AIMIA

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

MANAGEMENT'S REPORT

The accompanying consolidated financial statements of Aimia Inc. are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, which are International Financial Reporting Standards ("IFRS"). The consolidated financial statements include some amounts and assumptions based on management's best estimates which have been derived with careful judgment.

In fulfilling its responsibilities, management of the corporation has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the financial statements. The Board of Directors reviews and approves the corporation's consolidated financial statements.

March 29, 2022

(signed) "Philip Mittleman"	*(signed) "Steven Leonard"*
PHILIP MITTLEMAN	STEVEN LEONARD
Chief Executive Officer	Chief Financial Officer

Independent auditor's report

To the Shareholders of Aimia Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Aimia Inc. and its subsidiary (together, the Corporation) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Corporation's consolidated financial statements comprise:

- the consolidated statements of operations for the years ended December 31, 2021 and 2020;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of the indirect investment in Clear Media Limited *Refer to note 2 – Summary of significant accounting policies and note 3 – Financial instruments to the consolidated financial statements.* The Corporation has an indirect equity investment of $68.3 million in Clear Media Limited (Clear Media) as at December 31, 2021 that is measured at fair value through profit or loss. This investment represents a 10.85% ownership interest in Clear Media. As at December 31, 2021, management determined a fair value estimate for the investment in Clear Media using a market approach model derived using an Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) multiple, which requires the use of significant management judgement. The market approach model includes key assumptions related to the expected recovery period to historical profitability, the EBITDA multiple and the discount rate. We considered this a key audit matter due to the significant judgement applied by management in determining the fair value estimate of the investment in Clear Media, including the development of key assumptions. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the key assumptions used by management. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the fair value estimate of the investment in Clear Media, which included the following: – Tested the underlying data used by management in the market approach model. – Evaluated the reasonableness of the expected recovery period to historical profitability, by considering Clear Media's current and past performance and publicly available information on Clear Media's markets. – Professionals with specialized skill and knowledge in the field of valuation assisted in: ○ Evaluating the appropriateness of the market approach model prepared by management and testing the mathematical accuracy thereof. ○ Evaluating the reasonableness of the EBITDA multiple and the discount rate used in the market approach model.

Key audit matter	How our audit addressed the key audit matter
Impairment testing of the equity-accounted investment in Kognitiv Corporation *Refer to note 2 – Summary of significant accounting policies and note 4 – Equity-accounted investments to the consolidated financial statements.* As at December 31, 2021, the carrying amount of the equity-accounted investment in Kognitiv Corporation (Kognitiv) amounted to $47.3 million. The carrying amount of equity-accounted investments is reviewed at each reporting date to determine whether there is any indication that the investment may be impaired. If any such indication exists, then the investment's recoverable value is estimated. The emergence of new COVID-19 variants, extension of travel restrictions and restructuring activities following the sale of its Intelligent Shopper Solutions business in March 2021 (ISS transaction) resulted in additional delays in the execution of Kognitiv's business plan. Consequently, these delays to the business plan, which have pushed out the achievement of profitability further, are considered to be an indication that Kognitiv's carrying amount might have been impaired and thus management tested the investment for impairment. Based on the results of the impairment test, the carrying amount of the Kognitiv investment was determined to be lower than its recoverable value and therefore, no impairment has been recorded.	Our approach to addressing the matter included the following procedures, among others: • Tested how management estimated the recoverable value of the equity-accounted investment in Kognitiv, which included the following: – Tested the underlying data used by management in the market approach model. – Evaluated the reasonableness of the revenue growth rate by comparing it to results historically achieved by the Corporation and strategic plans approved by the Board of Directors of Kognitiv. – Professionals with specialized skill and knowledge in the field of valuation assisted in: ○ Evaluating the appropriateness of the market approach model prepared by management and testing the mathematical accuracy thereof. ○ Evaluating the reasonableness of the forecasted revenue multiple range used in the market approach model by comparing it to the implied revenue multiples from transactions involving similar companies.

Key audit matter	How our audit addressed the key audit matter
The recoverable value was determined using a market approach using multiples of projected revenues. For the market approach model, management determined key assumptions related to the revenue growth rate and forecasted revenues multiple range. We considered this a key audit matter due to the significant judgment applied by management in estimating the recoverable value of the investment in Kognitiv, including the development of key assumptions. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the key assumptions used by management. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

pwc

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Mario Longpré.

PricewaterhouseCoopers LLP[1]

Montréal, Quebec
March 29, 2022

[1] CPA auditor, CA, public accountancy permit No. A123498

AIMIA

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of Canadian dollars, except share and per share amounts)		Years Ended December 31, 2021	2020
Income			
Share of net income (loss) of equity-accounted investments	Note 4	**$ (10.2)**	$ 1.4
Net change in fair value of investments	Note 3	**11.9**	9.5
Interest, dividend and other investment income	Note 5	**1.6**	2.5
Revenue from investment management fees	Note 6	**2.4**	0.9
Gain on disposal of equity-accounted investments	Note 4	**6.9**	—
		12.6	14.3
Expenses			
Compensation and benefits	Note 7	**16.4**	11.3
Professional, advisory and service fees		**4.4**	6.5
Insurance, technology and other office expenses		**3.5**	3.9
Fair value loss on contingent consideration	Note 21	**0.8**	0.9
Other financial expense (income), net		**(0.3)**	0.9
Depreciation and amortization	Note 10	**0.7**	1.0
		25.5	24.5
Decrease in limited partners' capital liability	Note 23	**0.8**	—
Loss before income taxes		**(12.1)**	(10.2)
Income tax expense			
Current	Note 13	**(5.0)**	(4.9)
		(5.0)	(4.9)
Net loss from continuing operations		**(17.1)**	(15.1)
Net earnings from discontinued operations	Note 22	**0.7**	11.0
Net loss		**$ (16.4)**	$ (4.1)
Weighted average number of shares	Note 8	**90,922,527**	93,067,109
Earnings (loss) per common share			
Continuing operations - Basic and fully diluted	Note 8	**$ (0.33)**	$ (0.30)
Discontinued operations - Basic and fully diluted	Note 8	**0.01**	0.12
		$ (0.32)	$ (0.18)

The accompanying notes are an integral part of these consolidated financial statements.

AIMIA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of Canadian dollars)		Years Ended December 31, 2021	2020
Net loss		**$ (16.4)**	$ (4.1)
Other comprehensive income (loss):			
Items that may be reclassified subsequently to net earnings (loss)			
Foreign currency translation adjustments		**(0.2)**	(0.6)
Reclassification to net earnings of cumulative translation adjustments related to equity-accounted investments disposed of	Note 4	**0.6**	—
Reclassification to net earnings of cumulative translation adjustments related to businesses disposed of	Note 22	**—**	21.6
Share of other comprehensive income of equity-accounted investments	Note 4	**1.3**	—
Items that will not be reclassified subsequently to net earnings (loss)			
Defined benefit plans actuarial losses, net of tax		**—**	(0.3)
Other comprehensive income		**1.7**	20.7
Comprehensive income (loss)		**$ (14.7)**	$ 16.6
Comprehensive income (loss):			
Continuing operations		**(15.4)**	(15.4)
Discontinued operations		**0.7**	32.0
		$ (14.7)	$ 16.6

AIMIA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at *(in millions of Canadian dollars)*		December 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	Note 2	**$ 34.8**	$ 146.1
Restricted cash	Note 22	**1.8**	0.5
Investments in marketable securities	Note 3	**77.5**	18.7
Income taxes receivable		**0.9**	3.1
Accounts receivable	Note 9	**0.9**	4.0
Prepaid expenses and deposits		**1.5**	1.5
Receivable from related party	Notes 19 & 22	**—**	4.6
		117.4	178.5
Non-Current assets			
Investments in private companies and other financial instruments	Note 3	**171.9**	72.4
Equity-accounted investments	Note 4	**95.3**	146.4
Customer Relationships	Notes 10 & 21	**1.1**	1.8
Goodwill	Notes 10 & 21	**11.0**	11.1
Other non-current assets	Note 20B	**34.3**	34.0
		$ 431.0	$ 444.2
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	Note 11	**$ 4.7**	$ 3.5
Accounts payable to related party	Note 19	**—**	0.9
Limited partners' capital liability	Notes 2 & 23	**5.4**	—
		10.1	4.4
Non-Current liabilities			
Other non-current liabilities	Note 12	**16.9**	8.5
		27.0	12.9
Total equity	Note 16	**404.0**	431.3
		$ 431.0	$ 444.2
Contingencies and commitments	Notes 14 & 17		

Approved by the Board of Directors

(signed) Karen Basian
Karen Basian
Director

(signed) Jordan G. Teramo
Jordan G. Teramo
Director

AIMIA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2020 and 2021		Common shares outstanding	Share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Contributed surplus	Total equity
(In millions of Canadian dollars, except share amounts)							
Balance, December 31, 2019		93,848,235	$ 231.7	$ (2,083.7)	$ 9.8	$ 2,277.8	$ 435.6
Total comprehensive income (loss)							
Net loss				(4.1)			(4.1)
Other comprehensive income (loss):							
Foreign currency translation adjustments					(0.6)		(0.6)
Reclassification to net earnings of foreign currency differences	Note 22				21.6		21.6
Defined benefit plans actuarial losses, net of tax				(0.3)			(0.3)
Total comprehensive income (loss)		—	—	(4.4)	21.0	—	16.6
Transactions with owners, recorded directly in equity							
Common shares issued - business acquisition	Note 21	3,072,628	4.4				4.4
Common shares repurchased	Note 16	(4,432,651)	(0.2)			(14.4)	(14.6)
Dividends	Note 15			(12.7)			(12.7)
Contingent common shares to be issued	Note 21					1.9	1.9
Accretion related to stock-based compensation plans						0.1	0.1
Total contributions by and distributions to owners		(1,360,023)	4.2	(12.7)	—	(12.4)	(20.9)
Balance, December 31, 2020		92,488,212	$ 235.9	$ (2,100.8)	$ 30.8	$ 2,265.4	$ 431.3
Balance, December 31, 2020		**92,488,212**	**$ 235.9**	**$ (2,100.8)**	**$ 30.8**	**$ 2,265.4**	**$ 431.3**
Total comprehensive income (loss)							
Net loss				**(16.4)**			**(16.4)**
Other comprehensive income (loss):							
Foreign currency translation adjustments					**(0.2)**		**(0.2)**
Reclassification to net earnings of cumulative translation adjustments related to equity-accounted investments disposed of	Note 4				**0.6**		**0.6**
Share of other comprehensive income of equity-accounted investments	Note 4				**1.3**		**1.3**
Total comprehensive income (loss)		**—**	**—**	**(16.4)**	**1.7**	**—**	**(14.7)**
Transactions with owners, recorded directly in equity							
Dividends	Note 15			**(12.6)**			**(12.6)**
Total contributions by and distributions to owners		**—**	**—**	**(12.6)**	**—**	**—**	**(12.6)**
Balance, December 31, 2021		**92,488,212**	**$ 235.9**	**$ (2,129.8)**	**$ 32.5**	**$ 2,265.4**	**$ 404.0**

The accompanying notes are an integral part of these consolidated financial statements.

AIMIA

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)		Years Ended December 31, 2021	2020
CASH FLOWS FROM (USED IN)			
Operating activities			
Net loss		$ **(16.4)**	$ (4.1)
Adjustments for:			
Depreciation and amortization		**0.7**	2.9
Share-based compensation and other performance awards	Note 16B	**7.3**	2.2
Share of net (earnings) loss of equity-accounted investments		**10.2**	(2.0)
Net financial income		**(1.9)**	(1.3)
Income tax expense		**4.8**	8.0
Net change in fair value of investments in equity instruments		**(11.9)**	(9.5)
Fair value loss on contingent consideration		**0.8**	0.9
Gain on disposal of businesses and other assets	Note 22	**—**	(13.3)
Gain on disposal of equity-accounted investments		**(6.9)**	—
Changes in Limited Partners' Capital Liability		**(0.8)**	—
Changes in operating assets and liabilities	Note 20A	**3.7**	(14.7)
Other		**0.1**	(0.6)
		6.1	(27.4)
Cash used in operating activities before the following items:		**(10.3)**	(31.5)
Distributions received from equity-accounted investments	Note 4	**26.4**	19.1
Proceeds from disposal of marketable securities held for trading		**45.2**	58.8
Purchases of marketable securities held for trading		**(38.1)**	(61.1)
Interest and dividend received		**0.8**	3.0
Interest paid		**—**	(0.3)
Income taxes paid		**(2.6)**	(20.0)
Net cash from (used in) operating activities	Note 22	**21.4**	(32.0)
Investing activities			
Business acquisitions, net of cash acquired	Note 21	**—**	(6.5)
Net proceeds from (payments for) the disposal of businesses and other assets, net of cash disposed	Note 22	**4.3**	(35.6)
Purchase of investments in marketable securities, private companies and other financial instruments	Note 3	**(118.2)**	(79.8)
Investment in investment funds	Notes 3 & 23	**(5.0)**	—
Proceeds from disposal of corporate and government bonds		**—**	154.6
Restricted cash		**—**	73.8
Cash held in escrow		**—**	2.3
Net cash from (used in) investing activities		**(118.9)**	108.8
Financing activities			
Preferred dividends	Note 15	**(12.6)**	(12.7)
Repurchase of common shares	Note 16	**—**	(14.8)
Principal elements of lease payments		**—**	(0.7)
Net cash used in financing activities		**(12.6)**	(28.2)
Net change in cash and cash equivalents		**(110.1)**	48.6
Translation adjustment related to cash		**(1.2)**	(1.1)
Cash and cash equivalents, beginning of period		**146.1**	98.6
Cash and cash equivalents, end of period		**34.8**	146.1

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

THESE FINANCIAL STATEMENTS CONTAIN THE FOLLOWING NOTES:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

1. STRUCTURE OF THE CORPORATION

Aimia Inc. (“Aimia” or the “Corporation”) was incorporated on May 5, 2008 under the *Canada Business Corporations Act*. The registered and head office of Aimia is located at 176 Yonge Street, 6th floor, Toronto, Ontario, M5C 2L7.

The Corporation is a holding company with a focus on making long-term investments in public and private companies, on a global basis, through controlling or minority stakes.

The company owns a portfolio of investments which include: a 48.9% equity stake in PLM Premier, S.A.P.I. de C.V., owner and operator of Club Premier, a Mexican coalition loyalty program, a 10.85% stake in Clear Media Limited, an outdoor advertising firm in China, a 48.9% equity stake in Kognitiv Corporation ("Kognitiv"), a B2B technology company enabling collaborative commerce, a 12.2% equity stake in TRADE X, a global B2B cross-border automotive trading platform as well as a wholly owned investment advisory business, Mittleman Investment Management, LLC.

Discontinued Operations (Note 22)

Discontinued operations include the results of Aimia's former Loyalty Solutions segment until June 18, 2020, the date of the closing of the transaction with Kognitiv.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and by all Aimia entities.

These consolidated financial statements were authorized for issue by the Corporation’s Board of Directors on March 29, 2022.

Impact of COVID-19 on the consolidated financial statements

Over the past years, we have seen the impact that the COVID-19 pandemic is having on human health, the global economy and associated government measures to curb the spread of the virus, which includes varying degrees of self-quarantine and border closures. Aimia has been addressing the COVID-19 situation, working to mitigate the potential impacts on its employees and business. Aimia has the ability to perform its activities as a holding company by working remotely without significant disruption.

However, the pandemic is impacting the operations of certain of our investments or their partners to various degrees, which are detailed below.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

i. PLM Coalition Program

The PLM coalition program has been impacted by COVID-19. The most significant impact has been on Aeromexico, the airline partner of PLM due to unprecedented border closures and travel restrictions. As the activities of Aeromexico are reduced, the cash inflows of PLM are reduced given lower points accumulation by the program members who accumulate on Aeromexico flights. In addition, the pandemic has impacted businesses and consumers credit card spending which has adversely impacted cash inflows of the program. Partially offsetting these impacts are lower cash outflows due to a significant reduction in points redemption by the program members with respect to airline rewards and cost cutting initiatives put in place by PLM to mitigate the lower levels of operating margins generated.

