Aimia Inc.

Third Quarter 2026 Results Conference Call

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PRESENTATION

Operator

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

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

And following the presentation, we will 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 Friday, November 6, 2026.

I would now like to turn the call over to Mr. Joe Racanelli, VP Investor Relations.

Please go ahead.

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

Thank you, Operator, and good morning, everyone.

Joining me on today's call are our Executive Chairman, Rhys Summerton; and Aimia's President and CFO, Steven Leonard.

Before we begin, I'd like to point out a couple items.

We issued our financial results for the third quarter earlier today. All of our materials, including the news release, MD&A, and financial statements are available from our website, as well as from SEDAR+.

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

Now some of the statements made on today's call may constitute forward-looking information, and our future results may differ materially from what we discuss.

Please refer to the risks and uncertainties that may affect our future performance referenced in our presentation and MD&A.

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

Following today's discussion, please reach out to me if you have any outstanding questions, or require any clarification on the matters that we discuss today.

Thank you.

And, Rhys, please go ahead.

Rhys Summerton — Executive Chairman, Aimia Inc.

Thanks, Joe. And good morning, everybody. Good afternoon. Thank you for joining us today.

As you have come to hear over recent investor calls, Steve and I will review some of the key developments on the quarter, and then we'll welcome any questions you might have.

Just to run through our performance for the third quarter, I think what you will see is that a turnaround in Cortland that we flagged on the last set of results is starting to bear fruit. You can start to see it in the revenue growth that Cortland has delivered. Steve will give a few more details about that.

We've also, importantly, been able to establish listings on the JSE in South Africa, as well as the AIM market in the UK. And that's very important, because we're establishing the platform to support future M&A activities.

We've also been able to start deploying some of the capital in the second quarter. We deployed about $13-odd million in this quarter. The third quarter, we've deployed about $15.5 million. And obviously, it's a very short period, but we've shown an investment gain of $1.9 million to fair value.

And so it's a good start, but clearly on a quarterly basis, things can swing dramatically, as I'm sure everybody saw last night.

So with that, I will hand over to Steve to go through the financial highlights, and then I'll come back at the end to talk a bit more about the strategy, as well as take any questions you might have.

Steve?

Steve Leonard — President and Chief Financial Officer, Aimia Inc.

Thank you, Rhys. Good day, everyone.

Turning to our financial highlights.

As you can see on slide 7, our results from continuing operations showed improvement across several financial metrics in Q3 when compared to the prior-year period.

In particular, revenue was up 21.3 percent to $45.6 million, gross profit increased 25.3 percent to $10.4 million, and gross profit margin improved to 22.8 percent from 22.1 percent.

These improvements were offset, however, by a $2 million increase in SG&A expenses that included one-time costs related to strategic corporate initiatives and multi-listing activities, as well as higher freight costs at Cortland.

The increase in SG&A was partly offset by ongoing efforts to reduce HoldCo costs for items such as insurance and professional services.

We incurred a net loss in Q3 '26, and I want to take this opportunity to put it into perspective.

Our loss was largely attributable to two non-cash developments.

First, we recorded an $8.3 million unrealized fair value loss on the Company's investment in Clear Media due to a dispute the Company is having with a bus shelter landlord in China that is affecting its liquidity and its ability to generate revenue.

Second, net loss was impacted by net financial expenses of $6.9 million, which included $4.8 million of deferred financing costs that were written off, associated with the redemption of the senior notes.

Turning to Cortland. Cortland results for the third quarter are presented on slide 8. In Q3 '26, Cortland generated $45.6 million of revenue, up 21 percent from last year. The year-over-year increase was due to a number of factors, including pricing surcharges implemented in response to rising raw material costs and freight costs, which have been impacted by increasing oil prices related to geopolitical events in the Middle East.

Other contributing factors to the revenue growth included product mix and improved conditions in several of the sectors it serves, such as fishing and aquaculture, as well as aerospace and defence in the US. The increased revenue was partially offset by lower sales volume in other sectors.

Cortland's adjusted EBITDA in Q3 '26 was $5.7 million, up from $5.5 million in the prior-year period. The gross profit increase was partially offset by $1.8 million of higher SG&A expenses, primarily related to selling costs associated with freight, and in addition, higher compensation costs.

Given the progress that Cortland has made on its turnaround and that customer demand in several of the sectors is improving, the new management team is committed to sustaining this momentum in the coming quarters.

