

 **Route1**[®]
Securing Enterprise Mobility



FY 2015 - Investor Conference Call and Webcast
April 5, 2016
Tony Busseri, Chief Executive Office and Brian Brunetti, President

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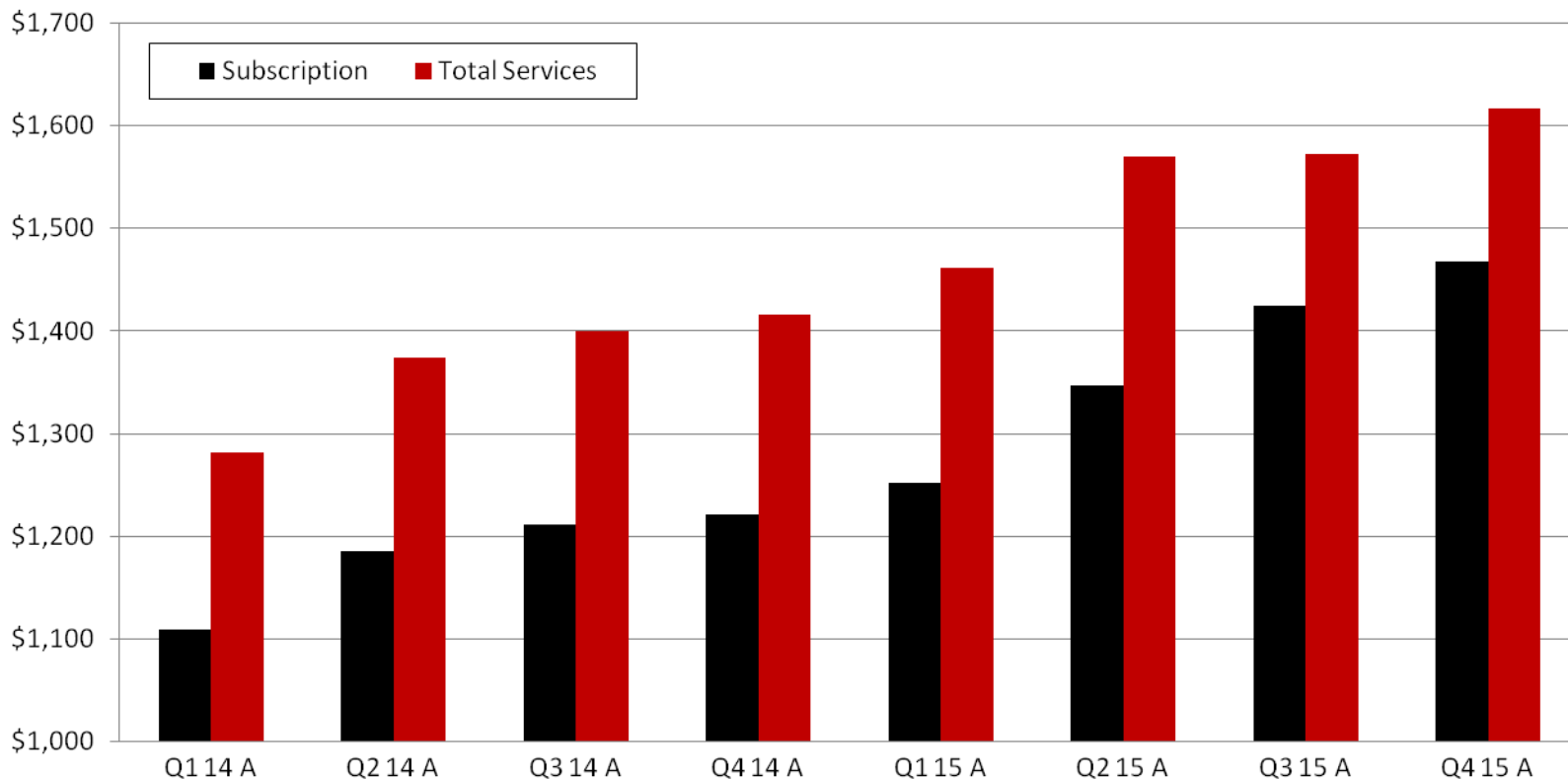


