



IFRS 15
PRESENTATION

May 1, 2018

NON-GAAP FINANCIAL MEASURES

Aimia uses the following non-GAAP financial measures which it believes provides investors and analysts with additional information to better understand results as well as assess its potential. GAAP means generally accepted accounting principles in Canada and represents International Financial Reporting Standards (“IFRS”). For a reconciliation of non-GAAP financial measures to the most comparable GAAP measure, please refer to the section entitled “Performance Indicators (including certain non-GAAP financial measures)” in our Management Discussion & Analysis on pages 7 to 11 for the three months ended March 31, 2018 which can be accessed here: <https://www.aimia.com/en/investors/quarterly-reports.html>.

Adjusted EBITDA

Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to operating income or net earnings in measuring performance, and is not comparable to similar measures used by other issuers. We do not believe that Adjusted EBITDA has an appropriate directly comparable GAAP measure. **As an alternative, we do however provide a reconciliation to operating income in our MD&A on page 17.** Adjusted EBITDA is used by management to evaluate performance, and to measure compliance with debt covenants. Management believes Adjusted EBITDA assists investors in comparing the Corporation’s performance on a consistent basis without regard to depreciation and amortization and impairment charges, which are non-cash in nature and can vary significantly depending on accounting methods and non-operating factors such as historical cost. Adjusted EBITDA is operating income adjusted to exclude depreciation, amortization and impairment charges, as well as adjusted for certain factors particular to the business, such as changes in deferred revenue and Future Redemption Costs. Adjusted EBITDA also includes distributions and dividends received or receivable from equity-accounted investments. 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.

Free Cash Flow

Free Cash Flow is not a measurement based on GAAP and is unlikely to be comparable to similar measures used by other issuers. Management believes Free cash flow (“Free Cash Flow”) provides a consistent and comparable measurement of cash generated from operations and is used as an indicator of financial strength and performance. Free Cash Flow is defined as cash flows from operating activities, as reported in accordance with GAAP, less: (a) total capital expenditures as reported in accordance with GAAP; and (b) dividends paid. **For a reconciliation of Free Cash Flow before Dividends Paid to cash flows from operations (GAAP), please refer to the MD&A on page 17.**

IFRS 15 – WHAT IS IT & HOW DOES IT IMPACT AIMIA

- Beginning on Jan 1, 2018, AIMIA adopted a new revenue recognition accounting policy, IFRS 15.
- Q1 2018 is the first interim financial statements reported under the new standard, with comparative information being restated.
- Co-written by the International (IASB) and US (FASB) accounting boards, the new standard introduces a comprehensive framework with the general principle that an entity recognizes revenue to depict the transfer of promised goods and services upon completion of the identified performance obligation in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
- Based on a review of key partner contracts, the company has concluded that in certain instances it acts as an agent and that net accounting treatment needs to be applied to the following revenue streams:
 - Loyalty Units revenues from the Air Miles Middle-East and Nectar loyalty programs
 - Rewards fulfilment

For AIMIA, IFRS 15 has no impact on underlying profitability including Gross Margin, Adjusted EBITDA and Free Cash Flow

ACCOUNTING REVENUE RECOGNITION*

Division	Business Unit	Revenue Streams	Current Practice	IFRS 15	Gross Billings impact (FY 2017)	Revenue impact (FY 2017)
1 Coalitions	Aeroplan	Loyalty units revenue	Gross revenue treatment	Gross revenue treatment	No impact	No impact
	Proprietary Loyalty Canada	Loyalty services & Other	Mix of Gross & Net revenue treatments	Net revenue treatment	\$(10.2) million	\$(10.2) million
2 Insights & Loyalty Solutions	Air Miles Middle East	Loyalty units revenue	Gross revenue treatment	Net revenue treatment	No impact	\$(34.7) million
	US, UK, APAC, and Middle East Loyalty Solutions	Loyalty services & Other (<i>Rewards fulfilment activities only</i>)	Gross revenue treatment	Net revenue treatment	\$(86.1) million	\$(86.1) million
Consolidated impact⁽¹⁾					\$(96.3) million	\$(131.0) million

