and then they go next and talk about this long runway of potential acquisitions, et cetera, et cetera. But one of the real things that you need to look for in a serial acquirer is having an advantaged tax base. And that's what Aimia has, which really is why it's such an attractive business for me to look at.

We're running NOLs of $1.1 billion, which we can utilize through different ways. One will be utilizing them for acquisitions that we make, eventually, in Canada and the US, and also through any other profitable transactions we enter into in the rest of the world. So rest assured, we will utilize it, and it's a real strength of Aimia as a serial acquirer.

I think your other question was about the $12.1 million in marketable—

Conrad Scheurkogel

Yes.

Rhys Summerton

—securities. And—

Conrad Scheurkogel

Very good.

Rhys Summerton

—obviously, we're not going to talk about that. These are investments that we've made, and it's kind of a little bit like getting your toes wet with your socks on, really. They're really preliminary investments in companies that we think are very attractively priced and ones that, potentially, we would love to own eventually.

Now that very much depends on the price that we are able to acquire those companies at. If the share prices rally away from the price that we paid, clearly, they're not as attractive as they were. And so we will reevaluate each time.

And that's why I say we have enormous flexibility, and that's something that we must never lose in Aimia. We must maintain and even enhance the flexibility we have to be able to pursue transactions.

So I would caution against trying to work out what Aimia's kind of wanting to do next with the investments that we make because we might swing around and change, given price changes.

I would say, though, that the opportunities, there are really good opportunities which we are starting to deploy the capital into. And I think each one of them, each one of the core ones, I'm very excited about. I just hope we can execute on it.

Conrad Scheurkogel

Okay. Thank you very much. But in essence, I mean, I'm not after names. It was more sort of see that you now start to learn one of the core parts of the strategy, the underlying investments in undervalued assets.

Rhys Summerton

Absolutely right. Yeah. We want to—they're in marketable securities, so that's very much the strategy, to build stakes without paying premiums. And that's really why I caution against trying to work out what we may or may not do because we don't want to be paying premiums if we do decide to buy out a company. So investors are way better off being invested in Aimia, I think, because that's where the benefit should ultimately flow into. It's not going to flow into kind of the private equity model of 30 percent, 40 percent premiums on an acquisition.

Conrad Scheurkogel

Perfect. Thank you. Thank you, Rhys.

Rhys Summerton

Thank you.

Operator

And there are no further questions at this time. I will now turn the call over to Joe Racanelli. Please continue.

Joe Racanelli

Thank you, everyone, for joining us today. And as I've mentioned earlier, if you do have any follow-up questions, or we didn't address any issues that you would like for us to expand on, please do reach out to me. We'll make ourselves available. Have a good day, everyone.

Operator

Ladies and gentlemen, this concludes today's conference call. Thank you all for your participation. You may now disconnect.