On June 30, 2020, Aeromexico commenced proceedings under Chapter 11 of the United States Bankruptcy Code ("Chapter 11") to implement a court supervised financial restructuring, while continuing to serve its customers. As a result of this financial restructuring, a $15.4 million (US$11.5 million) expected credit loss provision has been recorded in the results of PLM related to certain unsecured receivables from Aeromexico in the twelve months ended December 31, 2020, which impacted Aimia's share of net earnings from PLM for that period.

In October 2020, the United States Bankruptcy Court approved on a final basis Aeromexico’s Debtor-in-possession ("DIP") financing facility for up to US$1.0 billion, consisting of a senior secured Tranche 1 facility of US$200.0 million, and a senior secured Tranche 2 facility of US$800.0 million. In addition, the airline has since renegotiated terms with its suppliers, including aircraft lessors, and with its unionized labor forces to improve its cost structure and liquidity.

In October 2021, Aeromexico announced that it filed, together with its subsidiaries that are debtors in the company’s Chapter 11 voluntary financial restructuring process, the Joint Plan of Reorganization (the “Plan”), a disclosure statement related to the Plan and a motion to approve solicitation procedures with respect to the Plan. The Plan includes the formal assumption of various agreements with PLM, including the commercial agreement (CPSA) between Aeromexico and PLM signed in June 2020 (*Note 4*).

In January 2022, Aeromexico announced that approximately 86% in votes were submitted in favor the Plan. On January 28, 2022, Aeromexico announced that the Bankruptcy Court formally had confirmed the Plan. On March 17, 2022, Aeromexico announced it has successfully completed its financial restructuring process, including the substantial consummation of its Plan, and emerged from its Chapter 11 process.

As long as Aeromexico operates in a challenging environment due to COVID-19, Aimia anticipates reduced cash flows and net earnings for PLM compared to pre-pandemic levels as a result of the reduced air travel demand and capacity of Aeromexico.

PLM's carrying amount as of December 31, 2021 is $48.0 million. On February 8, 2022, Aimia announced that it had entered into a binding letter of intent (the “Binding LOI”) with PLM and Grupo Aeromexico, S.A.B. de C.V. and Aerovías de México, S.A. de C.V. (collectively, “Aeromexico”) to divest the company’s 48.9% equity stake in PLM upon which PLM will become a wholly-owned subsidiary of Aeromexico.

The parties to the Binding LOI will prepare and execute one or more definitive agreements for the transaction reflecting the terms and conditions of the Binding LOI (the “Definitive Agreement”), which Definitive Agreement will include customary representations and warranties, indemnity provisions and closing conditions, including, among others, consummation of the Debtor’s Plan on its effective date and approval by Mexican antitrust authorities.

Upon closing of the transaction, Aimia will receive approximately $492.0 million (US$386.0 million) in net cash proceeds, subject to certain adjustments to be made at closing pursuant to the Binding LOI and Definitive Agreement. In addition, an earn-out in an amount of approximately $25.0 million (US$19.3 million) on a net basis, is payable to Aimia in cash should the PLM loyalty program achieve certain targeted annual gross billings amounts by 2024, subject to certain adjustments pursuant to the Binding LOI and the Definitive Agreement.

ii. Kognitiv

Kognitiv's services provided to the travel and hospitality industries have been impacted by the travel restrictions and border closures. The emergence of new COVID-19 variants, extension of travel restrictions and restructuring activities following the ISS transaction caused additional delays in the execution of Kognitiv's business plan. Aimia tested the investment for impairment during the year ended December 31, 2021, as these delays to the business plan, which have pushed out the achievement of profitability further, are considered to be an indication that Kognitiv's carrying amount might have been impaired. Based on the results of the impairment test then performed, the carrying amount of the Kognitiv investment was determined to be lower than its recoverable value and therefore, no impairment was recorded. Refer to *Note 4* for more details.

iii. Clear Media

Clear Media's revenues began to decline substantially in February 2020 amid the outbreak of COVID-19 which further slowed China's economic growth, negatively impacted customers' advertising spend and reduced demand for advertising space. In its March 17, 2021 Annual Results Announcement, Clear Media indicated that its revenue bottomed in March 2020 (prior to Aimia's investment in Clear Media) and that its revenue had been recovering in the second quarter of 2020. Clear Media's revenue continued their recovery in the second half of 2020 as well. Total revenue in the fourth quarter of 2020 also slightly exceeded the level of the same period in the prior year. In 2021, Clear Media's revenue increased by 22% for the full year over 2020, indicating continued recovery from the March 2020 level. The investment in Clear Media is recorded at fair value at each reporting period. The assumptions and estimates used in the valuation of Clear Media are described in *Note 3*.

Aimia continues to monitor the COVID-19 impacts on its investments closely.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following balance sheet items:

- Investment in marketable securities, private companies and other financial instruments are measured at fair value (*Note 3*);
- Liabilities for cash-settled share-based payment arrangements are measured at fair value (*Note 12*);
- Contingent consideration related to business acquisition is measured at fair value (*Note 21*).

(c) Presentation Currency

These consolidated financial statements are expressed in Canadian Dollars.

(d) Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported as assets, liabilities, income and expenses in the financial statements. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which they occur and in any future periods affected. Information about assumptions, judgements and estimation with a significant risk of resulting in material adjustments within the next year are included within the following notes:

- Impact of COVID-19 on the value of certain of Aimia's investments. Refer to section (*Note 2(a)*) above;
- Measurement of the fair value of the investment in Clear Media and TRADE X, which include significant unobservable inputs. These inputs are detailed in *Note 3*;
- Measurement of the recoverable value of the investment in Kognitiv, which include significant unobservable inputs. These inputs are detailed in *Note 4*;
- Income Taxes *(Notes 2, 13 & 20B)*;
- Contingent Liabilities *(Note 14).*

PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are entities over which the Corporation has control. The Corporation controls an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries' financial statements are included in the consolidated financial statements from the date of commencement of control until the date that control ceases. Subsidiaries' accounting policies have been changed, when necessary, to align with the policies adopted by Aimia.

These consolidated financial statements include the accounts of the Corporation and the accounts of its subsidiaries. All inter-company balances and transactions have been eliminated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

The Corporation had the following significant subsidiaries at December 31, 2021:

Name	Nature of business	Country of incorporation and place of business	Proportion of ownership held directly by Aimia Inc. (%)	Proportion of ownership by the group (%)
Aimia Holdings UK Limited	Holding company	United Kingdom	100	
Aimia Holdings UK II Limited	Holding company	United Kingdom	100	
Aimia Holdings US Inc.	Holding company	United States	100	
City Lead II Developments Limited [(a)]	Holding company	Cayman Islands	100	
Mittleman Investment Management	Investment Management	United States		100
Precog Capital Partners, L.P. [(b)]	Investment Fund	United States		81

(a) City Lead II Developments Limited is the holding company that was created as part of the Clear Media privatization (*Note 3*).

(b) The 81% ownership represents Aimia's capital portion over the total limited partners capital in Precog Capital Partners L.P. as of December 31, 2021. The limited partners capital that is not owned by Aimia is reported on the statement of financial position as "Limited partners capital liability". Precog's general partner and investment manager is Mittleman Investment Management, a wholly-owned subsidiary of the Corporation.

Limited Partners Capital liability (Note 23)

The Limited Partners' Capital liability represents the capital in Precog Capital Partners, L.P. that is not owned by the Corporation. Following twelve months after a partner's admission to the partnership, such partner can withdraw, at the end of any calendar month, any amount equal to or less than 50% of the partner's capital account balance. Three months later, such partner can withdraw the remainder of the partner's capital account balance. A notice period of 60 days must be given before any withdrawal.

Investments in Associates and Joint Arrangements (Note 4)

Associates are entities over which the Corporation has significant influence. Joint arrangements are entities over which the Corporation has joint control and are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The Corporation's investment includes goodwill identified on acquisition. The consolidated financial statements include the Corporation's share of the income and expenses, other comprehensive income and certain equity movements of equity-accounted investees, after aligning with the accounting policies of the Corporation, from the date that joint control or significant influence commences until the date that joint control or significant influence ceases. For equity-settled share-based compensation issued by equity-accounted investees to its own employees, Aimia records its share of the investee’s share-based compensation expense as part of its share of the investee’s profit or loss but does not account for a share in the credit to shareholders’ equity recognized by the investee.

When the Corporation's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the investee.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

When the Corporation contributes a controlled business to a joint venture or associate or, when it loses control over a business but retains a significant influence in the investment either as a joint venture or associate, the Corporation recognizes a full gain under the IFRS 10 - *Consolidated Financial Statements* approach. IFRS 10 requires the retained interest in an associate or joint venture to be measured at fair value, with the full disposal gain recognized in the income statement. The Corporation recorded the gain on the Kognitiv investment using this approach (*Note 22*).

The Corporation had the following investments in associates and joint arrangements at December 31, 2021:

Name	Nature of business	Nature of investment	Reporting segment	Country of incorporation and place of business	% of ownership interest	Measurement method
PLM Premier, S.A.P.I. de C.V. (“PLM”)	Coalition Loyalty	Joint venture	Holdings	Mexico	48.9	Equity
Kognitiv Corporation ("Kognitiv")	B2B Technology	Associate	Holdings	Canada (worldwide operations)	48.9	Equity

REVENUE RECOGNITION

Investment Management

Through MIM, Aimia derives investment management fees providing discretionary portfolio management to institutional and high-net-worth investors. Management fees are calculated based on a percentage of assets under management and are usually payable quarterly. Aimia recognizes this revenue on an over time basis, as the services are provided.

Discontinued operations - Loyalty Services (Note 22)

Aimia derived loyalty services fees by providing clients with loyalty platforms, loyalty strategy, program design, implementation, campaign, data analytics and insights, customers segmentation and rewards fulfillment. These loyalty services often involved deliveries of multiple services and products (our performance obligations) that occur at different points in time and/or over different periods of time. As those performance obligations are often customized to our clients' needs, specific transaction prices were determined for each of the performance obligations. The Corporation considered that the setup and implementation activities, licenses granting access to clients to its platforms and other loyalty services are separate performance obligations from one another. Setup and implementation activities were recognized on a point in time basis, upon completion and client acceptance. Platforms licensing revenues were recognized over time based on the length of the contract. Aimia determined that it acted as an agent when rendering certain rewards fulfillment services. Therefore, the direct costs associated to these services, which were paid to external suppliers and recharged directly to clients, were recorded as a reduction to revenue, with only the margin being recognized as revenue.

Discontinued operations - Loyalty Units (Note 22)

Aimia also derived its cash inflows from the sale of “Loyalty Units”, which were defined as the miles, points or other loyalty program reward units issued under the respective programs owned and operated by Aimia's subsidiaries, to their respective Accumulation Partners, which are referred to as Gross Billings. These Gross Billings were deferred and recognized as revenue upon the redemption of Loyalty Units. The amount of revenue recognized related to

Breakage (estimated Loyalty Units that are not expected to be redeemed by members) was based on the number of Loyalty Units redeemed in a period in relation to the total number expected to be redeemed.

Cost of rewards representing the amount paid by Aimia to Redemption Partners was accrued when the member redeems the Loyalty Units. For the Air Miles Middle East program, Aimia determined that it acted as an agent in the delivery of the reward to the member. As such, the expense charged by the supplier was reclassified from the deferred revenue to offset the cost of rewards, with only the margin being recognized as revenue.

EMPLOYEE FUTURE BENEFITS

Defined Contribution

Substantially all Aimia employees participate in the Corporation's defined contribution pension plans, which provide pension benefits based on the accumulated contributions and fund earnings. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in earnings in the periods during which services are rendered by employees.

Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Corporation has a present legal or constructive obligation to pay such an amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Termination Benefits

Termination benefits are generally payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary separation in exchange for these benefits.

The Corporation recognizes termination benefits at the earlier of the following dates: (a) when the Corporation can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 - *Provisions, contingent liabilities and contingent assets,* and involves the payment of termination benefits.

INCOME TAXES

Income tax expense includes current and deferred tax and is recognized in earnings except to the extent that it relates to a business combination, or to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Aimia provides for deferred income taxes using the liability method of tax allocation. Under this method, deferred income tax assets and liabilities are determined based on deductible or taxable temporary differences between the financial statement carrying values and the tax base of assets and liabilities, using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

GOVERNMENT ASSISTANCE

Discontinued operations - Research and development tax credits

Research and development tax credits received and receivable from governments were accounted for as government assistance and were recognized by the Corporation when there was a reasonable assurance that the entity would comply with relevant conditions and that the tax credits would be received. The tax credits were recognized as a reduction of the related expense or cost of the asset acquired that they were intended to compensate. For the year ended December 31, 2021, the Corporation recognized $0.5 million of tax credits associated with the Loyalty Solutions business contributed to Kognitiv (2020: $2.4 million).

FOREIGN CURRENCY TRANSACTIONS

Monetary assets and liabilities denominated in foreign currencies are translated into each of Aimia's entities' functional currency at rates of exchange in effect at the date of the consolidated statement of financial position. Gains and losses are included in other financial expense on the consolidated statements of operations. Non-monetary assets, non-monetary liabilities, revenues and expenses arising from transactions denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction.

FOREIGN OPERATIONS

Most of Aimia's foreign operations have a functional currency different from the presentation currency. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the rates of exchange prevailing at the consolidated statement of financial position date. Revenues and expenses are translated at the average rates for the year. Translation gains or losses are recognized in other comprehensive income and included in accumulated other comprehensive income.

When a foreign operation is disposed of, the relevant amount in the cumulative amount of foreign currency translation adjustments is transferred to earnings as part of the profit or loss on disposal. On the partial disposal of a subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the cumulative amount of foreign currency translation adjustments.

FINANCIAL INSTRUMENTS

Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognized when they are originated. Regular way purchases of equity instruments are recognized using the settlement date, which is the date that the equity instruments are delivered to the Corporation. All other financial assets and financial liabilities are initially recognized when the Corporation becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value thought profit and loss ("FVPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification

Aimia has classified its financial instruments as follows:

	Classification			
Financial instrument	Amortized cost	Fair value through profit and loss (“FVPL”)	Fair value through other comprehensive income (“FVOCI”) - debt	Fair value through other comprehensive income (“FVOCI”) - equity
Measured at amortized cost				
Cash and cash equivalents and restricted cash	X			
Accounts receivable and receivable from related party	X			
Limited partners' capital liability	X			
Accounts payable to related party	X			
Accounts payable and accrued liabilities	X			
Measured at fair value				
Investments in marketable securities		X		
Investments in private companies and other financial instruments [(a)]		X		
Contingent consideration payable		X		

(a) These investments are not subject to significant influence.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVPL. The classification of financial assets is based on an entity's business models and the financial asset's contractual cash flow characteristics. Business models are reassessed periodically and contractual cash flows characteristics are assessed to determine whether they are solely payments of principal and interest. Financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Corporation may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVPL. This includes all derivative financial assets. On initial recognition, the Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are classified as measured at amortized cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Presentation of investment in marketable securities

The Corporation's strategy is to focus on long-term investments in public and private companies, on a global basis, through controlling or minority stakes. The Corporation classifies its investments between current and non-current assets based on liquidity of the financial instruments. Therefore, the investments in public companies equity instruments not subject to significant influence are presented as investments in marketable securities on the consolidated statement of financial position and the associated cash flows are presented as investing activities, unless those investments are considered held for trading.

Investments in marketable securities are considered held for trading when:

- they are acquired or incurred principally for the purpose of selling them in the near term;
- on initial recognition, they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

The associated cash flows of investments in marketable securities that are held for trading are presented as operating activities in the statement of cash flows. Management designate investments in marketable securities as held for trading at initial recognition. All of the equity instruments held through Precog Capital Partners are considered held for trading.

Subsequent Measurement and Gains and Losses

Financial assets	
Amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
FVPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial liabilities	
Amortized cost	These liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
FVPL	These liabilities are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Derecognition

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Corporation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Corporation also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Corporation currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets (Including Receivables)

The Corporation recognizes an allowance for expected credit losses (“ECL”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a “12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a “lifetime ECL”).

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. Therefore, the Corporation does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Corporation consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

SHARE CAPITAL

Common shares and preferred shares that are not redeemable or are redeemable only at the Corporation's option are classified as equity. Incremental costs directly attributable to the issuance of common and preferred shares and share options are recognized as a deduction from equity, net of any tax effects.