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KEY CHANGES TO FY 2017 CONSOLIDATED METRICS*

(in millions of Canadian dollars)

	Pre IFRS 15 adoption ⁽¹⁾	Post IFRS 15 adoption ⁽¹⁾	Change
Gross Billings	1,608.3	1,512.0	(96.3)
Total revenue	1,560.7	1,429.7	(131.0)
Cost of Rewards and direct costs	982.2	851.2	(131.0)
Gross Margin	578.5	578.5	No change
Adjusted EBITDA	203.7	203.7	No change
Free Cash Flow ⁽²⁾	146.1	146.1	No change

IFRS 15 impact revenue and cost but no change to underlying profitability

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(2) Free Cash Flow before dividends paid

IFRS 15 – KEY TAKEAWAYS*

- **No impact to Aeroplan’s financial or operational metrics.**
- **No impact to Gross Margin or AEBITDA. Cash flows and the underlying economics of the business remain unchanged.**
- **IFRS 15 impacts the Air Miles Middle-East loyalty program and Aimia’s rewards fulfilment activities, which results in a net revenue accounting treatment. This impacts current and comparative reported financials.**

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- **No impacts to AE, FCF, or underlying economics of the business**

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APPENDIX

Q4 2017 – OPERATING SEGMENTS*

Three months ended December 31, 2017

(in millions of Canadian dollars)

Operating Segments	Coalitions	ILS	Other Businesses	Eliminations	Consolidated	Consolidated excl. Other Businesses ⁽¹⁾
Gross Billings from the sale of Loyalty Units	325.4	11.5	-	-	336.9	336.9
Gross Billings from Loyalty Services & Other	16.0	33.1	(0.2)	(0.1)	48.8	49.0
<i>IFRS 15 impact</i>	<i>(2.7)</i>	<i>(30.2)</i>	-	-	<i>(32.9)</i>	<i>(32.9)</i>
<i>Gross Billings from Loyalty Services & Other (pre-IFRS 15)</i>	<i>18.7</i>	<i>63.3</i>	<i>(0.2)</i>	<i>(0.1)</i>	<i>81.7</i>	<i>81.9</i>
Total Gross Billings	341.4	44.6	(0.2)	(0.1)	385.7	385.9
<i>IFRS 15 impact</i>	<i>(2.7)</i>	<i>(30.2)</i>	-	-	<i>(32.9)</i>	<i>(32.9)</i>
<i>Total Gross Billings (pre-IFRS 15)</i>	<i>344.1</i>	<i>74.8</i>	<i>(0.2)</i>	<i>(0.1)</i>	<i>418.6</i>	<i>418.8</i>
Total revenue	320.0	37.6	(0.4)	(0.1)	357.1	357.5
<i>IFRS 15 impact</i>	<i>(2.7)</i>	<i>(38.8)</i>	-	-	<i>(41.5)</i>	<i>(41.5)</i>
<i>Total revenue (pre-IFRS 15)</i>	<i>322.7</i>	<i>76.4</i>	<i>(0.4)</i>	<i>(0.1)</i>	<i>398.6</i>	<i>399.0</i>
Cost of rewards and direct costs	204.2	3.6	-	-	207.8	207.8
<i>IFRS 15 impact</i>	<i>(2.7)</i>	<i>(38.8)</i>	-	-	<i>(41.5)</i>	<i>(41.5)</i>
<i>Cost of rewards and direct costs (pre-IFRS 15)</i>	<i>206.9</i>	<i>42.4</i>	-	-	<i>249.3</i>	<i>249.3</i>
Gross margin before depreciation and amortization	115.8	34.0	(0.4)	(0.1)	149.3	149.7
Operating income (loss)	(3.6)	(1.1)	-	-	(4.7)	(4.7)
Adjusted EBITDA	65.0	0.9	0.2	-	66.1	65.9

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Q3 2017 – OPERATING SEGMENTS*

Three months ended September 30, 2017

(in millions of Canadian dollars)