We ended the quarter with $152 million of cash on a consolidated basis, down from $294.5 million at the end of June 30.

Slide 9 shows a waterfall of cash movements in the quarter. The key driver for the decrease in liquidity was $131.4 million payment in aggregate principal amount for the redemption of the senior notes. This transaction, as we had disclosed previously, was triggered by the sale of Bozzetto.

Other factors that contributed to the decline in our cash position included $15.5 million of capital deployed for investments in marketable securities; $1.6 million of cash flow used in operating activities; $1.6 million of investments in property, plant, and equipment; $0.7 million for the repurchase of common shares; and $0.7 million for preferred shared dividends.

The outflow of cash was partially offset by $3.9 million of proceeds from an investment fund redemption, $2 million of interest received, $1.8 million in final adjustment proceeds from the Bozzetto transaction included in other movements, and $0.9 million in proceeds from the sale of marketable securities.

Given the closing of the major transactions in ‘26 were immediately subsequent to the quarter-end reporting periods, the cash position we reported throughout the year provided an incomplete picture of our available liquidity and movements in cash.

To better illustrate the major movements in our cash, including the amounts we have deployed towards our investment strategy, slide 10 shows our consolidated cash position on a year-to-date basis.

As you’ll note, our cash position has increased $43.3 million after taking into account the outflow of approximately $130 million to repurchase the senior notes, which will save us $13 million in annual interest costs, and we invested $30 million in marketable securities.

Other movements presented in the waterfall chart include $3.9 million towards the repurchase of Aimia’s common shares, $7 million in interest payments related to the 2030 senior notes, and $2 million of dividend payments for our preferred shares.

Looking at our liquidity more closely, slide 11 shows a breakdown of our cash position by segments as of September 30th.

Our consolidated liquidity includes $145.5 million of cash held at Holdings and $7 million held at Cortland.

We continue to estimate our operating expenses at the HoldCo, expected to be $7 million over the next 12 months. Of this total, approximately $3.3 million is related to compensation, and the balance primarily relates to expenses of being a public company.

Looking ahead, we plan to deploy the available capital, consistent with our strategy, to enhance shareholder value.

This concludes my prepared comments. I would like to turn the call back to Rhys for his closing remarks.

Rhys Summerton

Thanks, Steve.

So as you heard, the third quarter we continued to execute on our investment strategy. It's gaining some momentum.

We deployed C$15.5 million of capital in the quarter making investments in public companies only, and those are companies that meet our investment criteria.

We grew our portfolio of new investments to the $28 million, nearly $29 million [audio gap], taking the second quarter investments plus the third quarter.

We continue to target companies that trade at what we perceive as a significant discount to their intrinsic value, have strong management teams, and most importantly, generate consistent cash flows that we can rely on to really create a permanent capital vehicle that is self-sustaining.

A key consideration in our investment decisions is the potential for Aimia to get to a controlling position. That's not always the case, but in the majority of the cases, that's what we're looking to do.

So it's still early in our advancement as an investment company, but we did generate $1.9 million in this quarter from these new investments. But like I said in the opening remarks, quarterly performance is not something we wish to be measured on, but hopefully that holds as well for the future.

Going on to slide 14, a couple of points here. What you'll notice on slide 14 is what we think is the net book value per share based on what the balance sheet is showing.

Now what's interesting about that number is it excludes the tax losses. The $1.1 billion of tax losses is not included in this number. So this is the balance sheet number.

And, obviously, we had the uptick from the end of December 31 with the Bozzetto sale. That continued to do well into the second quarter.

This quarter, because of the Clear Media developments, it's come down slightly, but as we said, it's offset a little bit by the gains in the investment portfolio.

And we hope that over the very long term, this number can compound at the very high rate, hopefully close to 20 percent a year.

Certainly, if I look at the investment vehicle that Aimia is, it's very advantaged. It's got the tax losses, it's got cash. We have a listing in the UK, as well as South Africa, as well as Canada. We should be able to really make the most of this opportunity.

Going on to slide 15, the summary of the outlook.

We've rolled out the investment strategy. There's still a long way to go. We've only really just started on this for two quarters, but I think we started well.

We continue to look for opportunities to invest in undervalued companies; the criteria I've already been through a little bit earlier. We've got the two listings, as indicated.

And I think, for me, what was important in this quarter is that we started to see signs of the changes that we put through at Cortland earlier on this year are really starting to come through.

