



North America's most advanced provider of custom data intelligence solutions to drive your business forward.

OTCQB Virtual Investor Conference

August 6, 2020

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Company Snapshot

Incorporation Year	2004	
Stock Price	CAD \$0.63 as at July 31, 2020	
52 Week High / Low	CAD \$0.25 to \$0.77	
Fully Diluted Common Shares Outstanding	35.5 million	
Market Capitalization	CAD \$22.4	
Employees	55	
FY 2019 Revenue	CAD \$24.0 million	
FY End	December 31	
Offices	Chandler, AZ Washington, DC Cincinnati, OH Toronto, Canada	Denver, CO Boca Raton, FL Chattanooga, TN
Ticker	OTCQB: ROIUF TSXV: ROI	

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.



A Quick History

- 2004: Founded by Andrew White, Tim Hyland and Jerry Iwanski
- 2008: Released first software application leveraging the MobiNET service delivery platform, MobiKEY
- 2009: Board turnover – Michael Harris, Tony Busseri and Peter Chodos
- 2010: Tony Busseri named CEO
- 2012: First year of profitability
- 2016: Peter Chodos named CFO
- 2017: Pivoted business model. Launched applications powered by MobiNET – DerivID and ActionPLAN
- 2018: Acquired Group Mobile International. Refined our business model – “4 legs on a stool”
- 2019: Purchased PCS Mobile. Launched ScreenSTOP software application
- 2020: Purchase MobileTek assets. Route1: New Identity, One Name – Driving Data Forward.

Route1 Executive Team



Tony Busseri – CEO and Director, Chandler, AZ

- Route1 Director since 2009 and CEO since 2010
- Former principal of Growth Equity Partners
- President, CEO and board member of EnGlobe from 2004 to 2008
- President, CEO and Chairman of Waste Services from 1997 to 2000



Peter Chodos – EVP, CFO, and Director – Toronto, Canada

- Over 35 years experience in corporate finance and mergers & acquisitions with Wood Gundy, Loewen Ondaatje McCutcheon, and BZW Canada
- Broad capital markets experience with both institutional and retail investors
- CPA and CBV



Jerry Iwanski – SVP, CDO – Chandler, AZ

- Route1's first CTO; 2004 to 2011
- Broad technology architecting and network engineering experience



Yamian Quintero - EVP, CTO – Boca Raton, FL

- Senior cryptographic developer with Kasten Chase Applied Research
- Designed and implemented a public key cryptography system that is used today by a national certification authority

Route1 Board of Directors

Tony Busseri , CEO and Director	<ul style="list-style-type: none"> • Route1 Director since 2009 and CEO since 2010 • President, CEO and board member of EnGlobe from 2004 to 2008 • President, CEO and Chairman of Waste Services from 1997 to 2000
Peter Chodos , EVP CFO and Director	<ul style="list-style-type: none"> • Over 35 years experience in corporate finance and mergers & acquisitions with Wood Gundy, Loewen Ondaatje McCutcheon, and BZW Canada • CPA and CBV
Michael D. Harris , Chairman of the Board of Directors	<ul style="list-style-type: none"> • Senior business adviser at Fasken Martineau and acts as a consultant and advisor to several Canadian companies • Held the office of the Premier of Ontario from 1995 to 2002
Michael Doolan , Chairman of the Audit Committee	<ul style="list-style-type: none"> • Executive Vice President, Finance and Chief Financial Officer of Neo Performance Materials (successor to MolyCorp, Inc.) from 2012 to 2018
John Marino , Chairman of the Compensation Committee	<ul style="list-style-type: none"> • Principal of Marino Consulting, a Washington, DC strategic consulting firm with a client portfolio of domestic and international companies spanning diverse industries.
Retired Major General David Fraser	<ul style="list-style-type: none"> • 30 years' experience in the Canadian Forces • Vimy Award for contributions to peace and security, the Atlantic Council for leadership, as well as awards from the United States, the Netherlands, Poland and NATO.
Retired Major General Ed Reeder	<ul style="list-style-type: none"> • Retired from the US Army in 2016 after nearly 35 years of service. • Spent the last 30 years in uniform as a Special Forces Officer commanding at every level in the US Army Special Forces.

Our Focus is Our Clients

Gain Actionable Intelligence, Generate Exceptional Outcomes.

