

AIMIA

Aimia

Q2 Presentation

August 13, 2024



Forward-looking and cautionary statements

This presentation contains statements that constitute “forward-looking information” within the meaning of Canadian securities laws (“forward-looking statements”), which are based upon Aimia’s current expectations, estimates, projections, assumptions and beliefs. All information that is not clearly historical in nature may constitute forward-looking statements. Forward-looking statements are typically identified by the use of terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would” and “should”, and similar terms and phrases, including references to assumptions.

Forward-looking statements in this presentation include, but are not limited to, Aimia’s future growth and value creation; Bozzetto’s momentum in 2024; Cortland growth opportunities; the monetization of Aimia’s other investments; Aimia’s accelerating efforts to return capital to shareholders in the 2nd half of 2024; Aimia’s options for value creations; Aimia’s corporate operating costs for 2024; Bozzetto and Cortland significant organic and accretive growth potential; monetize Aimia’s non-core assets in an expedited manner; Aimia’s potential change in the capital structure in order to support the return capital to shareholders; The adjusted EBITDA in 2024 for Aimia’s core businesses in the range of \$80 to \$85 million; Aimia’s corporate operating costs of approximately \$13 million in 2024; Aimia’s, Bozzetto and Cortland Adjusted EBITDA as well as the guidance for 2024; StarChem potential earnout; Bozzetto’s customer and cost synergies with StarChem. Continued strong demand for Bozzetto’s textile in 2024.

Forward-looking statements, by their nature, are based on assumptions and are subject to known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the forward-looking statement will not occur. The forward-looking statements in this presentation speak only as of the date hereof and reflect several material factors, expectations and assumptions. Undue reliance should not be placed on any predictions or forward-looking statements as these may be affected by, among other things, changing external events and general uncertainties of the business. A discussion of the material risks applicable to the Company can be found in Aimia’s current Management’s Discussion and Analysis and Annual Information Form, each of which have been or will be filed on SEDAR+ and can be accessed at www.sedarplus.ca. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Aimia disclaims any intention and assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

GAAP and Non-GAAP Financial Measures

GAAP FINANCIAL MEASURES

To measure performance, the Corporation uses and presents several financial measures in accordance with GAAP, including, but not limited to, gross profit (loss), operating income (loss), Earnings (loss) before income taxes, Net earnings (loss) and Earnings (Loss) by Common Share. Aimia's material accounting policy information is included in [Note 2](#) of the audited consolidated financial statements for the year ended December 31, 2023 dated March 25, 2024. Please refer to the [Critical Accounting Estimates](#) section for a discussion on the identified areas that are the most subject to judgments, inherently uncertain and which could change significantly in subsequent periods, as well as the [Change in Accounting Policies](#) section for the list of revised accounting standards and accounting policies adopted during the three and six months ended June 30, 2024 and their impacts on the consolidated financial statements.

NON- GAAP FINANCIAL MEASURES

Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to net earnings in measuring profitability, does not have a standardized meaning and is not directly comparable to similar measures used by other issuers. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows. A reconciliation to earnings (losses) before income taxes is provided.

Adjusted EBITDA is used by management to evaluate the performance of its Bozzetto, Cortland International and Holdings segments. Management believes Adjusted EBITDA assists investors in comparing Aimia's performance on a consistent basis excluding depreciation and amortization, impairment charges related to non-financial assets and share-based compensation, which are non-cash in nature and can vary significantly depending on accounting methods as well as non-operating factors such as historical cost. Aimia's management believe that the exclusion of business acquisition and/or disposal related expenses assists investors by excluding expenses that are not representative of the run-rate cost structure of its operations.

Adjusted EBITDA is operating income (loss) adjusted to exclude depreciation, amortization, impairment charges related to non-financial assets, cost of sales expense related to inventory fair value step up resulting from purchase price allocation, share-based compensation, costs related to the termination of the Paladin agreements, as well as transaction costs related to business acquisitions. For a reconciliation of Adjusted EBITDA to operating (loss), please refer to the [Bozzetto, Cortland International and Holdings Segmented Operating Results](#) sections of Aimia's Financial Statements and MD&A.