So having a CEO and a new CFO in place at Cortland, I think you're starting to see the benefits of that with the revenue growth. I think what we want to see in future quarters and what will hopefully come through is sustained revenue growth with a real laser focus on costs, which will help the operating margin continue to improve.

So GP margin is a function of your sales makeup, but what we want to—there's kind of limited control over that. But what you can control is the SG&A line. And we've had a good start there as well in really examining the expenses very closely.

And as a reminder, long term, our focus is on growing that net book value per share. And we've started to make, I think, fairly good headway on that.

So with that, I'm going to open up for any questions you might have. The questions will come to me, and I'll either get Steve to answer or I'll answer. And we welcome any questions.

Q&A

Joe Racanelli

Steve and Rhys, before we turn it over to inbound calls of people on the line, I did get a number of email questions and I'd welcome other individuals listening via webcast to forward on some email questions as well.

First relates to the NCIB. It wasn't as robust as in previous quarters. And the question is, were we capped on the daily purchases on the NCIB? And if there's a bottleneck in place, would we consider an SIB?

Rhys Summerton

Buybacks are always an interesting topic. And it's not only for Aimia, but I think in most of the companies I'm involved in buybacks feature, which is an important point to understand. And they're going to feature in Aimia as well.

But Aimia is an investment vehicle. So what I would prioritize is acquisitions over share buybacks. Share buybacks have their place when the stock is undervalued. And we have been buying shares back when we can.

We don't have any plans on an SIB. I think we can acquire shares in the markets at attractive prices and we'll continue to whittle away at the number of shares and they continue to decline. So the number of shares in issue continues to decline, which is exactly where we want to take it.

But we must be clear, though, that finding great acquisitions does trump share buybacks. And if we ended up buying back so many shares in Aimia that it eventually becomes it doesn't sustain itself as an investment vehicle because it'll be too small. So there is an element of scale that you have to think about.

So buybacks, definitely, I'm a big fan of buybacks. Every company I'm involved in, we do buybacks. Aimia is no exception. But the preference is acquisitions.

Joe Racanelli

Okay. Can you provide any colour on the investments made in the quarter, either by providing details of the companies, their geography, and as well how they would, those investments interact with the Company's tax losses?

Rhys Summerton

So I think there's companies that we've that we've made acquisitions of by buying some of the securities in the public market. The two that we've disclosed, one is Foxtons, which is a London-based real estate agent. And the other is NWF, which is kind of a mini conglomerate of three companies.

We've made the public disclosures, so we're not going to say too much more about that, but you can see the geography is fairly straightforward. It's in the UK. And the reason for that is that the UK is offering, I still think, the best risk-reward for the investment destination of our dollars in Aimia, but the weakness of that is it doesn't utilize the tax losses right now.

That's fine. We will get to utilizing those tax losses, and we've already utilized them partially with the sale of Bozzetto. But on a more sustainable basis what we need to do is make acquisitions eventually in the US and Canada, and we will get there.

But right now, the focus is on getting Aimia to scale, getting dependable businesses where we can create value first and foremost. And once that is that's bedded down, we can then move to the next step of looking at the US and other places that we can utilize the tax losses.

So the underlying message is we will definitely utilize them. And they do have a very long period before they start to expire. So we completely believe that the investment case of Aimia, to really unlock the value, we will have to get to utilizing those losses and we will do.

Joe Racanelli

Okay. I have more questions from email, but why don't we turn it over to Operator to anybody who's in queue on our call for questions.

Operator

Thank you.

And, ladies and gentlemen, this will begin the question-answer session.

Should you have a question, please press the *, followed by the 1 on your touch-tone. You will hear a prompt that your hand has been raised.

Should you wish to decline from the polling process, please press the *, followed by the 2.

And if you are using a speakerphone, please lift the handset before pressing any keys.

One moment, please, for your first question.

And your first question comes from Rob Byde from Zeus Capital. Please go ahead.

Rob Byde — Zeus Capital

Good morning. Good afternoon. Hi, guys. Just on your investment strategy. You've made two, I think, great investments in Foxtons and NWF. Is quoted equity the best way to go? Would you look at private companies? Or perhaps even corporate credits?

And then in terms of how active you might be, you have significant shareholdings in both Foxtons and NWF now. I mean, would you, for example, be seeking board seats? Or are you happy as a more passive investor in these cases? Thanks.

Rhys Summerton

Yeah. That's a really good question.

