

American Aires Announces Q2 2024 Results with Strong 45% YoY Sales Growth; and Engages Clarkham Capital Ltd

Toronto, Ontario--(Newsfile Corp. - August 26, 2024) - American Aires Inc. (CSE: WIFI) (OTCQB: AAIRF) ("**Aires**" or the "**Company**"), a pioneer in cutting-edge technology designed to protect against electromagnetic radiation and optimize human health, is pleased to announce filing of the Company's Financial Statements and Management's Discussion & Analysis (MD&A) for Q2 2024.

Overall, quarterly performance was in line with Aires management's expectations.

Cash and cash equivalents balance was reported at \$3.8 million compared to \$0.03 as of December 31, 2024 and \$0.3 million a year ago. Inventory increased significantly to \$1.5 million from \$0.3 million in the same quarter a year ago as part of the management's strategy to safeguard the growth in sales.

Sales increased YoY by 45% or \$0.9 million to \$2.8 million from \$1.9 million reported in Q2/2023 following recent advertising and marketing initiatives. A notable contributor to Q2/2024 sales growth was the success of CEO Josh Bruni's appearance on the "Health Uncensored with Dr. Drew" show on aired on FOX Business Network on May 2nd, 2024 which catalyzed a notable uptick in order volume. In addition, the sales received considerable tail-wind from the previously announced partnership with video platform Rumble and launched a campaign featuring Russel Brand. The company also expanded internationally by opening a fulfillment center Bardon Hill, UK to improve sales and service to the domestic UK market.

During Q2/2024, the Company entered into a number of strategic marketing partnerships and increased its advertising spend to drive this strong YoY growth. The Company notes that the ramp up of each partnership is a process that takes time and preparation. Such efforts include crafting partnership strategies that connect the Aires Tech brand with peak performance and health in the minds of consumers, content capture that demonstrates that consumer connection to the brand, editing and launching ads, monitoring and optimization. Management anticipates the full benefit, greater market awareness and sales growth, to be realized over the next 6-12 months. Despite an increase in the cost of advertising associated with the upcoming presidential election in the U.S., management remains committed to its strategy of strong YoY sales growth in 2024 and beyond.

Building on the brand's momentum, Aires Tech has entered into a hallmark, multi-year global marketing partnership with [Ultimate Fighting Championship](#) ("UFC") and a marketing partnership with [John Tavares](#) of the National Hockey League's ("NHL") Toronto Maple Leafs. After the quarter end, the Company announced additional partnerships with [Canada Basketball](#), Toronto Raptors' [RJ Barrett](#), [World Wrestling Entertainment](#) ("WWE"), and strategic partnerships amplification firm [Gray Wolf](#). These partnerships are intended to be used as building blocks in management's overarching strategy of supporting athletes in their pursuit of excellence while educating the public about the importance of EMF protection. Together, management aims these partnerships to position the Aires Tech brand as a recognized brand in the EMF protection and health optimization segment with access to mass markets.

"Through our strategic marketing partnerships, we've been able to grow our brand and position our products' performance benefits, including improved sleep quality, recovery times, and cognitive function, prominently with global audiences of sports fans and elite athletes," said Josh Bruni, CEO of Aires Tech. "As we scale our brand and grow sales, our alliances with top-tier performance organizations like UFC, WWE and Canada Basketball showcase the real-world applicability and effectiveness of our EMF protection technology. By showcasing these benefits in competitive environments, we validate our technology and its potential to improve lives across society."

(in Canadian Dollars)

		Q2 2024		Q2 2023	POP %
Revenue					
Sales	\$	2,788,488	\$	1,925,640	45%
Cost of sales	\$	(1,089,584)	\$	(790,894)	38%
Gross margin	\$	1,698,904	\$	1,134,746	50%
Gross margin %		61%		59%	
Core expenses					
Advertising and promotion	\$	(1,370,616)	\$	(824,196)	66%
Marketing	\$	(652,452)	\$	(489,651)	33%
Core Net Income (Loss)	\$	(324,164)	\$	(179,101)	81%
Overhead costs					
Office and general	\$	(127,124)	\$	(103,231)	23%
Consulting and payroll	\$	(336,324)	\$	(250,786)	34%
Legal and professional	\$	(41,334)	\$	(96,387)	-57%
Adjusted EBITDA	\$	(828,946)	\$	(629,505)	32%
Other					
Investor relations consulting	\$	(736,782)	\$	(90,000)	NA
Interest charges	\$	(46,201)	\$	(263,767)	-82%
Equity-based finance charge	\$	-	\$	(923,672)	-100%
Depreciation	\$	(33,428)	\$	(34,489)	-3%
Net Income (Loss)	\$	(1,645,357)	\$	(1,941,433)	-15%

