AirIQ®

FOR IMMEDIATE RELEASE

AirIQ Announces Profitable Results for the Third Quarter; Revenue Growth of 12%

Toronto, Ontario –February 4, 2015 – AirIQ Inc. ("AirIQ") (TSXV:IQ), a supplier of wireless asset management services, today announced its financial results for the three months and nine months ended December 31, 2014.

"The Company is pleased to announce that it achieved profitable results for the third quarter in a row," said Michael Robb, President and Chief Executive Officer of AirIQ, "once again hitting all three targets of positive EBITDAS, positive net income and positive cash flows from operations. In addition, the Company continues to build its deferred revenue pools which will be recognized in future periods," continued Mr. Robb.

The main highlights of the quarter were as follows (with comparisons made between the current quarter and the same quarter one year ago):

- Revenue improved by 12% or $69,101 to $669,633 from $600,532;
- Achieved positive EBITDAS (earnings before interest, taxes depreciation and stock-based compensation) of $79,367 representing a $131,698 improvement;
- Achieved net income of $43,732 representing a $226,821 improvement;
- Expenses (excluding stock based compensation) were down 38% or $118,216 from $428,721 to $310,505;
- Achieved positive cash flows from operations of $84,634 representing an improvement of $257,489;
- Recurring revenue was $478,293 with a gross margin of $342,111 or 72%;
- Achieved positive working capital of $74,832 representing a 177% improvement;
- Established a revolving demand facility with the Royal Bank of Canada to support the Company's growth initiatives.

The Company calculates EBITDAS as earnings before interest, taxes, depreciation and amortization, and stock-based compensation

The Company also announced the grant of 300,000 stock options for an equivalent number of common shares to Michael Robb, President and Chief Executive Officer of the Company. The exercise price of the options was $0.06 per share, calculated in accordance with the Company's stock option plan. The term of the options is ten (10) years from the date of grant and the options vest over a period of four (4) years; 25% the first year and 6.25% each quarter thereafter.

Unless otherwise noted herein, and except share and per share amounts, all references to dollar amounts from this point forward are in thousands of Canadian dollars.

Financial Highlights

	Three months ended 31-Dec-2014	Three months ended 31-Dec-2013
Total Revenue	$670	$601
Gross Margin	$390	$376
Gross Margin %	58.2%	62.6%
Expenses [(1)]	$311	$429
EBITDAS [(2)]	$79	($53)
Other expenses (3)	$35	$130
Net Income (loss)	$44	($183)
Net Income (loss) per share, basic and diluted	$0.00	($0.01)

(1) Excludes share-based compensation.
(2) The Company has included information concerning EBITDAS because it believes that it may be used by certain investors as one measure of the Company's financial performance. EBITDAS is not a measure of financial performance under IFRS and is not necessarily comparable to similarly titled measures used by other companies. EBITDAS should not be construed as an alternative to net income or to cash flows from operating activities (as determined in accordance with IFRS) or as a measure of liquidity.
(3) Includes non-cash notional charges such as interest, depreciation and amortization, impairment of long lived assets, share-based compensation expense.

Business Review

The Company continues to focus on its key strategy elements to build revenues and reduce costs to achieve sustained profitability and positive cash flow and to seek opportunities to form value creating strategic partnerships.

Revenues

Revenues for the three months ended December 31, 2014, increased 12% to $670 from $601 for the three months ended December 31, 2013. Revenues for the nine months ended December 31, 2013, increased 11% to $2,019 from $1,813 for the nine months ended December 31, 2013. Approximately 71% and 70% of the total revenue for the three and nine month periods ended December 31, 2014 respectively, represents recurring revenue from the Company’s airtime customers.

Revenues received from equipment sold in connection with service contracts are recorded as deferred revenue and recognized over the initial term of the service contract.

Sales of hardware units associated with service contracts recorded to deferred revenues were approximately $144 and $569, respectively, during the three months and nine months ended December 31, 2014, compared to $77 and $341, respectively, during the three months and nine months ended December 31, 2013. Revenues recognized from deferred revenues for the three months and nine months ended December 31, 2014 were approximately $126 and $397, respectively, compared to $130 and $409, respectively, during the three months and nine months ended December 31, 2013.

Overall, revenues related to service contracts sold in connection with hardware equipment increased by $36 and $89, respectively from $442 and $1,326, respectively, for the three months and nine months ended December 31, 2013 to $478 and $1,415, respectively, for the three months and nine months ended December 31, 2014.

Included in the Company’s revenues are sales of units that were sold without a fixed term service contract of approximately $64 and $197, respectively, during the three months and nine months ended December

31, 2014, compared to $27 and $74, respectively, for the three months and nine months ended December 31, 2013.

Included in the Company's reported revenues are miscellaneous parts, repair, warranty and lost unit sales of approximately $2 and $10, respectively, during the three months and nine months ended December 31, 2014, compared to $2 and $4, respectively, for the three months and nine months ended December 31, 2013.

Gross Profit

Overall, gross profit for the three months ended December 31, 2014 increased by 4% to $390, and 8% to $1,248 for the nine months ended December 31, 2014 compared to $376 and $1,160 for the three months and nine months ended December 31, 2013, respectively.