Route1 partners with our clients to assist them in securing and then leveraging their data to make better decisions that lead to:



INCREASED
PROFITABILITY



IMPROVED
EFFICIENCIES



ENHANCED
OUTCOMES



GREATER
MARKET SHARE



SUSTAINABLE
COMPETITIVE
ADVANTAGES

We Are an “Outcomes” Based Company

We deliver exceptional client outcomes.



Data Security and User Authentication

Our IP: MobiNET (DEFIMNET), MobiKEY, DerivID



Data Acquisition and Analytics Technology

Our IP: MobiNET, ActionPLAN, ScreenSTOP
What we resell: Fixed and mobile video systems including ALPR



Data Visualization

What we resell: Fully rugged and semi rugged laptops, tablets, and handhelds, along with vehicle mounts, modems, and other accessories



New Technology and Services

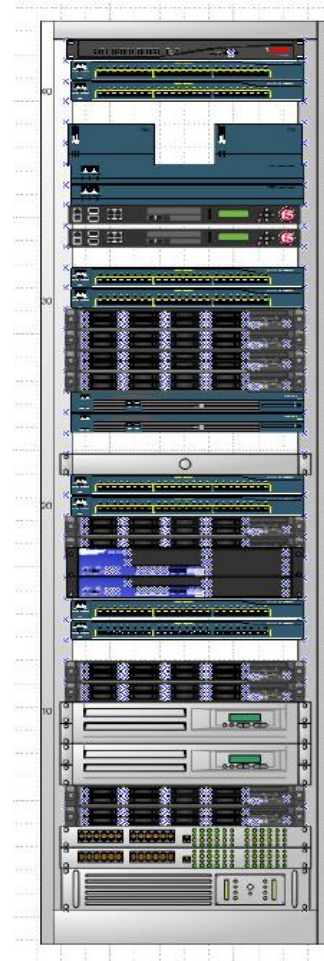
Our in-house core capability: (a) Software development, (b) managed hardware services including TaaS, (c) on-premise client connectivity, and (d) hardware break and fix



MobiNET: Our Service Delivery Platform

What is MobiNET?

- **Multi-Tenant (MobiNET) or Single Tenant (DEFIMNET)**
- **Secure Cloud:** Best in class implementation of a system and networking framework
- **Identity – Authentication – Authorization:** Public Key Infrastructure
- **PKI:** Certificate Authority Hierarchy
- **Control and Signaling:** Enabling the Applications
- **Provisioning and Administration:** MAP
- **System Monitoring and Incident Response:** RIScout
- **Auditing and Reporting**
- **Traversing Firewalls:** MobiNET Switching Arrays
- **Securing Connections:** CryptoPath



DEFIMNET Facts

- High Availability
- Designed for scalability; unlimited granular horizontal scalability across all components
- Can be used for Route1 derived credential technology, DerivID
- Can be used for other solutions needing authentication services
- Not a single security breach in over a decade of field operations
- Authorities to Operate (ATOs) from: OSD, Department of the Navy, USMC and Department of the Interior

Security Software: MobiKEY

MobiKEY: Secure Access to Data, Anytime, Anywhere and on Any Device.



Technology Differentiators:

- PIV card-based multi-factor authentication in compliance with HSPD-12 mandate
- Your data stays within your network's perimeter. No DAR. No risk of data leakage
- Not a browser-based technology. Not vulnerable to Man-in-the-Browser attack vectors
- Not a VPN. No open inbound ports. Mitigates risk of penetration attacks
- No external nodes on your network. Mitigates risk of malware introduction
- **Built with security as its first priority**