Dividends payable by Aimia to its common and preferred shareholders, which are determined at the discretion of the Board of Directors and in accordance with the terms of each series of preferred shares (*Notes 15 & 16*), are recorded when declared. Dividends on common and preferred shares are recognized as distributions within consolidated statement of changes in equity.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from share capital for the shares' assigned value, any excess being allocated to contributed surplus to the extent that contributed surplus was created by a net excess of proceeds over cost on cancellation or resale of shares of the same class, and any discount being assigned to contributed surplus. Repurchased shares are cancelled.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds in current operating bank accounts, term deposits and fixed income securities with an original term to maturity of three months or less. The weighted average effective interest rate earned on cash and cash equivalents held at December 31, 2021 was 0.4% (2020: 0.7%). At December 31, 2021 and 2020, cash and cash equivalents consisted of funds in current operating bank accounts.

RESTRICTED CASH

As of December 31, 2021, restricted cash represents security in the form of cash collateral related to certain specified contracts related to the Loyalty Solutions business that were contributed into Kognitiv on June 18, 2020 (*Note 22*) as well as cash in trust related to a former retirement compensation arrangement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

CUSTOMER RELATIONSHIPS

Customer relationships and other intangibles are considered long-lived assets with finite lives.

Customer relationships are recorded at cost less accumulated impairment losses and are amortized using the straight-line method over their estimated lives, typically 5 - 25 years.

The weighted-average remaining amortization period of customer relationships is 9.5 years as at December 31, 2021. The amortization period reflects estimates based on historical attrition for similar customer relationships.

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Aimia's share of the net identifiable assets of the acquired subsidiary at the date of acquisition and it is measured net of accumulated impairment losses. Goodwill is not amortized, but instead tested for impairment annually, or more frequently, should events or changes in circumstances indicate that the goodwill may be impaired.

Acquisitions

Aimia measures goodwill at the fair value of the consideration transferred including, when elected, the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in earnings. Aimia elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities incurred by Aimia in connection with a business combination are expensed as incurred.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of Aimia's non-financial assets, which includes Aimia's equity-accounted investments, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable value of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

Goodwill that forms part of the carrying amount of the investment in the jointly controlled entity accounted for using the equity method is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in the jointly controlled entity is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in earnings. Impairment losses recognized in respect of CGUs that include goodwill are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis not beyond the highest of:

- the fair value less costs of disposal; and
- value in use of the individual asset, if determinable.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

PROVISIONS

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money is material, provisions are determined by discounting the best estimate of expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

STOCK-BASED COMPENSATION PLANS

Deferred Share Unit Plan

The Deferred Share Unit Plan (the “DSU Plan”) was established as a means of compensating directors and designated employees of Aimia and of promoting share ownership and alignment with the shareholders' interests. Directors of Aimia are automatically eligible to participate in the DSU Plan while employees may be designated from time to time, at the sole discretion of the Board of Directors.

Vesting conditions may be attached to DSUs at the Board of Directors' discretion. DSUs granted to directors vest immediately. DSUs granted to designated employees in the twelve months ended December 31, 2020 vest over 6 years or immediately. Certain DSUs granted to designated employees also include performance-based vesting conditions (Aimia's share price trading at a weighted average of $6.00/share or higher over a consecutive 20 day trading period).

Upon termination of service, the DSU Plan participants are entitled to receive for each DSU credited to their account, a payment in cash equivalent to the value on the date of termination of service of an Aimia common share and accrued dividends from the time of grant.

DSUs are considered cash-settled awards. The fair value of DSUs, at the date of grant to DSU Plan participants, is recognized as compensation expense over the vesting period, with a credit to other non-current liabilities. In addition, the DSUs are fair valued at the end of every reporting period and at the settlement date. Any changes in the fair value of the liability are recognized as compensation expense in earnings.

Share Unit Plan

The Aimia Share Unit Plan (the "SUP") was established for the grant of Performance Share Units ("PSUs") and Restricted Share Units ("RSUs") to officers, senior executives and other employees of Aimia and its subsidiaries. These grants were established annually on the basis of qualitative and quantitative criteria. All awards are made at the discretion of the Board of Directors and are subject to board approval, as are any performance vesting criteria and targets that apply to awards made. Dividends in the form of additional PSUs/RSUs are credited to the participant's account on each dividend payment date and are equivalent in value to the dividend paid on Aimia common shares.

PSUs/RSUs are considered cash-settled awards as they have historically been settled in cash. The fair value of PSUs/RSUs, at the date of grant to participants, is recognized as compensation expense over the vesting period using the graded method of amortization, with a credit to other non-current liabilities. The fair value of employee services received is calculated by multiplying the number of units expected to vest with the fair value of one unit as of grant date based on the market price of the Corporation's common shares. In addition, PSUs and RSUs are fair valued at the end of every reporting period.

There were no outstanding PSUs and RSUs as at December 31, 2021 and 2020.

Long-Term Incentive Plan

The Aimia Long-Term Incentive Plan (the "LTIP") was established to provide an opportunity for officers, senior executives and other employees of Aimia and its subsidiaries to participate in the successful growth and development of Aimia. Stock options and/or performance share units ("PSUs") may be granted to eligible employees. These grants are established annually on the basis of qualitative and quantitative criteria. All awards are made at the discretion of the Board of Directors and are subject to board approval, as are any performance vesting criteria and targets that apply to awards made. The maximum number of shares reserved and available for grant and issuance under the LTIP is limited to 16,381,000 common shares.

The vesting conditions of options and PSUs issued may include time and performance criteria, and are determined at the time of grant. In the case of options, the option term cannot exceed ten years, whereas the vesting period of PSUs shall end no later than December 31 of the calendar year which is three years after the calendar year in which the award is granted.

Stock options are considered equity-settled awards. The fair value of stock options, at the date of grant to the eligible employees, is recognized as compensation expense and a credit to contributed surplus over the applicable vesting period using the graded method of amortization. The cumulative expense for stock options at each reporting date represents the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. For options with graded vesting, each tranche is considered a separate grant with a different vesting date and fair value, and each tranche is accounted for separately.

PSUs are considered cash-settled awards as they have historically been settled in cash. The fair value of PSUs, at the date of grant to PSU participants, is recognized as compensation expense over the vesting period using the graded method of amortization, with a credit to other non-current liabilities. The fair value of employee services received is calculated by multiplying the number of units expected to vest with the fair value of one unit as of grant date based on the market price of the Corporation's common shares. In addition, PSUs are fair valued at the end of every reporting period.

When the stock options are exercised, the Corporation issues new shares. The proceeds received, net of any directly attributable transaction costs together with the related portion previously recorded in contributed surplus, are credited to share capital.

EARNINGS PER COMMON SHARE

Earnings per common share are calculated by dividing the earnings attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding for the period.

Diluted earnings per common share are determined using the treasury stock method to evaluate the dilutive effects of stock options, convertible instruments and equivalents, when applicable.

SEGMENT REPORTING

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Aimia's other segments. All operating segments' operating results are reviewed regularly by Aimia's Chief Executive Officer to make decisions about the allocation of resources to the respective segments and assess their individual performance.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

CHANGES IN ACCOUNTING POLICIES

Adoption of revised accounting standards

The Corporation has adopted the following revised standards as detailed below:

IFRS 9/IAS 39 Interest rate benchmark reform (Phase II)

The IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 representing the finalization of Phase II to address issues that might affect financial reporting when an existing interest rate benchmark is replaced with an alternative benchmark interest rate. The amendments are effective for annual reporting periods beginning on or after January 1, 2021. The amendments did not have any impact on its consolidated financial statements.

IFRS 16 COVID-19 rent concession amendment

The IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. The amendments are effective for annual reporting periods beginning on or after January 1, 2021. The amendment did not have any impact on its consolidated financial statements.

Change in accounting policies

Change in statement of financial position presentation

The Corporation completed earlier this year its first year as a holding company and performed a review of its consolidated financial statements to ensure that the information presented is the most relevant to its users. As a result of this exercise, Aimia now presents its investments using the followings categories which will provide greater clarity to the various type of investments made by the company:

- **Investments in marketable securities**: Represents liquid investments that can be sold quickly. As of December 31, 2021 and 2020, these were investments in public company securities. These investments are presented in the current assets section of the statement of financial position.

- **Investments in private companies and other financial instruments**: Represents investments made by the Corporation in equity, debt or hybrid financial instruments of private companies, investment funds and special purpose vehicles. It also includes investments in public company securities for which trading is suspended due to stock exchange or other regulatory rules and therefore not considered liquid investments. These investments are presented in the non-current assets section of the statement of financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

	Year Ended December 31, 2020		
	As originally presented	Change in presentation	Restated
Short-term investments	18.7	(18.7)	—
Long-term investments	72.4	(72.4)	—
Investments in marketable securities	—	18.7	**18.7**
Investments in private companies and other financial instruments	—	72.4	**72.4**
Total	91.1	—	**91.1**

FUTURE ACCOUNTING CHANGES

The following standards and amendments have been published and their adoption is mandatory for future accounting periods.

Annual Improvements to IFRS Standards 2018-2020

The IASB issued 'Annual Improvements to IFRS Standards 2018 - 2020, which includes amendments to the following standards:

- IFRS 9, *Financial instruments* was amended to address which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 1, *Presentation of financial statements* amended the exemption to allow a subsidiary adopting IFRS at a later date than its parent to also measure cumulative translation differences using the amounts reported by the parent based on the parent's date of transition to IFRS.
- IFRS 16, *Leases* amended illustrative example 13 to remove the illustration of payments from the lessor related to leasehold improvements.
- IAS 41 *Agriculture* was amended to remove the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41, Agriculture.

These amendments are effective for annual reporting periods beginning on or after January 1, 2022. IFRS 1 and IAS 41 amendments will not have any impact on the consolidated statements of the Corporation.

For the IFRS 9 and 16 amendments, at this time, the Corporation does not anticipate that they will have a significant impact, if any, on its consolidated financial statements.

Reference to Conceptual Framework (Amendments to IFRS 3)

The IASB issued 'Reference to the Conceptual Framework (Amendments to IFRS 3) with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements, add a new exception for certain liabilities and contingent liabilities to refer to IAS 37 or IFRIC 21 rather than the 2018 Conceptual Framework, and clarify that an acquirer should not recognize contingent assets at the acquisition date. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. At this time, the

Corporation does not anticipate that these changes will have a significant impact, if any, on its consolidated financial statements.

IAS 37 Onerous contracts - Cost of fulfilling a contract

The IASB issued 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. At this time, the Corporation does not anticipate that these changes will have a significant impact, if any, on its consolidated financial statements.

IAS 1 Classification of liabilities as current or non-current

The IASB issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. At this time, the Corporation does not anticipate that these changes will have a significant impact, if any, on its consolidated financial statements.

Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12, IFRS 1)

The IASB issued 'Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12). The amendments require an entity to recognise deferred tax on certain transactions that give rise to equal amounts of taxable and deductible temporary differences on initial recognition. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. At this time, the Corporation is reviewing the impact that these amendments will have on its consolidated financial statements.

Accounting policy disclosures: Changes in estimates vs accounting policies (Amendments to IAS 1, IAS 8)

The IASB issued Definition of Accounting Estimates, which amended IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. At this time, the Corporation is reviewing the impact that these amendments will have on its consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. FINANCIAL INSTRUMENTS

Aimia's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, receivable from related party, investment in marketable securities, investments in private companies and other financial instruments (not subject to significant influence), accounts payable, accrued liabilities and contingent consideration payable.

Aimia, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: equity price risk, interest rate risk, credit risk, liquidity risk and currency risk. Senior management is responsible for setting risk levels and reviewing risk management activities as they determine to be necessary.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - valuation techniques with significant unobservable market inputs.

A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

	Hierarchy	December 31, 2021	December 31, 2020
Investment in marketable securities			
Capital A			
Capital A - Common shares	Level 1	29.2	—
Capital A - RCUIDS	Level 1	9.0	—
Capital A - Warrants	Level 1	1.3	—
Cineplex	Level 1	9.6	—
Other equity instruments - held through Precog Capital Partners, L.P. *(Note 23)* [(a)]	Level 1	28.4	—
JCDecaux	Level 1	—	14.1
Newmark Group	Level 1	—	4.6
Total		**77.5**	18.7
Investment in private companies and other financial instruments			
Clear Media Limited	Level 3	68.3	69.0
TRADE X			
TRADE X - Preferred shares	Level 3	44.6	—
TRADE X - Convertible Note	Level 3	32.0	—
Special purpose vehicles	Level 2	21.7	3.4
Investment funds	Level 2	5.3	—
Total		**171.9**	72.4

(a) Included in Precog's portfolio of equity instruments is an investment of $3.0 million in Cineplex.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

The following table provides information about the net change in fair value of investments:

		Years Ended December 31,	
	Hierarchy	2021	2020
Realized fair value gain (loss)			
JCDecaux	Level 1	**6.9**	—
Newmark Group	Level 1	**9.7**	—
Equity instruments portfolio	Level 1	**—**	7.0
Village Roadshow	Level 1	**—**	5.9
Other equity instruments - held through Precog Capital Partners, L.P. *(Note 23)*	Level 1	**0.6**	—
Net change in unrealized fair value			
JCDecaux	Level 1	**(3.6)**	3.6
Clear Media	Level 3	**(0.7)**	(7.2)
Capital A			
Capital A - Common shares	Level 1	**(2.5)**	—
Capital A - RCUIDS	Level 1	**0.7**	—
Capital A - Warrants	Level 1	**0.3**	—
TRADE X			
TRADE X - Preferred shares	Level 3	**0.6**	—
TRADE X - Convertible Note	Level 3	**0.2**	—
Cineplex		**1.3**	—
Other equity instruments - held through Precog Capital Partners, L.P. *(Note 23)*	Level 1	**(4.4)**	—
Special purpose vehicles	Level 2	**2.3**	0.2
Investment funds	Level 2	**0.5**	—
Net change in fair value of investments		**11.9**	9.5

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

The following table provides information about how the fair value of the investments in private companies and other financial instruments were derived.

December 31, 2021				
Investments	Valuation technique	Key valuation inputs	Range	Sensitivity
Clear Media Limited	**Market Approach** - EBITDA multiple (adjusted for change in accounting pronouncements)	EBITDA multiple Return to historical profitability by Discount rate	[7.0x - 8.0x] [2024] [18% - 20%]	+/- 1.0x = +/- $9.3m
TRADE X - Preferred shares	**Market Approach** - Latest financing round	Enterprise value of US$285.0m	N/A	N/A
TRADE X - Convertible Note	**Market Approach** - Principal amount advanced for the note, adjusted for interest accrued	N/A	N/A	N/A
Special purpose vehicles	**Net Asset Value** attributed based on investor statement	N/A	N/A	N/A
Investment funds	**Net Asset Value** attributed based on investor statement	N/A	N/A	N/A

December 31, 2020				
Investments	Valuation technique	Key valuation inputs	Range	Sensitivity
Clear Media Limited	Market Approach - EBITDA multiple (adjusted for change in accounting pronouncements)	EBITDA multiple Return to historical profitability by Discount rate	[7.0x - 8.0x] [2023 - 2024] [17% - 20%]	+/- 1.0x = +/- $9.0m

The following table presents the change in Level 3 financial instruments.

Investments	*Balance, December 31, 2020*	*Purchases*	*Disposals*	*Net change in fair value*	*Interest income*	*Transfers in / out*	*Balance, December 31, 2021*
Clear Media	69.0	—	—	(0.7)	—	—	68.3
TRADE X - Preferred Shares	—	44.0	—	0.6	—	—	44.6
TRADE X - Convertible Note	—	31.6	—	0.2	0.2	—	32.0
Total	**69.0**	**75.6**	**—**	**0.1**	**0.2**	**—**	**144.9**

Investments in equity instruments of Clear Media Limited

In May 2020, the Corporation invested $76.2 million (HK$419.6 million) to acquire 58,774,450 common shares of Clear Media Limited, representing a 10.85% ownership interest in the company. Those common shares were acquired at prevailing market rates through a series of common share purchases in the open market, which included 19.6 million common shares previously held through Mittleman Investment Management's assets under management. This investment was made at the time in anticipation of a change of control transaction in which, former controlling shareholder, Clear Channel Outdoor (NYSE: CCO), would sell its stake in Clear Media to Ever Harmonic Global Limited ("Ever Harmonic"). Ever Harmonic is the company used by a consortium to acquire the shares of Clear Media Limited and the initial indirect shareholders were Clear Media Limited's CEO Han Zi Jing (Forward Elite Holdings Limited, "Forward Elite"), Ant Fin (Hong Kong) Holding Limited, JCDecaux SA (FP: DEC), and China Wealth Growth Fund III L.P.