Operating Performance in CAD 000s

	FY 15 A	FY 14 A	FY 13 A
Revenue	6,397	6,078	5,433
Services Revenue	6,218	5,470	4,948
<i>Year Over Year Services Revenue Gr</i>	<i>13.7%</i>	<i>10.5%</i>	<i>1.8%</i>
Gross Margin	5,233	4,932	4,296
Operating Income	718	535	(189)
EBITDA	1,152	901	72
Net Income	728	637	(343)



Services Revenue in CAD 000s



Subscription	\$1,108	\$1,185	\$1,211	\$1,221	\$1,252	\$1,346	\$1,424	\$1,467
Total Services	\$1,281	\$1,374	\$1,399	\$1,415	\$1,461	\$1,569	\$1,572	\$1,616

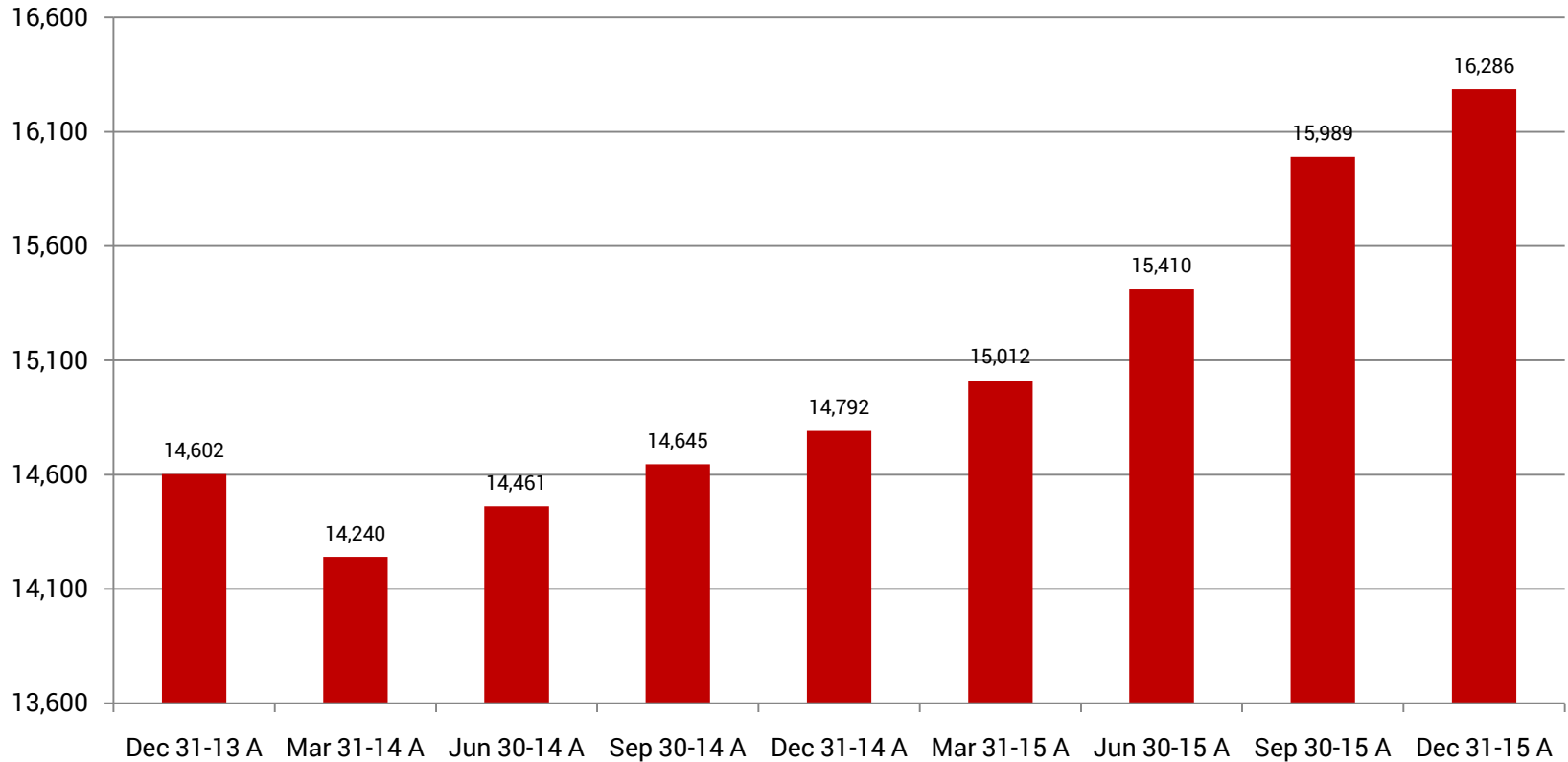