No, we're definitely not passive. We will be very active and we are active. But the way we think about it is, if the companies are doing what we think they should be doing as far as allocating capital and making sure their cost base is appropriate and they're able to generate that capital and upstream it to shareholders, we're completely fine with letting the companies go on their own and continue to operate autonomously.

Where the problem comes in is if companies aren't doing that. So if they have a division that's losing money and another division is making money, we can't really tolerate that. So we will work along with the company to make sure that that doesn't persist and that they make changes in the short term.

I think in the two examples you're given of Foxtons and NWF, they're obviously interesting businesses, but there's a lot of work to do, I think, on both of them and there's no guarantee that they're going to work out. I would just say that if we are able to unlock value in both of them, I think the rewards will be considerable, but there's no guarantees on doing that.

So how aggressive are we going to be, or how active are we going to be, we're very active in building our stakes in them. I think Foxtons we've kind of built most of that in the third quarter. So that's been a very quick gain in our ownership of that. And there's different ownership thresholds that we need to be cognizant of and we are, and that also features in how quickly we move on it.

But those are just two of the companies. I think we've also done a lot of work on companies that we haven't yet made investments in. And it could be that in the future quarters, we start to make progress on the companies that we haven't yet made investments in before we return to the ones that we have.

Steve Leonard

By way of colour—

Rob Byde

Thank you, Steve.

Steve Leonard

Sorry, by way of colour, I mean, the reason that those two companies have been cited is largely because of some filings that we have done in the UK on the FCA. And you may not seen reference to them

in our financial materials, but we have put some filings on some of our positions. And that's how the last caller posed the question about our two investments.

Rob Byde

Thank you.

Steve Leonard

Go ahead.

Rob Byde

And just on the point, I mean, do you prefer quoted companies? So—

Rhys Summerton

Yeah—

Rob Byde

—but I guess because of the transparency and so on. And are you interested in private companies or even in non-equity investments in credit, for example?

Rhys Summerton

Yeah. Sorry, I messed that part up. You see, the beauty of public companies, particularly UK public companies, is they have these shareholders that have monthly redemptions, which mean that they essentially forced sellers for the last, I don't know, 44 months, and so we are there to be able to buy, or take ownership of these companies, or percentages of them at an attractive price.

If we have to knock on the door and ask the CEO or the chairman if we can buy the company, we're immediately having to pay 30 or 40 percent premiums. So our model, I think, is vastly superior because we can build stakes in companies at market prices.

And I think the example of Foxtons is an interesting one because we're able to build a stake purely in the market from, I think, the one fund that we bought from was winding down and another one had kind of given up.

So that's what we like. We hope we have more of them look to wind down and us some interesting companies that at like probably what way below what a private buyer would pay for it and way below what you could buy them in the private market.

So unless we can find things in the private market that are like outstanding investments at really attractive prices that can compete with what the public market can offer you, we'll probably avoid public for now—private for now and stick to our strategy.

But credit's definitely not. So we're not interested in taking that part of the market. And we're not interested in distressed companies either. We want cash flow generative companies with good management teams that are going to stick with us and want to be part of the future vehicle that we're building, which is Aimia.

Rob Byde

Thanks, Rhys. That's very clear. Thank you.

Rhys Summerton

Thanks.

Operator

Thank you. And your next question comes from Ben Elliott from RBC Dominion Securities. Please go ahead.

Ben Elliott — RBC Dominion Securities

Hi, Rhys. Thanks for taking my call.

Just following up on the capital allocation comments, understanding, I guess, acquisitions are the priority given your strategy and kind of scale objectives there. With Aimia trading at a meaningful discount to NAB, I guess, could you provide some colour on how you assess whether an acquisition will create more value per share than repurchasing your own stock? Like is there maybe a specific hurdle you could provide?

Rhys Summerton

Yeah. So the opportunity to make acquisitions is utilizing the cash. So then it's a question of buying more of Aimia, or by making an acquisition.

Now if you utilize the cash to buy more of Aimia, what are you getting? If you really take it to the extreme, you're getting Cortland and you're getting this big tax loss. So there's not a lot there operationally which is going to be able to allow you to scale up the business in future. So you have to think about that.

And then you think about like the costs of actually operating something like Aimia $6.5 million, $7 million a year of that—that's not salaries, but that is like the operating costs, audit fees, regulatory fees, compliance, directors, et cetera. So you need to have a certain size.

