

AIMIA REPORTS STRONG FOURTH QUARTER RESULTS AND ACHIEVES GUIDANCE FOR FY2024

TORONTO, March 28, 2025 /CNW/ - Aimia Inc. (TSX: AIM) ("Aimia" or the "Company"), today reported its financial results for the three months and year ended December 31, 2024. All amounts are in Canadian currency unless otherwise noted.

SENIOR LEADERSHIP COMMENTARY

"Aimia ended 2024 with considerable momentum as reflected by our strong consolidated results across a number of our key financial metrics and by the solid performance of each of our core holdings in the fourth quarter," said Rhys Summerton, Aimia's Executive Chairman. "Bozzetto and Cortland, in particular, generated \$20.1 million of adjusted EBITDA on a combined basis in Q4, enabling Aimia to achieve our guidance for the year."

Mr. Summerton added, "Our efforts in 2024 were also marked by the completion of a number of major milestones, indicative of our commitment to enhance shareholder value. Key among these included the launch of normal course issuer bid, the signing of a cooperation agreement with our largest shareholder, and the receipt of a \$32.9 million cash earn out from our PLM divestiture. We anticipate sustaining this momentum through 2025 and expect to generate adjusted EBITDA in the range of \$88 to \$95 million for our core holdings on a combined basis, representing a growth of 14% from this year's results."

"With the recent completion of our Substantial Issuer Bid that will deliver annual savings of approximately \$5.1 million and a gain on the transaction of approximately \$54 million behind us, our near-term focus will center on the next phase of initiatives aimed at enhancing shareholder value," said Steven Leonard, Aimia's President and Chief Financial Officer.

AIMIA'S Q4 2024 HIGHLIGHTS

- Reported consolidated revenue of \$127.2 million, up 27.1% from \$100.1 million generated in Q4 2023. Results for Q4 2024 sustained the momentum established at the Company's core holdings since the start of 2024 despite a backdrop of unfavourable economic and geopolitical conditions.
- Reported consolidated Adjusted EBITDA of \$17.3 million, up from a loss of \$1.1 million incurred in Q4 2023. The improvement was driven by a number of developments, including the \$11.1 million reduction in selling, general and administrative (SG&A) expenses at the Holdings Segment, improved results from the Company's core holdings, and the incremental contributions from StarChem, which was acquired in January 2024.
- Generated cash flow from operating activities of \$20.2 million, a total that included a \$2.1 million payment related to the cooperation agreement signed with Aimia's largest shareholder.
- Reported a consolidated net loss of \$41.2 million or \$0.48 per common share mostly due to non-cash expenses relating to a \$16 million net change in the fair value of investments at the Company's non-core holdings, a \$28.7 million goodwill impairment charge at Cortland International, and a \$9.9 million credit loss provision recorded against an investment income receivable. In Q4 2023, Aimia incurred a net loss of \$59 million or \$0.69 per common share largely due to a \$54.9 million net change in the fair value of investments at the Company's non-core investments.
- Signed a cooperation agreement with Mithaq that resulted in the dismissal of all outstanding litigation between the parties, the appointment of two Mithaq nominees, Muhammad Asif Seemab and Rhys Summerton, to Aimia's Board of Directors, the grant of customary

preemptive and registration rights to Mithaq, the adoption of customary standstill provisions through March 31, 2026, and an undertaking from Mithaq to vote all of its common shares of the Company in favour of each of Aimia's management nominees for election to the Company's board of directors at Aimia's next annual general meeting of shareholders to be held in 2025.

- Launched a Substantial Issuer Bid to purchase for cancellation all of the Company's preferred shares in consideration for 9.75% senior unsecured notes.

SUMMARY OF AIMIA'S KEY 2024 DEVELOPMENTS

- Reported consolidated revenue of \$500.8 million, up 72% from \$291.2 million generated in 2023.
- Aimia's core holdings, Bozzetto and Cortland, generated \$80.4 million of adjusted EBITDA¹ on a combined basis, achieving the Company's guidance for 2024.
- Reported consolidated Adjusted EBITDA of \$51.3 million, up from \$7.8 million generated in 2023. The improvement was driven by a number of developments, including the \$8 million reduction in selling, general and administrative (SG&A) expenses at the Holdings segment. In 2023, Aimia had partial reporting periods for Bozzetto and Cortland due to the timing of their acquisitions.
- Reported a consolidated net loss of \$53.5 million or \$0.75 per common share.
- Ended 2024 with \$95.4 million in cash and cash equivalents.
- Launched a normal course issuer bid to purchase for cancellation up to 7,009,622 common shares. At December 31, 2024 Aimia had purchased for cancellation approximately 3 million common shares, or 43% of allowable purchases, for a consideration of \$7.8 million.
- Received \$32.9 million in cash related to the earn-out associated with the Company's divestiture of its 48.9% equity stake in PLM Loyalty to Aeromexico in 2022.
- Terminated existing agreements with Paladin Private Equity for total consideration of \$22.9 million, consisting of a cash payment of \$10.3 million and the issuance of shares valued at \$12.6 million. The total consideration was based on the termination of Paladin's carried interests in Bozzetto and Cortland and the termination of its advisory service agreements.

