



FOR IMMEDIATE RELEASE

## **AirIQ Announces March 31, 2016 Year End Results and Almost Doubles Annual Net Income**

**Toronto, Ontario – July 14, 2016** – AirIQ Inc. (“AirIQ”) (TSXV:IQ), a supplier of wireless asset management services, today announced its financial results for the year ended March 31, 2016, reporting a 19% growth in revenues compared to the previous year and a 98% increase in net income when compared to the previous year.

“I am excited that the Company continues to grow and produce these types of results for our stakeholders,” said Michael Robb, President and Chief Executive Officer of AirIQ. “We accomplished many initiatives during this fiscal year including the launch of our new web-based application AirIQ Fleet™, the development and release of our first mobile app platform, the redesign and launch of our new corporate website, and the successful completion of the transition resulting from the sunset of one of our 2G U.S. based wireless network providers. Subsequent to the fiscal year end, we acquired the mobile web application assets of Timeout Studios Inc., enhancing our reporting capabilities for commercial vehicle operator’s registration, electronic logging devices and hours of service. More importantly, we accomplished these projects while continuing to produce positive results in all areas for a second year in a row, reflecting our team’s hard work and dedication,” continued Mr. Robb. “I believe the Company is well positioned to expand its customer and market reach in the coming year.”

*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.*

Highlights of the quarter and the year are as follows:

### *Fourth Quarter Highlights:*

- EBITDAS of \$122 for the three months ended March 31, 2016 improved 16% compared to \$105 from the same quarter the previous year
- Revenue of \$855 for the quarter ended March 31, 2016 improved 10% compared to \$776 from the same quarter the previous year
- Expenses of \$310 for the three months ended March 31, 2016 improved 1% from the same quarter the previous year
- Net income in the fourth quarter increased by 40% as compared to the same quarter the previous year

### *Annual Highlights*

- The Company, for a second year in a row, has generated operating profit and positive cash flow results.
- The Company generated double digit revenue growth of 19% over the prior year ended March 31, 2015.
- Recurring revenue increased by 10% over the prior fiscal year and represented approximately 65% of total revenues with a gross profit of 76%.
- The Company’s ongoing commitment to reduce expenses resulted in an improvement of \$55 or 4% over the prior fiscal year.
- Net income increased \$197 or 98% over the prior year ended March 31, 2015.
- Future revenue pools increased by 14% to \$873 when compared to the prior fiscal year.
- During the year the Company introduced a new enhanced online platform, AirIQ Fleet™, with enhanced features and functionality
- The Company released its first mobile App for use by AirIQ Fleet™ customers

- The Company also launched a newly designed corporate website, providing a more simplified and informative experience for customers, investors and partners
- Subsequent to the year end, on May 31, 2016, the Company purchased certain software assets of Timeout Studios Inc., a private, arm's length third party, Canadian mobile web application company.

### **Financial Highlights**

	<b>Three months ended 31-Mar-2016</b>	<b>Three months ended 31-Mar-2015</b>	<b>Twelve months ended 31-Mar-2016</b>	<b>Twelve months ended 31-Mar-2015</b>
Total Revenue	\$855	\$776	\$3,316	\$2,795
Gross profit <sup>(1)</sup>	\$432	\$419	\$1,851	\$1,667
Gross profit % <sup>(1)</sup>	51%	54%	55.8%	59.6%
Expenses <sup>(2)</sup>	\$310	\$314	\$1,291	\$1,288
EBITDAS <sup>(3)</sup>	\$122	\$105	\$565	\$379
Other expenses <sup>(4)</sup>	\$49	\$53	\$161	\$177
Net income and comprehensive income	\$73	\$52	\$399	\$202
Net income per share, basic and diluted	\$0.00	\$0.01	\$0.01	\$0.01

(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. 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.

