American Aires Announces Record Q4 and Annual 2024 Order Volume

- Q4 Revenue: $8.6M for 130%[7] YoY growth
- Q4 Gross Profit Margin: up 400 basis points to 63%[7] on cost-cutting strategies
- Record annual sales of $18.0M for 73%[7] YoY growth

Toronto, Ontario--(Newsfile Corp. - April 28, 2025) - American Aires Inc. (CSE: WIFI) (OTCQB: AAIRF) ("**Aires**" or the "**Company"**), a pioneer in advanced technology designed to protect against electromagnetic field (EMF) radiation and optimize human health, announces the filing of the Company's Financial Statements and Management's Discussion & Analysis (MD&A) for the fiscal year ended December 31, 2024 on SEDAR+. The Company previously disclosed key non-IFRS, preliminary and unaudited metrics on January 27, 2025. Unless otherwise indicated, all dollar amounts are reported in Canadian dollars.

To ensure year-over-year comparability and align with ongoing reporting, all 2023 results below include Aires' performance and HUCK Project LLC's results under the Distributor-Royalty agreement (announced August 28, 2023). This agreement ended by mutual consent on January 1, 2024, as announced on February 16, 2024. See note 7 below for details.

Record Q4/2024 Revenue of $8.6 Million for 130%[7] YoY Growth

Q4/2024 set a new quarterly sales record of $8.6 million, a 130% increase (from non-GAAP 3.7 million reported a year ago on a combined Aires + HUCK basis[7]) and continued our strong year-over-year revenue growth trend. This strong organic revenue growth stemmed from strategic marketing partnerships initiated in 2024, though only partial benefits were realized since many partnerships were still ramping up during this period. Higher media costs and consumer behavior distractions from the U.S. presidential election, along with a shorter holiday shipping window, also impacted Q4 revenue and expenses.

Gross profit margin improved 400 basis points to 63% (from non-GAAP 59% reported a year ago on a combined Aires + HUCK basis[7]), largely due to certain cost cutting measures undertaken in early 2024, as well as a more strategic and measured approach to discounting. Advertising expenses increased 211% year-over-year to $3.6 million (from non-GAAP $1.1 million in the prior year on a combined Aires + HUCK basis[7]) as the Company made a concerted effort to increase the scale and consumer visibility of the Aires brand to maximize the marketing efficiency benefits of key partnerships with the UFC, WWE, Canada Basketball, and other athletes and celebrities, as well as to prepare Aires for continued growth in 2025. Marketing expenses increased 351% to $2.8 million (from non-GAAP $0.6 million a year ago on a combined Aires + HUCK basis[7]), reflecting amortization of the previously mentioned strategic marketing partnerships along with some minor cost reductions. Certain non-cash accounting changes in Q4/2024 resulted in marketing expenses being approximately $1.1 million higher for Q4/2024 than indicated in preliminary results announced on January 27, 2025.

As a result, the adjusted EBITDA loss for Q4/2024 was $1.6 million versus a non-GAAP gain of $0.08 million reported last year (on a combined Aires + HUCK basis[7]). Excluding the impact of the non-cash accounting change mentioned above, Q4/2024 adjusted EBITDA would have been a loss of $0.5 million versus the EBITDA loss of $0.3 million previously announced as part of the preliminary, unaudited non-IFRS metrics disclosed on January 27, 2025.

On an annual basis, sales increased 73% year-over-year to $18.0 million (from non-GAAP $10.4 million in 2023 on a combined Aires + HUCK basis[7]), while gross profit margin improved 100 basis points to

62% (from non-GAAP 61% a year earlier on a combined Aires + HUCK basis[7]). Advertising and marketing expenses increased 119% and 145% (from non-GAAP metrics in 2023 on a combined Aires + HUCK basis[7]), respectively, to $8.3 million and $5.2 million for the same factors as mentioned in the Q4/2024 overview above. Adjusted EBITDA loss for 2024 increased to $4.5 million (from an adjusted EBITDA loss of $1.5 million in 2023). Excluding the previously mentioned non-cash accounting change effected in Q4/2024, adjusted EBITDA would have been a loss of $3.4 million.

Management notes that the preliminary, unaudited non-IFRS metrics disclosed in the Company's January 27, 2025 press release differ from the final audited IFRS figures due to the final accounting treatment of certain non-cash items. The tables below reference final audited IFRS figures.