Aimia did not acquire control or significant influence in the operations of Clear Media Limited. On July 14, 2020, Clear Media announced that the percentage of the public float of the shares of the company had fallen below 15% and that, at the request of the Clear Media, trading in the shares of Clear Media on The Stock Exchange of Hong Kong Limited was suspended with effect from 9:00 a.m. on July 14, 2020.

On July 5, 2021, Ever Harmonic and Clear Media Limited jointly announced a voluntary conditional offer to acquire all of the shares of Clear Media Limited that were not already owned or agreed to be acquired by the consortium or parties acting in concert with it.

The conditional offer was made by Ever Harmonic on August 3, 2021 to owners of Clear Media Limited shares to accept either (i) the cash alternative (HK$7.12 per common share), or (ii) the share alternative (one new holding company share per Clear Media Limited common share), with the new holding company (City Lead II Developments Limited, "City Lead II") having a direct investment in Ever Harmonic, which would wholly-own Clear Media Limited. Following Aimia’s review of the Composite Document dated August 3, 2021, Aimia elected to accept the share alternative and to maintain an indirect 10.85% shareholding in the privatized Clear Media. The transaction closed and the listing of the shares of Clear Media on the Hong Kong Stock Exchange was withdrawn.

For the purpose of this conditional offer, as well as the initial March 30, 2020 offer by Ever Harmonic to acquire all outstanding shares of Clear Media Limited, Ever Harmonic has secured external financing. The external financing was and is for the purpose of enabling Forward Elite to pay for its pro rata share of the consideration of these offers since Forward Elite had not provided any actual funding in Ever Harmonic.

Although the external financing was and is for the benefit of Forward Elite, the security for the external financing, includes, amongst others, the charge of the Clear Media Limited common shares held by Ever Harmonic in favor of the lenders. As part of the external financing agreement, Ever Harmonic is obliged to apply any and all distributions received from Clear Media Limited and any of its other subsidiaries towards satisfaction of the repayment of the external financing, and shall not declare or pay any dividends or distributions, in each case unless and until the external financing has been fully and finally repaid and discharged. To compensate City Lead II for its loss of its indirect pro rata share in any distributions from Clear Media Limited which needs to be applied by Ever Harmonic to the repayment of the external financing, Forward Elite entered into an undertaking with City Lead II. Under the terms of this undertaking, if any funds of Ever Harmonic (which would otherwise be available for distribution to the consortium and City Lead II) are used by Ever Harmonic to repay the external financing, Forward Elite will undertake to pay City Lead II an amount equal to City Lead II’s pro rata share (in proportion to its shareholding in Ever

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Harmonic) of the relevant funds of Ever Harmonic so used ("Forward Elite Payables"). The Forward Elite Payables may be repaid in any amount from time to time, provided that all Forward Elite Payables shall be repaid in full to City Lead II by no later than 18 months following the date of full repayment of the external financing.

As of December 31, 2021, the fair value of the indirect investment in Clear Media Limited has been estimated at $68.3 million (HK$7.12 per common share).

On November 5, 2021, Clear Media Limited declared a dividend to Ever Harmonic payable in two installments of 50% each in November 2021 and May 2022. The November 2021 amount received has been used to repay the external financing, creating Forward Elite Payables in the amount of $0.6 million owed to Aimia. This amount has been recorded in other investment income in the statement of operations and in other non-current assets in the statement of financial position (*Note 20B*).

Investments in TRADE X

Preferred shares

On July 27, 2021, Aimia invested $44.0 million (US$35.0 million) in convertible preferred shares of TRADE X, a global B2B cross-border automotive trading platform using a proprietary data and analytics technology. On August 11, 2021, an additional US$10.0 million of convertible preferred shares were issued by TRADE X to other strategic investors in a subsequent closing to achieve its target round size of US$45.0 million. Since Aimia's initial investment, TRADE X pursued its growth strategy both organically through the development of new international trade corridors and through the acquisition of two Canadian companies, including Techlantic Ltd., an Ontario-based automotive trading, redistribution, and financing company.

As of December 31, 2021, the fair value of the preferred shares has been estimated at $44.6 million (US$35.0 million) and the Corporation recorded an unrealized fair value gain of $0.6 million during the year ended December 31, 2021 for this investment.

Convertible note

In December 2021, Aimia invested $31.6 million (US$25.0 million) in a convertible note of TRADE X. The note has an 8% interest bearing rate and, unless converted as a result of a qualified financing, will mature 12 months after the closing date. At maturity, Aimia will have the option to convert the note and accrued interest into TRADE X preferred shares using the original issue price, which is based on the most recent financing round mentioned above, or have the notes and accrued interests paid in full.

In the event a qualified financing occurs, the notes will automatically convert into the same equity instruments than such qualified financing at the lesser of (i) 25% discount over the qualified financing price per share; and (ii) price per share based on a certain pre-money valuation cap.

As of December 31, 2021, the fair value of the investment has been estimated at $32.0 million (US$25.1 million), being the original issue price of the note adjusted for the interest accrued in the reporting period. The Corporation has accrued interest of $0.2 million and recorded an unrealized fair value gain of $0.2 million during the year ended December 31, 2021 for this investment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Investment in Capital A Berhad

Common shares

In the year ended December 31, 2021, the Corporation participated in the second tranche of a private placement of new ordinary shares in Capital A Berhad (formerly known as AirAsia Group Berhad, "Capital A"). Aimia subscribed for 35.6 million of new common shares for an amount of $9.4 million (MYR30.8 million). Aimia also entered into a binding memorandum of understanding with Capital A to sell Aimia's investment in BIGLIFE in exchange for 85.9 million of new common shares of Capital A. On April 14, 2021, the parties entered into a share sale and purchase agreement under the same terms. This agreement was subject to Capital A shareholders approval as well as approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) on the listing of and quotation for the shares on the Main Market of Bursa Securities. With both conditions fulfilled, the sale of Aimia's investment in BIGLIFE closed on June 28, 2021.

As of December 31, 2021, the fair value of the total investment in Capital A was $29.2 million and Aimia recognized an unrealized fair value loss of $2.5 million during the year ended December 31, 2021 for this investment.

RCUIDS and Warrants

In the twelve months ended December 31, 2021, Capital A announced to its shareholders the issuance of renounceable rights for 7-year redeemable convertible unsecured Islamic debt securities ("RCUIDS") with a nominal value of MYR0.75 each, on the basis of two RCUIDS with one warrant for every six Capital A Shares held by entitled shareholders.

As an entitled shareholder, Aimia was allotted 40.5 million RCUIDS and 20.2 million warrants, which were subscribed for by the Corporation for $9.3 million (MYR 30.4 million). The rights issue was completed on December 31, 2021, with the listing and quotation of the RCUIDS and warrants on the main market of Bursa Securities. As of December 31, 2021, the fair values of the RCUIDS and warrants were $9.0 million and $1.3 million, respectively, and Aimia recognized unrealized fair value gain of $0.7 million and $0.3 million, respectively, during the year ended December 31, 2021.

Practice Note 17 ("PN 17")

As announced by Capital A in January 2022, Capital A continued to trigger the prescribed criteria pursuant to Paragraph 8.04 and Paragraphs 2.1(a) and 2.1(e) of PN17 of the Main Listing Requirements of Bursa Malaysia Securities Berhad. The company triggered the prescribed criteria given that (i) its December 31, 2020 audited financial statements included a unqualified audit opinion with material uncertainty relating to going concern from its external auditors, and (ii) Capital A's shareholders' equity on a consolidated basis was 25% or less of its share capital and such equity is less than MYR40.0 million based on the audited financial statements for the year ended December 31, 2020.

In the event Capital A fails to comply with any part of its obligations to regularize its condition within the timeframes permitted by Bursa Securities, Bursa Securities shall (i) suspend the trading of the company’s listed securities on the 6th market day after the date of notification of suspension by Bursa Securities; and (ii) de-list the company subject to the company’s right to appeal against the de-listing which appeal by the company must be submitted to Bursa Securities within 5 market days from the date of notification of de-listing by Bursa Securities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

This situation has created increased volatility in the share price of Capital A in 2022. As of this date, Capital A is in the midst of formulating a regularization plan to address its financial condition. Aimia is closely monitoring the developments.

Investments in equity instruments of JCDecaux

During the year ended December 31, 2020, the Corporation purchased 481,164 common shares of JCDecaux (DEC.PA), for a total of $10.5 million (€6.8 million). In 2021, the Corporation disposed of all of its JCDecaux common shares for proceeds of $17.4 million (€11.8 million), resulting in a $6.9 million overall realized gain on the investment. The fair value of the investment in equity instruments of JCDecaux was based on the quoted market value for its publicly traded equity securities. During the year ended December 31, 2020, Aimia had unrealized fair value gain of $3.6 million for this investment.

Investments in equity instruments of Newmark Group

The Corporation purchased 500,000 common shares of Newmark Group (NMRK) in the year ended December 31, 2020 as well as an additional 491,700 common shares in the year ended December 31, 2021 for a total of $9.1 million (US$7.1 million). In the year ended December 31, 2021, Aimia sold all of its investment in Newmark Group and received total proceeds of $18.7 million (US$15.1 million), resulting in an overall realized gain of $9.7 million (US$8.0 million) on the investment. The fair value of the investment in equity instruments of Newmark Group was based on the quoted market value for its publicly traded equity securities.

Investment in Precog Capital Partners L.P.

On June 1, 2021, the Corporation invested $25.0 million in Precog Capital Partners L.P., an investment fund whose general partner is MIM, a wholly-owned subsidiary of the Corporation. Aimia concluded it had control over the investment fund per the definition of IFRS 10 and therefore consolidates the fund. Aimia recognized a realized fair value gain of $0.6 million during the year ended December 31, 2021, as well as an unrealized fair value loss of $4.4 million during the year ended December 31, 2021 in regards to the equity instruments held through Precog. Refer to *Notes 2 & 23* for additional details.

The following table presents additional details on the equity instruments held through Precog as at December 31, 2021:

As at December 31, 2021						
	China	Australia	Canada	United States	Other	Total
Industrial	8.7	—	—	—	—	**8.7**
Consumer, Cyclical	—	8.4	3.0	1.3	—	**12.7**
Consumer, Non-Cyclical	—	—	—	3.2	0.5	**3.7**
Other	—	—	2.0	—	1.3	**3.3**
Total	**8.7**	**8.4**	**5.0**	**4.5**	**1.8**	**28.4**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Investments in Special Purpose Vehicles

Special Purpose Vehicle 1

The Corporation committed an initial $6.4 million (US$5.0 million) to a special purpose vehicle created to pursue a leveraged buyout of a target company. The commitment has been completely funded. Aimia has the option to purchase up to a total of 25% of the potential acquired company in the event the leveraged buyout is consummated. Aimia recognized unrealized fair value gain of $1.7 million and $0.2 million during the years ended December 31, 2021 and 2020 for this investment.

Special Purpose Vehicle 2

On November 9, 2021, Aimia invested $12.4 million (US$10.0 million) in a second special purpose vehicle which was created also to pursue a leverage buyout strategy. Aimia recognized unrealized fair value gain of $0.6 million during the year ended December 31, 2021 for this investment.

Investments in equity instruments portfolio

During the year ended December 31, 2020, the Corporation invested $21.1 million (US$14.9 million) in various public company securities. None of these investments gave any form of significant ownership, control or influence to Aimia. On June 9, 2020, the company completed the sale of this investment portfolio for proceeds of $28.1 million (US$21.0 million) and recorded a net fair value gain of $7.0 million.

Investments in equity instruments of Village Roadshow

During the year ended December 31, 2020, the Corporation invested $24.8 million (AU$26.1 million) in common shares of Village Roadshow (VRL.AU). On December 29, 2020, the company completed the sale of all of its stake for net proceeds of $30.7 million (AU$31.4 million) and recorded a fair value gain of $5.9 million.

Financial assets and financial liabilities at amortized cost

The carrying amounts reported in the consolidated statement of financial position for cash and cash equivalents, restricted cash, accounts receivable, receivable from related party and accounts payable, accounts payable to related party and accrued liabilities approximate fair values based on the immediate or short-term maturities of these financial instruments.

EQUITY PRICE RISK

Equity price risk refers to the risk that the fair value of investments in equity instruments will vary as a result of changes in market prices of the investments. The carrying values of investments subject to equity price risk are based on quoted market prices as of the consolidated statements of financial position dates. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuations in the market price of a security may have no relation to the intrinsic value of the security. Furthermore, amounts realized in the sale of a particular security may be affected by the quantity of the security being sold. The Corporation manages its equity price risk by limiting the size of these investments relative to its total assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

The table below shows the impact to the Corporation on consolidated earnings before income taxes of a 10% increase or decrease in quoted market prices on investments subject to equity price risk in the consolidated statements of financial position of the Company. The selected change does not reflect what could be considered the best or worst case scenarios.

December 31, 2021	Fair value	Price change %	Estimated fair value after price change	Pre-tax impact on net income
Investments in marketable securities	77.5	+10%	85.3	7.8
Investments in marketable securities	77.5	-10%	69.7	(7.8)

December 31, 2021	Fair value	NAV change %	Estimated fair value after NAV change	Pre-tax impact on net income
Investments in special purpose vehicles and investments funds	27.0	+10%	29.7	2.7
Investments in special purpose vehicles and investments funds	27.0	-10%	24.3	(2.7)

December 31, 2020	Fair value	Price change %	Estimated fair value after price change	Pre-tax impact on net income
Investments in marketable securities	18.7	+10%	20.6	1.9
Investments in marketable securities	18.7	-10%	16.8	(1.9)

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Aimia is exposed to fluctuations in interest rates with respect to cash and cash equivalents, restricted cash, which bear interest at variable rates and are mainly held in the form of bank trading or saving accounts and guaranteed investment certificates.

At December 31, 2021, the interest rate risk profile of Aimia's interest bearing financial instruments was as follows:

	December 31,	
	2021	2020
Variable rate instruments		
Cash, cash equivalents and restricted cash	**36.6**	146.6
Total	**36.6**	146.6

For the year ended December 31, 2021, a 1% variance in the interest rates on Aimia's interest bearing financial instruments, would have an impact of approximately $0.4 million (2020: $1.5 million) on earnings before income taxes. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis than for the year ended December 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

CREDIT RISK

Credit risk is the risk of loss due to a counterparty's inability to meet its obligations. At December 31, 2021 and 2020 Aimia's credit risk exposure consists mainly of the carrying amounts of cash and cash equivalents, restricted cash, accounts receivable and receivable from related party.

The credit risk on cash and cash equivalents, and restricted cash is limited because the counterparties are Canadian and international banks with high credit-ratings assigned by international credit-rating agencies. Aimia has no history of credit loss arising from those financial instruments. For the years ended December 31, 2021 and 2020, no expected credit loss allowance has been recorded in regards to those financial instruments.

As of December 31, 2021, the majority of Aimia's accounts receivable are from institutional investors and governmental entities. Aimia has no history of significant credit loss arising from those financial instruments. For the years ended December 31, 2021 and 2020, no significant expected credit loss allowance has been recorded in regards to those financial instruments.

LIQUIDITY RISK

Aimia's objective is to maintain sufficient liquidity to meet its financial liabilities as they come due. At December 31, 2021, the Corporation is exposed to liquidity risk on its accounts payable and accrued liabilities. Aimia manages liquidity risk through the use and monitoring of its cash balances and cash flows generated from operations to meet financial liability requirements.

