



Aimia Loyalty Solutions and Kognitiv Corporation Merge to Form a Visionary Leader in Loyalty

(All figures referenced in Canadian dollars, except where noted)

- **Merger forms a technology-forward loyalty solutions leader well positioned to redefine the loyalty industry**
- **Transaction expected to create a company with significant global scale, provide strong business synergies, and enhance path to profitability for the combined business**
- **New entity combines Aimia Loyalty Solutions's world-class client roster and full-suite offering with Kognitiv's groundbreaking platform that processed \$1.3 billion in transactions last year**
- **Tech-savvy leadership team with loyalty expertise overseen by a highly skilled board of directors**
- **Transaction expected to close before the end of May 2020**

TORONTO, April 29, 2020 /CNW Telbec/ - Aimia Inc. (TSX: AIM) and Kognitiv Corporation announce that they have entered into an agreement to merge Aimia's Loyalty Solutions business with Kognitiv Corporation. The merger creates a new and transformative technology and loyalty solutions company that redefines how loyalty programs, merchants, and consumer brands interact to enrich member engagement, enhance consumer loyalty and deliver stronger yields to the businesses it serves.

Concurrent with the merger, Aimia Inc. and Kognitiv Corporation investors will receive Convertible Preferred Shares in the newly merged Kognitiv Corporation, in consideration for contributing approximately \$35.3 million in cash. Proceeds from the Convertible Preferred Shares financing will fund the newly merged company to position it to deliver growth and reach profitability.

Aimia Inc. Interim CEO and Board member, Phil Mittleman, commented: "We have completed a successful turnaround in the Loyalty Solutions business, which was poised to be EBITDA positive this year on a stand alone basis. Aimia was presented with an exciting opportunity in Kognitiv, whose proprietary AI, peer-to-peer technology allows their partners to distribute and apply rewards via the Loyalty Capital Network to maximize yield and consumer lifetime value. The decision to merge the businesses, each gaining traction in different markets with strong cost and business synergies, represents an outstanding opportunity and highlights the significant value that has been created in the Loyalty Solutions business, while greatly simplifying Aimia's corporate structure. Kognitiv's extensive investment in technology will enhance and further enable the Loyalty Solutions platform, and represents a significant acceleration of our combined business models which are fully funded, with the potential to become EBITDA and cash flow positive in 2021, with accelerating growth in that period and beyond that far exceeds our previous internal guidance for our loyalty services division. Importantly, Kognitiv's management and board of directors bring an invaluable array of talent and business acumen to the newly merged entity. This transaction is structured similarly to our highly successful investment in Cardlytics (Nasdaq: CDLX), where Aimia contributed certain IP, international operating expertise and board presence along with funding, into an early-stage tech-forward company, which was subsequently brought public in an IPO. We believe this merged entity has the potential for a monetization event that would provide a similar positive outcome".

Executive Chairman & Founder of Kognitiv Corporation, Peter Schwartz, said "Kognitiv Corporation is incredibly excited by this merger with Aimia. While the world is gripped by this terrible pandemic, businesses are looking for partners who can accelerate their recovery when the time is right. Consumers are looking to the brands that they trust, and are loyal to, to provide them some relief as well. I strongly believe that the transformative business created by the merging of Aimia's rich loyalty heritage and Kognitiv's unique peer-to-peer collaborative business model can provide some of those answers for both customers and their consumers. Our transformative business will drive improved yield for our customers, richer rewards for their consumers and create a genuine personalized relationship between them that will truly deepen loyalty. We plan to redefine the loyalty market and, with this unique combination of expertise, customer relationships and business model, we're confident we can do just that".

Strategic Rationale

The merger of Aimia's Loyalty Solutions and Kognitiv Corporation creates a visionary leader that is well positioned to redefine the loyalty industry.

The merged entity creates a technology-forward loyalty solutions provider by combining Aimia Loyalty's world-class client roster and strong base of over 200 million consumer profiles with the enhanced capabilities of Kognitiv's transformative loyalty platform which processed over \$1.3 billion in transactions last year and serves asset owners globally including hotels, airlines, and car rental companies and is connected to more than 20 loyalty partners.

With complementary front and back end capabilities that extends Loyalty Solutions' full suite offering paired with Kognitiv's extensive technology investments in a transformative peer-to-peer loyalty platform called the Loyalty Capital Network, this solution allows businesses and brands to improve yield for asset owners and create distinct rewards that drive deeper consumer loyalty to increase revenue for clients.

The combined business is expected to result in significant global scale, provide strong business synergies and enhance the path to profitability.

Details of Transaction

Aimia Inc. will contribute its Aimia Loyalty Solution business, which includes Intelligent Shopper Solutions ("ISS") and the Air Miles Middle East program, which will be merged into Kognitiv Corporation in return for common equity in the new combined business.

Aimia Inc. and Kognitiv Corporation investors will also invest a total of approximately \$35 million in cash into the combined entity through Convertible Preferred Shares, of which Aimia will invest approximately \$21 million and Kognitiv investors will invest approximately \$14 million. An initial \$7 million of this aggregate investment has already been advanced in the form of a Convertible Note which will be converted to Convertible Preferred Shares upon closing.

Upon closing of both the merger and the investment, Kognitiv Corporation Investors will own 51% and Aimia Inc. will own 49% of the newly merged Kognitiv Corporation giving effect to the conversion of the Convertible Preferred Shares.

Aimia Inc. expects to account for its interest in the newly merged Kognitiv Corporation using the equity accounting basis.