The largest accounting adjustment pertains to certain marketing agreements the Company entered into during 2024: these costs previously amortized the entire contract amount over the entire duration of the contract. The Company has since determined that the IFRS-compliant treatment of such contracts would be to amortize annual payments in each of the years over 12 months of the year. This accounting adjustment does not change the cash cost, total cost, nature, or duration of these contracts, and only affects the timing of cost recognition, allocating more of the costs into 2024. This accounting adjustment accounted for marketing expenses being approximately $1.1 million higher for Q4/2024 and 2024. If this adjustment was not implemented, the Company's adjusted Q4/2024 and 2024 EBITDA would both have been $1.1 million higher.

Adjusted EBITDA Reconciliation Table for Q4/2024[6,7]

		Q4 2024		*Q4 2023 Aires*		*Q4 2023 HUCK*		Q4 2023 Combined	POP %
Revenue									
Order Volume	**$**	**9,203,504**	***$***	***-***	***$***	***3,876,004***	**$**	**3,876,004**	**137%**
Adjustments	$	(582,188)	*$*	*-*	*$*	*(129,562)*	$	(129,562)	N/A
Sales	**$**	**8,621,317**	***$***	***-***	***$***	***3,746,442***	**$**	**3,746,442**	**130%**
Cost of sales	$	(3,181,022)	*$*	*-*	*$*	*(1,546,300)*	$	(1,546,300)	106%
Gross profit	**$**	**5,440,295**	***$***	***-***	***$***	***2,200,142***	**$**	**2,200,142**	**147%**
Gross margin %		63%				*59%*		59%	
Other income									
Cash royalty income/(expense)	$	-	*$*	*168,392*	*$*	*(168,392)*	$	-	N/A
Expenses									
Advertising and promotion	$	(3,564,553)	*$*	*-*	*$*	*(1,144,965)*	$	(1,144,965)	211%
Marketing	$	(2,813,725)	*$*	*-*	*$*	*(624,499)*	$	(624,499)	351%
Office and general, rent and travel	$	(710,429)	*$*	*(289,840)*	*$*	*(40,580)*	$	(330,420)	115%
Consulting, salaries and benefits	$	(1,419,483)	*$*	*(941,599)*	*$*	*(8,679)*	$	(950,278)	49%
Legal and professional	$	(75,658)	*$*	*(120,937)*	*$*	*(58)*	$	(120,995)	-37%
Share-based compensation	$	(518,442)	*$*	*(554,744)*	*$*	-	$	(554,744)	-7%
Interest charges	$	(27,259)	*$*	*(27,843)*	*$*	-	$	(27,843)	-2%
Depreciation	$	(33,428)	*$*	*(34,489)*	*$*	-	$	(34,489)	-3%
Net Income (Loss)	**$**	**(3,722,683)**	***$***	***(1,801,060)***	***$***	***212,969***	**$**	**(1,588,091)**	**134%**
Management reconciliation to non-GAAP measures									
Net Income (Loss)	**$**	**(3,722,683)**	***$***	***(1,801,060)***	***$***	***212,969***	***$***	***(1,588,091)***	**134%**
Interest charges	$	27,259	*$*	*27,843*	*$*	-	$	27,843	N/A
Depreciation	$	33,428	*$*	*34,489*	*$*	-	$	34,489	-3%
Investor relations consulting[1]	$	270,095	*$*	*-*	*$*	-	$	-	N/A
Consulting fees settled in shares[2]	$	-	*$*	*782,057*	*$*	-	$	782,057	-100%
Performance-based consulting and payroll[3]	$	725,917	*$*	*-*	*$*	-	$	-	N/A
Share-based compensation	$	518,442	*$*	*554,744*	*$*	-	$	554,744	-7%
Foreign exchange settlement[4]	$	75,545	*$*	*100,000*	*$*	-	$	100,000	-24%
Legal costs - restructuring	$	-	*$*	*20,000*	*$*	-	$	20,000	N/A
Sales tax provision adjustment[5]	$	442,575	*$*	*146,707*	*$*	-	$	146,707	202%
Cash royalty income/(expense)	$	-	*$*	*(168,392)*	*$*	*168,392*	$	-	N/A
Adjusted EBITDA	**$**	**(1,629,422)**	***$***	***(303,612)***	***$***	***381,361***	**$**	**77,749**	**-2196%**

Adjusted EBITDA Reconciliation Table for Full Year 2024[6,7]

		2024		2023 *Aires*		2023 *HUCK*		2023 Combined	YOY %
Revenue									
Order Volume	**$**	**19,257,738**	***$***	***5,507,798***	***$***	***4,918,584***	**$**	**10,426,382**	**85%**