Gross Profit improved \$0.6 million or 50% YoY to \$1.7 million while Gross Margin as percentage of sales improved to 61% from 59% a year ago. Advertising and promotion expenses increased \$0.5 million or 66% to \$1.4 million reflecting additional investment into new content creation, strengthening of the affiliate program and increased spend on digital and social media advertising. Marketing expenses increased \$0.2 million or 33% to \$0.7 million, reflecting the addition of new marketing partnerships. Office and general increased 23% to \$0.1 million and Consulting and payroll increased 34% to \$0.3 million reflecting the Company's efforts to build up team to manage higher level of sales as well as bringing more public company functions in-house for better control and execution. Legal and professional expenses decreased dramatically by 57% from the previous year to \$0.04 million. As a result, Adjusted EBITDA loss for Q2/2024 was reported at \$0.8 million compared to a loss of \$0.6 million a year ago, largely due to higher marketing and overhead costs, which is in line with Company expectations. Management continues to prioritize the balance between sales growth and EBITDA profitability as the Company further develops the already announced marketing partnerships.

Additionally, Andrew Michrowski will resign from Aires' Board of Directors and transition to the Company's Science Advisory Board. In his new role, Michrowski will help further build Aires' Research & Development roadmap that explores additional use-cases for the Company's cutting-edge EMF diffraction technology. Michrowski will lead strategy development and oversee the scientific studies and trials that will provide the Company with a better understanding of how Aires' technology can further optimize health and performance for customers.

Lastly, the Company has also engaged Clarkham Capital Ltd. ("Clarkham") (phone: +44-20-3883-9398; address: Flat 285 - 61 Praed Street, London, W2 1NS, United Kingdom) to provide investor relations and consulting services with a focus on the German stock market and the German-speaking investor community. The services will include the preparation of articles and coverages on several financial platforms and newsletters. The services will also include the translation and distribution of news releases in Germany. The services commence on August 26, 2024 and end on October 26, 2024. The Company will pay Clarkham EUR€100,000 for its services. The Company will not issue any securities to Clarkham in consideration of the services. The Company and Clarkham deal at arm's length.

About American Aires Inc.

American Aires Inc. is a Canadian-based nanotechnology company committed to enhancing well-being and environmental safety through science-led innovation, education, and advocacy. The company has developed a proprietary silicon-based resonator that protect against the harmful effects of electromagnetic radiation (EMR). Aires' Lifetune products target EMR emitted by consumer electronic

devices such as cellphones, computers, baby monitors, and Wi-Fi, including the more powerful and rapidly expanding high-speed 5G networks. Aires is listed on the CSE under the ticker 'WIFI' and on the OTC QB under the symbol 'AAIRF'. Learn more at www.investors.airestech.com.

On behalf of the board of directors

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This news release refers to certain financial performance measures that are not defined by and do not have a standardized meaning under International Financial Reporting Standards including "Adjusted EBITDA" (termed "Non-IFRS measures"). Non-IFRS measures are used by management to assess the financial and operational performance of the Company. The Company believes that these Non-IFRS measures, in addition to conventional measures prepared in accordance with International Financial Reporting Standards, enable investors to evaluate the Company's operating results, underlying performance and prospects in a similar manner to the Company's management. As there are no standardized methods of calculating these Non-IFRS measures, the Company's approach may differ from those used by others, and accordingly, the use of these measures may not be directly comparable. Accordingly, these Non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with International Financial Reporting Standards. The Corporation defines EBITDA as earnings before interest tax depreciation and amortisation. Adjusted EBITDA removes irregular and non-recurring items that distort EBITDA.

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position and financial measures, YoY sales growth in 2024, sales growth resulting from advertising and promotion expenses, marketing partnerships, international expansion, ability to attract US-based investors, efficiency and effectiveness of the Company's advertising model, future market position, growth, innovations, global impact, business strategy, achieving universal brand awareness and brand development, product adoption, use of proceeds, corporate vision, proposed acquisitions, strategic partnerships, joint ventures, 2024 being our best year ever, continuing our trajectory of revenue growth, relationships with athletes, celebrities and performers, the size and growth of the consumer market focused on wellbeing and EMF protection, strategic alliances and co-operations, budgets, cost and plans and objectives of or involving the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions, industry conditions, the occurrence of force majeure events, developments and changes in laws and regulations, competitive factors, and dependence upon

regulatory approvals. Certain material assumptions regarding such forward-looking statements may be discussed in this news release and the Company's annual and quarterly management's discussion and analysis filed at www.sedarplus.ca. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States, or to or for the account or benefit of any person in the United States, absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any common shares in the United States, or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. We seek safe harbour.

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