Leadership and Governance

The Board of Directors of newly merged Kognitiv will be well balanced with fair representation from all parties. After giving effect to the Transactions, the board of directors of will consist of 9 directors as follows:

- Two Directors designated by Aimia;

- Four Directors designated by Kognitiv Investors and;
- Three Independent Directors to be jointly approved by Kognitiv Investors and Aimia.

An Integration Committee will be formed consisting of Karen Basian (Chair), Peter Schwartz and Philip Mittleman.

Aimia will have strong governance rights on major decisions of the merged company.

Timing and Closing

Aimia Inc. and Kognitiv Corporation expect to close the transaction on or before May 29, 2020.

Jefferies LLC served as financial advisor to Aimia and Kognitiv in connection with the Transaction. The Board of Directors of Aimia has received a fairness opinion from Clarus Securities, which states that the consideration to be received by Aimia pursuant to the Transaction is fair, from a financial point of view, to the shareholders of Aimia.

About Aimia

Aimia Inc. (TSX: AIM) operates a loyalty solutions business, which is a well-recognized, global full-service provider of next-generation loyalty solutions for many of the world's leading brands in the retail, CPG, travel & hospitality, financial services and entertainment verticals.

Aimia is focused on growing earnings through its existing business and investments, including the Club Premier program in Mexico, which it jointly controls with Aeromexico through its investment in PLM, and an investment alongside Air Asia in travel technology company BIGLIFE, the operator of BIG Loyalty.

For more information about Aimia, visit corp.aimia.com.

About Kognitiv

Kognitiv Corporation operates a transformative business model and technology platform called the Loyalty Capital Network (LCN) that unearths value for our customers and delivers disproportionate rewards to their consumers. The Loyalty Capital Network is a global peer-to-peer collaborative environment that allows businesses to trade directly in a secure and compliant way. That collaboration allows businesses and brands to improve yield for asset owners and create distinct rewards that drive deeper consumer loyalty. Kognitiv Corporation is headquartered in Waterloo Ontario and employs 220 employees across 11 offices worldwide.

For more information about Kognitiv, visit kognitiv.com.

Forward-Looking Statements

This press release contains statements that constitute "forward-looking information" within the meaning of Canadian securities laws. ("forward-looking statements"), which are based upon our current expectations, estimated, projections, assumptions and beliefs. All information that is not clearly historical in nature may constitute forward-looking statements. In some cases, forward-looking statements are typically identified by the use of terms such as "outlook", "guidance", "target", "forecast", "assumption" and other similar expressions or future or conditional terms such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and "should". Forward-looking statements in this press release include, but are not limited to, statements with respect to our current and future plans, expectations and intentions, results, level of activity, performance, goals and achievements (including of our equity investments), the anticipated benefits of the proposed transaction with Kognitiv Corporation ("Kognitiv"), including obtaining financing, expected revenue synergies and cost synergies, acceleration of growth, achievement of profitability, positive EBITDA and cash flow, creation of global scale and value, the pro forma financial impact on the combined business and equity valuation resulting therefrom, and the completion and timing of the transaction with Kognitiv.

Forward-looking statements, by their nature, are based on assumptions and are subject to known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts projections and other forward-looking statement will not occur. The forward-looking statements in this press release speak only as of the date hereof and reflect several material factors, expectations and assumptions, including a number of economic and market assumptions, assumptions relating to the expected synergies to be realized from the transaction with Kognitiv, as well as assumptions regarding currencies and the performance of the economies in which the company operates and market competition and tax laws applicable to the company's operations. The company cautions that the assumptions used to prepare the above guidance, although reasonable at the time they were made, may prove to be incorrect or inaccurate. In addition, the guidance does not reflect the potential impact of any non-recurring or other special items or of any new material commercial agreements, dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after April 29, 2020. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we presently know about the risks affecting our business. Accordingly, our actual results could differ materially from our expectations as set forth in this presentation.

Undue reliance should not be placed on any forecasts, predictions or forward-looking statements as these may be affected by, among other things, changing external events and general uncertainties of the business and its corporate structure. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, failure of the proposed combination of Aimia's Loyalty Solutions and ISS businesses (together, "Aimia Loyalty Solutions") with Kognitiv being completed on the contemplated terms and in a timely manner or at all, failure to realize the anticipated benefits from the transaction with Kognitiv, the execution of the strategic plan, investment risks, including in connection with how and when to deploy and invest Aimia's considerable cash and other liquid assets, investment partnerships risks, reliance on key personnel, market price and trading volume of the common shares and preferred shares, passive foreign investment company risk, industry competition, failure to protect intellectual property rights, technological disruptions and inability to use third-party software and outsourcing, regulatory matters - privacy, failure to safeguard databases, cyber security and consumer privacy, uncertainty of dividend declarations and/or payments on either common shares or preferred shares, tax losses, business and industry disruptions related to natural disasters, security issues and global health crises particularly as they might affect the airline, travel and hospitality sectors, airline industry changes and increased airline costs, foreign operations, interest rate and currency fluctuations, retail market/economic conditions, legal proceedings, audit by tax authorities, as well as the other factors identified throughout this news release and throughout Aimia's public disclosure records on file with the Canadian securities regulatory authorities. A discussion of the material risks applicable to us can be found in our current Management and Discussion and Analysis and Annual Information Form, each of which have been or will be filed on SEDAR and can be accessed at www.sedar.com. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and we disclaim any intention and assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Certain of the information contained in this press release concerning economic trends and performance and market and industry data is based upon

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Kognitiv Corporation (CNW Group/Aimia Inc.)

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