¹ Adjusted EBITDA is a non-GAAP measure. The combined total for the Company's core holdings in 2024 excludes \$2.2 million of advisory fees incurred by Cortland International related to business transformation initiatives.

HIGHLIGHTS SUBSEQUENT TO YEAR END

- Completed a substantial issuer bid to purchase for cancellation all of the Company's preferred shares in consideration for 9.75% senior unsecured notes. Based on the count provided by TMX Trust, the depository for the Offers, a total of 7,889,931 Preferred Shares were validly tendered and the Company issued \$142,603,700 principal amount of unsecured notes in consideration. The transaction will generate approximately \$5.1 million in annual cash savings when comparing the annual preferred dividends and Part VI.1 tax to the annual cash coupon interest payments. Under IFRS, Aimia expects to record a \$53.8 million gain on the transaction, based on the exchange value of the 2030 Notes and the carrying value of the Preferred Shares exchanged.
- As part of the Company's commitment to succession planning and commitment to good governance, Aimia named Rhys Summerton, who brings 20-years of experience in the investment industry, as Executive Chairman following outgoing Executive Chairman Tom Finke's decision to retire.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Aimia						
<i>(in \$millions except for margin and per share data)</i>						
Revenue	127.2	100.1	27.1 %	500.8	291.2	72.0 %
Gross Profit	31.1	23.8	30.7 %	132.0	65.9	100.3 %
Gross Margin	24.4 %	23.8 %	0.6 pp	26.4 %	22.6 %	3.8 pp

Selling, general and administrative expenses	(23.4)	(34.9)	33.0 %	(126.3)	(116.9)	(8.0) %
Impairment charge	(28.7)	—	NM	(28.7)	—	NM
Operating Income (loss)	(21.0)	(11.1)	NM	(23.0)	(51.0)	54.9 %
Adjusted EBITDA ²	17.3	(1.1)	NM	51.3	7.8	557.7 %
Net earnings (loss)	(41.2)	(59.0)	30.2 %	(53.5)	(188.6)	71.6 %
Earnings (loss) per share	(0.48)	(0.69)	30.4 %	(0.75)	(2.37)	68.4 %

² Adjusted EBITDA is a non-GAAP measure.

Aimia's financial results for the three months and year ended December 31, 2024 reflect the acquisition of StarChem completed on January 2, 2024. This quarterly earnings release should be read in conjunction with Aimia's consolidated financial statements and management discussions and analysis (MD&A) for the three-month period and year ended December 31, 2024, which can be accessed from SEDAR+ and www.aimia.com.

Balance Sheet and Liquidity

As at December 31, 2024, Aimia had a total liquidity of \$95.5 million, comprised of \$95.4 million in cash and cash equivalents and \$0.1 million of marketable securities. As at September 30, 2024, Aimia had total liquidity of \$121.4 million, which was comprised of \$120.6 million in cash and cash equivalents and \$0.8 million in marketable securities.

The quarter over quarter decline in Aimia's liquidity was attributable to a number of developments in Q4. The most notable was Bozzetto's \$30 million of principal repayments on its credit facilities, which included \$22.1 million in voluntary prepayments made ahead of contractual due dates. Other impacts to Aimia's liquidity included \$7.2 million of interest payments, \$5.4 million investment in property, plant and equipment, \$3.8 million dividend payment for preferred shareholders, and payments of \$2.4 million for the repurchase of common shares through a normal course issuer bid. The decline was partially offset by cash flow from operations for Q4 of \$20.2 million.

Of Aimia's cash and cash equivalents held at December 31, 2024, \$36.7 million was held in Bozzetto, \$12.3 million in Cortland International, and \$46.4 million in the Holdings segment.

Available Tax Losses

As at December 31, 2024, Aimia had \$1,003 million of tax losses available for carry forward that may be used to reduce taxable income in future years. The total available for carry forward is comprised of \$504 million of operating tax losses and \$499 million of capital tax losses.

