



FOR IMMEDIATE RELEASE

AirIQ More than Doubles Total Revenues and Operating Profit From the Prior Year

Toronto, Ontario – August 20, 2019 – AirIQ Inc. (“AirIQ”) (TSXV:IQ), a supplier of wireless asset management services, today announced its financial results for the three months ended June 30, 2019, reporting a 119% increase in total revenues and 121% increase in operating profit compared to the same period for the prior year. *(All dollar amounts noted herein are in Canadian dollars.)*

“We are very pleased with our total revenues of \$1,763,693 representing a 119% or \$956,621 increase in total revenues, and a 121% or \$169,774 increase in operating profit from \$139,814 to \$309,588, for the quarter compared to the previous year’s quarter,” said Michael Robb, President and Chief Executive Officer of AirIQ. “We expect the Company’s recurring revenues in future quarters to continue to increase as many of the units sold during the quarter shipped mid quarter or subsequent to the quarter end, and the resulting monthly recurring revenues were not realized for a full three months,” continued Mr. Robb. “As a result, the Company also recognized increases in its other major metrics including gross profit, net income and working capital,” stated Mr. Robb. “We are also pleased to announce that subsequent to the quarter end, the Company successfully negotiated a one-time settlement at a significant discount to the expected future earn-out payments related to the previously announced Connected Telematics asset acquisition,” concluded Mr. Robb. (Refer to *Subsequent Event* below.)

Highlights of the quarter are as follows:

First Quarter Highlights

- Total revenue of \$1,763,693 for this quarter increased by 65% or \$695,115 compared to \$1,068,578 for the prior quarter, and increased by 119% or \$956,621 compared to \$807,072 for same quarter in the prior year.
- Recurring revenue of \$699,943 for this quarter increased by 4% or \$24,016 compared to \$675,927 for the prior quarter, and increased by 4% or \$25,883 compared to \$674,060 for same quarter in the prior year.
- Hardware and other revenue of \$1,063,750 for this quarter increased by 171% or \$671,099 compared to \$392,651 for the prior quarter, and increased by 700% or \$930,738 compared to \$133,012 for same quarter in the prior year.
- Gross profit of \$734,659 for this quarter increased by 33% or \$181,770 compared to \$552,889 for the prior quarter, and increased by 49% or \$242,579 compared to \$492,080 for same quarter in the prior year.
- Quarterly gross margin of 42% for this quarter decreased by 10% compared to 52% for the prior quarter; and decreased by 19% compared to 61% for the same quarter in the prior year.
- Operating profits of \$309,588 for the quarter increased by 146% or \$183,946 compared to \$125,642 for the prior quarter; and increased by 121% or \$169,774 compared to \$139,814 for the same quarter in the prior year.
- Net income of \$160,878 for the quarter increased by 360% or \$125,938 compared to \$34,940 for the prior quarter; and increased by 64% or \$62,891 compared to \$97,987 for the same quarter in the prior year.
- Cash balance of \$810,716 for the quarter ended June 30, 2019 increased by 13% or \$93,624 compared to \$717,092 for the prior quarter; and increased by 19% or \$127,562 compared to \$683,154 for the same quarter in the prior year.
- Working capital of \$1,720,124 for the quarter ended June 30, 2019 increased by 53% or \$598,149 compared to \$1,121,975 for the prior quarter; and increased by 107% or \$891,061 compared to \$829,063 for the same quarter in 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.)

Subsequent Event

Subsequent to the quarter end, on August 13, 2019, the Company entered into a settlement agreement with 2448609 Ontario Corp. (formerly Connected Telematics Corp.) in connection with the final settlement of all Earn-out payments due pursuant to an asset purchase agreement previously announced and entered into between the parties in December 2017. A settlement amount of \$35,000 was mutually agreed upon based on the First Earn-out amount calculated in December 2018, discounted in consideration of early payment, in full satisfaction of both the Second Earn-out and Third Earn-out payments and any and all future amounts due pursuant to the asset purchase agreement. A total of \$30,903 was paid to 2448609 Ontario Corp. representing the settlement amount less permitted set-offs under the asset purchase agreement. For further information, please refer to notes 13(a) and 18 in the Company's unaudited consolidated condensed interim financial statements for the three months ended June 30, 2019, being filed today on SEDAR, www.sedar.com.

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 ended June 30, 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 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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