Quarterly Operating Performance in CAD 000s

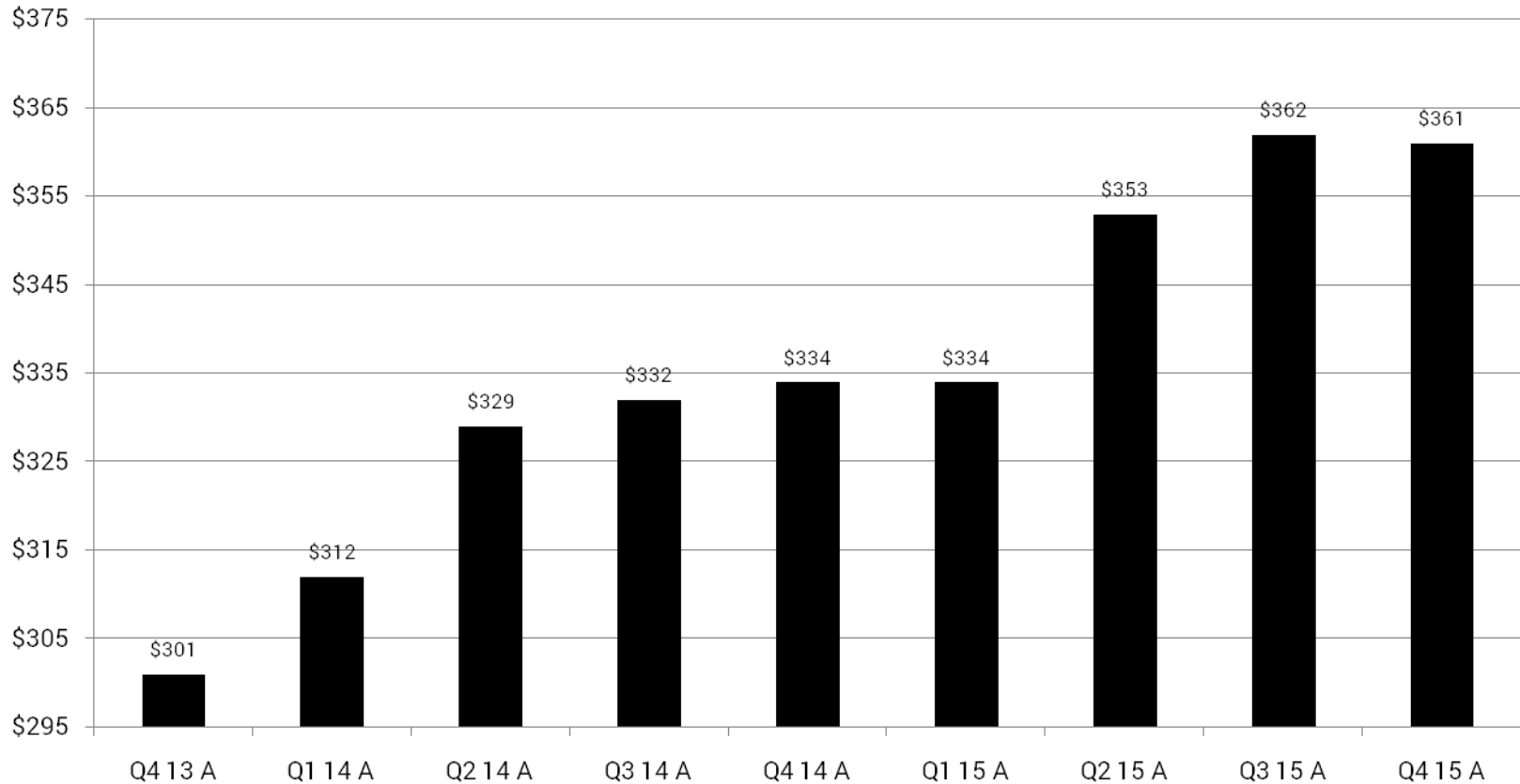
	Q4 A 2015	Q3 A 2015	Q2 A 2015	Q1 A 2015	Q4 A 2014	Q3 A 2014	Q2 A 2014	Q1 A 2014
Revenue	1,625	1,614	1,620	1,538	1,485	1,432	1,404	1,756
Services	1,616	1,572	1,569	1,461	1,415	1,399	1,374	1,281
Devices, Appliances and Other	9	42	51	77	70	33	30	475
Gross Margin	1,341	1,294	1,326	1,272	1,243	1,110	1,174	1,406
Operating Income	152	124	128	314	20	21	26	469
EBITDA	279	242	227	404	107	110	120	564
Net Income	377	102	(344)	594	21	210	(34)	439