Today's presenters



Tom Finke
Executive Chairman



Steve Leonard
President & CFO

Key highlights and recent developments

- Q2 results sustained momentum since start of year
- Liquidity strengthened with \$32.9M PLM earn-out
- Formed Strategic Review Committee to fast-track the return of capital to shareholders
- Appointed Steve Leonard President & CFO
- Launched NCIB to buy up to 10% of public float
- Re-iterated guidance for 2024

Increased focus on unlocking shareholder value





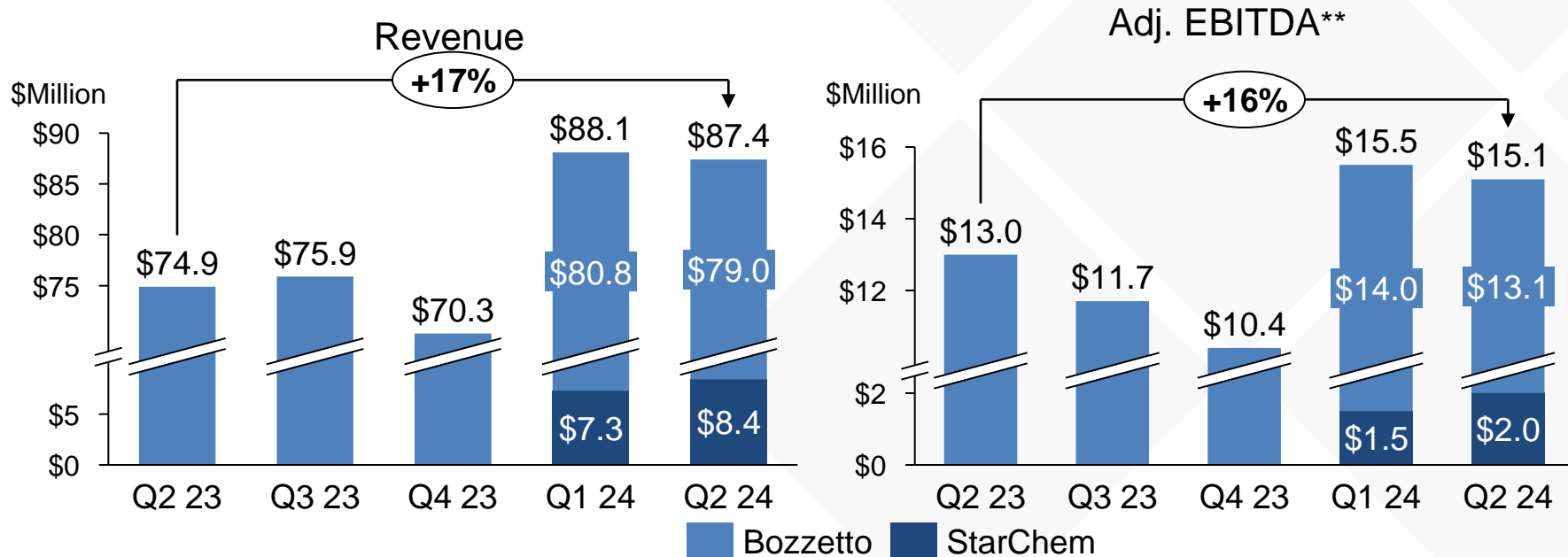
Financial & Operating Results

Consolidated financial highlights

\$ million except EPS	Q2 2024	Q1 2024
Revenue	\$122.4	\$122.1
Gross Profit	\$32.5	\$34.6
Gross Profit Margin	26.6%	28.3%
OPEX	\$38.5	\$35.0
Adjusted EBITDA*	\$12.3	\$6.7
Net earnings (loss)	(\$4.6)	(\$4.2)
Earnings per share (loss)	(\$0.10)	(\$0.09)

- Q2 sustained momentum set in Q1 2024
- Revenue driven by solid performances of core holdings
- Profit and profit margins impacted by macro-economic headwinds
- OPEX includes \$2.9M of shareholder activism costs
- Adjusted EBITDA* improvement driven by \$6.4M reduction in SG&A at Holdco

