Route1 Reports 2018 Second Quarter Financial Results

Toronto, August 16, 2018 - Route1 Inc. (OTCQB: ROIUF and TSXV: ROI) (the "Company" or "Route1"), North America's most advanced provider of industrial-grade data intelligence, user authentication, and ultra-secure mobile workforce solutions, today announced its second quarter (Q2) financial results for the three and six months ended June 30, 2018.

Statement of operations *In 000s of CAD dollars*	**Q2** **2018**	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Revenue					
Subscription revenue and services	**1,633**	1,264	1,263	1,177	1,347
Devices and appliances	**3,936**	388	109	159	24
Other	**7**	32	48	2	-
Total revenue	**5,577**	1,684	1,420	1,338	1,371
Cost of revenue	**3,620**	585	331	362	298
Gross profit	**1,957**	1,100	1,089	976	1,073
Operating expenses	**1,891**	1,136	1,164	1,131	1,151
Operating profit (loss) [1]	**65**	(36)	(75)	(155)	(78)
Total other expenses [2]	**(144)**	114	170	183	157
Net income gain (loss)	**209**	(150)	(245)	(338)	(235)

[1] Before stock based compensation and patent litigation
[2] Includes stock based compensation, AirWatch litigation, gain on acquisition and foreign exchange

Subscription revenue and services by quarter *in 000s of CAD dollars*	**Q2** **2018**	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Application software	1,181	1,260	1,263	1,177	1,347
Technology as a service (TaaS)	266	-	-	-	-
Other services	186	4	-	-	-
Total	**1,633**	1,264	1,263	1,177	1,347

Adjusted EBITDA *in 000s of CAD dollars*	**Q2** **2018**	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Gross Profit	**1,957**	1,100	1,089	976	1,073
Adjusted EBITDA [3]	**272**	46	24	(46)	16
Amortization	**207**	82	99	109	94
Operating profit (loss)	**65**	(36)	(75)	(155)	(78)

[3] Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation and amortization, stock-based compensation, patent litigation, restructuring and other costs. Adjusted EBITDA does not have any standardized meaning prescribed under IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. Adjusted EBITDA allows Route1 to compare its operating performance over time on a consistent basis.

Route1 generated cash from operating activities of approximately $0.4 million during Q2 2018 compared with cash used in operating activities of $0.1 million in Q2 2017. Non-cash working capital of

$0.3 million was generated in Q2 2018 compared to $1.6 million generated in the same period a year earlier. Net cash generated from the day–to-day operations for the three months ended June 30, 2018 was $0.8 million compared to $1.6 million in Q2 2017.

Balance sheet extracts *In 000s of CAD dollars*	Jun 30 2018	Mar 31 2018	Dec 31 2017	Sep 30 2017	Jun 30 2017
Cash	1,084	600	1,037	1,408	2,080
Total current assets	4,989	6,292	2,035	2,856	2,924
Total current liabilities	4,863	6,292	1,829	2,534	2,396
Net working capital	126	-	206	322	528
Total assets	7,356	8,646	3,171	4,081	4,213
Bank debt	-	-	-	-	-
Total shareholders' equity	2,322	2,256	1,236	1,432	1,720

Acquisition of Group Mobile Int'l, LLC

On March 22, 2018, Route1 completed the acquisition of 100% of the membership interest of Group Mobile Int'l, LLC ("Group Mobile"). During the second quarter of 2018, the Company revised the net purchase gain on acquisition to reflect changes in the balance of certain accounts based on information that was not readily available at the time of the acquisition; these adjustments are now reflected in the balances as at March 22, 2018. The net purchase gain on acquisition is now $3,667 versus $106,692 as presented in the Company's Q1 2018 financial statements. For additional information, see the "BUSINESS COMBINATION" section of Route1's Q2 2018 Management Discussion and Analysis ("MD&A").

Investor Conference Call and Webcast

Route1 will hold a conference call and web cast to discuss the Company's financial results and provide a business update on Thursday, August 16, 2018 at 9 a.m. eastern. Participants should dial Toll-Free: 1-866-548-4713 or Toll/International: 1-323-794-2093 at least 10 minutes prior to the conference, pass code 3698568. For those unable to attend the call, a replay will be available on August 16, 2018 after 12: 00 p.m. at Toll-Free 1-844-512-2921 or Toll/International 1-412-317-6671, pass code 3698568 until 11:59 pm on August 30, 2018.

The webcast will be presented live at http://public.viavid.com/index.php?id=130852.

About Route1 Inc.
Route1, operating under the tradename GroupMobile, is North America's most advanced provider of industrial-grade data intelligence, user authentication, and ultra-secure mobile workforce solutions. The Company helps all manner of organizations, from government and military to private sector, to make intelligent use of devices and data for immediate process improvements while maintaining the highest

level of cyber security. Route1 is listed on the OTCQB in the United States under the symbol ROIUF and in Canada on the TSX Venture Exchange under the symbol ROI. For more information, visit: www.route1.com.

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