Adjustments	$ (1,215,585)	*$ (8,109)*	*$ (6,151)*	$ (14,260)	N/A
Sales	**$ 18,042,153**	***$ 5,499,689***	***$ 4,912,433***	**$ 10,412,122**	**73%**
Cost of sales	$ (6,771,533)	*$ (2,081,563)*	*$ (1,969,637)*	$ (4,051,200)	67%
Gross profit	**$ 11,270,620**	***$ 3,418,126***	***$ 2,942,796***	**$ 6,360,922**	**77%**
Gross margin %	62%	*62%*	*60%*	61%	
Other income					
Cash royalty income/(expense)	$ -	*$ 283,427*	$ (283,427)	$ -	N/A
Credit reimbursement income/(expense)	$ -	*$ 197,183*	$ (197,183)	$ -	N/A
Expenses					
Advertising and promotion	$ (8,283,482)	*$ (2,210,866)*	*$ (1,571,541)*	$ (3,782,407)	119%
Marketing	$ (5,220,022)	*$ (1,307,692)*	*$ (824,846)*	$ (2,132,538)	145%
Office and general, rent and travel	$ (1,255,442)	*$ (540,264)*	*$ (53,867)*	$ (594,131)	111%
Consulting and payroll	$ (3,729,257)	*$ (1,931,288)*	*$ (11,875)*	$ (1,943,163)	92%
Legal and professional	$ (174,352)	*$ (392,190)*	*$ (58)*	$ (392,248)	-56%
Share-based compensation	$ (629,855)	*$ (554,744)*	*$ -*	$ (554,744)	14%
Equity-based finance charge	$ -	*$ (953,444)*	*$ -*	$ (953,444)	-100%
Interest charges	$ (257,076)	*$ (616,809)*	*$ -*	$ (616,809)	-58%
Depreciation	$ (133,619)	*$ (137,958)*	*$ -*	$ (137,958)	-3%
Net Income (Loss)	**$ (8,412,485)**	***$ (4,746,519)***	*$ -*	**$ (4,746,519)**	**77%**
Management reconciliation to non-GAAP measures					
Net Income (Loss)	**$ (8,412,485)**	***$ (4,746,519)***	*$ -*	**$ (4,746,519)**	**77%**
Interest charges	$ 257,076	*$ 616,809*	*$ -*	$ 616,809	-58%
Depreciation	$ 133,619	*$ 137,958*	*$ -*	$ 137,958	-3%
Equity-based finance charge	$ -	*$ 953,444*	*$ -*	$ 953,444	-100%
Investor relations consulting[1]	$ 1,571,959	*$ -*	*$ -*	$ -	N/A
Consulting fees settled in shares[2]	$ -	*$ 782,057*	*$ -*	$ 782,057	-100%
Performance-based consulting and payroll[3]	$ 725,917	*$ -*	*$ -*	$ -	N/A
Share-based compensation	$ 629,855	*$ 554,744*	*$ -*	$ 554,744	14%
Foreign exchange settlement[4]	$ 147,638	*$ 100,000*	*$ -*	$ 100,000	48%
Sales tax provision adjustment[5]	$ 442,575	*$ 146,707*	*$ -*	$ 146,707	202%
Cash royalty income/(expense)	$ -	*$ (283,427)*	*$ 283,427*	$ -	N/A
Credit reimbursement income/(expense)	$ -	*$ (197,183)*	*$ 197,183*	$ -	N/A
Adjusted EBITDA	**$ (4,503,847)**	***$ (1,935,410)***	***$ 480,610***	**$ (1,454,800)**	**210%**

1. *"Investor relations consulting" is part of "Consulting fees" in audited financial statements*
2. *"Consulting fees settled in shares" is part of "Consulting fees" in audited financial statements*
3. *"Performance-based consulting and payroll" is part of "Consulting fees" and "Salaries and benefits" in audited financial statements*
4. *"Foreign exchange settlement" is part of "Office and general" in audited financial statements*
5. *"Sales tax provision" is part of "Office and general" in audited financial statements*
6. *Terms like Core Net Income (Loss) and Adjusted EBITDA are non-GAAP measures and are reconciled to Net Income (Loss) which is a GAAP measure*
7. *Note that on August 28, 2023, the Company entered into a partnership with HUCK Project LLC ("**HUCK**"), whereby HUCK became a non-exclusive global, retail-only distribution partner. From January 1, 2023 to August 28, 2023 (the pre-HUCK period during the year), Aires recorded sales of $5.5 million. For the remainder of the year, the Company sold through HUCK, generating $4.9 million of sales. From an accounting perspective, HUCK received the sales, but Aires got the profits. Combining Aires and HUCK sales resulted in non-IFRS combined sales of $10.4 million. The Company believes that presenting this non-GAAP measure of combined sales provides a more comprehensive understanding of its financial performance. By combining the sales figures from both Aires and HUCK, the measure offers a clearer picture of the total revenue generated through both direct and partnership channels. This approach helps to eliminate any distortions in the revenue reported on the balance sheet and provides a more accurate representation of the Company's overall financial health and operational success.*

