



FOR IMMEDIATE RELEASE

AirIQ Announces March 31, 2019 Year End Results Delivers 22% Recurring Revenue Growth

Toronto, Ontario – July 11, 2019 – AirIQ Inc. (“AirIQ”) (TSXV:IQ), a supplier of wireless asset management services, today announced its financial results for the year ended March 31, 2019, reporting the following increases compared to the previous year:

- 22% increase in recurring revenue,
- 6% increase in gross profit, and
- 44% increase in total net income.

“We are very pleased with the year over year increases in recurring revenue, gross profit and net income,” said Michael Robb, President and Chief Executive Officer of AirIQ. “The increase in recurring revenue is a result of the Company’s initiatives which have been focused on growth of this key metric ,” 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.

Highlights for the year are as follows:

Annual Highlights

- Recurring revenue of \$2,722 for the year ended March 31, 2019 increased by 22% or \$493 compared to \$2,229 for the prior year. Recurring revenue represented 74% of total revenue compared to 68% in the prior year.
- Gross margin of 57% for the year ended March 31, 2019 decreased by 4% compared to 61% for the prior year.
- EBITDAS of \$503 for the year ended March 31, 2019 did not change when compared to the prior year.
- Net income of \$231 for the year ended March 31, 2019 increased 44% or \$71 compared to \$160 for the prior year.
- Net cash flows generated \$190 of cash for the year ended March 31, 2019, a decrease of 52% or \$205 compared to \$395 for the prior year.
- Working capital of \$1,122 for the year ended March 31, 2019 improved by 52% or \$385 compared to \$737 for the prior year. (Working capital has been calculated by netting current assets, excluding current costs of deferred revenues, and current liabilities, excluding deferred revenue that are non-cash items.)

Business Review

The Company is focusing its efforts and resources on revenue growth and profitability by continuing to offer leading-edge technology solutions for existing and new customers. We continue to focus on recurring revenues, gross profits and improving cash-flows to build a sustainable business.

The Company adopted IFRS 15 effective as of April 1, 2018 (as described in note 3 to the Company’s Consolidated Financial Statements for the year ended March 31, 2019). Under this adoption, the comparative information is not restated herein (unless otherwise noted), or in the Company’s financial statements.

The Company filed a Notice of Intention to Make a Normal Course Issuer Bid (the “Bid”) with the TSX Venture Exchange (“TSXV”) commencing February 19, 2019 and ending on February 18, 2020. Pursuant to the Bid, the Company proposed to purchase through the facilities of the TSXV up to 1,491,447 common shares, representing approximately 5% of the then issued and outstanding common shares of the Company. As of the date hereof, no shares have been repurchased by the Company pursuant to the Bid.

SELECTED ANNUAL INFORMATION

In order to provide comparable information to the previous year, set out in the table below are the year end results reflecting pre and post IFRS 15 adjustments where applicable:

Financial Highlights

	Year ended 31-Mar-2019 <u>with adoption of</u> IFRS 15 ⁽¹⁾	Year ended 31-Mar-2019 <u>without adoption</u> of IFRS 15 ⁽¹⁾	Year ended 31-Mar-2018 ⁽¹⁾	Year ended 31-Mar-2017 ⁽¹⁾
Recurring revenues ⁽¹⁾	\$2,722	\$2,626	\$2,229	\$1,960
Hardware and other revenues ⁽¹⁾	\$960	\$852	\$1,050	\$1,293
Total revenues ⁽¹⁾	\$3,682	\$3,478	\$3,279	\$3,253
Gross profit	\$2,107	\$1,977	\$1,984	\$1,786
Gross profit%	57%	57%	61%	55%
Expenses ⁽²⁾	\$1,604	\$1,604	\$1,481	\$1,212
EBITDAS ⁽³⁾	\$503	\$373	\$503	\$574
Other expenses ⁽⁴⁾	\$272	\$272	\$343	\$219
Total net income	\$231	\$101	\$160	\$355
Income per share, basic and diluted	\$0.01	\$0.01	\$0.01	\$0.01

(1) Revenues have been impacted by the adoption of IFRS 15, as described in note 3 of the Company’s consolidated financial statements for the year ended March 31, 2019. Under this adoption, the comparative information is not restated.

(2) Excludes share-based compensation and other expenses.

(3) EBITDAS represents earnings before interest and non-cash items: depreciation and amortization, impairment of long-lived assets and share-based compensation.

(4) Includes non-cash notional charges such as interest, depreciation and amortization and share-based compensation expense.

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, 2019 and 2018 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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For more information please contact

AirIQ Inc.

Michael Robb

President and Chief Executive Officer

(905) 831-6444

mrobb@airiq.com

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