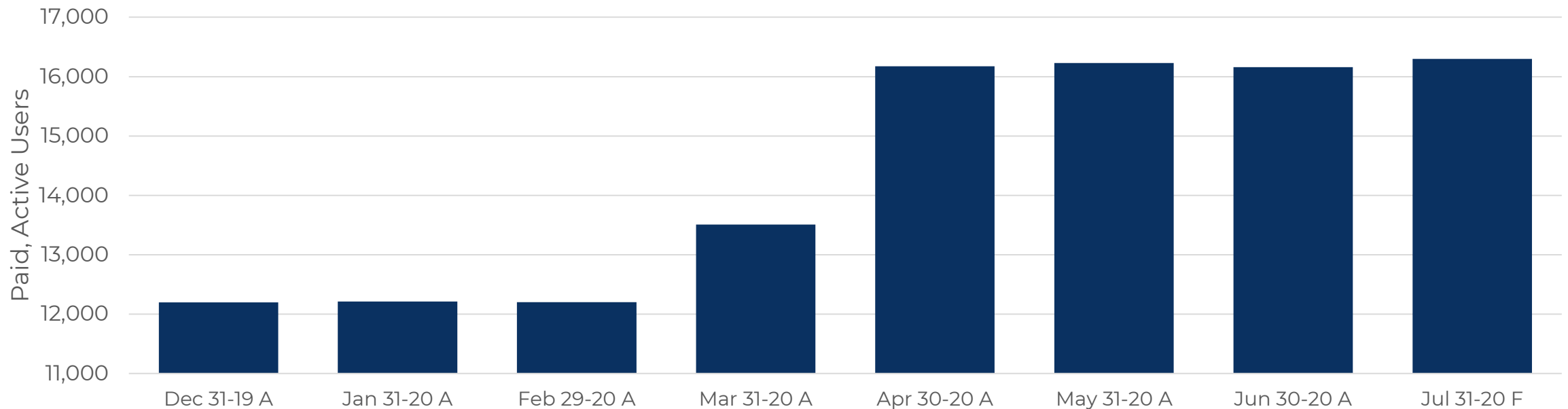
COVID-19 Impact at a High Level

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



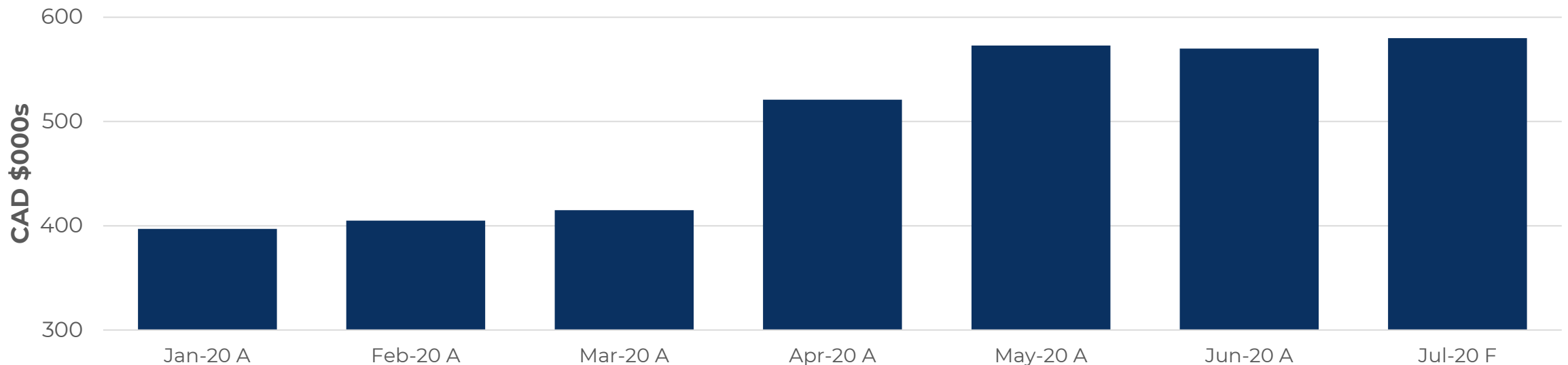
Note:

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



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User Authentication Software: DerivID

What are derived credentials?

- Derived Credentials. The National Institute of Standards and Technology (NIST) has coined the term derived credentials to refer to cryptographic credentials that are derived from those in a Personal Identity Verification (PIV) card or Common Access Card (CAC) and carried in a mobile device instead of the card.
- Users that are issued smart cards for authentication insert a card into a reader on their desktop/laptop and then enter a PIN. This form of authentication replaces the username and password, and also covers the 2-factor requirement as well. This method of authentication is also how many US federal government and military users access applications and websites crucial to their day-to-day activities and duties.
- Traditional approaches to this problem required an external smart card reader which technically works, but expensive, and not user friendly.
- ***Derived credentials are elegant*** — rather than using a physical card, just cryptographically derive a new credential based off the credential that is stored on it. A card reader becomes unnecessary.



User Authentication Software: DerivID

- **DerivID** validates the identity of mobile users: government employees who need to access networks and applications or to digitally sign documents and more, in a secure manner.
- **Leverages deployed and fully accredited infrastructures** (MobiNET or DEFIMNET) hosted at the Navy server farm in Norfolk, or JSP/Pentagon that are available to DOD and civilian government.
- Unlike other derived credentials solutions, DerivID eliminates vulnerabilities associated with brute force attacks, including dictionary attacks.
 - It also enables the detection and prevention of multiple sign-in attempts.
- DerivID is designed to integrate and actively function with multiple Certificate Authorities on the Federal Bridge
- Integrates seamlessly with leading MDM and EMM providers and support the following Apps: native, MDM/EMM, and custom.
 - APIs are available for custom mobile App development.



