



An advanced North American technology company that empowers their clients with data-centric solutions that drive greater profitability, improve operational efficiency and gain sustainable competitive advantages – all while emphasizing a strong cybersecurity and information assurance posture.

Shareholder Call

July 9, 2020

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Company Snapshot

Incorporation Year	2004
Stock Price	CAD \$0.70 as at July 7, 2020
52 Week High / Low	CAD \$0.25 to \$0.77
Fully Diluted Common Shares Outstanding	35.5 million
Market Capitalization	CAD \$24.9
Employees	54
FY 2019 Revenue	CAD \$24.0 million
FY End	December 31
Offices	Toronto, Canada Denver, CO Boca Raton, FL Chattanooga, TN Chandler, AZ Washington, DC Cincinnati, OH
Ticker	TSXV: ROI OTCQB: ROIUF

About Us

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 that drive greater profitability, improve operational efficiency and gain sustainable competitive advantages – all while 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 of operations or in a university parking lot. 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.



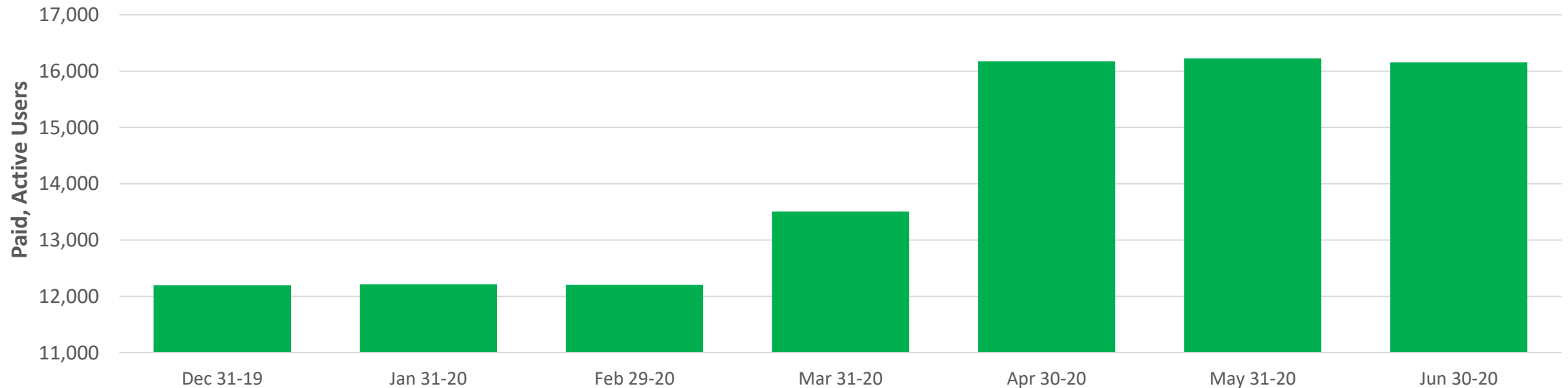
COVID-19 Impact at a High Level

The coronavirus pandemic has resulted in:

- Substantially increased MobiKEY sales as government and business customers quickly moved to work-from-home scenarios and looked to Route1 for a highly secure remote computing technology.
- Slowed the delivery of rugged device shipments to our US clients in Q1-20.
 - OEMs had some difficulties in assembling finished products as the supply chain from China constrained production and deliveries of finished goods.
- US based factory shutdowns during Q2-20.
 - Return to production has been uneven across the US.
 - Resurgence of cases has thrown into question the full re opening of client facilities in Q2 and Q3 2020.
- Delayed installations of LPR projects in Q2-20.
 - Not an issue of losing a job or the gross profit; simply a timing issue.

