Route1®

North America's most advanced provider of ultra-secure mobile workforce, user authentication and data intelligence solutions.

Q3 2018 Shareholder Update

November 7, 2018

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Company Snapshot

OVERVIEW

Route1 Inc.

Operating as **GroupMobile**, Route1 is North America's most advanced provider of ultra-secure mobile workforce, user authentication, and data intelligence solutions. GroupMobile helps customers to make intelligent use of devices and data for immediate business improvements while maintaining military-grade data security.

GroupMobile gives you the durable tools and real time industrial-grade intelligence needed to streamline operations and cut costs, while keeping your data secure.

KEY METRICS as at Nov 5-18

Stock Price	CAD $0.055
52 Week High / Low	CAD $0.015-$0.06
Fully Diluted Common Shares Outstanding	364.5 million
Average Daily Volume 3 months	222,042
Market Capitalization	CAD $20.2 million
Fiscal Year End	December 31
Offices	HQ: Toronto, Canada Washington, DC Boca Raton, FL Chattanooga, TN Chandler, AZ
Ticker	TSXV: ROI OTCQB: ROIUF

What We Do For Our Customers

We empower organizations with the **data-centric solutions** and insights necessary to streamline operations, minimize costs and gain competitive advantages while maintaining the highest level of cyber security.

A common thread underscores "the end goal":

- Process optimization
- Operational efficiency
- Mission accomplishment
- Regulatory compliance

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What Differentiates Us?

Security, Security, Security.

We are experts in cybersecurity:

- Security is core to all our product and service offerings
- We are the leader in identity and authentication
- Accredited by the US Government
- Public key infrastructure (PKI) in place

"Security" the backbone of everything we do.

Products and services that address specific business or mission objectives and have a **strong security posture** are generally **perceived as superior**.

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Annual Operating Performance

In 000s of CAD Dollars	YTD (9) 18 A	FY 17 A	FY 16 A	FY 15 A	FY 14 A	FY 13 A
Revenue	22,156	6,070	7,447	6,397	6,078	5,433
Subscription Revenue and Services	4,582	5,698	7,080	6,218	5,470	4,948
Gross Margin	5,641	4,745	5,973	5,233	4,932	4,296
Operating Income	463	9	742	718	535	(189)
EBITDA	945	401	1,203	1,152	901	72
Net (Loss) Income	301	(610)	330	728	637	(343)

Quarterly Operating Performance

In 000s of CAD Dollars	Q3 A 2018	Q2 A 2018	Q1 A 2018	Q4 A 2017	Q3 A 2017	Q2 A 2017	Q1 A 2017
Revenue	14,895	5,577	1,684	1,420	1,338	1,371	1,941
Subscription Revenue and Services	1,684	1,632	1,264	1,263	1,177	1,347	1,911
Devices, Appliances and Other	13,210	3,943	420	157	161	24	30
Gross Margin	2,584	1,957	1,100	1,089	976	1,073	1,606
Expenses	2,150	1,891	1,136	1,164	1,132	1,151	1,289
Operating Income	434	65	(36)	(75)	(155)	(78)	317
EBITDA	627	272	46	24	(46)	16	406
Net Income (Loss)	242	215	(163)	(245)	(338)	(235)	208

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Subscription Revenue and Services

In 000s of CAD Dollars	Q3 A 2018	Q2 A 2018	Q1 A 2018	Q4 A 2017	Q3 A 2017	Q2 A 2017	Q1 A 2017
Application Software	1,193	1,181	1,260	1,263	1,177	1,347	1,759
Appliance Licensing or Yearly Maintenance	-	-	-	-	-	-	152
Technology as a Service	288	266	-	-	-	-	-
Other Services	203	186	4	-	-	-	-
Total	1,684	1,633	1,264	1,263	1,177	1,347	1,911

Note: The decrease in Application Software revenue between Q1-18 and Q2-18 is related to (A) a DON user adjustment, and (B) a decrease in CAD dollar revenue attributable to the JSP contract upon renewal.