At December 31, 2021, maturities of the financial liabilities are as follows:

	Total	2022	2023	2024	2025	2026	Thereafter
Accounts payable and accrued liabilities	4.7	4.7	—	—	—	—	—
Total	**4.7**	**4.7**	**—**	**—**	**—**	**—**	**—**

Limited partners' capital liability ($5.4 million) do not have fixed maturities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation can invest in various international equity instruments that are denominated in a currency that is not the functional currency of the Corporation or any of its subsidiaries. At December 31, 2021 and 2020, the Corporation's main exposures to those currencies was as follows:

	Balance as at December 31, 2021		
	USD	HKD	MYR
Financial assets			
Cash and cash equivalents	5.5	—	—
Investments in marketable securities	—	—	39.5
Investment in private companies and other financial instruments	81.9	68.3	—
Long-term receivable	—	0.6	—
	87.4	**68.9**	**39.5**
Financial liabilities			
Trade and other payables	0.2	—	—
	0.2	**—**	**—**
Foreign currency exposure	**87.2**	**68.9**	**39.5**
Effect of a 1% change in the exchange rate	0.9	0.7	0.4

	Balance as at December 31, 2020			
	USD	HKD	EUR	AUD
Financial assets				
Cash and cash equivalents	11.8	—	—	30.7
Restricted cash	0.1	—	—	—
Income tax receivable	—	—	1.0	—
Investments in marketable securities	4.6	—	14.1	—
Investment in private companies and other financial instruments	—	69.0	—	—
Foreign currency exposure	**16.5**	**69.0**	**15.1**	**30.7**
Effect of a 1% change in the exchange rate	0.2	0.7	0.2	0.3

The Corporation's exposure to other foreign exchange movement is not significant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

4. EQUITY-ACCOUNTED INVESTMENTS

As at	December 31, 2021	December 31, 2020
PLM Premier, S.A.P.I. de C.V. *(a)*	48.0	54.9
Kognitiv (*Note 22*)	47.3	75.1
BIGLIFE *(b)*	—	16.4
Total	**95.3**	146.4

(a) During the year ended December 31, 2021, Aimia received distributions from PLM of $26.4 million (US$20.9 million), compared to distributions of $18.3 million (US$12.8 million) for the year ended December 31, 2020.

(b) On June 28, 2021, Aimia disposed of its investment in BIGLIFE in exchange for 85.9 million of new common shares of Capital A.

Share of net earnings (loss) of equity-accounted investments	Years Ended December 31, 2021	2020
PLM Premier, S.A.P.I. de C.V.	19.6	11.3
Kognitiv	(29.1)	(13.6)
BIGLIFE	(0.7)	3.7
Total	**(10.2)**	1.4

INVESTMENT IN PLM PREMIER, S.A.P.I. DE C.V.

Presented below is the summarized statement of operations for PLM, excluding amounts relating to identifiable assets and goodwill recognized on a step basis. The information reflects the amounts presented in the financial statements of PLM adjusted for differences in accounting policies between the Corporation and PLM.

Summarized balance sheet

As at	December 31, 2021	December 31, 2020
Cash and cash equivalents	140.4	87.1
Other current assets	72.0	101.5
Total current assets	212.4	188.6
Total non current assets	236.8	221.7
Total assets	**449.2**	410.3
Total current liabilities	(333.6)	(238.6)
Total non-current liabilities	(258.8)	(308.2)
Total liabilities	**(592.4)**	(546.8)
Net liabilities	**(143.2)**	(136.5)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Summarized statement of comprehensive income

	Years Ended December 31,	
	2021	2020
Revenue	**219.5**	188.7
Cost of rewards and operating expenses	(159.2)	(146.2)
Depreciation and amortization	(2.7)	(2.7)
Earnings before net financial expense and income tax expense	**57.6**	39.8
Net financial income (expense)	5.6	(18.0)
Income tax (expense) recovery	(16.5)	8.4
Net earnings	**46.7**	30.2
Other comprehensive income	0.6	7.4
Comprehensive income	**47.3**	37.6

Reconciliation of summarized financial information to the carrying amount and Aimia's share of net earnings

	Years Ended December 31,	
	2021	2020
PLM net liabilities, beginning of year	**(136.5)**	(136.6)
Net earnings for the year	46.7	30.2
Other comprehensive income for the year	0.6	7.4
Distributions declared during the year	(54.0)	(37.5)
PLM net liabilities, end of year	**(143.2)**	(136.5)
Interest in PLM @ 48.9%	(70.0)	(66.7)
Net book value of identifiable assets and goodwill recognized on a step basis	118.0	121.6
Carrying value, end of year	**48.0**	54.9

	Years Ended December 31,	
	2021	2020
Net earnings	**46.7**	30.2
Share of net earnings of PLM @ 48.9%	22.8	14.8
Amortization expense related to identifiable assets recognized on a step basis	(3.2)	(3.5)
Aimia's share of PLM net earnings	**19.6**	11.3

On June 29, 2020, Aimia announced the signature of a definitive agreement with Grupo Aeromexico S.A.B. de C.V. ("Aeromexico") reflecting the parties' previously announced agreement to make certain changes to the Shareholders Agreement between them and the commercial agreement (CPSA) between Aeromexico and PLM. The changes made to the CPSA include a 20-year extension of the current term to September 12, 2050.

Following the initial $69.3 million (US$50.0 million) loan to Aeromexico made by PLM under the existing PLM intercompany loan facility upon the signing of the letter of intent between Aimia and Aeromexico announced on May 12, 2020, PLM pre-purchased $69.3 million (US$50.0 million) of award tickets upon the execution of the amendments to the CPSA. The loan and pre-purchase are secured by Aeromexico's stake in PLM. Aimia and Aeromexico have also agreed to modify the Shareholders Agreement to grant Aeromexico a 7 year option to purchase Aimia's 48.9% equity interest in PLM at a price of US$400 million for Aimia's equity interest or at an Adjusted EBITDA multiple of 7.5x, whichever is greater, plus Aimia's pro-rata share of cash held by PLM, net of any third party financial debt.

On June 30, 2020, Aeromexico commenced proceedings under Chapter 11 in the United States to implement a court supervised financial restructuring, while continuing to serve its customers. In January 2022, the US Bankruptcy Court approved the Reorganization Plan (refer to *Note 2 (a)* for additional details).

On February 8, 2022, Aimia announced that it had entered into a binding letter of intent (the "Binding LOI") with PLM and Grupo Aeromexico, S.A.B. de C.V. and Aerovías de México, S.A. de C.V. (collectively, "Aeromexico") to divest the company's 48.9% equity stake in PLM upon which PLM will become a wholly-owned subsidiary of Aeromexico.

The parties to the Binding LOI will prepare and execute one or more definitive agreements for the transaction reflecting the terms and conditions of the Binding LOI (the "Definitive Agreement"), which Definitive Agreement will include customary representations and warranties, indemnity provisions and closing conditions, including, among others, consummation of the Debtor's Plan on its effective date and approval by Mexican antitrust authorities.

Upon closing of the transaction, Aimia will receive approximately $492.0 million (US$386.0 million) in net cash proceeds, subject to certain adjustments to be made at closing pursuant to the Binding LOI and Definitive Agreement. In addition, an earn-out in an amount of approximately $25.0 million (US$19.3 million) on a net basis, is payable to Aimia in cash should the PLM loyalty program achieve certain targeted annual gross billings amounts by 2024, subject to certain adjustments pursuant to the Binding LOI and the Definitive Agreement. At December 31, 2021, the investment in PLM did not meet the criteria to be presented as an asset held for sale.

INVESTMENT IN KOGNITIV

Presented below is the summarized statement of operations for Kognitiv, excluding amounts relating to identifiable assets and goodwill recognized on the date of acquisition. The information reflects the amounts presented in the financial statements of Kognitiv adjusted for differences in accounting policies between the Corporation and Kognitiv.

In March 2021, Kognitiv announced a sales transaction and partnership agreement with IRI, a provider of big data, predictive analytics and forward-looking insights for CPG, OTC health care organizations, retailers, financial services and media companies. IRI acquired from Kognitiv the Intelligent Shopper Solutions ("ISS") business. ISS operations are presented as discontinued operations in Kognitiv's summarized statement of operations.

Subsequent financing

In January 2022, Kognitiv secured additional financing from the following sources:

- $31.0 million in the form of secured subordinated convertible notes. Investors in the secured subordinated convertible notes included $15.0 million from a new U.S. institutional investor, $10.0 million from Aimia, and $1.25 million from company insiders, including members of the board of directors and senior management.
- $17.5 million in the form of a senior debt facility.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

The convertible notes have the option to convert to equity at a discount to the price at which equity is offered in Kognitiv's next qualified financing round.

Summarized balance sheet

As at	December 31, 2021	December 31, 2020
Cash and cash equivalents	10.3	21.2
Other current assets	50.8	67.5
Total current assets	61.1	88.7
Total non current assets	9.2	5.6
Total assets	**70.3**	94.3
Total current liabilities	(57.2)	(71.8)
Total non-current liabilities	(9.9)	(12.2)
Total liabilities	**(67.1)**	(84.0)
Net assets	**3.2**	10.3

Summarized statement of operations

	Years Ended December 31, 2021	Years Ended December 31, 2020 [(a)]
Revenue [(b)]	**56.4**	43.1
Cost of sales and operating expenses [(b)]	(106.0)	(62.8)
Depreciation and amortization	(1.1)	(1.1)
Loss before net financial income and income tax expense [(b)]	**(50.7)**	(20.8)
Net loss	**(52.3)**	(22.9)
Other comprehensive income	2.6	—
Comprehensive income (loss)	**(49.7)**	(22.9)
Included in Net loss:		
Net earnings (loss) from discontinued operations [(c)]	**1.4**	(1.9)

(a) The Kognitiv transaction closed on June 18, 2020 (*Note 22*).

(b) Revenue, cost of sale and operating expenses and loss before net financial income and income tax expense are presented on a continuing operations basis, excluding ISS discontinued operations.

(c) Net earnings from discontinued operations include ISS operations up to March 17, 2021 and the preliminary gain on disposal. The preliminary gain on disposal has been calculated based on the transaction terms and the values of the net assets disposed of. This includes values from Aimia's notional purchase price allocation process (*Note 22*) for customer relationships and technology intangible assets as well as goodwill that have been allocated to the ISS business based on the relative values of the operations disposed of and the ones retained. The preliminary gain is still subject to the finalization of closing working capital and indebtedness.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Reconciliation of summarized statement of operations to Aimia's share of net earnings

	Years Ended December 31,	
	2021	2020 [a]
Kognitiv net assets, beginning of year	**10.3**	32.5
Net loss for the year	(52.3)	(22.9)
Other comprehensive income	2.6	—
Share-based compensation	3.8	—
Other equity movements	(0.4)	0.7
Adjustment for intangibles and goodwill recognized on acquisition related to business disposal and other equity adjustments	39.2	—
Kognitiv net assets, end of year	**3.2**	10.3
Interest in Kognitiv @ 48.9%	1.6	5.0
Cumulative undeclared dividends on preferred shares not owned by Aimia	(3.1)	(1.1)
Share of equity movements not impacting equity pick-up	(1.7)	—
Share of net book value of intangibles assets and goodwill recognized on acquisition	50.5	71.2
Carrying value, end of year	**47.3**	75.1

	Years Ended December 31,	
	2021	2020 [a]
Net loss	**(52.3)**	(22.9)
Share of net loss of Kognitiv	(25.6)	(11.2)
Amortization expense related to identifiable assets recognized on acquisition	(1.5)	(1.3)
Cumulative undeclared dividends on preferred shares not owned by Aimia	(2.0)	(1.1)
Aimia's share of Kognitiv net loss	**(29.1)**	(13.6)

(a) The Kognitiv transaction closed on June 18, 2020 (*Note 22*).

Impairment test

As detailed in *Note 2 (a),* the emergence of new COVID-19 variants, extension of travel restrictions and restructuring activities following the ISS transaction caused additional delays in the execution of Kognitiv's business plan. Aimia tested the investment for impairment in the year ended December 31, 2021, as these delays to the business plan, which have pushed out the achievement of profitability further, were considered to be an indication that Kognitiv's carrying amount might have been impaired.

The recoverable value was determined using a market approach consisting of a multiples of projected revenues. These valuations were based on the most recent financial long-range plan prepared by Kognitiv's management.

The key assumptions for the market approach were as follows:

- Forecasted Revenues multiple range of 1.4x - 2.2x
- Revenue growth rate of 30%

(Tables in millions of Canadian dollars, except share and per share amounts)

The multiples selected were taken from a list of comparable companies offering marketing services and are in line with the implied multiples from the recent disposal of ISS by Kognitiv.

Based on the results of the impairment test, the carrying amount of the investment in Kognitiv was determined to be lower than its recoverable value, and therefore no impairment was recorded.

Sensitivity

If a trailing twelve months average revenue multiple applied to Kognitiv's revenues for the year ended December 31, 2021, would be below 1.7x, the recoverable value of the investment in Kognitiv would have been determined to be lower than its carrying amount at December 31, 2021.

INVESTMENT IN BIGLIFE

On March 22, 2021, Aimia entered into a binding memorandum of understanding with Capital A to sell Aimia's investment in BIGLIFE in exchange for 85.9 million of new common shares of Capital A. On April 14, 2021, the parties entered into a share sale and purchase agreement under the same terms. This agreement was subject to Capital A shareholders approval as well as approval from Bursa Malaysia Securities Berhad ("Bursa Securities") on the listing of and quotation for the shares on the Main Market of Bursa Securities. With both conditions fulfilled, the sale of Aimia's investment in BIGLIFE closed on June 28, 2021.

The fair value of the Capital A common shares received on that date was $22.3 million (MYR75.1 million), resulting in a gain on disposal of equity-accounted investment of $6.9 million.

5. INTEREST, DIVIDEND AND OTHER INVESTMENT INCOME

	Years Ended December 31,	
	2021	2020
Interest Income		
Interest on cash and cash equivalents, restricted cash	0.4	1.1
Interest on convertible notes and other financial instruments	0.2	—
Interest income on investments in bonds	—	1.4
Total interest income	**0.6**	2.5
Dividend income		
Dividend income from marketable securities held through Precog	0.4	—
Total dividend income	**0.4**	—
Other investment income		
Other investment income	0.6	—
Total other investment income	**0.6**	—
Total interest, dividend and other investment income	**1.6**	2.5

(Tables in millions of Canadian dollars, except share and per share amounts)

6. REVENUE

All of the Corporation's revenues from customers from continuing operations (investment management fees) have been recognized in the United States. Revenue from customers are attributed to a country on the basis of the country where the contractual and management responsibility for the customer resides.

7. EMPLOYEE BENEFITS

Total employee benefit expenses, including salary and wages, pension costs, share-based compensation, termination and other benefits, but excluding compensation expenses related to Board of Directors members, for the year ended December 31, 2021 amounted to $15.3 million (2020: $9.9 million).

Defined contribution plan

Total employee pension costs, as recognized by Aimia under required defined contribution employee future benefit, amounted to $0.4 million for the year ended December 31, 2021 (2020: $0.3 million).

8. EARNINGS (LOSS) PER COMMON SHARE

	Years Ended December 31,	
	2021	2020
Net earnings (loss) attributable to equity holders of the Corporation	**(16.4)**	(4.1)
Deduct: Dividends declared on preferred shares related to the period (*Note 15*)	**(12.6)**	(12.7)
Loss attributable to common shareholders	**(29.0)**	(16.8)
Weighted average number of basic and diluted common shares [(a)]	**90,922,527**	93,067,109
Earnings (loss) per common share – Basic and fully diluted	**$ (0.32)**	$ (0.18)
Continuing operations - Basic and fully diluted	**$ (0.33)**	$ (0.30)
Discontinued operations - Basic and fully diluted	**0.01**	0.12

(a) The weighted average number of basic common shares calculation excludes common shares issued and deposited in escrow as part of the MIM transaction (*Note 21*) as they are still subject to forfeitures as of December 31, 2021.