Dividends

Aimia paid \$3.8 million in dividends for the fourth quarter ended December 31, 2024, on its three series of outstanding preferred shares.

Aimia's Board of Directors declared quarterly dividends declared quarterly dividends of \$0.300125 per Series 1 preferred share, \$0.485813 per Series 3 preferred share and \$0.473486 per Series 4 preferred share, in each case payable on March 31, 2025, to shareholders of record on March 24, 2025.

SEGMENT RESULTS

Aimia is comprised of three segments: Bozzetto, Cortland International, and Holdings. Financial highlights for each segment for the three-month period and year ended December 31, 2024, follow.

Bozzetto

Aimia owns a 94.1% equity stake in Bozzetto, one of the world's leading providers of sustainable specialty chemicals with applications mainly in the textile, home and personal care, geothermal, construction, and agrochemical markets. Bozzetto's management team owns the remaining 5.9%.

The Bozzetto segment includes results since Bozzetto's acquisition on May 9, 2023, as well as the results of StarChem since its acquisition on January 2, 2024.

Bozzetto ³						
(in \$ millions except for margin data)	Q4 2024	Q4 2023	Change	FY 2024	FY 2023	Change
Revenue	85.8	70.3	22.0 %	347.3	192.1	80.8 %
Gross Profit	22.8	19.1	19.4 %	98.9	48.0	106.0 %
Gross Margin	26.6 %	27.2 %	(0.6) pp	28.5 %	25.0 %	3.5 pp
Operating Expenses	(16.2)	(14.7)	(10.2) %	(70.4)	(50.1)	(40.5) %
Operating Income (loss)	6.6	4.4	50.0 %	28.5	(2.1)	NM
Earnings (loss) before income taxes	(0.8)	0.5	NM	9.2	(29.9)	NM
Adjusted EBITDA ⁴	13.4	10.4	28.8 %	58.5	30.6	91.2 %
Adjusted EBITDA margin	15.6 %	14.8 %	0.8 pp	16.8 %	15.9 %	0.9 pp

³ Bozzetto's results for Q4 and FY2024 include contributions from its acquisition of StarChem, closed on January 2, 2024. The prior year periods exclude any StarChem contributions.

⁴ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures.

- Bozzetto generated revenue of \$85.8 million in the fourth quarter of 2024, up 22% from \$70.3 million generated in the comparable period for 2023. The year-over-year growth was largely driven by the contributions from StarChem, which was acquired in January 2024, the strong performance of each of Bozzetto's Textile, Water and Dispersion Solutions groups, despite ongoing geo-political challenges and increased local competition, and by the positive impact of \$1.4 million related foreign currency fluctuations relative to the Canadian dollar.
- Adjusted EBITDA for Q4 2024 was \$13.4 million, which represents a margin of 15.6%. These compare to \$10.4 million and 14.8%, respectively, for Q4 2023. The year-over-year improvements reflect the contributions from StarChem and higher gross profit, partially offset by higher SG&A expenses.
- Bozzetto incurred a loss before taxes in Q4 2024 of \$0.8 million, driven largely by net financial expenses of \$9.7 million, including interest expenses on senior loans and other borrowings, a loss on the net monetary position of Bozzetto's operations in Turkey, and interest expense on the StarChem contingent consideration.

Cortland International

Aimia owns a 100% equity stake in Cortland International, the rebranded combination of Tufropes and Cortland Industrial, a global leader in the manufacturing of high-performance synthetic fiber ropes and netting solutions for maritime and other industrial customers. The companies were acquired in March and July 2023, respectively.

Cortland International						
(in millions of dollars except for margin data)	Q4 2024	Q4 2023	Change	FY 2024	FY 2023	Change
Revenue	41.4	29.7	39.4 %	153.5	98.7	55.5 %
Gross Profit	8.3	4.6	80.4 %	33.1	17.5	89.1 %
Gross Margin	20.0 %	15.5 %	4.5 pp	21.6 %	17.7 %	3.9 pp
Selling, general and administrative expenses	(4.0)	(5.9)	32.2 %	(28.5)	(31.4)	9.2 %
Impairment charge	(28.7)	—	NM	(28.7)	—	NM
Operating Income (loss)	(24.4)	(1.3)	NM	(24.1)	(13.9)	(73.4) %
Earnings (loss) before taxes	(27.3)	(6.5)	NM	(30.3)	(34.4)	11.9 %
Adjusted EBITDA ⁵	6.7	2.5	168.0 %	19.7	11.3	74.3 %
Adjusted EBITDA Margin	16.2 %	8.4 %	7.8 pp	12.8 %	11.4 %	1.4 pp

⁵ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures.