MobiKEY Paid, Active Users - No.



MobiKEY Paid, Active Users - ARPU



Balance Sheet in CAD 000s - as @ Dec 31st

	2015 A	2014 A	2013 A
Cash	1,251	1,533	700
Total current assets	2,112	2,246	1,588
Total current liabilities	1,948	1,926	1,715
Net working capital	164	320	(127)
Fixed and intangible assets	801	563	799
Total assets	3,656	2,976	2,387
Bank debt	0	0	0
Total liabilities	2,059	2,032	1,854

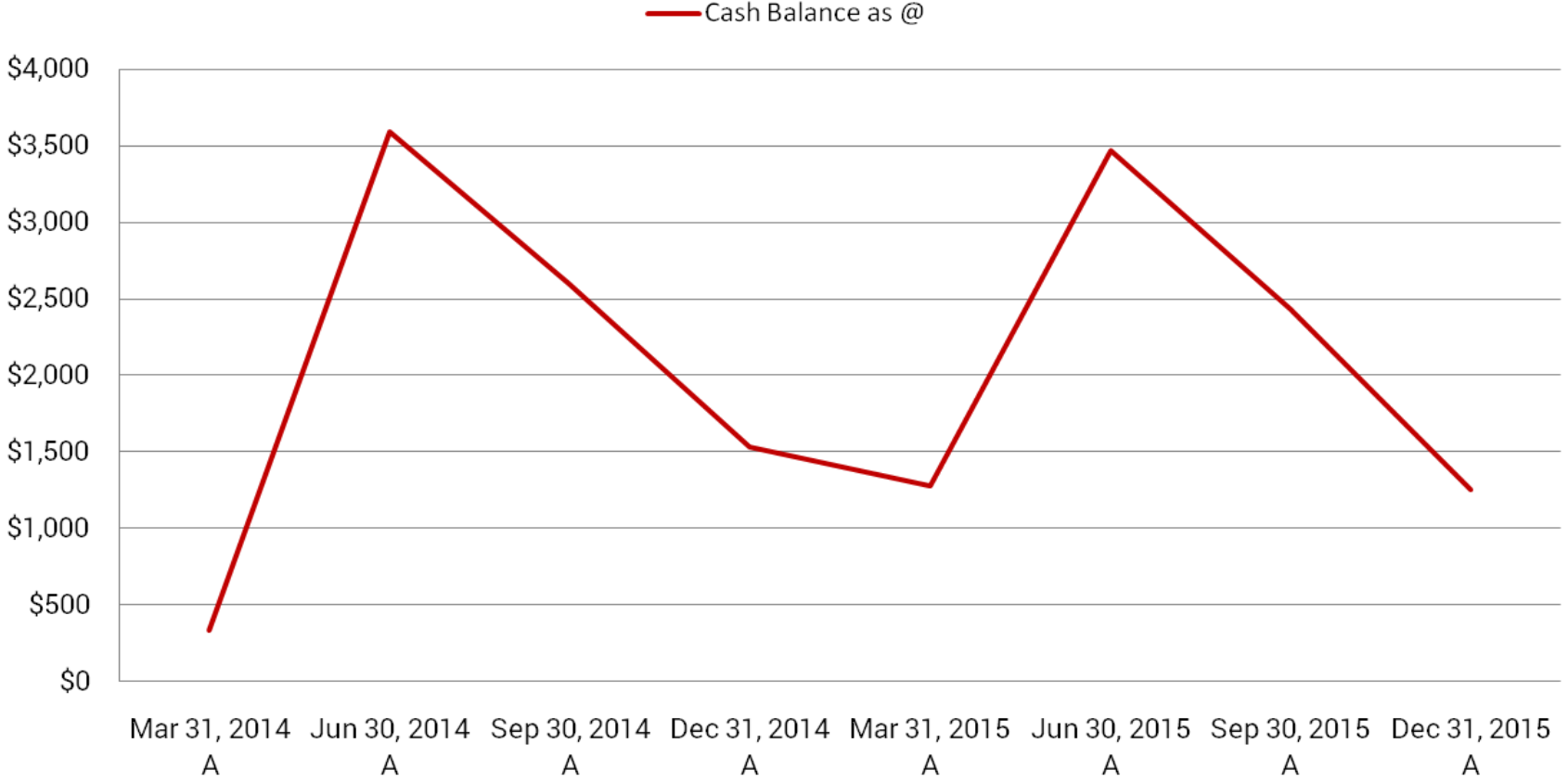


Cash Flow in CAD 000s

	FY 15 A	FY 14 A	FY 13 A
Operating Activities	876	1,313	430
Investing Activities	(672)	(131)	(485)
Financing Activities	(486)	(349)	0
Net Cash Flow	(282)	833	(55)
Cash, Beginning	1,533	700	755
Cash, End	1,251	1,533	700



Cash Flow Seasonality



Securities Update

Security	As @ Mar 29-16	As @ Dec 31-15	As @ Dec 31-14
Common Stock	360,894,414	362,659,414	372,773,914
Stock Options	30,614,000	33,114,000	29,124,000
Warrants	0	0	38,000,000

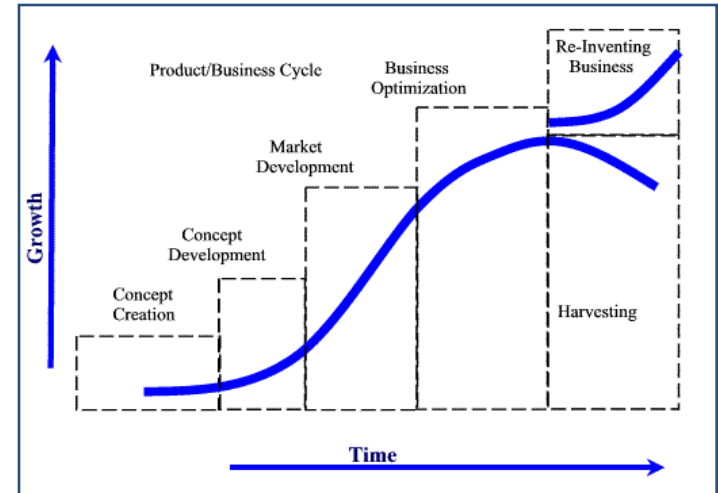


Planning



Going Forward - Three Year Plan

- MobiKEY - “early” market development phase of the product’s life cycle
- Minimize risk - reinvest in our flagship technology (MobiKEY) to diversify product offering
 - Authentication ; derived credentials
 - Improved UX
 - Other secure communications elements (voice and chat)
- Generate upside / further minimize risk - expand product portfolio leveraging core competency; developed for existing sales channels
 - MobiENCRYPT
 - 3 Factor Authentication (3FA), multi-modal biometrics
 - Virtual smartcard offering



2016 Plan

Build a diversified, cyber security company growing at a rate of not less than 10-20% per year:

1. Product Development

- Leverage core technological competencies to bring new cyber security offerings to market

2. Business Development:

- MobiKEY: Build on expanding USG government opportunities
- MobiKEY: Open up new USG government opportunities
- MobiKEY: Engage enterprises – healthcare, professional and financial services verticals



The MobiKEY Technology

MobiKEY is a complete desktop, secure remote access technology that integrates multi-factor authentication and identity management in a mobile computing environment.



Technology Differentiators:

- PIV card-based multi-factor authentication in compliance with HSPD-12 mandate.
- Your data stays within your network's perimeter. No DAR. No risk of data leakage.
- Not a browser-based technology. Not vulnerable to Man-in-the-Browser attack vectors.
- Not a VPN. No open inbound ports. Mitigates risk of penetration attacks.
- No external nodes on your network. Mitigates risk of malware introduction.
- **Built with security as its first priority.**

We did not follow the technology trends – we architected a better and more secure solution.