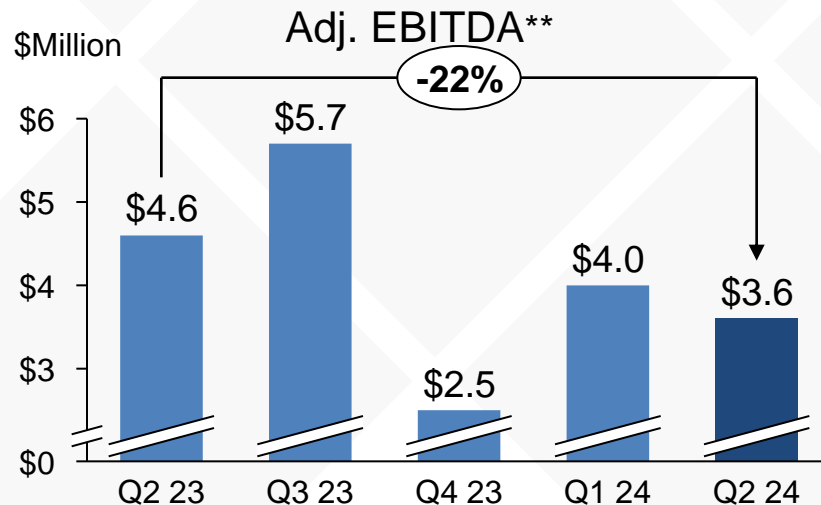
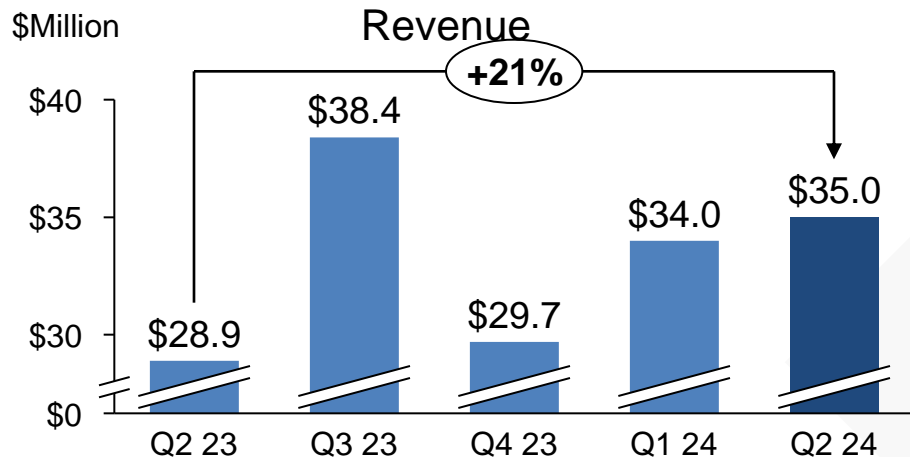
Bozzetto financial highlights*



- Q2 2024 customer demand impacted by persistent inflation

- StarChem continues to make strong contributions since its acquisition

Cortland International financial highlights*



- Q2 2024 improvement offset by shipping disruptions and delayed customer deliveries

- Q2 2024 results impacted by \$1.2M of business transformation initiative costs

- Benefits expected in coming periods

Highlights at non-core holdings

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- Continued progress on restructuring and cost-cutting initiatives
- Subsequent to quarter end sold Enterprise business unit