9. ACCOUNTS RECEIVABLE

As at	December 31,	December 31,
	2021	2020
Trade receivables	0.4	1.1
Sales tax receivable	—	1.1
Other receivables	0.5	1.8
Total	**0.9**	4.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

10. PROPERTY AND EQUIPMENT, LONG-LIVED INTANGIBLES AND GOODWILL

	Property and Equipment	Accumulation Partners' Contracts and Customer Relationships	Software and Technology	Trade Names	Goodwill
Year ended December 31, 2020					
Opening net carrying amount	1.5	8.9	1.2	8.8	—
Additions *(Note 21)*	—	2.6	—	—	11.8
Disposals *(Note 22)*	(1.0)	(8.6)	(0.2)	(8.6)	—
Depreciation and amortization expense [(a)]	(0.4)	(1.3)	(1.1)	—	—
Depreciation and amortization - Right of use asset	(0.1)	—	—	—	—
Exchange differences and other	—	0.2	0.1	(0.2)	(0.7)
Closing net carrying amount	**—**	**1.8**	**—**	**—**	**11.1**
At December 31, 2020					
Cost	—	2.5	—	—	11.1
Less: accumulated depreciation and amortization	—	0.7	—	—	—
Closing net carrying amount	**—**	**1.8**	**—**	**—**	**11.1**
Year ended December 31, 2021					
Opening net carrying amount	—	1.8	—	—	11.1
Depreciation and amortization expense	—	(0.7)	—	—	—
Exchange differences and other	—	—	—	—	(0.1)
Closing net carrying amount	**—**	**1.1**	**—**	**—**	**11.0**
At December 31, 2021					
Cost	—	2.5	—	—	11.0
Less: accumulated depreciation and amortization	—	1.4	—	—	—
Closing net carrying amount	**—**	**1.1**	**—**	**—**	**11.0**

(a) Includes depreciation and amortization as well as amortization of Accumulation Partners' contracts, customer relationships and technology.

GEOGRAPHIC INFORMATION

Non-current assets

As at	December 31,	
	2021	2020
Canada	**32.9**	32.9
United States	**12.1**	12.9
Total	**45.0**	45.8

Non-current assets for this purpose include amounts relating to intangible assets, goodwill and the tax deposit included in other long-term assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill

For the purpose of impairment testing, goodwill is allocated to Aimia's Holdings cash-generating unit ("CGU") which represents the lowest level within Aimia at which goodwill is monitored for internal management purposes, and is not higher in the hierarchy than Aimia's operating segments. The carrying amount of the CGU as of December 31, 2021 was $421.0 million (2020: 437.9 million).

The recoverable value of Aimia's Holdings CGU for the year ended December 31, 2021 was based on the fair value less costs of disposal calculation. The resulting recoverable value is the sum of assets fair values using different valuation techniques classified as level 1 and level 3 in accordance with the fair value hierarchy described in *Note 3*.

Key assumptions and unobservable valuation inputs associated valuation techniques classified as level 3 include:

- Investment in PLM: assumptions in accordance to binding letter of intent between Aimia and Aeromexico as described in *Note 4* (2020: Adjusted EBITDA multiple of 7.5x);
- Investment in Clear Media: assumptions and inputs aligned with fair value calculation described in *Note 3* (2020: idem);
- Investment in TRADE X: assumptions and inputs aligned with fair value calculation described in *Note 3* (2020: N/A);
- Investment in Kognitiv: assumptions and inputs aligned with recoverable value calculation for impairment test performed, as described in *Note 4* (2020: Assumptions and inputs aligned with impairment test performed as of December 31, 2020);
- Recurring central operating costs, including costs related to public company disclosure and Board costs, executive leadership, finance and administration valued using a multiple of 6.0x (2020: 6.0x);

Based on the results of the impairment tests conducted as of December 31, 2021 and 2020, the carrying amount of the Holdings cash generating unit was determined to be lower than its recoverable amount and therefore, no impairment was recorded.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	December 31, 2021	December 31, 2020
Non-trade payables and other accrued expenses	1.4	1.4
Employee compensation and benefits accruals (excluding share-based compensation)	2.7	1.7
Share-based compensation and other performance awards liability	—	0.4
Sales tax payable	0.6	—
Total	**4.7**	3.5

12. OTHER NON-CURRENT LIABILITIES

As at	December 31, 2021	December 31, 2020
Share-based compensation and other performance awards	**12.9**	5.7
Contingent consideration and deferred compensation *(Note 21)*	**4.0**	2.8
Other non-current liabilities	**16.9**	8.5

13. INCOME TAXES

Income Tax Expense

Income tax expense (recovery) from continuing operations for the year is as follows:

	Years Ended December 31,	
	2021	2020
Current tax expense (recovery)		
Current Part VI.1 tax expense for the year	5.1	4.9
Current tax expense for the year	(0.1)	—
Total current tax expense	**5.0**	**4.9**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Income taxes included in the statement of earnings differ from the statutory rate as follows:

	Years Ended December 31,			
	2021		2020	
	%	$	%	$
Reconciliation of statutory tax rate				
Income tax expense (recovery) at Canadian statutory tax rate:	26.50	(3.2)	26.50	(2.7)
Adjusted for the effect of:				
Temporary differences for which no deferred income tax asset has been recorded	1.65	(0.2)	(0.98)	0.1
Permanent differences - other	(44.67)	5.4	(25.52)	2.6
Foreign operations - subject to different tax rates	15.70	(1.9)	—	—
Prior year adjustments related to Part VI.1 tax	1.65	(0.2)	1.96	(0.2)
Part VI.1 tax	(42.15)	5.1	(50.00)	5.1
Income tax expense (recovery) as reported in the consolidated statements of operations and effective tax rate	(41.32)	5.0	(48.04)	4.9

The Corporation's applicable tax rate is the Canadian combined rates applicable in the jurisdictions in which the Corporation operates.

Deferred income tax assets and liabilities

At December 31, 2021, no deferred tax liabilities were recognized for temporary differences of $59.4 million (2020: $62.1 million) related to investments in subsidiaries because Aimia controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

At December 31, 2021 and 2020, Aimia had no deferred tax assets following the Kognitiv transaction (*Note 22*) and the loss of control in Loyalty Solutions business and its related assets. Furthermore, deferred tax assets on a continuing basis have not been recorded in the accounts as it is currently not considered probable that taxable profits will be available against which deferred tax assets could be utilized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Movements in temporary differences during the year ended December 31, 2020 were as follows:

	Balance at December 31, 2019	Recognized in Earnings 2020		Recognized in OCI 2020	Recognized in Equity 2020	Balance at December 31, 2020
		Continuing operations	Discontinuing operations			
Deferred tax assets (liabilities)						
Losses available for carryforward	1.1	—	(1.1)	—	—	—
Accumulation Partners' contracts, customer relationships and trade names	3.0	—	(3.0)	—	—	—
Software and technology	0.3	—	(0.3)	—	—	—
	4.4	**—**	**(4.4)**	**—**	**—**	**—**

Operating tax losses

At December 31, 2021, Aimia had the following operating tax losses available for carryforward, for which the deferred tax benefit has not been recorded in the accounts, which may be used to reduce taxable income in future years:

Country		Carryforward period
(i) Canada		
losses available for carryforward	0.2	2028
	0.6	2036
	3.7	2038
	65.2	2039
	24.1	2040
	31.8	2041
	125.6	
(ii) United Kingdom		
losses available for carryforward	**18.3**	Indefinite with limitations on usage
(iii) United States		
losses available for carryforward	2.5	2029
	10.2	2030
	31.1	2031
	23.3	2032
	34.9	2033
	10.0	2034
	15.2	2035
	13.2	2036
	9.5	2037
	56.3	Indefinite with limitations on usage
	206.2	

Capital tax losses

At December 31, 2021, Aimia had Canadian capital tax losses of $389.1 million, for which the deferred tax benefit has not been recorded in the consolidated financial statements, which may be used to reduce taxable capital income in future years.

Other deductible temporary differences

At December 31, 2021, Aimia had other deductible temporary differences of $22.8 million which may be used to reduce taxable income in future years and for which no deferred tax benefit has been recorded in the accounts.

14. CONTINGENT LIABILITIES

GUARANTEES AND INDEMNIFICATIONS

Aimia has agreed to indemnify its directors and officers, and the directors and officers of its subsidiaries, to the extent permitted under corporate law, against costs and damages incurred as a result of lawsuits or any other judicial, administrative or investigative proceeding in which said directors or officers are sued as a result of their services. The directors and officers are covered by directors' and officers' liability insurance.

In limited circumstances, Aimia may provide guarantees and/or indemnifications to third parties to support the performance obligations of its subsidiaries under commercial contracts or in regards to representations and warranties made by Aimia when Aimia disposed of businesses and other assets. No amount has been recorded in these financial statements with respect to the indemnification and guarantee agreements.

Kognitiv transaction

Refer to *Note 22* for a description of the indemnification clauses related to the Kognitiv transaction.

Aeroplan transaction

On January 10, 2019, Aimia completed the sale of Aeroplan Inc. (formerly known as Aimia Canada Inc.), the owner and operator of the Aeroplan loyalty program, to Air Canada, pursuant to the share purchase agreement entered into (the "SPA").

The SPA provides that, as of and after the closing date, each of Aimia and Air Canada shall indemnify one another, as well as certain affiliates and their respective representatives, for losses suffered as a result of or arising in connection with any inaccuracy, misrepresentation or breach of any representation or warranty made or given in the agreement or any certificate delivered pursuant thereto and any failure to observe, fulfill or perform any covenant or obligation in the agreement. With respect to those general indemnification clauses, Aimia has no obligation to indemnify Air Canada unless and until the aggregate amount of the losses incurred exceeds $2.25 million, in which case all losses above $2.25 million are indemnifiable. Aimia's liability for such indemnity claims shall not exceed $55.0 million in all cases except with respect to (i) Aimia's fundamental representations, where its liability shall not exceed the purchase price (ii) tax claims for pre-closing tax periods, where Aimia's liability is uncapped, and (iii) non-compliance with antispam laws, consumer protection laws, privacy laws or other laws pertaining to the security and protection of personal information, where Aimia's liability is uncapped.

In addition to the foregoing, Aimia has agreed to indemnify Air Canada for income tax payments that may arise after the closing date relating to pre-closing tax periods for Aeroplan Inc. This included the income tax audit conducted by the CRA regarding certain Aeroplan income tax matters dating back to 2013 (the "2013 CRA audit"). In regards to the tax payment indemnification clause described above, $100.0 million of the purchase proceeds were deposited in a separate interest-bearing account jointly controlled by Aimia and Air Canada pending the conclusion of the 2013 CRA audit.

Since the transaction close, Aimia received notices of reassessment from the CRA and Revenu Québec for the 2012 through 2017 taxation years and notices of assessment for the 2018 and 2019 taxation years. Aimia has funded the amounts due upon receipt of the assessments from the restricted cash account. The remaining restricted cash account balance of $66.9 million was released to Aimia in July 2020 in accordance with the terms of the SPA between Aimia and Air Canada.

Aimia, in conjunction with Aeroplan Inc., has initiated the process to vigorously contest these matters. Based on external advice it has received, the Corporation believes that it is more likely than not that Aeroplan Inc. will prevail in the recourse procedures available to taxpayers in these situations, which could eventually lead to a court contestation. Based on this assessment, Aimia did not record any income tax expenses related to discontinued operations in its financial statements and presents the amount funded in other non-current assets (*Note 20B*). Should Aeroplan Inc. be successful in its recourse procedures, the $32.9 million remitted to the CRA and Revenu Québec from the original $100.0 million restricted cash account would be returned to Aimia.

CLASS ACTIONS

Class actions seeking reimbursement of fuel surcharges, airport improvement fees and passenger charges

Following the completion of the sale of the Aeroplan Program and related assets on January 10, 2019, Aimia will bear 50% of the liability and costs, if any, associated with these class action proceedings against Aeroplan Inc., up to a cap of $25.0 million for Aimia, after which Air Canada is solely responsible.

Management believes that Aeroplan Inc. has a strong defense to these class actions and believes that it is more likely than not that its position will ultimately be sustained; therefore, no amount was recorded in the Corporation's consolidated financial statements as at December 30, 2021 and December 31, 2020.

OTHER CLAIMS AND LITIGATION

Claim from former executive

On November 12, 2020, a former executive of the Corporation filed a statement of claim with the Ontario Superior Court against Aimia seeking, among other remedies, an aggregate of at least $9.0 million in compensatory and punitive damages for breach of contract and wrongful dismissal. Aimia intends to vigorously defend against the claim. Given the stage of the proceedings, it is too early to assess whether there will be a material impact as a result of this claim. No amount has been recorded in these financial statements with respect to this claim.

(Tables in millions of Canadian dollars, except share and per share amounts)

15. DIVIDENDS

Quarterly dividends declared to preferred shareholders of Aimia for the years ended December 31, 2021 and 2020, were as follows:

	2021		2020	
Three months ended	Amount	Per preferred share	Amount	Per preferred share
Series 1				
March 31,	1.5	0.300125	0.8	0.281250
June 30,	1.6	0.300125	1.5	0.300125
September 30,	1.5	0.300125	1.6	0.300125
December 31,	1.5	0.300125	1.5	0.300125
Total	**6.1**	**1.200500**	5.4	1.181625
Series 2				
March 31,	—	—	0.7	0.336700
Total	**—**	**—**	0.7	0.336700
Series 3				
March 31,	1.7	0.375688	1.7	0.375688
June 30,	1.6	0.375688	1.6	0.375688
September 30,	1.6	0.375688	1.6	0.375688
December 31,	1.6	0.375688	1.7	0.375688
Total	**6.5**	**1.502752**	6.6	1.502752
Total preferred dividends on Series 1, Series 2 and Series 3	**12.6**		12.7	

Aimia is subject to Part VI.1 tax under the Income Tax Act (Canada) (the "ITA") at an imposed tax rate of 40% associated with dividends paid on its preferred shares. For the year ended December 31, 2021, the gross amount of Part VI.1 tax expense is $5.1 million (2020: $4.9 million). In prior years when Aimia paid dividends on its Preferred Shares, Aimia transferred all or part of its Part VI.1 tax liability to its related Canadian subsidiaries to offset the Part VI.1 tax by reducing the taxable income of its Canadian subsidiary and Part 1 tax liability. However, following the sale of Aeroplan and the Kognitiv transaction, Aimia and its related Canadian subsidiaries will not have sufficient Canadian taxable income to benefit entirely from the Part VI.1 tax deduction to offset the Part 1 tax. Any unused Part VI.1 tax deduction will be carried forward as non-capital losses under the rules specifically provided under the ITA.

During the years ended December 31, 2021 and 2020 the Corporation paid $5.1 million and $22.0 million of Part VI.1 tax, respectively.

On March 21, 2022, the Board of Directors of Aimia declared quarterly dividends of $0.300125 per Series 1 preferred share and $0.375688 per Series 3 preferred share, in each case payable on March 31, 2022, to shareholders of record on March 28, 2022.

(Tables in millions of Canadian dollars, except share and per share amounts)

16. CAPITAL STOCK

A) CAPITAL STOCK

Authorized:

An unlimited number of common shares, voting, no par value;

An unlimited number of preferred shares, non-voting, non-participating, issuable in series, no par value. In the event that Aimia has not paid the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, the holders of preferred shares become entitled to receive notice of and to attend meetings of the shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and to vote together with all other shareholders of the Corporation entitled to vote at such meetings on the basis of one vote for each preferred share.

COMMON SHARES:

Issued and outstanding	December 31, 2021		December 31, 2020	
	Number of shares	$	Number of shares	$
Opening balance	**92,488,212**	**4.8**	**93,848,235**	**0.6**
Common shares issued - Business acquisition [(a)]	—	—	3,072,628	4.4
Shares repurchased under the normal course issuer bid program	—	—	(4,432,651)	(0.2)
Closing balance	**92,488,212**	**4.8**	**92,488,212**	**4.8**

(a) The common shares issued include 1.6 million shares subject to forfeiture and/or clawback clauses that have been issued and deposited in escrow (*Note 21*).

Normal course issuer bid

On June 8, 2020, the Corporation announced it had received approval from the Toronto Stock Exchange to purchase up to 6,980,010 of its issued and outstanding common shares under a normal course issuer bid during the period from June 10, 2020 to no later than June 9, 2021. From June 10, 2020 to December 31, 2020, Aimia repurchased 4,422,745 common shares for a total consideration of $14.6 million. Share capital was reduced by $0.2 million and the remaining $14.4 million was accounted for as a reduction of contributed surplus.