Equipment gross profits decreased by approximately 2% to $48 during the three months ended December 31, 2014, and increased by 8% to $221, during the nine months ended December 31, 2014 from $49 and $175, respectively, for the three months and nine months ended December 31, 2013.

Service contract gross profits increased by approximately 5% and 4%, respectively, to $342 and $1,027, respectively, for the three months and nine months ended December 31, 2014 from $327 and $985, respectively, for the three months and nine months ended December 31, 2013.

Expenses and Other Items

Sales and marketing, research and development and general and administrative expenses totalled $316 and $991, respectively, for the three months and nine months ended December 31, 2014 compared to $527 and $1,434, respectively, for the three months and nine months ended December 31, 2013.

Overall these expenses were reduced by $211 and $443, respectively, for the three months and nine months ended December 31, 2014 when compared to the three months and nine months ended December 31, 2013.

Expense reductions for the three months ended December 31, 2014 when compared to the three months ended December 31, 2013 were achieved in the following areas; (a) wages and related expense of approximately $60 (b) consulting fee costs were reduced by $23, (c) stock based compensation costs were reduced by $94, and (d) other cost reductions of approximately $46 related primarily to communication costs, facility and computer operating costs. These savings were offset by an increase in (a) legal costs of $5, (b) director fees costs of approximately $5 and (c) public reporting costs of $ 2.

Expense reductions for the nine months ended December 31, 2014 when compared to the nine months ended December 31, 2013 were achieved in the following areas; (a) wages and related expense of approximately $159, (b) consulting fee costs were reduced by $119, (c) stock based compensation costs were reduced by $95, and (d) other cost reductions of approximately $71 related primarily to communication costs, facility costs, director fees and computer operating costs. These savings were offset by an increase in legal expense of approximately $1.

Net Profit/Loss

The Company's net profit for the three months and nine months ended December 31, 2014 was $44 and $150, respectively, or $nil and $nil per share, respectively, as compared to a net loss of $183 and $364, respectively, or ($0.01) and ($0.02) per share, respectively, for the three months and nine months ended December 31, 2013, an improvement of $227 and $514, respectively.

The increase in net profit for the three months ended December 31, 2014 when compared to the three months ended December 31, 2013 can be attributed to improvement in the following areas; a) expense reductions of approximately $211, b) a decrease in depreciation and amortization of approximately $6, and c) increased gross profits of $14. These improvements were offset by an increase in interest expense of $4.

The increase in net profit for the nine months ended December 31, 2014 when compared to the nine months ended December 31, 2013 can be attributed to improvement in the following areas; a) expense reductions of approximately $443, b) a decrease in depreciation and amortization of approximately $3, and c) increased gross profits of $88. These improvements were offset by a) an increase in interest expense of $20.

Financial Statements & MDA

The Company's unaudited consolidated condensed interim financial statements for the three months and nine months ended December 31, 2014 including notes thereto, and Management's Discussion and Analysis for the same period are being filed with the Canadian securities regulatory authorities on today's date, and will be available on the Company's website (www.airiq.com) and on the System for Electronic Document Analysis and Retrieval ("SEDAR") website (www.sedar.com). Such statements should be read in conjunction with the Company's consolidated financial statements as at and for the years ended March 31, 2014 and 2013, and accompanying notes. The Company's financial statements include the accounts of AirIQ and its subsidiaries, AirIQ U.S. Holdings, Inc., AirIQ U.S., Inc., and AirIQ, LLC. All inter-company balances and transactions have been eliminated on consolidation.

About AirIQ

AirIQ currently trades on the TSX Venture Exchange under the symbol IQ. AirIQ's office is located in Pickering, Ontario, Canada. The Company offers a suite of asset management services that generate recurring revenues from each device deployed. AirIQ delivers services to two primary markets: Commercial Fleets and dealers that service Consumer segments. AirIQ provides vehicle owners with the ability to monitor, manage and protect their mobile assets. Services include: instant vehicle locating, boundary notification, automated inventory reports, maintenance reminders, security alerts and vehicle disabling and unauthorized movement alerts. For additional information on AirIQ or its products and services, please visit the Company's website at www.airiq.com.

Forward-looking Statements

This news release contains forward-looking information based on management's best estimates and the current operating environment. These forward-looking statements are related to, but not limited to, AirIQ's operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "hope", "goal", "anticipate", "believe", "expect", "plan" or similar words suggesting future outcomes. These statements are based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including AirIQ's perception of historical trends, current conditions and expected future developments as well as other factors management believes are appropriate in the circumstances. Such forward-looking statements are as of the date which such statement is made and are subject to a number of known and unknown risks, uncertainties and other factors, which could cause actual results or events to differ materially from future results expressed, anticipated or implied by such forward-looking statements. Such factors include, but are not limited to, changes in market and competition, technological and competitive developments and potential downturns in economic conditions generally. Therefore, actual outcomes may differ materially from those expressed in such forward-looking statements. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. Other than as may be required by law, AirIQ disclaims any intention or obligation to update or revise any such forward-looking statements, whether as a result of such information, future events or otherwise.

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