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Balance Sheet

In 000s of CAD Dollars	Sep 30 2018 A	Jun 30 2018 A	Mar 31 2018 A	Dec 31 2017 A	Sep 30 2017 A	Jun 30 2017 A	Mar 31 2017 A	Dec 31 2016 A
Cash	2,289	1,084	600	1,037	1,408	2,080	704	1,946
Total current assets	6,074	4,988	6,292	2,035	2,856	2,924	1,890	2,910
Total current liabilities	5,559	4,863	6,292	1,829	2,534	2,396	1,113	2,500
Contract liability (incl. in current liabilities)	2,279	2,641	2,644	1,495	2,280	2,084	777	2,155
Net working capital	515	125	-	206	322	528	777	410
Fixed and intangible assets	1,457	1,626	1,612	394	483	547	481	537
Total assets	8,273	7,356	8,646	3,171	4,081	4,213	3,114	4,190
Bank debt	-	-	-	-	-	-	-	-
Total liabilities	5,795	5,034	6,390	1,935	2,649	2,494	1,210	2,590
Shareholders' Equity	2,478	2,322	2,256	1,236	1,432	1,720	1,904	1,600

Capitalization Table

Securities as at November 1, 2018	Strike Price	Number
Common Stock		364,541,000
Stock Options	CAD $0.050 - $0.055	34,689,000
Warrants (expire March 22, 2021)	CAD $0.050	30,000,000

Common Stock Outstanding at June 30, 2018		**370,085,000**
NCIB – July 2018		(835,000)
NCIB – August 2018		(438,000)
NCIB – September 2018		(3,091,000)
NCIB – October 2018		(1,180,000)
Common Stock Outstanding at November 1, 2018		364,541,000

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The 2018 Plan

2018 Plan

A. EBITDA generation from acquisition

B. Company integration – name, branding, positioning, organization

- Leveraging our new channel partners and clients to introduce our software applications
- Expand channel partnerships

C. Organic growth from MobiKEY and ActionPLAN *Powered by MobiNET*

- Government vertical for MobiKEY
- Advanced automation and automotive for ActionPLAN *Powered by MobiNET*

D. IP actualization

E. Next software application

F. Further expansion

- Expand productive sales force
- Invest in next software applications
- Acquisition opportunities

The Business Premise – Our White Space

Operational efficiencies and a competitive advantage, whether in a manufacturing plant or in theater, are gained through **real-time secure delivery of actionable intelligence** to decision makers.

THE END-TO-END SOLUTION ENCOMPASSES:

1. **Data Security (Information Assurance) and User Authentication**

   - Security: MobiNET, CryptoPath (ActionPLAN), MobiENCRYPT

   - Authentication: MobiNET, MobiKEY, DerivID

2. **Data Analytics and Data Acquisition**

   - Analytics: MobiNET, ActionPLAN

   - Acquisition: Rugged barcode scanners, RFID tagging, wireless and mobility enablement services, DCDs

3. **Data Visualization**

   - Rugged computers and tablets, DPCs (ActionPLAN), MobiKEY

"It's all about the data"

The Next Leg on the Stool

4. **Data Services**

- Recurring revenue
- Current services:
    - Management and Maintenance Services for Customer Owned legacy hardware
    - Mobile Device Management Suite
    - Tier II Mobile Device and Mobile Management Support
    - Comprehensive Device Protection (Depot Repairs)
    - Device Staging and Pre-configuration
- New services being considered:
    - Printing as a Service
    - Network Monitoring as a Service
    - Carrier Services

Sales Environment

Political + Economics

- USMCA is not signed – some uncertainty remains; waiting on results of US mid-term elections on Tuesday

- Tariffs distorting investment decisions

- The economy remains strong in the US

Social + Technological

- Companies are increasingly open to Technology as a Service to improve cash flow

- Companies are aware of and looking for Internet of Things solutions and how that fits their business

- Employees expect to be mobile with connected data

- Security is seen as vitamin, not a medicine; *changing?*

- Companies know there are lost efficiencies for not keeping up

We are positioned well with data and devices to drive efficiency!

Sales and Marketing Update

Sales Update: MobiKEY

The 2018 business development strategy is focused on the following:

- Protect major accounts to ensure MobiKEY is entrenched into their organizations, minimize impact of account cleanups while positioning for renewals and contract renewals

- Focus on enterprise license opportunities

- Organic growth from existing accounts

- Addition of new accounts and opportunities

- Increase the non-DOD user base to develop further use cases

- Develop opportunities to leverage existing hardware infrastructure to secure our position with existing users