ActionPLAN, Powered by MobiNET

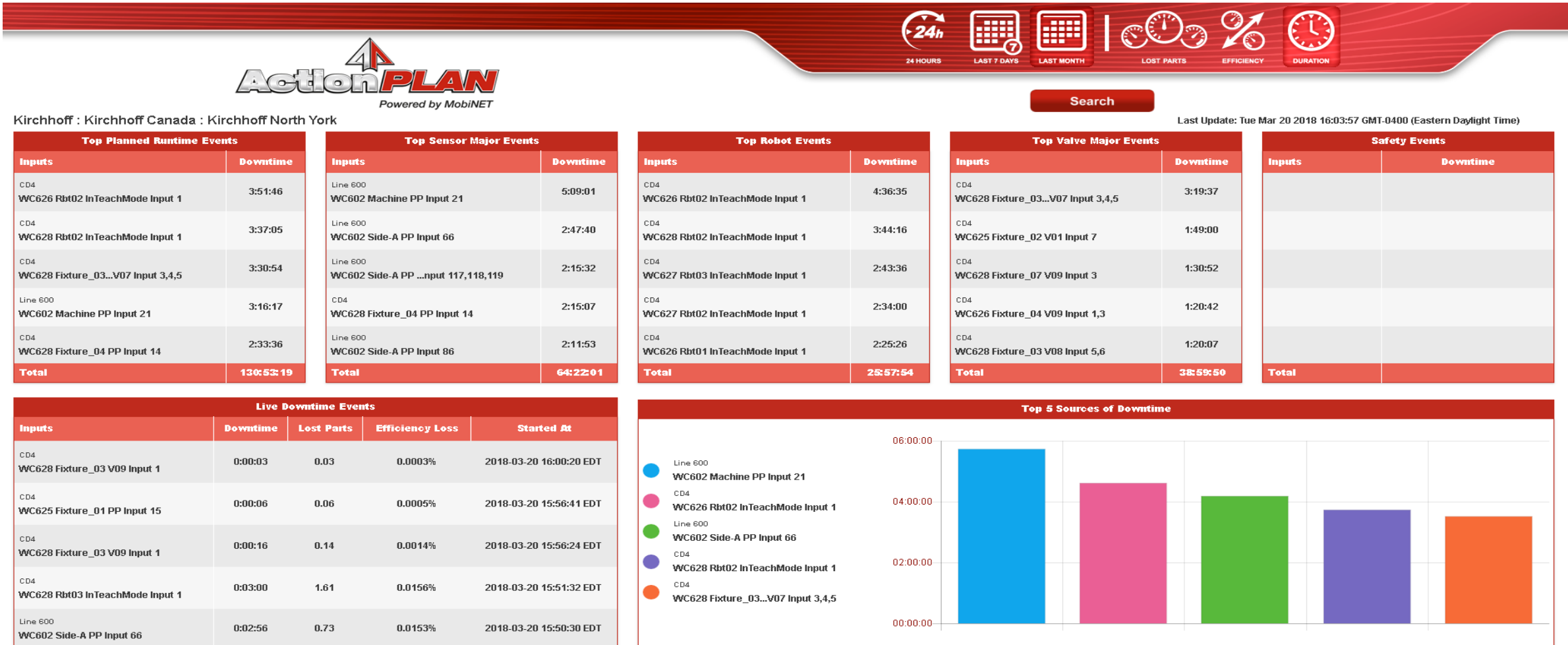


Identifies the priority faults (issues) that the cell / line / plant needs to address

ActionPLAN is a secure technology that:

- Delivers real-time industrial data analytics on data collected from Programmable Logic Controllers (PLCs) and other automation devices (including IoT)
- Provides quantitative-based actionable information to drive industrial process efficiency and maximizing productivity while minimizing unplanned downtime and cost
- Has been architected to ensure security, ease of deployment and scalability

Data Acquisition and Analytics: ActionPLAN



ScreenSTOP, Powered by MobiNET



The Problem:

Current screen blanking technologies that are based on accelerometers or GPS signal have significant deficiencies:



LONG REACTION TIMES



LACK OF ACCURACY



WEAK SIGNALS



FALSE VIBRATION ACTIVATIONS

Data Acquisition and Analytics: ScreenSTOP

The Solution: ScreenSTOP

ScreenSTOP is a patent-pending intelligent in-motion technology solution that eliminates the hazards associated with in-vehicle computer displays installed on lift trucks and other vehicles.