capital 

- \$13.3M worth of investments monetized in Q2
- Balance of 9.6M warrants remain

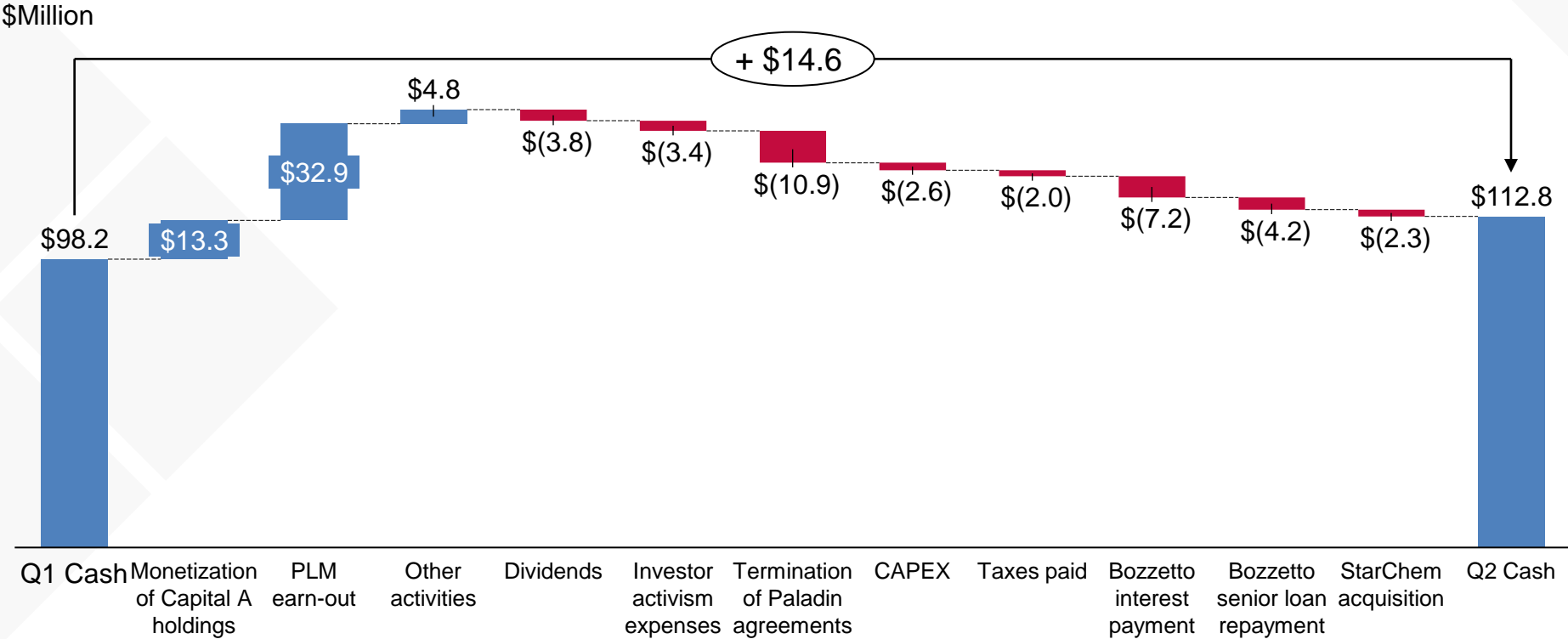
CLEAR MEDIA LIMITED

白馬戶外媒體有限公司 

- Slow recovery of China's economy continues to weigh on advertising market

Monetizing the value of non-core holdings is a priority

Consolidated cash waterfall through June 30*



*Represents major movements of Aimia's cash position in Q2 2024. Other activities include all other cash flow movements not otherwise noted, including cash flows from operations for Bozzetto and Cortland and Holdco costs.

Tracking against guidance

	Guidance for 2024*	YTD Results
Adjusted EBITDA at Bozzetto and Cortland	\$80 - \$85M	\$39.4M**
Holdco Costs	\$13M	\$6.8M***

- Adjusted EBITDA expected to be in the lower range of initial guidance
- Will monitor macro-economic developments closely

Aimia expects to meet the low-end of its guidance range

Updated valuation metrics

In millions

As at June 30, 2024

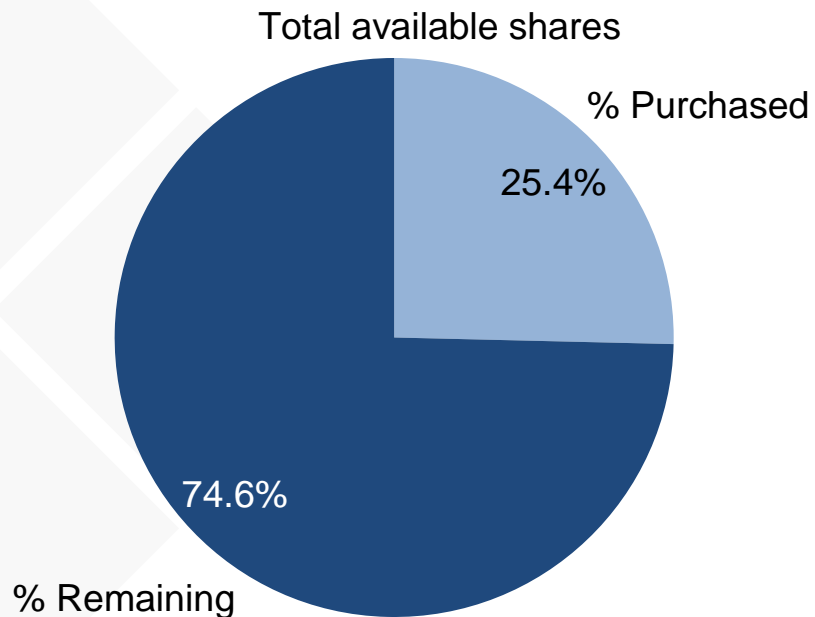
Cash & marketable securities	\$114.6
Market Capitalization	\$265.1
Preferred shares (Par value)	\$236.0
Tax losses carry forward	\$766.1
Common shares outstanding	98.2
Bozzetto TTM Adj. EBITDA**	\$52.7
Cortland TTM Adj. EBITDA**	\$15.8
Investments in non-core holdings	\$38.7
Tax deposit	\$32.9
Forecasted holdco costs	\$13.0