Sales Update: MobiKEY

Major Account: NAVY

- Tech refresh of the DON DEFIMNET infrastructure is moving forward

- NGEN-R: NGEN contract is up for recompete

    - Bid submission deadline is Nov 19-18

    - NGEN expires in June 2018 – USD $3.5 billion contract

    - NGEN-R to be an eight-year agreement

Sales Update: Hardware Resale

The 2018 business development strategy is focused on the following:

- Integrating Inside and Outside Sales to collect, nurture, and close on OEM's leads

    - Integrate our software technologies into OEM offerings

- Partnering Inside and Outside people to work together to deliver fast and accurate service

- Utilize TaaS (Technology as a Service)

- **Integrate business units with a unified message around the collection, analysis, delivery, visualization and security of data**

Marketing Initiatives

Marketing and Promotion

- New website for Integrated Company

- New SEO and lead generation software services

- Leverage our relationship with hardware vendors

- Southern Automotive Conference: October 2018 - speaking engagement, booth space

- AFCEA Tech-Net Pacific Hawaii: November 2018 - DON and USMC focused, booth

- Re-establish vendor microsite for Getac - online store

- New sales sheets under a coordinated brand

- Board member select assistance

Operations Update

R & D Priorities

- ## ActionPLAN HR *Powered by MobiNET*
    - *Version 2.3 in Nov-18.*
    - Allows management to deploy labor to maximize efficiency
    - Tracks the movements of an employee at their station, on the line – RFID cards and machine point RFID readers
    - Correlates productivity metrics to each person
    - Creates a countdown for the next laborer action to be taken
    - Additional data to consider with ActionPLAN electrical input fault data to address plant OEE

R & D Priorities

- MobiKEY enhancements including improved latency, multi-monitor and video support, and bug fixes.
    - *MobiKEY 6.0 in Dec-18.*

R & D Priorities

- ## MobiKEY support for Purebred: Nov-18
  - *MobiKEY for iOS, version 5.4.50 in Nov-18.*
  - Derived Credentials (DC) are intended as a alternative, or longer term a replacement for Common Access Cards (CACs) when the end user is employing mobile devices to perform their day-to-day tasks. Purebred is the implementation of Derived Credentials done by DISA.
  - As a consequence of using Purebred, for the end user to be able to do their day-to-day tasks, the desktop applications that the user employs, need to be re-written twofold: (1) to be ported to the mobile devices (and that is true for each of the mobile OSes) and to use DCs instead of CACs.
  - By using MobiKEY for Purebred, the end user will be able to employ his/her mobile device to access the applications that are in the desktop device the same way that they are used today, and will be able to employ the DCs present in the mobile device as a CAC in the desktop. This will bring the obvious advantage that none of the desktop applications needs to be re-written for either a mobile device or to support DC. That saves all the money and time of development.

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R & D Priorities – What's On The Drawing Board?

- ActionPLAN HR *Powered by MobiNET* v 2.4
    - Improved provisioning and other bug fixes

- ActionPLAN HR *Powered by MobiNET* v 3.0
    - Predictive analytics

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AirWatch Litigation Update

AirWatch Litigation Calendar

Route1 filed a **complaint against AirWatch LLC ("AirWatch")** in Delaware court on March 27, 2017.

The complaint was served on AirWatch on June 1, 2017.

The civil action number is 1:17-cv-00331-RGA and was assigned to the Honorable Richard G. Andrews.

April 16, 2018	Route1 serves reply brief to AirWatch's answering Claim Construction Brief
May 16, 2018	AirWatch serves sur-Reply Brief
May 23, 2018	Joint Claim Construction Brief filed
June 29, 2018	Deadline for all motions to join other parties and amend or supplement pleadings
July 2, 2018	**Claim Construction Hearing (the "Markman Hearing")**
30 days after the Court's Markman Order	Deadline for final infringement contentions
60 days after the Court's Markman Order	Deadline for final invalidity contentions
September 14, 2018	Document production substantially complete
December 14, 2018	Deadline for completion of fact discovery
January 7, 2019	**Opening expert reports due: Route1 infringement and damages; AirWatch invalidity**
February 7, 2019	Expert reports rebutting opening expert reports due
February 21, 2019	Reply expert reports in support of opening expert reports due
March 21, 2019	Deadline for expert depositions
April 18, 2019	Deadline for objections to expert testimony
April 18, 2019	Deadline for case dispositive motions-motion for summary judgment
August 27, 2019	Joint proposed final pretrial order-process for how the case will be tried
August 30, 2019	Pretrial conference
September 9-13, 2019	**Jury trial**

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