So the share buybacks you can use and utilize on the margins, but the real big things you want to do to utilize those tax losses eventually is to be able to make acquisitions that give you this cash flow-generating machine behind you that will then allow you to upstream cash to the HoldCo and then go forth and make acquisitions in the US and Canada. That's where you want to get to.

I don't think it's going to take us all that long to get there. We've got an amazing platform in place right now. We spent a year getting it in place, like selling Bozzetto, getting the listings done. So that's very—that's well set up.

I think the other point that you kind of maybe alluding to or the other rival, if you think of uses of capital allocation, it's the equity of Aimia. So you don't really want to be issuing equity in Aimia while it's trading at such a significant discount, even though what you're buying it might be very cheap as well.

So you kind of have to thread the needle on that to make sure that if there is anything that you buy and you have the option of converting it into Aimia equity, it has to be remarkably cheap before you do any transaction like that. And so it just makes the hurdle that much higher given how cheap Aimia is, or how the discount that Aimia trades at itself.

Ben Elliott

Excellent. Thank you.

Rhys Summerton

Thanks.

Operator

Thank you.

And your last question comes from Melker Samuelsson from Ennismore. Please go ahead.

Melker Samuelsson — Ennismore

Yes. Hello. Good day, guys. Two quick questions for me.

Firstly, I think on your disclosed takes for Foxtons and NWF, you're just shy of 10 percent or a little under 10 percent in each company. Could you maybe comment a little on how diversified you expect your portfolio to be in number of holdings?

And then secondly on your remarks just now with regards to equity, is it the intention of Aimia to shrink the discount to be able to use the stock as a currency to make further acquisitions? Or how do you view paying with currency or issuing shares further down the line? Thank you.

Rhys Summerton

Yeah. Thanks for those questions.

So the way this will work is that, over time, we will become more diversified. So if you think about it today, the only asset that Aimia really has, the only operating asset, if you like, is Cortland. So today, are we diversified? No, we've got a lot of concentration in kind of one asset, operating assets, and then we've got this cash and we've got the tax losses.

So the way I think about it is like three buckets of value. You've got the cash and the portfolio, you've got Cortland, put a value on that and you've got a value of the tax losses. So it's not all that diversified.

Let's say we add in two acquisitions in the next six months, that's outright acquisitions where we own companies a hundred percent, then we'll have three operating assets, so it's getting more diversified.

If you continue on that sort of vein, I would hope that by the end of next year, maybe into 2028 first quarter, I would hope that we have five or six operating assets within Aimia. And we want those companies to be upstreaming $100 million-plus a year into the Holdco of Aimia.

So it comes back to one of the earlier questions about utilizing the tax losses. As we get that machine going, cash flow starts coming through with the acquisitions we've made, yes, you're definitely more diverse. And that won't stop at five. Hopefully we can go on and make it numerous acquisitions into the future.

But each of those companies that we acquire, we think there's opportunity for them to make their own acquisitions. And so I sometimes describe Aimia as the serial acquirer of serial acquirers, because if you look at the companies that we are looking at acquiring and have bought stakes in, you can

just take Foxtons, for example. Foxtons is kind of a serial-acquirer model. It buys lettings books, should be buying more of them, but it's buying them and it continues to roll these up.

Now we see no reason why that should change. We think they should accelerate that process with us as one of the biggest shareholders. I think we can provide clear direction in that.

And what you want is, if we have five businesses or five platforms that we've acquired, they can each go and make their own acquisitions and expand. Another example is Cortland. Cortland is about to make an acquisition, a very small one, but there's a long runway for them to utilize their platform that we have.

So I think what you'll see with Aimia, what I would hope to achieve, is that we have a group of serial-acquisition vehicles within Aimia. They will then each be utilizing the capital to make further acquisitions and expand.

And when you pull that off, that's really when you get the Lollapalooza effect because you're not having to do all the work of finding the acquisitions. Your underlying investments are finding them themselves. So we're pretty excited about that strategy.

Second question that you had was on the share—using the equity. Yeah. So utilizing the equity can only happen if we can find things that are a better value than what Aimia is. And that's not an easy task. It's pretty difficult to find something where your hurdle rate is something more attractive than the discount that Aimia trades at.

So we will use it, but if we have a re-rating at some point in the valuation of Aimia, or we can find things that are even more attractive than Aimia, then we will look at that option.

