



## Route1 Provides Third Quarter 2019 Operations Update

Q3 2019 Financial Results to be released on November 26, 2019

Toronto, Canada, October 17, 2019 - [Route1 Inc.](#) (OTCQB: ROIUD and TSXV: ROI) (the “Company” or “Route1”), an advanced North American provider of data-centric business empowerment solutions today provided an operations update after the completion of its third quarter that ended September 30, 2019.

### Revenue and Gross Profit

<i>In 000s of CAD dollars</i>	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Revenue					
Subscription and services	2,136	1,610	1,576	1,628	1,684
Devices and appliances	6,576	1,819	1,883	2,440	13,207
Other	2	1	3	6	4
Total revenue	8,714	3,430	3,462	4,074	14,895
Cost of revenue	5,953	1,672	1,700	2,216	12,311
Gross profit	2,761	1,758	1,762	1,858	2,584
Gross Margin	32%	51%	51%	46%	17%

The gross margin in Q3 2019 is directly related to the composition of the revenue for the quarter.

### Acquisition of PCS Mobile

On June 28, 2019, Route1 acquired PCS Mobile. [PCS Mobile](#) is a computer reseller with expertise in mobile data applications, including wireless products for in-vehicle use. Based in Denver, Colorado, the company sells rugged devices and applications including but not limited to Panasonic Toughbook mobile computers, Xplore and Getac rugged tablets, the Genetec [AutoVu](#)™ automatic license plate recognition (ALPR) system that automates license plate reading and identification, and accessories from Gamber-Johnson and Havis.

The addition of Genetec’s [AutoVu](#)™ ALPR system enhances Route1’s data security and data analytics portfolio of application software owned or resold with application enhancements. The technology makes it easier for law enforcement, and for municipal and commercial organizations to locate vehicles of interest and enforce parking restrictions. Genetec’s [AutoVu](#)™ ALPR system is designed for both fixed and mobile installations.



Route1 acquired PCS Mobile to bring its business model to the western US - geographic expansion, add to the size and quality of the GroupMobile sales team, and leverage PCS Mobile's current and future placement of rugged mobile devices and license plate recognition technology - creating significant opportunities to sell data security and analytics software applications and capabilities to PCS Mobile customers.

As of October 15, 2019, Route1 had completed its integration of PCS Mobile.

### ***Business Development Initiatives***

The following initiatives were completed during the third quarter of 2019 and are expected in aggregate to lead to improved sales and gross profit for Route1:

- Route1 continued to move towards a solutions-based sales model, while moving away from only a product-based approach. Route1's ability to deliver operational efficiencies and a competitive advantage will be gained by our client's through the real-time delivery of secure actionable intelligence – a solution versus a product - to their decision makers.
- As of October 15, 2019, Route1 had grown its business development and sales team to 18 employees or full-time equivalents. The team is led by its Chief Sales Officer Tom Hance and is expected to continue to build upon the successes realized during the third quarter of 2019.
- As previously announced on September 30, 2019, Route1 expanded with [Genetec Inc.](#) to the province of Ontario to provide Genetec AutoVu, an automatic license plate recognition solution. Route1's wholly owned subsidiary, PCS Mobile, has been successful with Genetec as a premier dealer for AutoVu for more than five years in the states of Arizona, California, Colorado, Nevada, New Mexico, Oregon and Washington. PCS Mobile has grown its public safety and parking lot operator revenue base derived from ALPR in the United States to in excess of US \$6 million annually with gross margins in the range of 20% to 35%.
- As previously announced on September 20, 2019, Route1 announced the launch of its new solution [ScreenSTOP powered by MobiNET](#), the first of its kind technology in the manufacturing, warehousing and logistics marketplace. ScreenSTOP provides the ability to “mask” the on-board computer screen instantly to prevent user distraction during the operation of heavy lift vehicles. Previously, the only technologies available were those able to “blank” the screen with a longer reaction time of between three (3) to seven (7) seconds, an all or nothing scenario versus [Route1's ScreenSTOP](#) “masking” which allows customizable content such as next stop to be visible through the masked screens delivered with millisecond reaction times. ScreenSTOP provides heavy lift vehicles operators with the ability to get their work done on schedule with no obstacles or lag time and fewer distractions.

### ***Q3 2019 Financial Results Notification***



Route1 will report its third quarter financial results for the period ended September 30, 2019 before the markets open on Tuesday, November 26, 2019.

***Annual General and Special Meeting Notification***

Route1 will hold its annual general and special meeting (“AGM”) at the offices of Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario on December 2, 2019 at 9 a.m. (Toronto time) for the following purposes:

1. to receive the comparative audited consolidated financial statements of the Corporation for the financial year ended December 31, 2018, together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint Grant Thornton LLP, as Auditor for the ensuing year and to authorize the directors to fix their remuneration;
4. to re-approve the stock option plan of the Corporation; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

There will not be a management presentation at the end of the AGM.

**About Route1 Inc.**

Route1 Inc., also operating under the tradenames GroupMobile and PCS Mobile is an advanced North American technology company that empowers their clients with data-centric solutions necessary to drive greater profitability, improve operational efficiency and gain sustainable competitive advantages, while always emphasizing a strong cybersecurity and information assurance posture. Route1 delivers exceptional client outcomes through real-time secure delivery of actionable intelligence to decision makers, whether it be in a manufacturing plant, in-theater or in a university parking lot. Route1 is listed on the OTCQB in the United States under the symbol ROIUD and in Canada on the TSX Venture Exchange under the symbol ROI. For more information, visit: [www.route1.com](http://www.route1.com).

**For More Information, Contact:**

Tony Busseri

Chief Executive Officer

+1 416 509 1496

[tony.busseri@route1.com](mailto:tony.busseri@route1.com)

This news release, required by applicable Canadian laws, does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S.



Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

© 2019 Route1 Inc. All rights reserved. No part of this document may be reproduced, transmitted or otherwise used in whole or in part or by any means without prior written consent of Route1 Inc. See <https://www.route1.com/terms-of-use/> for notice of Route1's intellectual property.

This news release may contain statements that are not current or historical factual statements that may constitute forward-looking statements. These statements are based on certain factors and assumptions, including, price and liquidity of the common shares, expected financial performance, business prospects, technological developments, and development activities and like matters. While Route1 considers these factors and assumptions to be reasonable, based on information currently available, they may prove to be incorrect. These statements involve risks and uncertainties, including but not limited to the risk factors described in reporting documents filed by the Company. Actual results could differ materially from those projected as a result of these and other risks and should not be relied upon as a prediction of future events. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, except as required by law. Estimates used in this presentation are from Company sources. Past performance is not guarantee of future performance and readers should not rely on historical results as an indication of future results.

###