



## Route1 Closes the Acquisition of Group Mobile

### *Acquisition to Accelerate Route1's Growth into Manufacturing Customers*

**Toronto, March 23, 2018** - [Route1 Inc.](#) (OTCQB: ROIUF and TSXV: ROI) (the "Company" or "Route1"), a leader in secure data protection technologies and user authentication for government and enterprise, today announced that it has closed on the acquisition of Group Mobile Int'l, LLC ("Group Mobile") from XpresSpa Group, Inc. ("XpresSpa Group"). Route1 announced the signing of the definitive agreement to acquire Group Mobile (the "Agreement") on March 8, 2018.

[Group Mobile](#), based in Chattanooga, TN and Chandler, AZ, supplies rugged mobile technology solutions to leading automotive manufacturing companies and suppliers, other leading manufacturing and distribution companies, as well as local and state governments in the southeastern and southwestern United States. Route1 is acquiring Group Mobile to:

- Expand Route1's service and product offerings;
- Strengthen outside and inside sales;
- Diversify revenue, customers, and verticals;
- Expand the use of Route1's core technologies into the manufacturing, distribution, local and state government and respective suppliers; and
- Leverage Group Mobile's current and future placement of rugged mobile devices to sell Route1's core technologies as an integrated offering.

Under the terms of the Agreement, Route1 issued to XpresSpa Group 25 million common shares, and 30 million, three-year common share purchase warrants with an exercise price of CAD 5 cents per common share. XpresSpa Group now owns approximately 7% of Route1's undiluted common shares. The issued Route1 common shares will not be tradable until a date no earlier than 12 months after the closing date:

- 50% or 12.5 million common shares tradeable after 12 months, plus
- 2,083,333 common shares tradeable each month until 18 months after the date of closing, subject to a change of control provision.

In addition, there may also be one or more payments made to XpresSpa Group based on the actual gross profit of Group Mobile meeting a minimum threshold in each 12-month period during the first three years post-closing or for the three years in aggregate post-closing. Specifically:

- An annual earn-out if the gross profit of Group Mobile is in excess of USD \$3,750,000 per 12-month period, then XpresSpa Group will receive 27.5% of the actual gross profit amount greater than USD \$3,750,000. If the gross profit target is missed in the first or second year, no subsequent annual earn-out payment(s) will be made; and
- A cumulative earn-out that is equal to 27.5% of the Group Mobile gross profit for the first 36 months post-closing that is in excess of \$11,250,000 less any annual earn-out amounts previously made. Payments pursuant to the annual or cumulative earn-out will be made in cash, 90 days after the respective period end.



Additional transaction terms include:

- No assumption of indebtedness (other than trade payables or accruals incurred in the ordinary course of business).
- A minimum working capital balance.
- An XpresSpa Group non-compete and non-solicitation for a period of three years.
- A voting agreement whereby, if XpresSpa Group owns in excess of 3% of the outstanding shares of Route1, all common shares issued as part of the acquisition are subject to a voting agreement with Route1 for the term of the earn-out.

### ***Investor Conference Call and Webcast***

Route1 will hold a conference call and web cast to discuss the Group Mobile acquisition and provide an update on the AirWatch litigation on Monday, March 26, 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 9099535. For those unable to attend the call, a replay will be available on March 26, 2018 after 12 p.m. at Toll-Free 1-844-512-2921 or Toll/International 1-412-317-6671, pass code 9099535 until 11:59 am on April 9, 2018.

The webcast will be presented live at <http://public.viaavid.com/index.php?id=128928>

### **About Route1 Inc.**

Route1 Inc. is a world-leader in secure data protection technologies and user authentication for government and enterprise. Route1 solutions enable the workforce to be more productive and more flexible without compromising system access, data-at-rest, or data-in-use. The Company's suite of patented enterprise security solutions combines best-in-class authentication, data security and secure communications with streamlined administration tools, running on a proven, trusted infrastructure. From mobile access to business continuity to best-in-class full system encryption, Route1 offers the most effective, affordable methods to secure the digital fortress, while meeting or exceeding the highest standards for government and industry. Route1 has Full Authority to Operate from the U.S. Department of Defense, the U.S. Department of the Navy, the U.S. Department of the Interior, and other government agencies. The Company is also trusted by enterprise security teams in the banking, healthcare, legal and education sectors, among others. With offices in Washington, D.C., Boca Raton, FL and Toronto, Canada, Route1 serves public and private sector clients around the world. 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](http://www.route1.com).

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