



FOR IMMEDIATE RELEASE

AirIQ Announces March 31, 2023 Year End Results Reports Seventh Consecutive Year of Recurring Revenue Growth

Toronto, Ontario – July 13, 2023 – AirIQ Inc. (“AirIQ”) (TSXV:IQ), a leader in IoT based asset management solutions for over 25 years, today announced its financial results for the year ended March 31, 2023, reporting its seventh consecutive year of recurring revenue growth.

“We are very pleased to report that recurring revenue increased by 13% compared to the previous year.” said Mike Robb, President and Chief Executive Officer of AirIQ. “The Company has reported recurring revenue growth for the seventh straight year representing an increase of over 100% during that period. The Company’s growth in recurring revenues has provided a strong base for future growth and profitability for our shareholders”.

“Over the past seven years - we have been consistently profitable and generated positive cash flows from operations, which has allowed us to recognize a deferred tax asset of almost \$3 million dollars, adding an additional \$0.10 net income per share to our shareholders”, continued Mr. Robb.

“In addition, during the quarter the Company successfully completed an acquisition which resulted in an additional \$300,000 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.

Other achievements during the quarter included increases of 27% in hardware revenues, 16% in total revenues, 13% in gross profit and 52% in net income before tax”, said Mike Robb, President and Chief Executive Officer of AirIQ.

All dollar amounts set out herein are in Canadian dollars.

Highlights for the year are as follows:

Annual Highlights (for the year ended March 31, 2023 compared to March 31, 2022):

- Recurring revenue of \$3,951,177 increased by 13% or \$447,389 compared to \$3,503,788 for the prior year. Recurring revenue represented 78% of total revenue compared to 80% in the prior year period.
- Hardware and other revenue of \$1,098,115 increased by 27% or \$232,344 compared to \$865,771 for the prior year. Hardware revenue represented 22% of total revenue compared to 20% in the prior year period.
- Total revenue of \$5,049,292 increased by 16% or \$679,733 compared to \$4,369,559 for the prior year period.
- Gross profit of \$3,036,095 increased by 13% or \$356,898 compared to \$2,679,197 for the prior year period.
- Net income of \$3,693,440 increased 551% or \$3,126,667 compared to \$566,773 for the prior year period. Excluding the one-time deferred tax recovery of \$2,830,204, net income of \$863,236 increased 52% or \$296,463 compared to \$566,773 for the prior year period.
- Cash and cash equivalents balance of \$2,176,143 increased by 15% or \$276,635 compared to \$1,899,508 for the prior year period.
- Working capital of \$2,748,240 increased by 27% or \$580,735 compared to \$2,167,505 for the prior year period.

Fourth Quarter Highlights:

- Recurring revenue of \$1,050,903 increased by 12% or \$111,158 compared to \$939,745 for same quarter in the prior year and increased by 6% or \$60,413 compared to \$990,490 from the prior quarter.

- Net income of \$157,432 for the quarter (excluding the one-time deferred tax recovery of \$2,830,000) increased by 111% or \$82,675 compared to \$74,757 for the same quarter in the prior year.

Business Review

Deferred Tax Assets

Deferred tax assets of \$2,948,000 were recognized at March 31, 2023 (March 31, 2022 - \$nil) because it was deemed probable that the Company will generate future taxable profits against which the assets will be realized. This led to a one-time adjustment of \$2,830,204 deferred income tax recovery to be recognized on the income statement.

Intangibles – Customer Contracts

During the year ended March 31, 2023, the Company has acquired customer lists from a former reseller of the Company through the settlement of trade receivables in the amount of \$312,394 (March 31, 2022 - \$nil), which was recognized as the value of the intangible asset.

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 6, 2022 and ending on June 5, 2023. 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. The Company’s broker for the Bid is Hampton Securities Limited.

During the year ended March 31, 2023, the Company purchased 360,500 common shares for cancellation under the Bid for a total of \$97,539 or \$0.27 per common share (March 31, 2022 – 507,000 common shares were purchased for cancellation for a total of \$144,414 or \$0.28 per common share), plus an additional \$984 in broker fees were paid for the repurchase of the shares (March 31, 2022 - \$2,856).

During the year ended March 31, 2022, Normal Course Issuer Bid repurchases were made pursuant a bid filed with the TSXV for the period commencing April 13, 2021 and ending on April 12, 2022. The Company’s broker for this bid was also Hampton Securities Limited.

Stock Option Plan

On September 15, 2022, the Company granted options to key staff in the aggregate up to 850,000 common shares in the capital of the Company at an exercise price of \$0.27 per share. These options have a term of ten years, vest over four years from the date of grant; 25% the first year and 6.25% each quarter thereafter and will expire on September 15, 2032. The Company also granted options to two Board members in the aggregate up to 150,000 common shares at an exercise price of \$0.27 per share. These options have a term of ten years and vest over a one-year period with 25% being vested each quarter from the date of grant.

No options were granted during the year ended March 31, 2022.

Subsequent Events

Normal Course Issuer Bid

Subsequent to March 31, 2023, on June 23, 2023, the Company announced the renewal of its normal course issuer bid to purchase up to 1,468,379 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 23, 2023 and ending on June 22, 2024 (the “Renewal Bid”). As of July 12, 2023, 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 29,367,574 common shares issued and outstanding.

SELECTED ANNUAL INFORMATION

Financial Highlights

In thousands of Canadian Dollars

	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Recurring revenues	\$3,951	\$3,504	\$3,189
Hardware and other revenues	\$1,098	\$866	\$519
Total revenues	\$5,049	\$4,370	\$3,708
Gross profit	\$3,036	\$2,679	\$2,494
Gross profit margin %	60%	61%	67%
Expenses ⁽¹⁾	\$1,885	\$1,770	\$1,551
EBITDAS ⁽²⁾	\$1,151	\$909	\$943
Other expenses ⁽³⁾	\$288	\$342	\$494
Deferred tax recovery	\$2,830	—	—
Total net income	\$3,693	\$567	\$449
Income per share, basic	\$0.13	\$0.02	\$0.02
Income per share, diluted	\$0.12	\$0.01	\$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, 2023 and 2022 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 (TSXV: IQ) is celebrating its 26th anniversary of its founding 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, Facebook, and Twitter and Instagram.

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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