

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: American Aires Inc. (the "Issuer").

Trading Symbol: WIFI

Number of Outstanding Listed Securities: 59,357,252

Date: January 4, 2024 – reporting for December 2023

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*The issuer did not release any press releases in December 2023.*

*Previously:*

***On November 16, 2023 the Company and OMSLEEP announce OEM Partnership with Launch of OM Sleep Mask to deliver the vest sleep experience.***

***On November 20, 2023 the Company announces positive EBITDA with its filing of the third quarter financial statements and MD&A.***

This quarter is particularly notable as it marks the first instance of positive EBITDA in the company's history. This achievement is a direct result of the strategic decision made on August 28, 2023, to outsource the retail segment, including sales, COGS, marketing, and advertising expenses to HUCK Project LLC ("**HUCK**"). The financial results for Q3/2023 reflect this shift to the new business model, combining our traditional operations with the outsourced model. Consequently, this quarter should be considered a transition period, distinct from past results.

In Q3/2023, Aires' total order volume increased to \$3.05 million from \$1.64 million in the same quarter of the previous year, an 85% increase. In terms of adjusted EBITDA (non-IFRS measure), excluding one-time items, there was a 106% improvement, leading to an adjusted net profit of \$0.07 million, compared to a net loss of \$1.14 million in the same period last year. The Net Loss for the quarter was reduced to \$0.24 million, an improvement of \$1.04 million compared to last year. Consequently, Aires reported sales of \$2.09 million, a Gross Profit of \$1.39 million, and a Cash Royalty income of \$0.12 million from HUCK in Q3/2023.

***On November 24, 2023 the Company announces the grant of stock options***

The Company has granted 10,000 stock options (each an "**Option**") to an arm's length consultant pursuant to option agreement and the terms and conditions of the omnibus long-term incentive plan of the Company. Each Option vests immediately and is exercisable prior to July 6, 2026 to acquire one common share of the Company at a price of \$0.21 per share. The Options (and any Common Shares issuable upon exercise thereof) will be subject to a four month and one day hold period pursuant to the policies of the CSE and applicable securities laws.

***On November 24, 2023 the Company also announces Early Warning Report Disclosure***

Further to the Company's press release dated October 19, 2023, on October 27, 2023, Josh Bruni acquired control over 6,548,992 common shares of the Company ("**Common Shares**") pursuant to a shares for debt settlement (the "**Debt Settlement**") and 1,500,000 Common Shares pursuant to the settlement of restricted share units (the "**RSU Issuance**"). Prior to these acquisitions, Mr. Bruni did not hold any Common Shares. Following the acquisitions, Mr. Bruni exercised control over 8,048,992 Common Shares, representing 13.6% of the issued and outstanding Common Shares on an undiluted basis (15.7% on a partially-diluted basis). In addition, Serov Holdings Inc. acquired control over 2,201,348 Common Shares pursuant to the Debt Settlement and 2,300,000 Common Shares pursuant to the RSU Issuance. Prior to these acquisitions, Serov Holdings Inc. exercised control over 3,973,000 Common Shares, representing 9.2% of the issued and outstanding Common Shares on an undiluted and partially-diluted basis. Following the acquisitions, Serov Holdings Inc. exercised control over 8,474,348 Common Shares, representing 14.3% of the issued and outstanding Common Shares on an

undiluted basis (17.5% on a partially-diluted basis). Neither Mr. Bruni nor Serov Holdings Inc. currently has any plans to acquire or dispose of additional securities of the Company. However, Mr. Bruni and/or Serov Holdings Inc. may acquire additional securities of the Company, dispose of some or all of the existing or additional securities they hold or will hold, or may continue to hold their current positions, depending on market conditions, reformulation of plans or other relevant factors.

Provide a general overview and discussion of the activities of management.

*The Company continues to work on building the business, focusing on growing sales and widening its network of commercial clients.*

*Management team remains committed to seeking further sources of capital to improve its working capital deficiency as well as steering the business operations closer to profitability.*

Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

2. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

*None*

3. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

*None*

4. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

*None*

5. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any

valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

*None*

6. Describe the acquisition of new customers or loss of customers.

*None*

7. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

*None*

8. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

*None*

9. Report on any labour disputes and resolutions of those disputes if applicable.

*None*

10. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

*None*

11. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

*none*

12. Provide details of any securities issued and options or warrants granted.

*The Company has granted 10,000 stock options (each an "Option") to an arm's length consultant pursuant to option agreement and the terms and conditions of the omnibus long-term incentive plan of the Company. Each Option vests immediately and is exercisable prior to July 6, 2026 to acquire one common share of the Company at a price of \$0.21 per share. The Options (and any Common Shares issuable upon exercise thereof) will be subject to a four month and one day hold period pursuant to the policies of the CSE and applicable securities laws.*

13. Provide details of any loans to or by Related Persons.

*None*

14. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

*None*

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 4, 2024.

Vitali Savitski  
Name of Director or Senior  
Officer

*Vitali Savitski ("signed")*

Signature

CFO

Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer American Aires Inc.	For Month End December 31, 2023	Date of Report YY/MM/D 24/01/04
Issuer Address 400 Applewood Crescent, Suite 100		
City/Province/Postal Code Ontario	Issuer Fax No. ( )	Issuer Telephone No. (647) 404-4416
Contact Name Vitali Savitski	Contact Position CFO	Contact Telephone No. 416-300-0625
Contact Email Address vitaliy@airestech.com	Web Site Address <a href="https://airestech.com/">https://airestech.com/</a>	