Understanding the MobiKEY Impact: Subscribers

MobiKEY Subscriptions

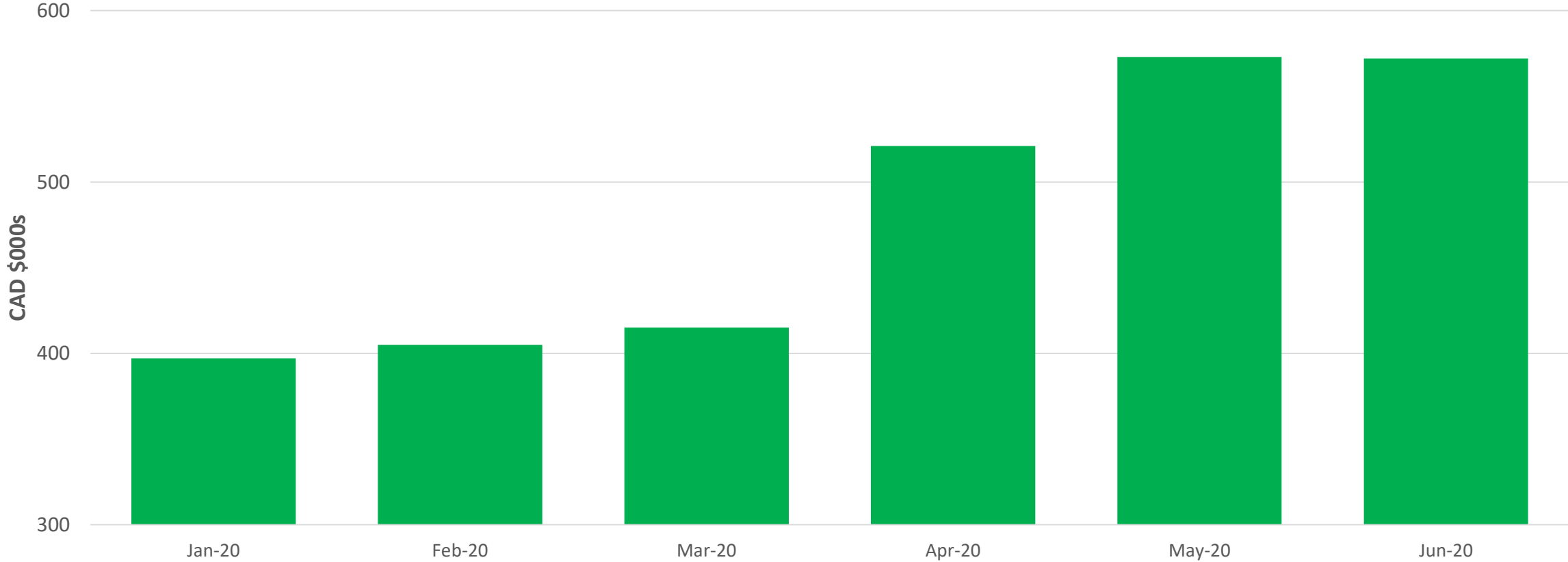


Note:

1. The MobiKEY user count does not include the surge 15,000 users granted to JSP at no additional revenue;
2. The MobiKEY user count includes the removal of approximately 420 DON MobiKEY users in June 2020 (based on accounts no longer being active) with replacement MobiKEY users expected to come on line in Q3-20; and
3. There is a timing gap between MobiKEY Fusion3 devices being received by DON users, and the DON user's purchase of a subscription being approved and the user being turned on.

Understanding the MobiKEY Impact: Revenue

MobiKEY Subscription Revenue
By Month



MobiKEY User Growth

- Quick hit MobiKEY user growth sales that happened in March and April 2020 has morphed into (1) some small orders based on available MobiKEY Fusion3 inventory being available in July 2020, and (2) large enterprise RFQs that could lead to purchase orders in Q3-20.
 - The last shipment of 6,000 MobiKEY Fusion3 devices that arrived in June 2020 was completely sold out.
 - A further shipment of 4,000 MobiKEY Fusion3 devices should arrive in late July 2020 or early August 2020 - we have built up demand for the devices and the related subscription.

MobiKEY Client Notes

MobiKEY

- **Department of the Navy (DON)**
 - New DEFIMNET:
 - New Navy ATO expected during early Q3-20.
 - Timing delay is not a technology based one.
 - Leidos won the NGEN-R contract and will replace Perspecta over the next 6 months as the DON's IT prime.
 - New DEFIMNET to be used shortly after receipt of ATO.
- **Joint Service Provider (JSP)**
 - March 31, 2020 license renewed and paid.
 - New contract structure is base year plus four, one year renewal options.
 - Similar pricing to 2019 renewal.
 - Surge user capability from 4,000 to 19,000 users.
 - With COVID-19 they are using the surge capability.