- Cortland generated revenue of \$41.4 million for Q4 2024, up 39.4% from \$29.7 million generated in Q4 2023. The growth was driven by increased market demand, particularly among customers within the fishing and aquaculture, and marine and shipping industries, by improved product mix, and by the positive impact of foreign currency fluctuations relative to the Canadian dollar.
- Adjusted EBITDA for Q4 2024 was \$6.7 million, representing a margin of 16.2%. These compare to \$2.5 million and 8.4%, respectively, for Q4 2023. The year-over-year improvements were largely driven by higher gross profit and by the impact of business transformation and operational improvement initiatives completed in prior periods aimed at building Cortland's

market share, strengthening its sales force, and launching new products.

- Cortland recorded a \$28.7 million goodwill impairment expenses based on fair value impairment models despite improved financial results for the three and full year ended December 31, 2024 compared to the same periods last year. The impairment expense represents approximately 10% of the combined purchase price of Cortland Industrial and Tufropes acquisitions.
- Subsequent to year-end, Cortland made senior leadership team appointments, naming Wolfgang Wandl as Executive Chairman and Brian Boyce as Chief Financial Officer. The appointments support Cortland's commitment to improving operational efficiencies and results.

Holdings Segment

The Holdings Segment includes Aimia's investments in Clear Media Limited and Kognitiv as well as minority investments in public company securities and limited partnerships. The results of the Holdings Segment include corporate operating costs, including costs related to public company disclosure and board, executive leadership, legal, finance and administration.

<i>(in millions of dollars)</i>	Q4 2024	Q4 2023	Change	FY 2024	FY 2023	Change
Operating Expenses	(3.2)	(14.3)	77.6 %	(27.4)	(35.4)	22.6 %
Earnings (loss) before taxes	(11.5)	(54.0)	78.7 %	(22.8)	(116.3)	80.4 %
Adjusted EBITDA ⁶	(2.8)	(14.0)	80.0 %	(26.9)	(34.1)	21.1 %

⁶ Adjusted EBITDA is a non-GAAP measure.

- Operating expenses for the Holdings segment in Q4 2024 were \$3.2 million, down from \$14.3 million for Q4 2023. The \$11.1 million reduction was due to a \$9.2 million reduction of legal and professional fees incurred for shareholder activism and \$0.7 million of transaction fees related to the Company's private placement closed in October 2023.
- Adjusted EBITDA in Q4 improved by \$11.2 million largely due to reduced operating expenses already cited.

Outlook and Guidance

Aimia achieved its guidance for the year based on the performance of its core holdings, Bozzetto and Cortland, which on a combined basis generated \$80.4 million of adjusted EBITDA, while Holding Company costs totaled \$12 million.

<i>(in millions of Canadian dollars)</i>	Guidance for 2024	2024 Actuals	Guidance for 2025
Adjusted EBITDA at Bozzetto and Cortland on a Combined Basis	\$80 - \$85	\$80.4 ⁷	\$88 - \$95
Holding Company Costs	\$13	\$12.0	Below \$11

⁷ Actual results of \$80.4 million represents reported Adjusted EBITDA at Bozzetto of \$58.5 million and Cortland International of \$19.7 million, excluding \$2.2 million of expenses related to the strategic review and business transformation initiative in Cortland International, which was excluded from guidance.

Aimia's guidance for 2025 is based on the expected performance of Company's core holdings and ongoing cost-cutting initiatives at the Holding Company. The Company's forecast for adjusted EBITDA for 2025 represents an expected growth of 13.8% from the mid-point of guidance relative to results for 2024.

Quarterly Conference Call and Audio Webcast Information

Aimia will host a conference call to discuss its fourth quarter 2024 financial results at 8:30 am ET on March 28. The call will be webcast at the following URL link: <https://app.webinar.net/MmPwKJ49k0R> Interested parties can listen to conference call by dialing 1 888 699 1199 or 1 416 945 7677 (internationally). A slide presentation intended for simultaneous viewing with the conference call and an archived audio webcast will be available for 90 days following the original broadcast available at: <https://www.aimia.com/investor-relations/events-presentations/>

About Aimia

Aimia Inc. (TSX: AIM) is a diversified company focused on enhancing the growth potential of its two

global businesses, Bozzetto, a sustainable specialty chemicals company, and Cortland International, a rope and netting solutions company. Headquartered in Toronto, Aimia's priorities include monetizing its non-core investments, enhancing the value of our core holdings, and efficiently utilizing its loss carry-forwards to create shareholder value. For more information about Aimia, visit www.aimia.com.