- Highlights to assist with modeling purposes
- Updated to reflect H1 results
- Number of preferred shares excludes NCIB
- \$80 - \$85M of adjusted EBITDA forecast for 2024 for Bozzetto and Cortland combined



Strategic developments

Update on share buyback



- NCIB launched June 6
- Received approval to purchase up to 10% of public float or 7,009,622 common shares
- Purchased approximately 25% of available shares* to date, including 1.3M block
- Will continue to be opportunistic with purchases through end of NCIB in 2025

Strategic review committee

- Committee formed in July following AGM
- Evaluating options to unlock value and return capital to shareholders
 - Potential sale of core holdings
 - Potential re-capitalization
 - Potential merger and tax loss utilization
- Selection of financial advisor expected in coming weeks

Acceleration of activities anticipated in Q3



Summary

- Started H2 with strong momentum
- Re-iterated guidance for 2024
- Plans for value creation will be accelerated in Q3
- Updates on strategic review pending
 - Selection of financial advisors
 - Identification of options

On track to sustain H1 momentum through end of year





Questions?

AIMIA



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Appendix Non-GAAP Financial Measures

Reconciliation of Adjusted EBITDA

BOZZETTO

<i>(in millions of Canadian dollars)</i>	Q2 2024	Q1 2024	Q2 2023
Reconciliation of Adjusted EBITDA			
Operating income (loss)	4.7	9.7	(6.8)
Depreciation and amortization	5.3	5.1	2.9
Cost related to the termination of Paladin agreements	4.9	—	—
Transaction related costs	0.2	0.7	12.4
Adjusted EBITDA	15.1	15.5	8.5
Adjusted EBITDA margin	17.3%	17.6%	18.5%

Reconciliation of Adjusted EBITDA

CORTLAND INTERNATIONAL

(in millions of Canadian dollars)

	Q2 2024	Q1 2024	Q2 2023
Reconciliation of Adjusted EBITDA			
Operating income (loss)	(2.7)	0.8	1.3
Depreciation and amortization	2.9	3.0	2.3
Cost of sales expense related to inventory fair value step up resulting from purchase price allocation	—	—	0.7
Costs related to the termination of Paladin agreements	1.5	—	—
Transaction and transition related costs	1.9	0.2	0.3
Adjusted EBITDA	3.6	4.0	4.6
Adjusted EBITDA margin	10.3%	11.8%	15.9%

Reconciliation of Adjusted EBITDA

HOLDINGS

<i>(in millions of Canadian dollars)</i>	Q2 2024	Q1 2024	Q2 2023
Reconciliation of Adjusted EBITDA			
Operating income (loss)	(8.0)	(10.9)	(7.2)
Share-based compensation	0.8	(1.9)	(0.4)
Cost related to the termination of Paladin agreements	0.8	—	—
Adjusted EBITDA	(6.4)	(12.8)	(7.6)

Reconciliation of HoldCo costs

	Six Months Ended June 30
	2024
Holdings segment Selling, general and administrative expenses	18.9
Shareholders activism related expenses	(9.8)
Share-based compensation (expense) reversal	1.1
Separation payments related management changes	(1.6)
Costs related to the termination of Paladin agreements	(0.8)
MIM wind-down expenses	(0.4)
Other one-time professional fees	(0.6)
Holdco Costs	6.8