R & D Priorities

- Since early March 2020, focus has been on:
 1. Expanding the number of users and concurrent users our MobiNET and DEFIMNET platforms can support.
 2. The Department of the Navy ATO for the new DEFIMNET.
 3. Improving the JSP DEFIMNET based user experience.
 4. Released MobiKEY 7.0 – week of April 6, 2020.
 5. Pending MobiKEY 7.1 release for further video and audio experience improvements
 6. Specific MobiKEY user experience issues.

CA Department of General Services Contract

- Route1 was awarded a three-year contract with seven, one-year contract renewal option years by the State of California.
- The contract is to provide the State of California's officers with a state-of-the-art Automatic License Plate Recognition ("ALPR") system that will enhance officer safety and significantly improve operations.
 - Route1's ALPR system partner for this contract is Genetec AutoVu™.
- Route1 was awarded the contract based on compliance to solicitation requirements and low cost.
 - Over a period of four days, Route1 and Genetec worked with the State of California and the California Highway Patrol ("CHP") at their headquarters located in West Sacramento to test AutoVu.
 - Tests were conducted using standard law enforcement patrol units and considered the following parameters: (a) low and high speeds read capability, (b) daytime data capture and, even more critically, at night, and (c) demonstration of the AutoVu system's ability to quickly and correctly identify stolen vehicles, amber alert- related vehicles and other vehicles of interest.
 - Route1, working with Genetec and the State of California, successfully demonstrated the AutoVu system's ability to capture plate reads at speeds in excess of 100 MPH accurately and efficiently.

CA Department of General Services Contract

- Using Genetec's Security Center, California and other agencies can access critical data and analytics which can then be rapidly shared among officers as well as partner agencies.
 - Data is not shared with a third-party agency without explicit permission from CHP and in no situation is the data sold or used by Genetec or Route1 for marketing purposes.
- Allows Route1's subsidiary, PCS Mobile, and the California Highway Patrol to work together throughout the State of California, deploying a cutting-edge ALPR solution that will provide superior investigative and enforcement outcomes for our clients.
- **Agencies throughout the State of California and others can also take advantage of this partnership to purchase ALPR systems for their agencies.**
 - In support of making this partnership accessible to statewide and other law enforcement agencies, Route1 is providing a complete catalog of installation, support services and accessories for those agencies that utilize the contract, as well as trade-in capabilities to upgrade to the AutoVu system from their existing ALPR technology.

From Pivot to Strong Execution

1. Win and market the “gateway” law enforcement bid win: CHIPs for LPR
2. Advance enterprise MobiKEY orders
3. Drive operational performance - EBITDA
4. Implement new management tools
5. Demonstrate new marketing capabilities
6. “Turn on” new DON DEFIMNET
7. Acquire fixed video capability and enhanced operational / engineering capabilities

Quarterly Operating Performance

In 000s of CAD Dollars	Q1 A 2020	Q4 A 2019	Q3 A 2019	Q2 A 2019	Q1 A 2019	Q4 A 2018	Q3 A 2018	Q2 A 2018
Revenue	6,363	8,403	8,714	3,430	3,462	4,074	14,895	5,577
Subscription Revenue and Services	1,958	2,511	2,136	1,610	1,576	1,628	1,684	1,632
Devices, Appliances and Other	4,405	5,891	6,578	1,820	1,886	2,446	13,210	3,943
Gross Margin	2,366	2,750	2,761	1,758	1,762	1,858	2,584	1,957
Gross Margin %	37%	33%	32%	51%	51%	46%	17%	35%
Expenses	2,334	2,360	2,336	1,824	1,694	1,714	2,150	1,891
Operating Income	32	390	425	(66)	68	144	434	65
EBITDA	358	676	743	200	322	330	627	272
Net Income (Loss)	(183)	510	1	(553)	(512)	(355)	188	13

