FOR IMMEDIATE RELEASE

AirIQ Announces December 31, 2016 Quarterly Results

Toronto, Ontario – February 15, 2017 – 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, 2016.

"We are pleased to report continued profitability and positive operating cash flow for the quarter," said Michael Robb, President and Chief Executive Officer of AirIQ, "however revenues did not increase as expected from our major construction contract due to slower than expected installation and implementation of our solution. The Company continues to work with this customer to achieve full deployment over the next several months. In the meantime, we continue to carefully monitor expenses and look for new opportunities for future growth," 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.

Third Quarter Highlights:

- Expenses for the three months ended December 31, 2016 remained tightly controlled, down $14 or 4.1% from $319 to $305 from the same quarter the previous year.
- EBITDAS of $162 for the three months ended December 31, 2016 decreased $10 or 5.8% from $172 compared to the same quarter the previous year decreased but increased by $22 or 15.7% compared to the previous quarter ended September, 2016.

Financial Highlights

	Three months ended 31-Dec-2016	**Three months ended 31-Dec-2015**
Total Revenue	**$772**	$882
Gross profit (1)	**$459**	$484
Gross profit % (1)	**59%**	55%
Expenses (2)	**$297**	$312
EBITDAS (3)	**$162**	$172
Other expenses (4)	**$52**	$47
Net income and comprehensive income	**$110**	$125
Net income per share, basic and diluted	**$0.01** (5)	$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. See "Non-GAAP/IFRS Measures" below.
(4) Includes non-cash notional charges such as interest, depreciation and amortization, impairment of long lived assets, share-based compensation expense.
(5) Represents earnings per share for the nine-month period ended December 31, 2016

Business Review

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

Overview
The Company's 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 consolidated condensed interim financial statements for the three months and nine months ended December 31, 2016, including notes thereto, and Management's Discussion and Analysis for the same period were filed with the Canadian securities regulatory authorities on February 15, 2017, 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, 2016, decreased 12.5% to $772 from $882 for the three months ended December 31, 2015, but increased by $19 or 2.5% compared to the quarter ending September 30, 2016. Revenues for the nine months ended December 31, 2016 decreased 1.0% to $2,448 from $2,461 for the nine months ended December 31, 2015. Approximately 64.7% 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 $54 and $549, respectively, during the three months and nine months ended December 31, 2016, compared to $146 and $564, respectively, during the three months and nine months ended December 31, 2015. Revenues recognized from deferred revenues for the three months and nine months ended December 31, 2016 were approximately $201 and $603, respectively, compared to $172 and $487, respectively, during 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 $50 and $352, respectively, during the three months and nine months ended December 31, 2016, compared to approximately $103 and $240, respectively, during the three months and nine months ended December 31, 2015.

Gross Profit
Overall, gross profit decreased by $25 or 5.2% to $459 for the three months ended December 31, 2016 compared to $484 for the three months ended December 31, 2015, and by $88 or 6.2% to $1,331 for the nine months ended December 31, 2016 compared to $1,419 for the nine months ended December 31, 2015.

Equipment gross profits increased by approximately $11 and $58, respectively, to $67 and $206, respectively, during the three months and nine months ended December 31, 2016 from $56 and $148, respectively, for the three months and nine months ended December 31, 2015.

Service contract gross profits decreased by approximately 8.4% and 11.5%, respectively, to $392 and $1,125, respectively, for the three months and nine months ended December 31, 2016 from $428 and $1,271, respectively for the three months and nine months ended December 31, 2015.

Expenses and Other Items
Sales and marketing, research and development and general and administrative expenses totalled $308 and $939, respectively, for the three months and nine months ended December 31, 2016 compared to $319 and $1,008, respectively, for the three months and nine months ended December 31, 2015.

Overall these expenses were decreased by $11 and $69, respectively, for the three months and nine months ended December 31, 2016, when compared to the three months and nine months ended December 31, 2015.

Expense reductions for the three months ended December 31, 2016 when compared to the three months ended December 31, 2015 were achieved in the following areas; (a) facility costs were reduced by $2, (b) consulting fees were decreased by $13, (c) insurance costs were reduced by $2 and other costs were reduced by $21, related primarily to general costs. These savings were offset by increases in the following areas: a) wage and related expense of approximately $16, b) public reporting expenses of $4, c) computer operating costs were increased by $4, d) legal costs were increased by $2, and e) $1 due to stock based compensation costs.

Expense reductions for the nine months ended December 31, 2016 when compared to the nine months ended December 31, 2015 were achieved in the following areas: (a) wage and related expense of approximately $16, (b) facility costs were reduced by $17, (c) consulting fees were decreased by $21, (d) insurance costs decreased by $5, and (e) other cost reductions of approximately $39 related primarily to public reporting and general costs. These savings were offset as follows: (a) computer operating costs were increased by $18, (b) stock based compensation costs were increased by $10, and (c) legal costs were increased by $1

Net income

The Company generated net income for the three months and nine months ended December 31, 2016 of $110 and $266, respectively, or $0.00 and $0.01, respectively, per share as compared to net income of $125 and $326, respectively, or $0.00 and $0.01, respectively, per share for the three months and nine months ended December 31, 2015, a reduction of $nil and $0.01, respectively.

The decrease in net income for the three months ended December 31, 2016 when compared to the three months ended December 31, 2015 can be attributed to expense reductions of approximately $10, an increase in the foreign exchange gain of approximately $3, and a reduction in the charge for impairment of $13. These improvements were offset by decreased gross profits of $25, an increase in amortization of approximately $17, and an increase in interest charges of $1.

The decrease in net income for the nine months ended December 31, 2016 when compared to the nine months ended December 31, 2015 can be attributed to expense reductions of approximately $69, and a reduction in the charge for impairment of $13. These improvements were offset by decreased gross profits of $88, an increase in amortization of approximately $53, and an increase in interest expense of approximately $2.

Financial Statements & MDA

The Company’s consolidated condensed interim financial statements for the three months and nine months ended December 31, 2016, 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 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.

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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