Accreditations and Select Customers

ATOs (Authority-To-Operate)

- US Department of Defense (DOD – OSD – Pentagon)
- US Department of the Navy
- US Department of Homeland Security (DHS)
- US Department of the Interior



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Established 1919



Product Development



Improved MobiKEY Functionality

Release	Attributes	Date Released
MobiKEY for iOS 5.0	Improved UX, iOS 9 support, bug fixes	March 2016
MobiKEY 5.1	Elevated privileges support	January 2016
MobiKEY 5.0	Mac OS X 10.11 El Capital support, Windows 10 support, Linux support, secure storage, and Bootable MobiKEY	November 2015



Improved MobiKEY Functionality

Release	Attributes	Targeted Release Date
MobiKEY for Android 5.0	Improved UX and A2T support	Q2 2016
MobiKEY for iOS 5.1	Secure remote printing and further UX improvements	Q2 2016
MobiKEY for Android 5.1	Android 5.0, Android 6.0, and Knox 1.0 on Android 4.4 support	Q2 2016
MobiKEY 5.2	New desktop protocol - screen blanking, scaling, remote printing, keyboard driver – implemented	Q2 2016



Technology Diversification

MobiENCRYPT (1H 2016)

- Full disk encryption technology that encrypts the Windows system leveraging smart card based credentials.
- The Fusion3 devices will leverage government issued PIV or CAC credentials to enhance HSPD-12 and FIPS-201 compliance.

Features:

- Transparent Full Disk Encryption - The hard disk will be encrypted/decrypted on-the-fly using AES-256/XTS encryption
- Pre-boot Authentication
- Key Recovery
- Identification of Non-encrypted Assets – WMI to allow remote queries of MobiENCRYPT status
- Remote Key Revocation – enabling revocation of a user key from the volume encryption keys
- UEFI with GPT



Business Development



Marketing Plan

Target Market

- Government – principally federal
- Healthcare, financial services and professional services

Promotion

- Direct sales supported by client conferences and industry/vendor events
 - High value placed on relationships with decision makers
- Use of social media to push broader market themes
- Opportunistic commentary based on market event, i.e. data breaches



Marketing Plan Initiatives

- In addition to organic growth and leveraging relationships to generate meetings, create additional awareness through an increased presence at conferences and industry functions.
- Conferences attended:
 - EPA, US Customs, USAID , January 21, 2016, Washington D.C.
 - GSA, FAA, HUD, Dept. of Energy, February 3, 2016, Washington D.C.
 - Marine West, February 3-4, 2016, Marine Corps Base Camp Pendleton
 - AFCEA West, February 17-19, 2016, San Diego, CA



Marketing Plan Initiatives

- Conferences upcoming:
 - Marine South 2016, April 6-7, 2016, Camp Lejeune, NC
 - Cyber Risk Summit – NetDiligence Forum on Cyber Risk and Privacy Liability, April 29, 2016, Toronto
 - 2016 FONOM – MMAH Northeastern Municipal Conference, May 11-13, 2016, Timmins
 - USDA Cyber Security Symposium and Expo 2016, May 24-25, 2016, Washington, D.C.
 - Modern Day Marine, September 27-29, 2016, Quantico, VA
 - AFCEA TechNET Asia Pacific, November 15-17, Honolulu, HI
 - Privacy & Security Forum, Healthcare, December 5-7, 2016, Boston, MA



Key Accounts

1. US DHS - CBP

- 7,000 paid, active users as at Mar 31-16
- DEFIMNET maintenance renewal complete as of end of Mar 31-16 (1-year), subscription license renewal (1-year) expected to be completed by Apr 30-16
- Referral for other DHS opportunities

2. US DOD - JSP

- 4,000 paid, active users as at Mar 31-16
- Subscription license renewal (1-year) complete as of Mar 31-16
- JSP has grown to cover additional groups
- Referral for other DOD opportunities



Key Accounts

3. US Navy

- 3,158 paid, active users and growing as at Mar 31-16
- 1,983 paid, active users as at Jan 1-15

4. US DOI - FWS

- 572 paid, active users and growing as at Mar 31-16
- DEFIMNET ATO received (Jan-16)
- Marketing across DOI started in Feb-16



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