Operating Segments	Coalitions	ILS	Other Businesses	Eliminations	Consolidated	Consolidated excl. Other Businesses ⁽¹⁾
Gross Billings from the sale of Loyalty Units	321.0	10.7	-	-	331.7	331.7
Gross Billings from Loyalty Services & Other	15.5	31.9	1.7	(0.4)	48.7	47.0
<i>IFRS 15 impact</i>	<i>(2.0)</i>	<i>(22.0)</i>	-	-	<i>(24.0)</i>	<i>(24.0)</i>
<i>Gross Billings from Loyalty Services & Other (pre-IFRS 15)</i>	<i>17.5</i>	<i>53.9</i>	<i>1.7</i>	<i>(0.4)</i>	<i>72.7</i>	<i>71.0</i>
Total Gross Billings	336.5	42.6	1.7	(0.4)	380.4	378.7
<i>IFRS 15 impact</i>	<i>(2.0)</i>	<i>(22.0)</i>	-	-	<i>(24.0)</i>	<i>(24.0)</i>
<i>Total Gross Billings (pre-IFRS 15)</i>	<i>338.5</i>	<i>64.6</i>	<i>1.7</i>	<i>(0.4)</i>	<i>404.4</i>	<i>402.7</i>
Total revenue	313.7	35.5	1.7	(0.4)	350.5	348.8
<i>IFRS 15 impact</i>	<i>(2.0)</i>	<i>(29.6)</i>	-	-	<i>(31.6)</i>	<i>(31.6)</i>
<i>Total revenue (pre-IFRS 15)</i>	<i>315.7</i>	<i>65.1</i>	<i>1.7</i>	<i>(0.4)</i>	<i>382.1</i>	<i>380.4</i>
Cost of rewards and direct costs	198.7	3.1	-	-	201.8	201.8
<i>IFRS 15 impact</i>	<i>(2.0)</i>	<i>(29.6)</i>	-	-	<i>(31.6)</i>	<i>(31.6)</i>
<i>Cost of rewards and direct costs (pre-IFRS 15)</i>	<i>200.7</i>	<i>32.7</i>	-	-	<i>233.4</i>	<i>233.4</i>
Gross margin before depreciation and amortization	115.0	32.4	1.7	(0.4)	148.7	147.0
Operating income (loss)	(8.0)	(11.0)	0.7	-	(18.3)	(19.0)
Adjusted EBITDA	59.2	(8.7)	0.8	-	51.3	50.5

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Q2 2017 – OPERATING SEGMENTS*

Three months ended June 30, 2017

(in millions of Canadian dollars)

Operating Segments	Coalitions	ILS	Other Businesses	Eliminations	Consolidated	Consolidated excl. Other Businesses ⁽¹⁾
Gross Billings from the sale of Loyalty Units	321.7	13.1	-	-	334.8	334.8
Gross Billings from Loyalty Services & Other	15.1	34.7	11.8	(0.4)	61.2	49.4
<i>IFRS 15 impact</i>	<i>(1.7)</i>	<i>(17.8)</i>	<i>(6.0)</i>	<i>-</i>	<i>(25.5)</i>	<i>(19.5)</i>
<i>Gross Billings from Loyalty Services & Other (pre-IFRS 15)</i>	<i>16.8</i>	<i>52.5</i>	<i>17.8</i>	<i>(0.4)</i>	<i>86.7</i>	<i>68.9</i>
Total Gross Billings	336.8	47.8	11.8	(0.4)	396.0	384.2
<i>IFRS 15 impact</i>	<i>(1.7)</i>	<i>(17.8)</i>	<i>(6.0)</i>	<i>-</i>	<i>(25.5)</i>	<i>(19.5)</i>
<i>Total Gross Billings (pre-IFRS 15)</i>	<i>338.5</i>	<i>65.6</i>	<i>17.8</i>	<i>(0.4)</i>	<i>421.5</i>	<i>403.7</i>
Total revenue	310.6	40.2	10.9	(0.4)	361.3	350.4
<i>IFRS 15 impact</i>	<i>(1.7)</i>	<i>(26.7)</i>	<i>(6.0)</i>	<i>-</i>	<i>(34.4)</i>	<i>(28.4)</i>
<i>Total revenue (pre-IFRS 15)</i>	<i>312.3</i>	<i>66.9</i>	<i>16.9</i>	<i>(0.4)</i>	<i>395.7</i>	<i>378.8</i>
Cost of rewards and direct costs	205.7	6.5	-	(0.2)	212.0	212.0
<i>IFRS 15 impact</i>	<i>(1.7)</i>	<i>(26.7)</i>	<i>(6.0)</i>	<i>-</i>	<i>(34.4)</i>	<i>(28.4)</i>
<i>Cost of rewards and direct costs (pre-IFRS 15)</i>	<i>207.4</i>	<i>33.2</i>	<i>6.0</i>	<i>(0.2)</i>	<i>246.4</i>	<i>240.4</i>
Gross margin before depreciation and amortization	104.9	33.7	10.9	(0.2)	149.3	138.4
Operating income (loss)	(7.4)	(10.7)	(18.6)	-	(36.7)	(18.1)
Adjusted EBITDA	54.0	(7.0)	(17.5)	-	29.5	47.0