ScreenSTOP reduces operator distraction by immediately “masking” a driver’s onboard computer when movement is detected.

Key Benefits Include:



IMPROVES
SAFETY



MITIGATES LIABILITY
AND LEGAL EXPENSES



INCREASES
PRODUCTIVITY



LOWERS
OPERATIONAL COSTS



Data Acquisition and Analytics: Genetec AutoVu™



AutoVu™

- Automatic license plate recognition (ALPR) system
- Automates license plate reading and identification, making it easier for law enforcement and for municipal and commercial organizations to locate vehicles of interest and enforce parking restrictions
- Designed for both fixed and mobile installations
- Ideal for a variety of applications and entities, including law enforcement, municipal, and commercial organizations
- Route1 was Genetec's AutoVu Premier Partner of the Year in 2016, 2017, 2018, and 2019

CA Department of General Services Contract

- In June 2020, 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™.
- 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.
- **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.

New Technology and Services

We are building a robust Data Services Group

- Materially contributes to revenue and profitability
- Strengthens relationships and retention with existing customers
- Exposes competencies to new large opportunities

The approach can be broken down into three principal areas of focus

1. Software development
2. Managed and professional services
3. Break and fix (enhancement of the legacy business)

Other services as a client's "pain point" dictates including IT services

Annual Operating Performance

In 000s of CAD Dollars	FY 19 A	FY 18 A	FY 17 A	FY 16 A	FY 15 A	FY 14 A	FY 13 A
Revenue	24,009	26,231	6,070	7,447	6,397	6,078	5,433
Subscription Revenue and Services	7,455	6,209	5,698	7,080	6,218	5,470	4,948
Gross Margin	9,031	7,499	4,745	5,973	5,233	4,932	4,296
Gross Margin %	38%	29%	78%	80%	82%	81%	79%
Expenses	8,214	6,892	4,736	5,231	4,515	4,397	4,485
Operating Income	817	607	9	742	718	535	(189)
EBITDA	1,941	1,275	401	1,203	1,152	901	72
AirWatch Litigation	(1,289)	(841)	(270)	(56)	0	0	0
Net (Loss) Income	(554)	(434)	(610)	330	728	637	(343)

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
Revenue	6,363	8,403	8,714	3,430	3,462	4,074	14,895
Subscription Revenue and Services	1,958	2,511	2,136	1,610	1,576	1,628	1,684
Devices, Appliances and Other	4,405	5,891	6,578	1,820	1,886	2,446	13,210
Gross Margin	2,366	2,750	2,761	1,758	1,762	1,858	2,584
Gross Margin %	37%	33%	32%	51%	51%	46%	17%
Expenses	2,334	2,360	2,336	1,824	1,693	1,714	2,150
Operating Income	32	390	426	(66)	69	144	434
EBITDA	358	676	744	200	322	330	627
Net Income (Loss)	(183)	511	0	(554)	(513)	(355)	188