Non-GAAP Financial Measures and Reconciliation to Comparable GAAP Measures

"GAAP" means Canadian Generally Accepted Accounting Principles (which are in accordance with the International Financial Reporting Standards).

Adjusted EBITDA

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

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

Adjusted EBITDA is operating income (loss) adjusted to exclude depreciation, amortization, impairment charges related to non-financial assets, cost of sales expense related to inventory fair value step up resulting from purchase price allocation, share-based compensation, gain/loss from the disposal of manufacturing property and land, costs related to the termination of the Paladin agreements, as well as transaction costs related to business acquisitions.

For a reconciliation of Adjusted EBITDA to operating income (loss), please refer to the tables below.

Bozzetto				
<i>(in millions of Canadian dollars)</i>				
	Q4 2024	Q4 2023	FY 2024	FY 2023
Reconciliation of Adjusted EBITDA				
Operating income (loss)	6.6	4.4	28.5	(2.1)
Depreciation and amortization	6.8	5.1	23.4	13.1
Cost of sales expense related to inventory fair value step up resulting from purchase price allocation	—	—	0.7	6.3
Cost related to the termination of Paladin agreements	—	—	4.9	—
Transaction related costs	—	0.9	1.0	13.3
Adjusted EBITDA	13.4	10.4	58.5	30.6
Adjusted EBITDA Margin	15.6 %	14.8 %	16.8 %	15.9 %

Cortland International				
<i>(in millions of Canadian dollars)</i>				
	Q4 2024	Q4 2023	FY 2024	FY 2023
Reconciliation of Adjusted EBITDA				
Operating income (loss)	(24.4)	(1.3)	(24.1)	(13.9)
Depreciation and amortization	3.1	3.0	12.0	8.7
Impairment charge	28.7	—	28.7	—
Cost of sales expense related to inventory fair value step up resulting from purchase price allocation	—	0.3	—	1.3
Costs related to the termination of Paladin agreements	—	—	1.5	—
Gain from the disposal of manufacturing property and land	(0.8)	—	(0.8)	—
Transaction and transition related costs	0.1	0.5	2.4	15.2
Adjusted EBITDA	6.7	2.5	19.7	11.3
Adjusted EBITDA Margin	16.2 %	8.4 %	12.8 %	11.4 %

Holdings				
(in millions of Canadian dollars)	Q4 2024	Q4 2023	FY 2024	FY 2023
Reconciliation of Adjusted EBITDA				
Operating income (loss)	(3.2)	(14.2)	(27.4)	(35.0)
Depreciation and amortization	—	—	—	1.1
Share-based compensation expense (reversal)	0.4	0.2	(0.3)	(0.2)
Cost related to the termination of Paladin agreements	—	—	0.8	—
Adjusted EBITDA	(2.8)	(14.0)	(26.9)	(34.1)

For a reconciliation of Holdco costs to the Holdings segment's Selling, general and administrative expenses, please refer to the tables below.

Holdings	Twelve Months Ended December 31, 2024
(in millions of Canadian dollars)	
Holdings segment Selling, general and administrative expenses	27.4
Shareholders activism related expenses	(12.1)
Share-based compensation (expense) reversal	0.3
Separation payments related management changes	(1.6)
Costs related to the termination of Paladin agreements	(0.8)
M/W wind-down expenses	(0.4)
Other one-time professional fees	(0.8)
Holdco Costs	12.0

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 Aimia's current expectations, estimates, projections, assumptions and beliefs. All information that is not clearly historical in nature may constitute forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would" and "should", and similar terms and phrases, including references to assumptions.

Forward-looking statements in this press release include, but are not limited to, Aimia's future growth and value creation; Aimia's accelerating efforts to return capital to shareholders in 2025; Aimia's corporate operating costs for 2025; Bozzetto and Cortland significant organic and accretive growth potential; monetization of Aimia's core or non-core assets in an expedited manner; Aimia's potential gain to be reported under IFRS related to the substantial issuer bid; Aimia's annual cash savings related to the substantial issuer bid; and Aimia's, Bozzetto and Cortland Adjusted EBITDA.

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

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For further information: For more information, please contact: Joe Racanelli, Vice President, Investor Relations, 647 970 2200, Joseph.Racanelli@aimia.com

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