



FOR IMMEDIATE RELEASE

AirIQ Announces December 31, 2018 Quarterly Results Reports Increases in Recurring Revenues

Toronto, Ontario – February 12, 2019 – AirIQ Inc. (“AirIQ”) (TSXV:IQ), a supplier of wireless asset management services, today announced its financial results for the three months and nine months ended December 31, 2018, reporting an increase of 22% in recurring revenue compared to the same period for the prior year.

“We are pleased to report an increase in recurring revenues and in our cash balance and working capital,” said Michael Robb, President and Chief Executive Officer of AirIQ. “This quarter the Company continued to invest in our marketing, technology and sales programs with a view to driving growth through an increased customer base and enhanced product offerings,” stated 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.

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

Highlights of the quarter are as follows:

On December 7, 2018, Mosaic Capital Partners LP (“Mosaic”) exercised 700,000 warrants with an exercise price of \$0.05 per warrant for 700,000 common shares in the capital of the Company for an aggregate consideration of \$35. Mosaic now holds a total of 5,949,999 common shares of the Company, representing approximately 19.95% of the issued and outstanding shares of the Company.

Third Quarter Highlights

- Recurring revenues increased by 22% to \$681 during the three months ended December 31, 2018 from \$557 for the three months ended December 31, 2017.
- Total revenues decreased by 5% to \$783 for the three months ended December 31, 2018 when compared to the same period the previous year of \$820.
- Hardware and other revenues decreased by 61% to \$102 for the three months ended December 31, 2018 when compared to the same period the previous year of \$263.
- Quarterly gross profit for the three months ended December 31, 2018 decreased slightly to \$501 from \$502 for the same period the previous year.
- EBITDAS decreased by 33% to \$97 compared to \$145 for the quarter ended December 31, 2017.
- Net income decreased by 62% to \$31 compared to net income of \$82 in the quarter ended December 31, 2017.
- Cash balance increased by 98% to \$870 for the quarter ended December 31, 2018 when compared to \$439 for the quarter ended December 31, 2017.
- Working capital increased by 30% to \$958 for the quarter ended December 31, 2018 when compared to \$737 on March 31, 2018.

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

Financial Highlights

	Three months ended 31-Dec-2018 <u>with adoption of</u> IFRS 15 ⁽¹⁾	Three months ended 31-Dec-2018 <u>without adoption</u> of IFRS 15 ⁽¹⁾	Three months ended 31-Dec-2017 ⁽¹⁾
Recurring revenues ⁽¹⁾	\$681	\$596	\$557
Hardware and other revenues ⁽¹⁾	\$102	\$287	\$263
Total revenues ⁽¹⁾	\$783	\$883	\$820
Gross profit	\$501	\$503	\$502
Gross profit%	64%	57%	61%
Expenses ⁽²⁾	\$404	\$404	\$357
EBITDAS ⁽³⁾	\$97	\$99	\$145
Other expenses ⁽⁴⁾	\$66	\$66	\$63
Total net income	\$31	\$33	\$82
Income per share, basic and diluted	\$0.01 ⁽⁵⁾	\$0.01 ⁽⁵⁾	\$0.00

(1) Revenues have been impacted by the adoption of IFRS 15, as described in note 3 of the Company's consolidated condensed interim financial statements for the three months and nine months ended December 31, 2018. Under this adoption, the comparative information is not restated.

(2) Excludes share-based compensation.

(3) 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.

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

(5) Represents income per share for the nine months ended December 31, 2018.

SUBSEQUENT EVENT

Subsequent to the quarter end, the First Earn-Out became due and payable pursuant to the asset purchase agreement entered into between the Company and Connected Telematics Corp. ("Connected"). (Refer to "*Commitments and Contingencies*" in the Company's unaudited consolidated condensed interim financial statements for the three months and nine months ended December 31, 2018.) The Company calculated the First Earn-Out Amount based on the December 2018 monthly recurring revenues of Connected, less any set-offs as permitted under the asset purchase agreement and amounts owed by Connected to AirIQ. As a result, no amounts were paid or due to Connected in respect of the First Earnout.

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. The Company continues to focus on recurring revenue, gross profits and improving cash-flows to build a sustainable business.

Financial Statements & MDA

The Company's unaudited consolidated condensed interim financial statements for the three months and nine months ended December 31, 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 costs, 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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