



FOR IMMEDIATE RELEASE

AirIQ Announces March 31, 2018 Year End Results Reports Double Digit Increase In Recurring Revenue, Strong Cash Balance

Toronto, Ontario – July 11, 2018 – AirIQ Inc. (“AirIQ”) (TSXV:IQ), a supplier of wireless asset management services, today announced its financial results for the year ended March 31, 2018, reporting increased recurring revenue and a strong cash balance compared to the previous year.

“We are pleased to report that recurring revenue increased year over year by nearly 14%,” said Michael Robb, President and Chief Executive Officer of AirIQ. “We believe that the increase in recurring revenues is a strong indicator of our success. In addition, our cash balance was approximately \$527,000 as at March 31, 2018, after acquiring the assets of Connected Telematics. The Company’s cash will be used to invest in additional sales and marketing initiatives, such as our recently announced Reseller Channel program, and for potential future acquisitions to fuel further revenue growth,” continued Mr. Robb.

“The acquisition of the Connected Telematics assets has increased our monthly recurring revenue, the number of devices in circulation and expanded our market opportunities in North America, and has continued to perform to our expectations,” stated Mr. Robb. “The Company reported an adjusted net income of approximately \$262,000 for the year ended March 31, 2018, after a one-time impairment charge of \$102,000 required under IFRS regulations,” 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 of the quarter and the year are as follows:

Fourth Quarter Highlights

- Recurring revenue increased by 10.6% to \$616 during the current quarter from \$557 in the quarter ending December 31, 2017 and by 22.5% from \$503 for the same period in the prior year. This represents the third consecutive quarter of increases in recurring revenue.
- Gross margin of 59.0% decreased 2.2% compared to the quarter ending December 31, 2017 but was up 2.0% compared to the same period the prior year.
- EBITDAS of \$152 was up \$7 or 4.8% compared to \$145 for the quarter ending December 31, 2017 and the same period in the prior year.
- Net income (loss) for the quarter of (\$13) compared to \$82 in the quarter ending December 31, 2017 and \$89 for the same period in the prior year, but this was after the one-time non-cash effect of a \$102 capital impairment charge during the current quarter. After adjusting for this one-time charge, Net income would have been \$89, unchanged from the quarter ending March 31, 2017 and representing an increase of 8.5% when compared to the quarter ending December 31, 2017.

Annual Highlights

- Recurring revenue increased by 13.7% to \$2,229 during the year ending March 3, 2018 from \$1,960 for the same period in the prior year. Recurring revenue represented 68.0% of total revenue compared to 60.3% in the prior year.
- Gross margin of 60.5% increased 5.6% compared to 54.9% the same period the prior year.
- EBITDAS of \$503 decreased \$71 or 12.4% compared to \$574 during the same period in the prior year.
- Net income of \$160 compared to \$355 for the same period in the prior year, but this was after the one-time effect of a \$102 capital impairment charge during the current quarter and a \$25 increase in depreciation and amortization.
- Net cash flow was strong, with \$395 of cash generated during the year ending March 31, 2018 compared to \$24 during the same period in the prior year.
- Working capital improved by 99% to \$357 as at March 31, 2018 from \$179 as at March 31, 2017. (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.)

Financial Highlights

	Three months ended 31-Mar-2018	Three months ended 31-Mar-2017	Twelve months ended 31-Mar-2018	Twelve months ended 31-Mar-2017
Recurring revenue	\$616	\$503	\$2,229	\$1,960
Hardware and other revenue	\$257	\$302	\$1,050	\$1,293
Total revenue	\$873	\$805	\$3,279	\$3,253
Gross profit	\$515	\$455	\$1,984	\$1,786
Gross profit %	59%	57%	60.5%	54.9%
Expenses ⁽¹⁾	\$363	\$310	\$1,481	\$1,212
EBITDAS ⁽²⁾	\$152	\$145	\$503	\$574
Other expenses ⁽³⁾	\$63	\$56	\$241	\$219
Impairment of long-lived asset	\$102	—	\$102	—
Net income (loss) and comprehensive income (loss)	(\$13)	\$89	\$160	\$355
Net income per share, basic and diluted	\$0.01 ⁽⁴⁾	\$0.00	\$0.01	\$0.01

(1) Excludes share-based compensation.

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

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

(4) Represents earnings per share for the twelve-month period ended March 31, 2018

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 revenue, gross profits and improving cash-flows to build a sustainable business.

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.

The Company's audited consolidated financial statements as at and for the years ended March 31, 2018 and 2017, including notes thereto, and Management's Discussion and Analysis for the same period were filed with the Canadian securities regulatory authorities on July 11, 2018, 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).

Financial Statements & MDA

The Company's audited consolidated financial statements for the years ended March 31, 2018 and 2017 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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