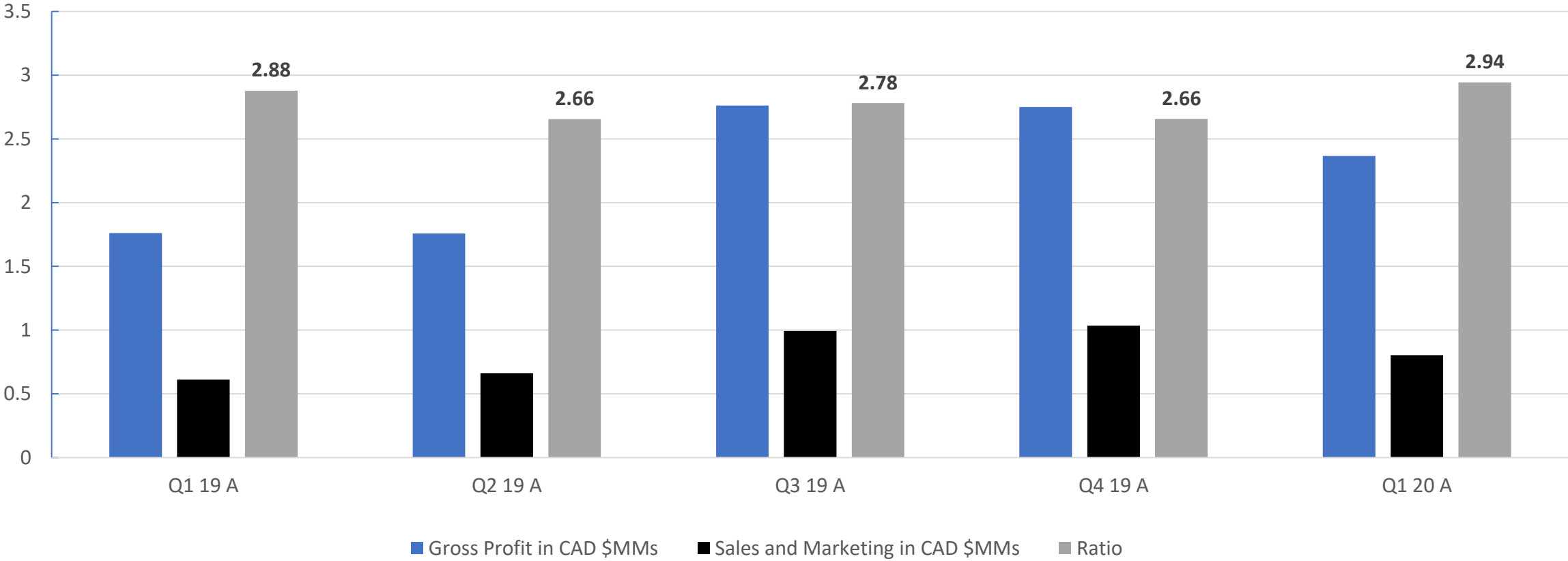
Subscription Revenue and Services

In 000s of CAD Dollars	Q1 A 2020	Q4 A 2019	Q3 A 2019	Q2 A 2019	Q1 A 2019	Q4 A 2018	Q3 A 2018
Application Software	1,217	1,202	1,182	1,196	1,186	1,169	1,193
Technology as a Service	321	353	322	311	307	329	288
Other Services	420	956	632	103	83	130	203
Total	1,958	2,511	2,136	1,610	1,576	1,628	1,684

Operating Expenses

In 000s of CAD Dollars	Q1 A 2020	Q4 A 2019	Q3 A 2019	Q2 A 2019	Q1 A 2019	Q4 A 2018	Q3 A 2018
General and Administration	1,359	1,133	1,157	1,015	997	942	1,350
Research and Development	171	192	186	147	85	164	166
Selling and Marketing	804	1,035	993	662	612	608	634
Total	2,334	2,360	2,336	1,824	1,694	1,714	2,150

Gross Profit to Sales and Marketing Cost Ratio





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