Solid Cash Position

Aires exited 2024 with $1.5 million of cash and cash equivalents and $0.76 million dollars of debt. The Company closed two private placements during 2024: one for gross aggregate proceeds of $3,999,999 and the other for gross aggregate proceeds of $3,770,465. As of December 31, 2024, Aires had working capital of $53,310 versus a $2,302,533 deficiency at the end of 2023.

Reiterating 2025 Guidance

On January 27, 2025, the Company provided 2025 financial guidance of sales in the range of $28 million to $32 million and adjusted EBITDA in the range of -$2 million loss to $2 million profit. The Company's 2025 sales and adjusted EBITDA guidance is based on several critical assumptions discussed below.

Over the past three years, the Company has demonstrated consistent and substantial organic revenue growth, with year-over-year increases of 128% in 2022, 79% in 2023 (using the combined Aires and

HUCK non-IFRS revenue figures for 2023), and 73% in 2024 (using the combined Aires and HUCK non-IFRS revenue figures for 2023). This historical performance provides the basis for the 2025 projection, with management anticipating a continued revenue growth in the range of 55% to 77%. This range of revenue growth reflects the Company's strategic focus on optimizing operational efficiency to improve profitability while maintaining healthy growth rates. As the year progresses and additional data on the efficiency and performance of the Company's growth initiatives becomes available, the Company will revise these ranges if appropriate.

Advertising expenses have been the primary driver of organic revenue growth, with a strong correlation between increased spending and higher sales. While the Company sees advertising expenses increasing year-over-year in 2025, management's strategic focus on optimizing advertising efficiency, and profitability in general, is expected to lower the advertising expenses as a percentage of revenue. This assumption is based on management's expectation that existing marketing initiatives and partnerships (from late 2024) will yield higher efficiency over time and are expected to contribute positively to the advertising expenses over revenues metric. Unlike previous years, the Company does not anticipate launching new high-profile and high-cost partnerships in 2025, which is expected to reduce the need for incremental advertising investment while still supporting revenue growth. Marketing expenses are expected to increase year-over-year, reflecting the high-profile partnerships the Company entered into in late 2024.

Lastly, management has initiated several cost-cutting measures which are expected to reduce cost of goods sold (through lower product costs, fulfillment costs and payment processing fees) and, as a result, improve gross margin percentage. Overhead expenses are expected to increase modestly with the overall increase in business activity.

Management Commentary

"Aires has delivered aggressive growth three years in a row - and 2024 was our biggest leap yet. That kind of trajectory doesn't happen by accident. It comes from clear vision, sharp execution, and the conviction to invest ahead of the curve. We made strategic, high-impact decisions to build trust, expand visibility, and lay the foundation to lead a market that's just beginning to take shape," said CEO Josh Bruni in his 2024 Letter to the Shareholders. Full version of the letter is available on the Company's Investor Relations website. "Those investments fuelled record-breaking results - not just in revenue, but in traction, awareness, and the infrastructure required to scale. We're not here to chase trends or fight for share in someone else's category. We're here to define the space, shape the conversation, and build the platform that sets the standard for what's next.

As we move forward, we're committed to improving fundamentals and operating with discipline - but we will not compromise the speed or scale required to lead. Aires is building something foundational: a new layer of modern infrastructure that brings our environments back into alignment with human biology - and we're doing it with the momentum, clarity, and ambition it takes to win."

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 is selling a line of proprietary patented silicon-based resonator products that protect against the potentially harmful effects of electromagnetic field (EMF) radiation.* Aires' Lifetune products diffract EMF radiation 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. The Aires Certified Spaces^{TM} (AiresCertifiedSpaces.com) standard is a set of protocols for implementing EMF modulation solutions to create authorized EMF-friendly spaces that support well-being in a tech-driven world. Aires is listed on the CSE under the ticker 'WiFi' and on the OTCQB under the symbol 'AAIRF'. Learn more at www.investors.airestech.com and airestech.com/blogs/emf-education.

*Note: Based on the Company's internal and peer-reviewed research studies and clinical trials. For more information please visit https://airestech.com/pages/tech.

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Non-IFRS Measures

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.

Forward-Looking Information

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, 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.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Aires