On June 17, 2021, the Corporation announced it had received approval from the Toronto Stock Exchange to purchase up to 7,349,638 of its issued and outstanding common shares under a normal course issuer bid during the period from June 21, 2021 to no later than June 20, 2022.

The Corporation has not repurchased any common shares during the year ended December 31, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

PREFERRED SHARES:

Issued and outstanding	December 31, 2021		December 31, 2020	
	Number of shares	$	Number of shares	$
Opening balance	**9,438,403**	**231.1**	**9,438,403**	**231.1**
Conversion to Preferred Shares, Series 1	—	—	2,161,865	52.9
Conversion of Preferred Shares, Series 2	—	—	(2,161,865)	(52.9)
Closing balance	**9,438,403**	**231.1**	**9,438,403**	**231.1**
Represented by:				
Preferred Shares, Series 1	5,083,140	124.4	5,083,140	124.4
Preferred Shares, Series 3	4,355,263	106.7	4,355,263	106.7

Preferred shares, Series 1 and Preferred shares, Series 2

On February 24, 2020, the Board of Directors resolved that the Corporation would not exercise its right to redeem all or any number of the currently issued and outstanding 2,921,275 Cumulative Rate Reset Preferred Shares, Series 1 (the "Series 1 Preferred Shares") nor all or any number of the currently issued and outstanding 2,161,865 Cumulative Floating Rate Preferred Shares, Series 2 (the "Series 2 Preferred Shares") on March 31, 2020. As a result and subject to certain conditions set out in the rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Shares, the holders of the Series 1 Preferred Shares had the right to convert all or any number of their Series 1 Preferred Shares, on a one-for-one basis, into Series 2 Preferred Shares and subject to certain conditions set out in the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares, the holders of the Series 2 Preferred Shares had the right to convert all or any number of their Series 2 Preferred Shares, on a one-for-one basis, into Series 1 Preferred Shares of Aimia; in each case on March 31, 2020.

During the conversion notice period, 1,774,254 Series 2 Preferred Shares were tendered for conversion into Series 1 Preferred Shares. In accordance with the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares and the Series 1 Preferred Shares, since there would be fewer than 1,000,000 Series 2 Preferred Shares outstanding on March 31, 2020, after having taken into account all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares, all Series 2 Preferred Shares were automatically converted into Series 1 Preferred Shares on March 31, 2020.

In addition, despite the fact that during the conversion notice period, 17,370 Series 1 Preferred Shares were tendered for conversion into Series 2 Preferred Shares, since there would be fewer than 1,000,000 Series 2 Preferred Shares outstanding on March 31, 2020, after having taken into account all Series 1 Preferred Shares tendered for conversion into Series 2 Preferred Shares, holders of Series 1 Preferred Shares who elected to tender their shares for conversion did not have their Series 1 Preferred Shares converted into Series 2 Preferred Shares on March 31, 2020 in accordance with the rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Shares and the Series 2 Preferred Shares.

As a result, all 2,161,865 Series 2 Preferred Shares were automatically converted into Series 1 Preferred Shares on March 31, 2020 and no Series 2 Preferred Shares remain issued and outstanding after March 31, 2020. The dividend rate of the Series 1 Preferred Shares for the five-year period from and including March 31, 2020 up to but excluding March 31, 2025 will be 4.802%, being 3.75% over the five-year Government of Canada bond yield, as determined in accordance with the rights, privileges, restrictions and conditions attaching to the Series 1 Preferred

(Tables in millions of Canadian dollars, except share and per share amounts)

Shares. As of December 31, 2021, there are 5,083,140 issued and outstanding Series 1 Preferred Shares, all of which are listed on the Toronto Stock Exchange.

Preferred shares, Series 3

As of December 31, 2021, there are 4,355,263 issued and outstanding Series 3 Preferred Shares, all of which are listed on the Toronto Stock Exchange. The holders of the Series 3 Shares are entitled to receive quarterly fixed, cumulative, preferential cash dividends, as and when declared by the Corporation's Board of Directors, subject to compliance with the provisions of the *Canada Business Corporations Act*. The annual dividend rate for the five-year period from and including March 31, 2019 up to but excluding March 31, 2024 will be 6.01%, being 4.20% over the five-year Government of Canada bond yield, as determined in accordance with the rights, privileges, restrictions and conditions attaching to the Series 3 Shares.

B) STOCK-BASED COMPENSATION AND OTHER PERFORMANCE AWARDS

The total stock-based compensation and other performance awards expense from continuing operations for the years ended December 31, 2021 and 2020 was as follows:

	Years Ended December 31,	
	2021	2020
Stock options compensation	—	0.1
PSU and RSU compensation	—	(1.3)
DSU compensation	7.2	5.9
Total stock-based compensation	**7.2**	**4.7**
Performance cash awards	0.1	(2.5)
Total stock-based compensation and other performance awards	**7.3**	**2.2**

Performance Cash Plan

In 2017, the Corporation entered into a voluntary trading restriction that continued to be in effect until May 2019 and, as such, was not able to award Options or PSUs as part of the annual long-term incentive grant. As such, in 2018, Aimia implemented a cash-based long-term incentive plan, named the Performance Cash Plan, for its executives normally eligible to receive Options and PSUs under the Aimia Long-Term Incentive Plan and Aimia Share Unit Plan respectively. It was designed to retain key employees and motivate them to meet or exceed Aimia's performance targets over the long-term. A three-year time vesting horizon was established for Executive Officers and a one-year vesting horizon was implemented for other executives. The performance cash awards ("PCAs") granted under the Performance Cash Plan are subject to performance conditions. Following the Kognitiv transaction and change in corporate strategy, the Corporation cancelled the performance cash plan and paid the accrued amounts up to date. No grant of performance cash awards was done in the year ended December 31, 2021 (2020: nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Aimia Long-Term Incentive Plan and Share Unit Plan

The Corporation did not issue stock options for the years ended December 31, 2021 and 2020.

A summary of stock option activity related to the employees participating in the Aimia Long-Term Incentive Plan is as follows:

	2021		2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding - Beginning of year	**644,310**	**8.85**	**3,806,465**	**11.08**
Forfeited	—	—	(542,986)	3.25
Expired	(547,961)	9.45	(2,619,169)	13.25
Options outstanding - end of year	**96,349**	**5.46**	**644,310**	**8.85**
Options exercisable - end of year	**58,777**	**6.88**	**454,711**	**9.44**

The details of options outstanding and exercisable at December 31, 2021 are as follows:

	Options Outstanding		Options Exercisable		
Year granted	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Expiration Date
2015	21,207	13.30	21,207	13.30	2022
2019	75,142	3.25	37,570	3.25	2026
	96,349	**5.46**	**58,777**	**6.88**	

The details of Aimia's PSUs and RSUs described in *Note 2* are as follows:

	PSU		RSU	
December 31,	2021	2020	2021	2020
Number of units outstanding - beginning of year	**—**	**1,118,757**	**—**	**10,901**
Units granted (including units granted due to performance)	—	148,901	—	—
Units forfeited (including units forfeited due to performance)	—	(828,853)	—	(236)
Units settled	—	(438,805)	—	(10,665)
Number of units outstanding - end of year	**—**	**—**	**—**	**—**
Weighted average fair value per unit on date of grant ($)	N/A	N/A	N/A	N/A

The PSUs and RSUs vest 3 years after the grant. The PSUs are subject to performance conditions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Aimia Deferred Share Unit Plan

The details of Aimia's DSUs described in *Note 2* are as follows:

	DSU	
December 31,	2021	2020
Number of units outstanding - beginning of year	**4,102,113**	**357,321**
Units granted during the year	143,685	4,092,096
Units settled during the year	(87,264)	(347,304)
Number of units outstanding - end of year	**4,158,534**	**4,102,113**
Weighted average fair value per unit on date of grant ($)	$ 4.63	$ 2.99

The DSUs granted to directors are not subject to vesting conditions. During the year ended December 31, 2020, 3.8 million DSUs were issued to executives and had the following characteristics:

- 516,667 were not subject to vesting conditions;
- 600,000 are subject to performance vesting conditions (Aimia's share price trading at a weighted average of $6.00/share or higher over a consecutive 20 day trading period). If performance condition is met, the DSUs are vesting in equal parts at each grant anniversary over the next 6 years;
- 2,683,333 will vest in equal parts at each grant anniversary over the next 5 or 6 years.

DSUs are payable only upon termination of service. At December 31, 2021, the intrinsic value of vested DSUs amounted to $6.8 million (2020: $3.4 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

17. COMMITMENTS

As at December 31, 2021, the non-cancellable estimated future minimum payments under various short-term operating leases and other contractual obligations are as follows:

	Total	2022	2023	2024	2025	2026	Thereafter
Operating leases	0.1	0.1	—	—	—	—	—
Technology infrastructure and other	0.6	0.3	0.2	0.1	—	—	—
Total	**0.7**	**0.4**	**0.2**	**0.1**	**—**	**—**	**—**

As at December 31, 2021, Aimia had also committed to purchase $10.0 million of Kognitiv's secured subordinated convertible notes, subject to closing conditions, which included Kognitiv securing additional credit facility and term loan financing as well as having secured commitments of an aggregate of at least $25.0 million on the secured subordinated convertible notes. These closing conditions were met on January 31, 2022 and the convertible note was officially issued on that date.

18. CAPITAL MANAGEMENT

Aimia's main objectives when managing capital are:

- to provide a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
- to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk and preserves the ability to meet financial obligations; and
- to provide a rewarding return on investment to shareholders.

Aimia considers its capital structure to include shareholders' equity and, to the extent it exists, interest-bearing debt.

Aimia manages its capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying financial instruments. The Corporation may issue new shares or debt as well as repurchase common and/or preferred shares using normal course issuer bid to maintain or adjust its capital structure. As of December 31, 2021 and 2020, Aimia was not subject to externally imposed capital requirements.

The total capital as at December 31, 2021 and 2020 is as follows:

	December 31,	
	2021	2020
Share Capital	235.9	235.9
Contributed surplus	2,265.4	2,265.4
Accumulated other comprehensive income	32.5	30.8
Deficit	(2,129.8)	(2,100.8)
Total capital	**404.0**	431.3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

19. RELATED PARTIES

ULTIMATE CONTROLLING PARTY

During the years ended December 31, 2021 and 2020, shares of the Corporation were widely held and the Corporation did not have an ultimate controlling party.

TRANSACTIONS WITH DIRECTORS AND KEY MANAGEMENT PERSONNEL

As of December 31, 2021, key management personnel is identified as the Corporation's:

- Chief Executive Officer;
- President;
- Chief Financial Officer;
- Chief Investment Officer;
- Chief Legal Officer.

Key management based in Canada participate in registered defined contributions pension plan with annual contributions of 15% of base salary, through co-payment by the Corporation and the executive, up to the annual maximum permitted under relevant legislation. Once the maximum allowable deductible pension contribution is reached, Aimia contributes to a non-registered plan to achieve the target annual contribution of 15% of base salary.

Key management based in the United States participate in a 401(k) retirement savings plan. Under the plan and subject to IRS annual contribution maximums, employees may contribute up to the maximum established for the fiscal year. Where the employee contributes the maximum allowable value, the Corporation shall do the same to maximize the employee's 401(k) plan for the year.

Key management of Aimia also participate in the DSU Plan (deferred share units) and may participate in the LTIP (stock options) and the SUP (performance share units and restricted share units).

The compensation for services paid or payable to directors and to key management roles identified above is shown below:

	Years Ended December 31,	
	2021	2020
Director compensation, and key management salaries and benefits [(a)]	**5.5**	4.0
Post-employment benefits	**0.2**	0.2
Share-based compensation and other performance awards	**7.3**	6.0
Total [(b)]	**13.0**	10.2

(a) Salaries and benefits include short-term incentive compensation.

In addition to the above amounts, the Corporation is committed to pay incremental benefits to certain members of key management up to $2.4 million in the event of a termination without cause or up to $18.7 million in the event of a termination resulting from a change in control.

TRANSACTIONS WITH POST-EMPLOYMENT BENEFIT PLANS

Aimia offers post-employment benefits to its former employees by way of defined contribution plans. The transactions with these plans are limited to contributions and payment of benefits (*Note 7*).

INVESTMENT IN PRECOG CAPITAL PARTNERS L.P.

On June 1, 2021, the Corporation invested $25.0 million (US$20.7 million) in Precog Capital Partners L.P. ("Precog"), a Delaware limited partnership. The fund may invest in equity, debt or hybrid investments both domestically and internationally of varying market capitalization. Precog's general partner and investment manager is MIM, a wholly-owned subsidiary of the Corporation. The Corporation's capital invested in the fund represented approximately 81% of the total limited partners' capital. As a result of the investment, Aimia concluded it had control over the investment fund per the IFRS 10 definition and therefore is required to consolidate the fund since June 1, 2021. Refer to *Note 23* for more details on the transaction.

ACQUISITION OF MITTLEMAN BROTHERS

On June 19, 2020, Aimia announced the acquisition of all outstanding shares of Mittleman Brothers LLC, a related party to the Corporation and the parent company of Mittleman Investment Management, LLC, an SEC-registered adviser that provides discretionary portfolio management to institutional investors and high-net-worth individuals. Refer to *Note 21* for more details on the transaction.

TRANSACTIONS WITH KOGNITIV

On June 18, 2020, Aimia completed the Kognitiv transaction. The transaction was a contribution of cash and Aimia's Loyalty Solutions business, in exchange of an ownership interest in Kognitiv. Aimia and Kognitiv have provided each other transition services. For the year ended December 31, 2020, Aimia has incurred a net expense of $0.7 million in regards to these transition services. Any receivable or payable balance as of December 31, 2020, in regards to these services or other outstanding amounts in regards to the transaction are reported as receivable from related party and payable to related party on the consolidated statement of financial position. Refer to *Note 22* for more details on the Kognitiv transaction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

20. ADDITIONAL FINANCIAL INFORMATION

The following sections provide additional information regarding certain primary financial statement captions:

A) STATEMENTS OF CASH FLOWS

CHANGES IN OPERATING ASSETS AND LIABILITIES

	Years Ended December 31,	
	2021	2020
Restricted cash	**(0.8)**	(5.8)
Accounts receivable	**3.7**	24.8
Inventories	—	0.3
Prepaid expenses and deposits	**0.2**	8.2
Accounts payable and accrued liabilities	**0.2**	(34.0)
Customer deposits	—	(1.0)
Other long-term liabilities	**0.4**	(1.1)
Deferred revenue	—	(6.1)
Total	**3.7**	(14.7)

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Balance at December 31, 2019	Cash inflow	Cash outflow	Non-cash items				Balance at December 31, 2020
				Lease liabilities	*Amortization of transaction costs*	*Foreign exchange*	*Discontinued Operations (Note 22)*	
Lease liabilities (including short-term portion)	6.0	—	(0.7)	—	—	—	(5.3)	—
Total	**6.0**	**—**	**(0.7)**	**—**	**—**	**—**	**(5.3)**	**—**

B) STATEMENTS OF FINANCIAL POSITION

OTHER NON-CURRENT ASSETS

As at	December 31,	December 31,
	2021	2020
Tax deposit *(Note 14)*	**32.9**	32.9
Other investment income receivable (*Note 3)*	**0.6**	—
Prepayments	**0.8**	1.1
Total	**34.3**	34.0

21. ACQUISITION OF MITTLEMAN BROTHERS

On June 19, 2020, Aimia announced the closing of the acquisition of all outstanding shares of Mittleman Brothers LLC, a related party to the Corporation and the parent company of Mittleman Investment Management, LLC, an SEC-registered adviser that provides discretionary portfolio management to institutional investors and high-net-worth individuals. The expertise of Mittleman Brothers brings additional capabilities needed to execute Aimia's new strategy. With the close of this transaction, Philip Mittleman was appointed permanent Chief Executive Officer of Aimia, and Christopher Mittleman was appointed as the Chief Investment Officer and a member of the Board of Directors.