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Q1 2017 – OPERATING SEGMENTS*

Three months ended March 31, 2017

(in millions of Canadian dollars)

Operating Segments	Coalitions	ILS	Other Businesses	Eliminations	Consolidated	Consolidated excl. Other Businesses ⁽¹⁾
Gross Billings from the sale of Loyalty Units	299.6	11.2	-	-	310.8	310.8
Gross Billings from Loyalty Services & Other	16.2	36.5	31.4	(0.3)	83.8	52.4
<i>IFRS 15 impact</i>	<i>(3.8)</i>	<i>(16.1)</i>	<i>(16.1)</i>	<i>-</i>	<i>(36.0)</i>	<i>(19.9)</i>
<i>Gross Billings from Loyalty Services & Other (pre-IFRS 15)</i>	<i>20.0</i>	<i>52.6</i>	<i>47.5</i>	<i>(0.3)</i>	<i>119.8</i>	<i>72.3</i>
Total Gross Billings	315.8	47.7	31.4	(0.3)	394.6	363.2
<i>IFRS 15 impact</i>	<i>(3.8)</i>	<i>(16.1)</i>	<i>(16.1)</i>	<i>-</i>	<i>(36.0)</i>	<i>(19.9)</i>
<i>Total Gross Billings (pre-IFRS 15)</i>	<i>319.6</i>	<i>63.8</i>	<i>47.5</i>	<i>(0.3)</i>	<i>430.6</i>	<i>383.1</i>
Total revenue	331.4	41.9	29.4	(0.3)	402.4	373.0
<i>IFRS 15 impact</i>	<i>(3.8)</i>	<i>(25.7)</i>	<i>(16.1)</i>	<i>-</i>	<i>(45.6)</i>	<i>(29.5)</i>
<i>Total revenue (pre-IFRS 15)</i>	<i>335.2</i>	<i>67.6</i>	<i>45.5</i>	<i>(0.3)</i>	<i>448.0</i>	<i>402.5</i>
Cost of rewards and direct costs	223.1	6.7	-	(0.2)	229.6	229.6
<i>IFRS 15 impact</i>	<i>(3.8)</i>	<i>(25.7)</i>	<i>(16.1)</i>	<i>-</i>	<i>(45.6)</i>	<i>(29.5)</i>
<i>Cost of rewards and direct costs (pre-IFRS 15)</i>	<i>226.9</i>	<i>32.4</i>	<i>16.1</i>	<i>(0.2)</i>	<i>275.2</i>	<i>259.1</i>
Gross margin before depreciation and amortization	108.3	35.2	29.4	(0.1)	172.8	143.4
Operating income (loss)	8.3	(8.8)	1.1	-	0.6	(0.5)
Adjusted EBITDA	47.8	(7.5)	3.2	-	43.5	40.3

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