(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 audited consolidated 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 audited consolidated financial statements as at and for the years ended March 31, 2016 and 2015, including notes thereto, and Management's Discussion and Analysis for the same period were filed with the Canadian securities regulatory authorities on July 14, 2016, and will be available on the Company's website ([www.airiq.com](http://www.airiq.com)) and on the System for Electronic Document Analysis and Retrieval ("SEDAR") website ([www.sedar.com](http://www.sedar.com)).

### **Revenues**

Revenues for the year ended March 31, 2016, increased 19% to \$3,316 from \$2,795 for the year ended March 31, 2015. Approximately 65% of the total revenue for the year 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 \$903, during the year ended March 31, 2016, compared to \$881 during the year ended March 31, 2015. Revenues recognized from deferred revenues for the year ended March 31, 2016 were approximately \$795 compared to \$579 during the year ended March 31, 2015. Deferred hardware revenues were approximately \$678 compared to \$511 during the year ended March 31, 2015, and deferred service revenues were approximately \$117 compared to \$68 during the year ended March 31, 2015

Included in the Company's revenues are sales of units that were sold without a fixed term service contract of approximately \$425 and \$302 respectively, during the twelve months March 31, 2016 and March 31, 2015 respectively.

### **Gross Profit**

Overall, gross profit increased by \$184 or 11% to \$1,851 for the year ended March 31, 2016 compared to \$1,667 for the year ended March 31, 2015.

Equipment gross profits decreased by approximately 12% to \$225 during the year ended March 31, 2016 from \$255 for the year ended March 31, 2015.

Service contract gross profits increased by approximately 15% to \$1,626 for the year ended March 31, 2016 from \$1,412 for the year ended March 31, 2015.

### **Expenses and Other Items**

Sales and marketing, research and development and general and administrative expenses totalled \$1,296 for the year ended March 31, 2016 compared to \$1,351 for the year ended March 31, 2015.

Overall these expenses were decreased by \$55 for the year ended March 31, 2016 when compared to the year ended March 31, 2015.

Expense reductions for the year ended March 31, 2016 when compared to the year ended March 31, 2015 were achieved in the following areas; (a) wage and related expense of approximately \$26, (b) facility costs were reduced by \$50, (c) legal costs were reduced by \$15, and (d) other cost reductions of approximately \$15 related primarily to insurance costs, and computer operating costs. These savings were offset by an increase in (a) consulting fees were increased by \$36, (b) other costs were increased by \$9, related primarily to communication costs, and general expenses (c) stock based compensation costs were increased by \$6.

### **Net income**

The Company's generated net income for the year ended March 31, 2016 of \$399 or \$0.01 per share as compared to net income of \$202 or \$0.01 per share for the year ended March 31, 2015, an improvement of \$197.

The increase in net income for the year ended March 31, 2016 when compared to the year ended March 31, 2015 can be attributed to improvement in the following areas; a) expense reductions of approximately \$55, b) a decrease in interest of approximately \$46, and c) increased gross profits of \$184. These improvements were offset by a) an increase in amortization of approximately \$1, b) an increase in foreign exchange of approximately \$74 and c) an increase in impairment of long-lived assets of approximately \$13.

### **Financial Statements & MDA**

The Company's consolidated financial statements for the years ended March 31, 2016 and 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](http://www.airiq.com)) and on the System for Electronic Document Analysis and Retrieval ("SEDAR") website ([www.sedar.com](http://www.sedar.com)). The Company's financial statements include the accounts of AirIQ and its subsidiaries, AirIQ U.S. Holdings, Inc.,

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### **About AirIQ**

AirIQ currently trades on the TSX Venture Exchange under the symbol IQ. AirIQ is an intuitive web-based platform that provides fleet operators and vehicle owners with a suite of asset management solutions to reduce cost, improve efficiency and monitor, manage and protect their assets. Services are available online or via a mobile app, and include: instant vehicle locating, boundary notification, automated inventory reports, maintenance reminders, security alerts and vehicle disabling and unauthorized movement alerts. AirIQ's office is located in Pickering, Ontario, Canada. For additional information on AirIQ or its products and services, please visit the Company's website at [www.airiq.com](http://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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