



FOR IMMEDIATE RELEASE

AirIQ Announces March 31, 2020 Year End Results 209% Increase In Net Income

Toronto, Ontario – July 16, 2020 – AirIQ Inc. (“AirIQ”) (TSXV:IQ), a supplier of wireless asset management services, today announced its financial results for the year ended March 31, 2020, reporting a 209% increase in net income, more than triple from the previous year, a 21% increase in gross profit and a 37% increase in total revenue when compared to the previous year

“We are very pleased with our results for the 2020 fiscal year,” said Michael Robb, President and Chief Executive Officer of AirIQ. “We finished the year strong in the fourth quarter with recurring revenue and net income increases of 9% and 614%, respectively, when compared to the same quarter in the prior year,” continued Mr. Robb.

Highlights for the year are as follows:

Annual Highlights

- Recurring revenue of \$2,944,031 for the year ended March 31, 2020 increased by 8% or \$221,968 compared to \$2,722,063 for the prior year. Recurring revenue represented 58% of total revenue compared to 74% in the prior year.
- Hardware revenue of \$2,096,344 for the year ended March 31, 2020 increased by 118% or \$1,136,482 compared to \$959,862 for the prior year. Hardware revenue represented 42% of total revenue compared to 26% in the prior year.
- Total revenue of \$5,040,375 for the year ended March 31, 2020 increased by 37% or \$1,358,450 compared to \$3,681,925 for the prior year.
- Gross profit of \$2,557,347 for the year ended March 31, 2020 increased by 21% or \$449,979 compared to \$2,107,368 for the prior year.
- Gross margin of 51% for the year ended March 31, 2020 decreased by 6% compared to 57% for the prior year.
- EBITDAS of \$906,870 for the year ended March 31, 2020 increased by 88% or \$424,046 compared to \$482,824 for the prior year.
- Net income of \$713,499 for the year ended March 31, 2020 increased 209% or \$482,241 compared to \$231,258 for the prior year.
- In October 2019 the Company increased its credit facility with Royal Bank of Canada to \$750,000 to better situate itself in the event of potential merger and acquisition opportunities.

Fourth Quarter Highlights:

- Recurring revenue of \$739,911 for this quarter increased by 9% or \$64,185 compared to \$675,726 for same quarter in the prior year, and decreased slightly by \$2,203 compared to \$742,114 for the prior quarter.
- Net income of \$249,815 for the quarter increased by 614% or \$214,826 compared to \$34,989 for the same quarter in the prior year, and increased by 303% or \$187,505 compared to \$62,310 for the prior quarter.

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 filed a Notice of Intention to Make a Normal Course Issuer Bid (the “Bid”) with the TSX Venture Exchange (“TSXV”) commencing March 27, 2020 and ending on March 26, 2021. 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. A similar bid was filed by the Company for the period from February 19, 2019 to February 18, 2020, however this bid expired on February 18, 2020, and the Company did not repurchase any shares during this time period.

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-2020	Year ended 31-Mar-2019	Year ended 31-Mar-2019 ⁽¹⁾ <i>(pre IFRS 15 adoption)</i>	Year ended 31-Mar-2018 ⁽¹⁾ <i>(pre IFRS 15 adoption)</i>
Recurring revenues ⁽¹⁾	\$2,944	\$2,722	\$2,626	\$2,229
Hardware and other revenues ⁽¹⁾	\$2,096	\$960	\$852	\$1,050
Total revenues ⁽¹⁾	\$5,040	\$3,682	\$3,478	\$3,279
Gross profit	\$2,557	\$2,107	\$1,977	\$1,984
Gross profit margin %	51%	57%	57%	61%
Expenses ⁽²⁾	\$1,650	\$1,624	\$1,624	\$1,424
EBITDAS ⁽³⁾	\$907	\$483	\$353	\$560
Other expenses ⁽⁴⁾	\$194	\$252	\$252	\$400
Total net income	\$713	\$231	\$101	\$160
Income per share, basic and diluted	\$0.02	\$0.01	\$0.01	\$0.01

(1) IFRS 15 was adopted for the year ended March 31, 2019, and prior year information has not been restated for comparison purposes.

(2) Excludes share-based compensation and foreign exchange.

(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, 2020 and 2019 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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