FOR IMMEDIATE RELEASE

AirIQ Announces March 31, 2024 Year End Results

Reports Record Year for Recurring Revenue

Toronto, Ontario – July 18, 2024 – AirIQ Inc. ("AirIQ") (TSXV:IQ), a leader in IoT-based asset management solutions since 1997, today announced its financial results for the year ended March 31, 2024, reporting the highest recurring revenue since it began tracking this metric.

"We are very pleased to report that recurring revenue increased by 11% compared to the previous year." said Mike Robb, President and Chief Executive Officer of AirIQ. "We have reported recurring revenue growth for the eighth straight year representing an increase of over 100% during this period. The growth in recurring revenues has provided a strong base for future growth and profitability for our shareholders".

"Over the past eight years, AirIQ has not only been consistently profitable but has also generated positive cash flow from operations. This has allowed us to take this opportunity to begin heavily investing in our sales and marketing efforts in order to lay the foundation for future growth in our recurring revenue at an accelerated rate", continued Mr. Robb.

"In addition, during the fourth quarter, we successfully completed an acquisition of a customer base which generate approximately $370,000 of annual recurring revenue and represents an acquisition cost of less than 1x. We believe this acquisition will continue to drive recurring revenue growth in future periods and will continue to provide increased shareholder value", continued Mr. Robb.

All dollar amounts set out herein are in Canadian dollars unless marked otherwise.

Highlights for the year are as follows:

Annual Highlights (for the year ended March 31, 2024 compared to March 31, 2023):

- Highest recurring revenue since the tracking of this metric began of $4,368,399 increased by 11% or $417,222 compared to $3,951,177 for the prior year.
- Hardware and other revenue of $1,145,697 increased by 4% or $47,582 compared to $1,098,115 for the prior year.
- Total revenue of $5,514,097 increased by 9% or $464,805 compared to $5,049,292 for the prior year.
- Gross profit of $3,354,091 increased by 10% or $317,996 compared to $3,036,095 for the prior year.
- Net income of $868,943 increased 1% or $5,707 compared to $863,236 over the prior year excluding the one-time deferred tax recovery of $2,830,204. Net income after tax decreased 76% or $2,824,497 compared to $3,693,440 for the prior year.
- Cash and cash equivalents balance of $3,125,420 increased by 44% or $949,277 compared to $2,176,143 for the prior year period, marking this as the highest cash balance in the last 10 years.
- Working capital of $3,411,865 increased by 24% or $663,625 compared to $2,748,240 for the prior year.

Fourth Quarter Highlights:

- Recurring revenue of $1,097,161 increased by 4% or $46,258 compared to $1,050,903 for same quarter in the prior year and increased by 1% or $6,406 compared to $1,090,755 from the prior quarter.

- Net income of $204,017 for the quarter increased by 30% or $46,585 compared to $157,432 for the same quarter in the prior year (excluding the one-time deferred tax recovery of $2,830,000).

Business Review

Intangibles – Customer Contracts

During the year ended March 31, 2024, the Company has acquired customer lists from a former reseller of the Company through the settlement of trade receivables in the amount of $218 (March 31, 2023 - $312), which was recognized as the value of the intangible asset. The acquisition did not require the use of cash by the Company and there are no additional costs associated with the acquisition.

Normal Course Issuer Bid

The Company filed a Notice of Intention to Make a Normal Course Issuer Bid (the "Bid") with the TSX Venture Exchange ("TSXV") commencing June 23, 2023 and ending on June 22, 2024. Pursuant to the Bid, the Company proposed to purchase through the facilities of the TSXV up to 1,468,379 common shares, representing approximately 5% of the then issued and outstanding common shares of the Company.

During the year ended March 31, 2024, the Company purchased 140,000 common shares for cancellation under the Bid for a total of $51 or $0.36 per common share (March 31, 2023 – 360,500 common shares were purchased for cancellation for a total of $98 or $0.27 per common share), plus an additional $1 in broker fees were paid for the repurchase of the shares (March 31, 2023 - $1). The 140,000 common shares were cancelled on April 21, 2024.

Stock Option Plan

On September 21, 2023 and on March 25, 2024, the Company granted options to officers of the Company to acquire up to 100,000 and 400,000 common shares, respectively, in the capital of the Company at an exercise price of $0.44 and $0.42, respectively, per share. The Company also granted options to a Board member to acquire up to 50,000 common shares at an exercise price of $0.44 per share on September 21, 2023.

Subsequent Events

<u>Normal Course Issuer Bid</u>

Subsequent to March 31, 2024, the Company had repurchased an aggregate of 17,500 common shares for cancellation (purchase dates of April 11, 2024 of 5,000 common shares, May 16, 2024 of 10,000 common shares, and May 17, 2024 of 2,500 common shares) under the current Bid.

The Company had also announced the renewal of its normal course issuer bid on June 24, 2024, to purchase up to 1,468,004 common shares representing 5% of the Company's then current issued and outstanding common shares through the facilities of the TSXV during the period commencing June 27, 2024 and ending on June 26, 2025 (the "Renewal Bid"). As of July 8, 2024, the Company has not repurchased any shares for cancellation pursuant to the Renewal Bid.

As of the time of issuance of this press release, the Company has a total of 29,360,074 common shares issued and outstanding.

<u>Acquisition</u>

Subsequent to March 31, 2024, the Company had purchased certain assets including customers and licenses from a privately held dealer effective May 17, 2024 for a purchase price of U.S. $40,000 ($55,000).

SELECTED ANNUAL INFORMATION

Financial Highlights *In thousands of Canadian Dollars*

	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Recurring revenues	$4,368	$3,951	$3,504
Hardware and other revenues	$1,146	$1,098	$866
Total revenues	$5,514	$5,049	$4,370
Gross profit	$3,354	$3,036	$2,679
Gross profit margin %	61%	60%	61%
Expenses (1)	$2,052	$1,885	$1,770
EBITDAS (2)	$1,302	$1,151	$909
Other expenses (3)	$433	$288	$342
Deferred tax recovery	—	$2,830	—
Total net income	$869	$3,693	$567
Income per share, basic	$0.03	$0.13	$0.02
Income per share, diluted	$0.03	$0.12	$0.01

(1) Excludes share-based compensation and foreign exchange.
(2) EBITDAS represents earnings before interest and non-cash items: depreciation and amortization, impairment of long-lived assets and share-based compensation.
(3) Includes non-cash notional charges such as interest, depreciation and amortization, share-based expense and a one-time gain on deferred tax assets.

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.

Financial Statements & MDA

The Company's audited consolidated financial statements for the years ended March 31, 2024 and 2023 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.sedarplus.ca). 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 (TSXV: IQ) was founded in 1997 and is a pioneer in IoT based asset management solutions. AirIQ's solutions allow commercial businesses to reliably, effectively and efficiently monitor assets in near real time. The Company develops iOS and Android mobile and web-based applications, and cloud-based solutions that stand-alone or that can be readily integrated with existing software. AirIQ solutions are mixed fleet capable and provide fleet reporting, maintenance, compliance, safety and analytics utilizing multiple hardware options including a fully integrated video telematics camera solution and a battery powered solution for non-powered assets. For additional information on AirIQ please visit the Company's website at www.airiq.com or follow us on LinkedIn.

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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