AirIQ®

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AirIQ Announces December 31, 2015 Financial Results
Double Digit Revenue and Triple Digit Net Income Growth

Toronto, Ontario – February 3, 2016 – 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, 2015.

"Once again, we are pleased to report that the Company is continuing to produce positive results in all areas," said Michael Robb, President and Chief Executive Officer of AirIQ. "The team's hard work and focus resulted in the highest revenue for the Company in over five years, while still delivering very strong cash flow and bottom line results," said Mr. Robb. "I'm pleased to report that the Company achieved these impressive results, while also completing the sunset of one of the Company's 2G wireless network providers. The sunset resulted in the termination of legacy 2G units, and allows us to concentrate our efforts on increased sales on our 3G wireless network", continued Mr. Robb.

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.

The main highlights of the quarter were as follows with comparisons to the same quarter the previous year (except as otherwise noted):

- Revenue improved by 32% to $882 from $670
- Recurring revenue improved by 21% to $578 from $478
- EBITDAS improved by 118% to $172 from $79
- Net income improvement of 184% to $125 from $44
- Service contract gross profit improvement of 25% to $428 from $342
- Positive cash flows from operations of $135 representing, representing a $220 improvement
- Positive working capital of $276 from $211 at March 31, 2015
- Future revenue pools increased to $840 from $765 at March 31, 2015

Financial Highlights

	Three months ended 31-Dec-2015	**Three months ended 31-Dec-2014**
Total Revenue	**$882**	$670
Gross Margin	**$484**	$390
Gross Margin %	**55%** (1)	58.2%
Expenses (2)	**$312**	$311
EBITDAS (3)	**$172**	$79
Other expenses (4)	**$47**	$35
Net Income (loss)	**$125**	$44
Net Income (loss) per share, basic and diluted	**$0.00**	$0.00

(1) Gross profits declined in the period due to the costs of transitioning customers due to the 2G Sunset.
(2) Excludes share-based compensation.
(3) EBITDAS represents earnings before interest, tax, depreciation, amortization, shared-based compensation expense and gain on business acquisition.
(4) 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.

Overview
The Company's unaudited consolidated condensed interim 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.

The Company's unaudited consolidated condensed interim financial statements as at and for the three months and nine months ended December 31, 2015, including notes thereto, and Management's Discussion and Analysis for the same period were filed with the Canadian securities regulatory authorities on February 3, 2016, 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).

Revenues
Revenues for the three months ended December 31, 2015, increased 32% to $882 from $670 for the three months ended December 31, 2014. Revenues for the nine months ended December 31, 2015, increased 22% to $2,461 from $2,019 for the nine months ended December 31, 2014. Approximately 68% of the total revenue for the period 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 $146 and $564, respectively, during the three months and nine months ended December 31, 2015, compared to $144 and $569, respectively, during the three months and nine months ended December 31, 2014. Revenues recognized from deferred hardware revenues for the three months and nine months ended December 31, 2015 were approximately $172 and $487, respectively, compared to $126 and $397, respectively, during the three months and nine months ended December 31, 2014.

Overall, revenues related to service contracts sold in connection with hardware equipment increased by $100 and $269, respectively, from $478 and $1,415, respectively, for the three months and nine months ended December 31, 2014 to $578 and $1,684, respectively, for the three months and nine months ended December 31, 2015.

Included in the Company's revenues are sales of units that were sold without a fixed term service contract of approximately $103 and $240, respectively, during the three months and nine months ended December 31, 2015 compared to $64 and $197 respectively during the three months and nine months ended December 31, 2014 respectively.

Included in the Company's reported revenues are miscellaneous parts, repair, warranty and lost unit sales of approximately $29 and $50, respectively, during the three months and nine months ended December 31, 2015, compared to $2 and $10, respectively, for the three months and nine months ended December 31, 2014.

Gross Profit
Overall, gross profit for the three months ended December 31, 2015 increased by 24% to $484, and 14% to $1,419 for the nine months ended December 31, 2015 compared to $390 and $1,248 for the three months and nine months ended December 31, 2014.

Equipment gross profits increased by approximately $8 to $56 during the three months and decreased by $73, to $148, during the nine months ended December 31, 2015 from $48 and $221, respectively, for the three months and nine months ended December 31, 2014.

Service contract gross profits increased by approximately 25% and 24%, respectively, to $428 and $1,271, respectively, for the three months and nine months ended December 31, 2015 from $342 and $1,027, respectively, for the three months and nine months ended December 31, 2014.

Expenses and Other Items
Sales and marketing, research and development and general and administrative expenses totalled $319 and $1,008, respectively, for the three months and nine months ended December 31, 2015 compared to $330 and $1,006, respectively, for the three months and nine months ended December 31, 2014.

Overall these expenses decreased by $11 for the three months ended December 31, 2015 when compared to the three months ended December 31, 2014, and increased by $2 for the nine months ended December 31, 2015 when compared to the nine months ended December 31, 2014.

Expense reductions for the three months ended December 31, 2015 when compared to the three months ended December 31, 2014 were achieved in the following areas; (a) rent and maintenance of approximately $15, (b) wage and related expenses by $6, and (c) legal expenses of approximately $5. These savings were offset by an increase in; (a) consulting fees of approximately $6, (b) public reporting costs of $2, and (c) other increases of approximately $7 related primarily to bad debt expense and miscellaneous expenses.

Expense reductions for the nine months ended December 31, 2015 when compared to the nine months ended December 31, 2014 were achieved in the following areas; (a) rent and maintenance of approximately $31, (b) computer operating costs of approximately $8, (c) legal expenses of approximately $4, and (d) public reporting costs of $2. These savings were offset by an increase in; (a) consulting fees of approximately $40, (b) miscellaneous expenses of $4, (c) stock based compensation costs of $2, and (d) other increases of approximately $1 related primarily to insurance costs.

Net Income/Loss
The Company's generated net income for the three months and nine months ended December 31, 2015 of $125 and $326, respectively, or $0.00 and $0.01, respectively, per share as compared to $44 and $150, respectively, or $0.00 and $0.00 per share, respectively, for the three months and nine months ended December 31, 2014, an improvement of $81 and $176, respectively.

The increase in net income for the three months ended December 31, 2015 when compared to the three months ended December 31, 2014 can be attributed to improvement in the following areas; (a) decreased interest expense of $10, (b) increased gross profits of $94, and (c) expense decrease of approximately $11. These improvements were offset by; (a) an increase in amortization of approximately $7, (b) an increase in foreign exchange of approximately $14, and (c) an increase in loss on impairment of $13.

The increase in net income for the nine months ended December 31, 2015 when compared to the nine months ended December 31, 2014 can be attributed to improvement in the following areas; (a) decreased interest expense of $31, (b) decrease in amortization of approximately $1, and (c) increased gross profits of $171. These improvements were offset by; (a) an expense increase of approximately $2, (b) an increase in foreign exchange of approximately $12, and (c) an increase in loss on impairment of $13.

Financial Statements & MDA
The Company's unaudited consolidated condensed interim financial statements for the three months and nine months ended December 31, 2015 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). 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 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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