Now sometimes you might need to use that option because the companies that we look at, their shareholders are not all that engaged. So in some cases you might have a situation where the company

might be a very old company and the shareholders might not even vote at an AGM. They might not really know what's happening within the company, or follow it closely. Now they don't really want to be taken out and get given cash. They might want to stay in, and using Aimia equity in that case might be a very attractive option. And we have got these three listings for us to utilize that option with.

I hope that answers your question.

Melker Samuelsson

Yeah. Very elaborate, yes. Thank you.

Operator

Thank you.

Joe Racanelli

We have a few more email questions that have come in.

With respect to Cortland, do you have any line of sight in volume growth?

Rhys Summerton

Steve, do you want to take that?

Steve Leonard

Yeah. I think we gave some indication of what we're seeing. The quarter we saw some positive results in one of the sectors, which was in the aquaculture. We're doing very well there. Not only in the quarter, but going out in terms of the order book, we're seeing very positive signs on aquaculture.

So we're expecting to see ... It's a little different. We don't measure on weight. We look at it in terms of volume of cage orders, and those numbers are increasing and we expect to have them increase going into '27 over '26 and over '25 where we hardly had any. So we're making good progress in that sector.

And as well, we're still developing and working on a thesis on the high-performance side, high-performance rope side. And that's developing with production basically moving to be concentrated in in India where we'll get the lower value cost on production.

So we're expecting to see volume growth going ... Q4 will be likely not be the same size as Q3. Q3 typically is the strongest quarter of the year. But we're expecting a good quarter in Q4, and then we're expecting to see positive signs going into '27.

Joe Racanelli

Okay. And to follow on on Cortland when we saw revenue growth of more than 21 percent, but operating income was marginal. Can you provide some colour in terms of how much of that revenue growth was through the surcharges versus the growth in the agriculture and defence sector?

Steve Leonard

Well, I think if you look at the ... There's a couple of challenges. I mean, the way we present the results under IFRS, but you saw a gross profit or gross margin growth, I think, just under $2 million in the quarter. That was a positive sign. So we're getting some leverage in the gross profit. That's because of the product mix and certain things that we're selling.

Now in SG&A, there was a bit of an offset relative to the freight costs, which are included in our SG&A line and are variable. And those have gone up. The freight costs have gone up just because of the price of oil and logistics container movements.

But yeah, it's there was—there's no denial. I think we highlighted that we had some of the revenue; 21 percent was significantly high. Part of that was, a good portion of it was tied to increases in price to offset the raw material prices and the freight prices we incurred.

Joe Racanelli

Good. Now, Rhys, you touched on some of the listing activities, but if you can just provide some specificity in terms of how you intend on using the listings from a strategic perspective.

Rhys Summerton

Yeah. I won't answer that at this point, but as soon as we have something to elaborate on, we will be able to speak to investors about that. So sorry, I—

Joe Racanelli

Okay.

Rhys Summerton

—won't answer that now.

Joe Racanelli

Okay. And now holding co costs for the year, or target is $7 million. How do you anticipate the new listings and the ongoing fees impacting that amount?

Steve Leonard

That outward-looking forecast at $7 million for the next 12 includes any of our secondary listing costs or any costs associated. We did call out the one-time or the initial cost that we incurred in the quarter, I think, just over $1 million, but those are not expected to recur and the $7 million going forward it's really closer, as Rhys said, $6.5 million, but we rounded it to $7 million is what we expect to be incurring in the next 12 months.

Joe Racanelli

Okay. And with respect to Clear Media, now that we've written down $8.3 million, how much is still on the balance sheet?

Steve Leonard

We have $4 million left on the balance sheet.

Joe Racanelli

And what triggered the write-down now?

Steve Leonard

As we said in the disclosure, there's been a dispute with the—with one of the—Clear Media, which is a bus shelter advertiser, advertises on bus shelters throughout China. And they have an ongoing dispute with one of their city landlords who they lease the shelters from. And that has had an effect on their business. And we took a position at this time to make an adjustment to our carrying value.

Joe Racanelli

Great. That's the last of our questions.

We thank everyone for joining us today. And as mentioned, if you do have any follow-on questions, or would like to just get some clarity on anything that we discussed, please reach out to me and we'd be happy to help.

That concludes our call. Thank you again, everyone.

Operator

Ladies and gentlemen, this concludes your conference call for today. We thank you very much for your participation, and you may now disconnect. Have a great day, everyone.