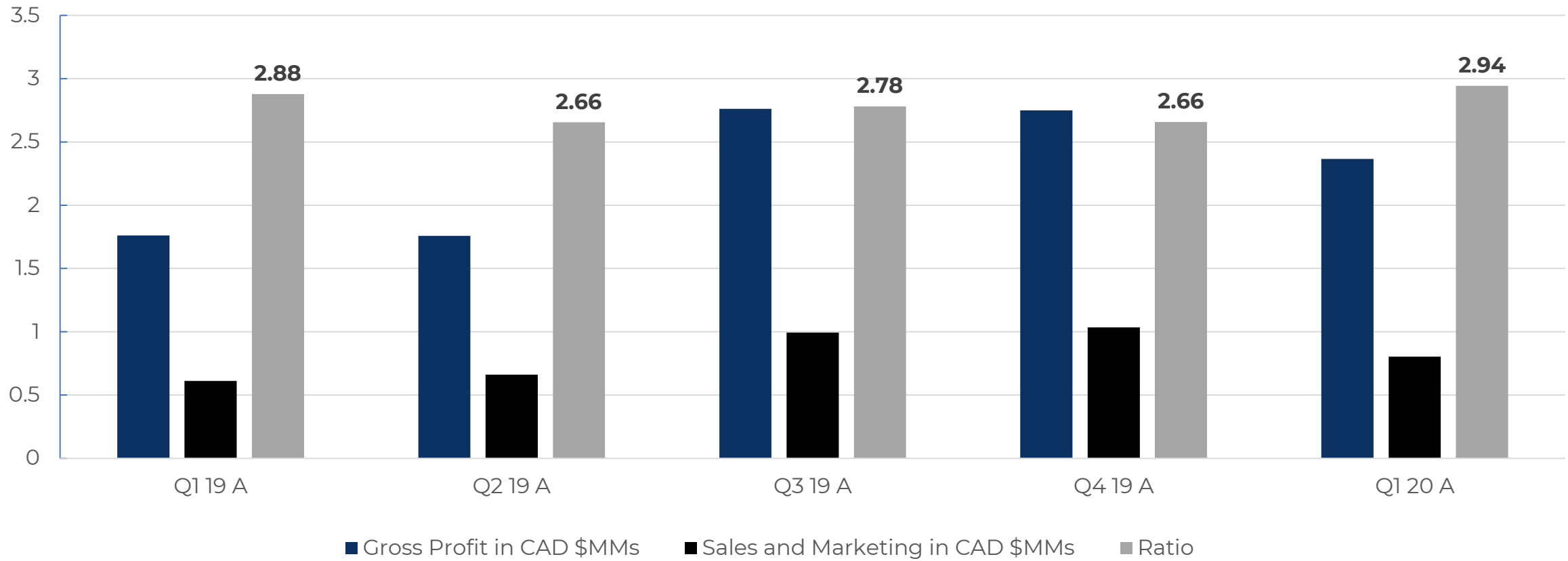
Subscription Revenue and Services

In 000s of CAD Dollars	Q1 A 2020	Q4 A 2019	Q3 A 2019	Q2 A 2019	Q1 A 2019	Q4 A 2018
Application Software	1,217	1,202	1,182	1,196	1,186	1,169
Technology as a Service	321	353	322	311	306	329
Other Services	420	956	632	103	84	130
Total	1,958	2,511	2,136	1,610	1,576	1,628

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
General and Administration	1,359	1,133	1,157	1,015	997	942
Research and Development	171	192	186	147	85	164
Selling and Marketing	804	1,035	993	662	612	608
Total	2,334	2,360	2,336	1,824	1,693	1,714

Gross Profit to Sales and Marketing Cost Ratio



Balance Sheet

In 000s of CAD Dollars	Mar 31 2020 A	Dec 31 2019 A	Sep 30 2019 A	Jun 30 2019 A	Mar 31 2019 A
Cash	116	125	320	702	367
Total current assets	4,391	6,206	6,106	6,219	5,106
Total current liabilities	7,532	9,034	8,749	8,626	6,033
Contract liability (incl. in current liabilities)	1,571	1,750	2,422	2,258	2,626
Net working capital	(3,141)	(2,828)	(2,643)	(2,407)	(927)
Non-current assets	7,110	6,424	4,932	5,307	2,955
Total assets	11,501	12,630	11,780	12,268	8,803
Bank debt and seller notes	2,461	2,415	2,294	1,862	-
Total liabilities	10,551	11,650	11,307	11,415	7,943
Shareholders' Equity	950	980	473	854	860

Capital Expenditures

In 000s of CAD Dollars	Q1 A 2020	FY A 2019	Q4 A 2019	Q3 A 2019	Q2 A 2019	Q1 A 2019
Leasehold Improvements	-	1	-	-	(3)	4
Furniture and Equipment	22	-	-	-	-	-
Computer Hardware (including TaaS)	13	578	56	172	152	198
Computer Software	-	53	11	2	-	-
Intangibles	175	60	10	-	70	11
Total	210	691	77	174	220	213

- Summary of Q1-20 large investments:
 - \$151,000 for CipherSPOT (reclassified from prepaids to intangible assets in Q1 2020)
 - \$22,000 for furniture for the new PCS Denver office
 - \$12,000 for new website

From Pivot to Strong Execution

1. Advance and close on enterprise MobiKEY orders
 - 85%+ gross margin on each new subscription dollar of revenue
 - Recurring revenue, paid in advance
2. Win and market the “gateway” law enforcement bid win in California
3. Drive operational performance; growing EBITDA / cash flow
4. Demonstrate new marketing capabilities; organic growth
5. “Turn on” new DON DEFIMNET
6. Growth through acquisition...



North America's most advanced provider of custom data intelligence solutions to drive your business forward.

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