The fair value of the total consideration has been estimated at $16.4 million and includes of $14.4 million related to the business acquisition and $2.0 million of deferred compensation. The total consideration consisted of $6.3 million (US$4.6 million) in cash paid at closing and up to approximately 4.2 million common shares of the Corporation. The consideration in common shares included 1.5 million common shares that were issued as initial consideration and up to 2.7 million common shares that will be issued to the sellers subject to achievement of certain earn-out and performance related targets. Of those 2.7 million common shares, 1.6 million are subject to forfeiture and/or clawback clauses, and have already been issued and deposited in escrow (the "escrow shares"). The remaining 1.1 million common shares will be issued upon achieving the performance related targets (the "contingent shares").

The performance related targets include a significant increase in MIM's assets under management or Aimia's share price trading at a weighted average of $6.00/share or higher over a consecutive 20 day trading period, in each case, prior to the fourth anniversary of the closing of the transaction.

The fair value associated with the base consideration has been determined using the amount of cash paid and the fair value of the common shares issued at the closing date. The common shares had a fair value of $2.93 per common share, which was based on the quoted price of the common shares on the Toronto Stock Exchange on the closing date. The fair value associated with the contingent consideration has been estimated using the fair value of the common shares at the closing date and probability-weighted scenarios associated with the performance related targets.

A portion of the consideration attributed to Philip Mittleman and Christopher Mittleman (the "Management Sellers") is contingent upon their continued employment with Aimia for a 10-year period (with up to 0.9 million escrow shares available for clawback) and will be accounted for as deferred compensation over that period. The Corporation incurred $0.6 million of transaction costs related to this acquisition which have been recognized as Professional, advisory and service fees expenses in the consolidated statements of operations in the year ended December 31, 2020.

The results of operations of MIM have been consolidated with those of the Corporation since June 19, 2020. The acquisition has been accounted for as a business combination in accordance with IFRS 3, *Business Combinations*, using the acquisition method whereby the net assets acquired and the liabilities assumed are recorded at fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

The following table summarizes the allocations of the consideration paid and the amounts of estimated fair value of the assets acquired and liabilities assumed at the acquisition date:

Purchase price	
Base Consideration - Cash paid	6.3
Base Consideration - Initial shares consideration (share capital)	4.4
Contingent Consideration - contingent shares (contributed surplus)	1.9
Contingent Consideration - escrow shares for non-Management Sellers (other non-current liabilities)	1.8
Total Consideration fair value to allocate	**14.4**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	0.4
Accounts receivable	0.1
Customer Relationships	2.6
Accounts payable and accrued liabilities	(0.5)
Total identifiable net assets (liabilities)	**2.6**
Goodwill	11.8
Total	**14.4**

The resulting goodwill related to the acquisition of MIM is mainly composed of key employees' investment and capital allocation expertise and expected synergies associated with workforce that does not qualify for separate recognition. The resulting goodwill has been allocated to the Holdings cash generating unit, which is the CGU that is expected to significantly benefit from the acquisition and will not be deductible for tax purposes.

Subsequent accounting - escrow shares

Non-Management Sellers

The escrow shares issued in favor of non-Management Sellers are accounted for as a contingent consideration and reported as other non-current liabilities. The other non-current liability associated with the escrow shares for non-Management Sellers is recorded at fair value at period end and any variance versus the initial value recognized as purchase price is recorded in the consolidated statement of operations and is presented in "Fair value loss on contingent consideration". The fair value associated with the contingent consideration is estimated using the fair value of the common shares at the period end and probability-weighted scenarios associated with the performance related targets. During the year ended December 31, 2021, a fair value loss of $0.8 million was recorded in the consolidated statements of operations (2020: fair value loss of $ 0.9 million), due to the change in the share price of the Corporation.

Management Sellers

The escrow shares issued in favor of Management Sellers are accounted for as compensation over the 10-year period post-transaction close. The compensation accrued is estimated using the fair value of the common shares at the period end and probability-weighted scenarios associated with the performance related targets. During the year ended December 31, 2021, a $0.5 million compensation expense was recorded in the consolidated statements of operations (2020: $0.2 million).

22. DISCONTINUED OPERATIONS AND DISPOSAL OF BUSINESSES AND OTHER ASSETS

DISCONTINUED OPERATIONS

Kognitiv transaction - Loss of control in Loyalty Solutions business and related assets

On June 18, 2020, Aimia completed the Kognitiv transaction previously announced on April 29, 2020. The transaction is a contribution of cash and Aimia's Loyalty Solutions business, which includes Intelligent Shopper Solutions and the Air Miles Middle East program, in exchange of an ownership interest in Kognitiv, a B2B technology company enabling collaborative commerce. As part of the transaction, Kognitiv received a total of $28.7 million (US$21.1 million) with $20.4 million (US$15.0 million) coming from Aimia in funding in the form of 12% cumulative convertible preferred equity of Kognitiv and $8.3 million (US$6.1 million) from other investors. These preferred shares have similar voting rights as, and are convertible into, common shares of Kognitiv. Prior to the transaction close, Aimia had advanced $3.5 million (US$2.5 million) of that investment in the form of a convertible note that converted into convertible preferred equity at the transaction close. The fair value of Aimia's investment in Kognitiv at transaction date has been estimated at $88.7 million.

The investors' rights associated with its ownership percentage does not give Aimia control or joint control over Kognitiv or its operations, but rather a significant influence per the definition of IAS 28. Therefore, the transaction is accounted as a loss of control over the Loyalty Solutions business and related assets and a new investment in Kognitiv, which is accounted using the equity method. Under the equity method, net earnings are calculated on the same basis as if the two entities had been consolidated. The difference between the fair value of the investment and the net book value of Kognitiv's assets have been allocated to the fair value of identifiable assets and any remaining difference has been assigned to notional goodwill. The Corporation has identified a total $41.1 million of intangible assets from technology and customer relationships. The resulting residual notional goodwill in regards to this investment is $90.4 million. The proportionate share of Kognitiv’s net earnings has been recorded since the closing of the transaction on June 18, 2020 *(Note 4).*

Aimia and Kognitiv provided each other transition services until August 30, 2021. Aimia has also agreed to maintain certain guarantees (*Note 14*) as well as security in the form of cash collateral related to certain specified contracts for a period of up to 12 months in the case of guarantees and up to 24 months in the case of cash collateral. The current amount of such cash collateral as of December 31, 2021 is $1.2 million and is included in restricted cash on the statements of financial position.

The transaction agreement also provides that, as of and after the closing date, each of Aimia and Kognitiv shall indemnify one another, as well as certain affiliates and their respective representatives, for losses suffered as a result of, or arising in connection with, any inaccuracy, misrepresentation or breach of any representation or warranty made or given in the agreement or any certificate delivered pursuant thereto and any failure to observe, fulfill or perform any covenant or obligation in the agreement as well as for losses suffered as a result of customer terminated contracts pursuant to a change in control clause. With respect to those indemnification clauses, Aimia has no obligation to indemnify Kognitiv unless and until the aggregate amount of the losses incurred exceeds $2.25 million (US$1.7 million), in which case all losses are indemnifiable. Aimia’s liability for such indemnity claims shall not exceed $15.0 million in all cases except with respect to (i) Aimia’s fundamental representations and (ii) inaccuracy, misrepresentation or breach of any representation or warranty involving fraud, where Aimia's liability is uncapped.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

Consideration associated with the Kognitiv transaction	
Investment in Kognitiv recognized at fair value	88.7
Cash investment	(20.4)
Transaction costs related to the loss of control	(4.3)
Consideration relating to disposed assets and liabilities, net of transaction costs	**64.0**
Final closing adjustments related to working capital	4.3
Future technology decoupling funding	(0.8)
Net consideration	**67.5**
Assets and liabilities disposed of	
Cash and cash equivalents	11.1
Restricted cash	22.3
Accounts receivable	42.5
Inventories	0.6
Prepaid expenses and deposits	9.8
Property and equipment	1.0
Software and technology	0.2
Equity-accounted investment (Aimia Kantar)	0.7
Accumulation partners' contracts and customer relationships	8.6
Trade names	8.6
Other non-current assets	4.3
Accounts payable and accrued liabilities	(28.6)
Customer deposits	(19.2)
Deferred revenue	(22.3)
Other non-current liabilities	(7.0)
Net assets (liabilities) disposed of	**32.6**
Gain before reclassification to net earnings of cumulative translation	**34.9**
Reclassification to net earnings of cumulative translation adjustments	(21.6)
Gain on the loss of control of the Loyalty Solutions business and related assets [(a)]	**13.3**

(a) As of September 30, 2020 the preliminary gain on the loss of control of the Loyalty Solutions business and related assets was $15.1 million. During the three months ended December 31, 2020, the gain on the loss of control was adjusted by an additional $1.8 million, being a reduction of $0.8 million in final closing adjustments related to working capital, as well as reduction of net consideration by $0.8 million related to future technology decoupling funding and an increase of $0.2 million in net assets disposed of.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

The operating results are presented as discontinued operations and prior periods have been restated.

	Years Ended December 31,	
	2021	2020
Results of the Loyalty Solutions business and related assets		
Total revenue	—	52.5
Compensation and benefits	—	23.4
Technology	**(0.5)**	16.8
Professional, advisory and service fees	—	4.9
Rent and office costs	—	1.5
Travel and employee expenses	—	0.9
Depreciation and amortization	—	1.9
Other	—	2.6
Total operating expenses	**(0.5)**	52.0
Operating income	**0.5**	0.5
Gain on disposal of businesses and other assets	—	13.3
Net financial expenses	—	(0.3)
Share of net earnings of equity-accounted investments	—	0.6
Income tax (expense) recovery	**0.2**	(3.1)
Net earnings	**0.7**	11.0

Cash flows from (used in) discontinued operations included within the consolidated statements of cash flows are as follows:

	Years Ended December 31,	
	2021	2020
Net cash flows of the Loyalty Solutions business and related assets		
Cash flows from (used in):		
Operating activities [(a)]	**1.3**	(0.6)
Investing activities - Proceeds (payments) for the disposal of businesses, including cash disposed	**4.3**	(35.6)
Financing activities - Principal elements of lease payments	—	(0.7)
Total	**5.6**	(36.9)

(a) Cash flows used in operating activities for the year ended December 31, 2021 include cash put aside of $0.9 million in the form of cash collateral in accordance with the Kognitiv transaction agreement, offset by an income tax refund of $1.7 million resulting from loss carry-backs on discontinued operations as well as $0.5 million from research and development credit related to eligible expenses incurred before the disposal of Loyalty Solutions.

23. INVESTMENT IN PRECOG CAPITAL PARTNERS L.P.

On June 1, 2021, the Corporation invested $25.0 million (US$20.7 million) in Precog Capital Partners L.P. ("Precog"), a Delaware limited partnership. The fund may invest in equity, debt or hybrid investments both domestically and internationally of varying market capitalization. Precog's general partner and investment manager is MIM, a wholly-owned subsidiary of the Corporation. The Corporation's capital invested in the fund represented approximately 81% of the total limited partners' capital. As a result of the investment, Aimia concluded it had control over the investment fund per the IFRS 10 definition and therefore is required to consolidate the fund since June 1, 2021. The amount invested by Aimia in Precog was subsequently used by Precog to invest in marketable securities. As a result, the $25.0 million invested is presented as "purchases of marketable securities held for trading" in the statement of cash flows operating activities section.

The investment does not grant to Aimia ownership rights over the capital invested by the other limited partners. Per the limited partnership agreement, twelve months after a partner's admission to the partnership, such partner can withdraw, at the end of any calendar month, any amount equal to or less than 50% of the partner's capital account balance. Three months later, such partner can withdraw the remainder of the partner's capital account balance. A notice period of 60 days must be given before any withdrawal. At this time, Aimia's invested capital in the fund can be withdrawn at the end of any calendar month upon a notice period of 30 days. Based on these withdrawals rights, the limited partners capital balance is considered a liability under IFRS. The Corporation's capital balance in Precog is eliminated on consolidation. The other limited partners' capital balance is reported on the statement of financial position as "Limited Partners Capital liability".

As of December 31, 2021, the fund had 400,000 Aimia shares in its investment portfolio. These shares were acquired by the fund prior to Aimia's June 1, 2021 investment and are held on behalf of the other limited partners. The Corporation does not have any direct legal interest of any kind in any securities issued by Aimia held by the partnership and none of the profits and losses resulting from the partnership's ownership of any securities issued by Aimia can be attributed to the Corporation. The Corporation has made the IAS 32.33A irrevocable election not to deduct those shares from its equity, to account for these shares as a financial asset and measure them at fair value through profit or loss in accordance with IFRS 9.

Subsequent accounting

The financial results of Precog are consolidated using the same accounting policies and presentation than other subsidiaries of the Corporation. However, the net change in the other limited partners' capital, resulting from Precog's operations, gets attributed to the "Limited Partners Capital liability" on the consolidated statement of financial position via the line "(Increase) Decrease in limited partners capital liability" in the consolidated statement of operations. This results in no impact on net earnings for the portion of the Precog results that is not allocated to Aimia's capital balance. The management fees paid by Precog to MIM is eliminated on consolidation.

Refer to *Note 3* for more details on the financial performance of Precog during the period.

24. SEGMENTED INFORMATION

As of December 31, 2021, Aimia, through its own operations and those of its subsidiaries, operates two reportable and operating segments, namely, Holdings and Investment Management. For each of the operating segments, the Corporation's Group Chief Executive Officer review internal management reports on a monthly basis. Accounting policies applied for the Holdings and Investment Management segments are identical to those used for the purposes of the consolidated financial statements.

Holdings

The Holdings segment includes Aimia's investments in PLM, Clear Media Limited, Kognitiv, TRADE X, as well as minority investments in various public company securities and limited partnerships.

Holdings also includes central operating costs, including costs related to public company disclosure and Board costs, executive leadership, finance and administration. Prior to its disposal, the results associated with Aimia's 20% investment in BIGLIFE (*Note 4*) were included in the Holdings segment.

Investment Management

The Investment Management segment includes Mittleman Investment Management, an SEC-registered investment adviser of the same name that provides discretionary portfolio management to institutional investors and high-net-worth individuals.

(Tables in millions of Canadian dollars, except share and per share amounts)

The table below summarizes the relevant financial information by operating segment:

	Years Ended December 31,							
	2021	2020	2021	2020 (b)	2021	2020	2021	2020
Operating Segment	**Holdings**		**Investment Management**		**Eliminations**		**Total (Continuing operations)**	
Share of net income (loss) of equity-accounted investments	**(10.2)**	1.4	**—**	—	**—**	—	**(10.2)**	1.4
Net change in fair value of investments in equity instruments	**11.9**	9.5	**—**	—	**—**	—	**11.9**	9.5
Interest , dividend and other investment income	**1.6**	2.5	**—**	—	**—**	—	**1.6**	2.5
Revenue from investment management fees	**—**	—	**2.7**	0.9	**(0.3)**	—	**2.4**	0.9
Gain on disposal of equity-accounted investments	**6.9**	—	**—**	—	**—**	—	**6.9**	—
Total Income	**10.2**	13.4	**2.7**	0.9	**(0.3)**	—	**12.6**	14.3
Compensation and benefits	**14.7**	10.5	**1.7**	0.8	**—**	—	**16.4**	11.3
Professional, advisory and service fees	**4.3**	6.3	**0.4**	0.2	**(0.3)**	—	**4.4**	6.5
Insurance, technology and other office expenses	**3.3**	3.8	**0.2**	0.1	**—**	—	**3.5**	3.9
Fair value loss on contingent consideration	**0.8**	0.9	**—**	—	**—**	—	**0.8**	0.9
Other financial expense (income), net	**(0.3)**	0.9	**—**	—	**—**	—	**(0.3)**	0.9
Depreciation and amortization	**—**	0.4	**0.7**	0.6	**—**	—	**0.7**	1.0
Total Expenses	**22.8**	22.8	**3.0**	1.7	**(0.3)**	—	**25.5**	24.5
Decrease in limited partners' capital liability	**0.8**	—	**—**	—	**—**	—	**0.8**	—
Loss before income taxes (a)	**(11.8)**	(9.4)	**(0.3)**	(0.8)	**—**	—	**(12.1)**	(10.2)
Total assets	**429.1**	442.2	**1.9**	2.0	**—**	—	**431.0**	444.2

(a) The reconciliation of the consolidated net loss before income taxes to the consolidated net loss for the years ended December 31, 2021 and December 31, 2020 is presented in the consolidated statements of operations.

(b) The Corporation acquired the MIM operations on June 19, 2020.