

Q3-20 Shareholder Update Presentation

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

November 25, 2020

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Our Focus is Our Clients

Gain Actionable Intelligence, Generate Exceptional Outcomes.

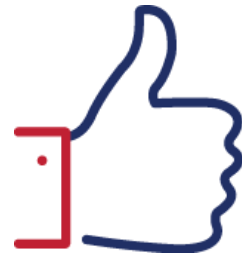
Route1 partners with our clients to assist them in securing and then leveraging their data to make better decisions that lead to:



INCREASED
PROFITABILITY



IMPROVED
EFFICIENCIES



**ENHANCED
OUTCOMES**



GREATER MARKET
SHARE



SUSTAINABLE
COMPETITIVE
ADVANTAGES

We Are an “Outcomes” Based Company

Our Four Pillars of Strength



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 & fix

Annual Operating Performance

In 000s of CAD Dollars	YTD 20 (9) A	FY 19 A	FY 18 A	FY 17 A	FY 16 A	FY 15 A
Revenue	22,479	24,009	26,231	6,070	7,447	6,397
• Subscription Revenue and Services	7,046	7,455	6,209	5,698	7,080	6,218
Gross Margin	8,160	9,031	7,499	4,745	5,973	5,233
• Gross Margin %	36%	38%	29%	78%	80%	82%
Expenses	7,466	8,214	6,892	4,736	5,231	4,515
Operating Income	694	817	607	9	742	718
EBITDA	1,692	1,941	1,275	401	1,203	1,152
AirWatch Litigation	(552)	(1,289)	(841)	(270)	(56)	0
Net (Loss) Income	(771)	(554)	(434)	(610)	330	728

Quarterly Operating Performance

In 000s of CAD Dollars	Q3 A 2020	Q2 A 2020	Q1 A 2020	Q4 A 2019	Q3 A 2019	Q2 A 2019	Q1 A 2019
Revenue	9,147	6,969	6,363	8,403	8,714	3,430	3,462
• Subscription Revenue and Services	2,599	2,489	1,958	2,511	2,136	1,610	1,576
• Devices, Appliances and Other	6,548	4,480	4,405	5,891	6,578	1,820	1,886
Gross Margin	3,013	2,781	2,366	2,750	2,761	1,758	1,762
• Gross Margin %	33%	40%	37%	33%	32%	51%	51%
Expenses	2,562	2,570	2,334	2,360	2,336	1,824	1,693
Operating Income	451	211	32	390	425	(66)	69
EBITDA	778	556	358	676	743	200	322
Net Income (Loss)	(528)	(60)	(183)	511	1	(554)	(513)

Q3 2020 Commentary

31%

Total revenue increased by 31% over Q2-20.

15%

Application software revenue increased by 15% over Q2-20.

33%

GM decreased to 33% from 40% in Q2-20; 46% increase in device revenue.

Litigation Bond

Costs to put AirWatch litigation bond in place and other litigation expenses were \$381K.

External Fraud

Reserve for \$626K related to the recovery of goods fraudulently taken.

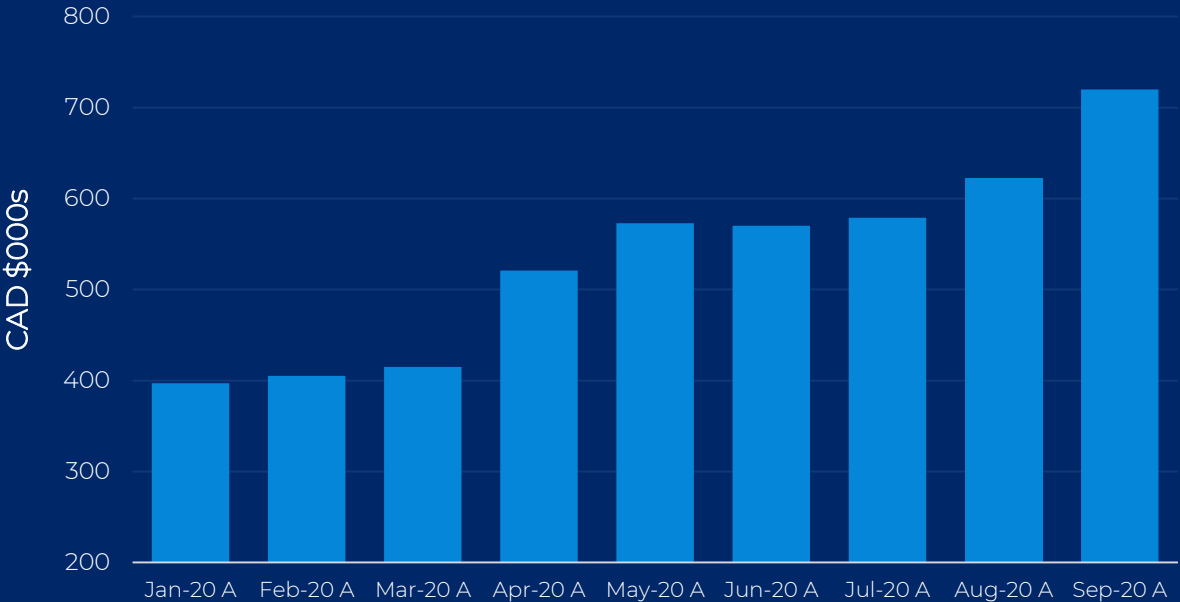
\$194k

Bought 397,000 common shares (\$249K); YTD total of 785,500 common shares (\$487K).

Subscription Revenue and Services

In 000s of CAD Dollars	Q3 A 2020	Q2 A 2020	Q1 A 2020	Q4 A 2019	Q3 A 2019	Q2 A 2019	Q1 A 2019
Application Software	1,923	1,665	1,217	1,202	1,182	1,196	1,186
Technology as a Service	241	315	321	353	322	311	306
Other Services	435	509	420	956	632	103	84
Total	2,599	2,489	1,958	2,511	2,136	1,610	1,576

Understanding the MobiKEY Impact : Subs



Note:

- 1. The MobiKEY user count does not include the surge 15,000 users granted to JSP at no additional revenue.
- 2. 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.

Aug 24-20: New Client, New Contract

4,000

of annual MobiKEY subscriptions on Monday's purchase order.

1,000

Size of increments of subscriptions that client has the option to add to order.

80%

The percentage increase in recurring MobiKEY subscriptions in the last ½ year.

NOT COVID

This sales process began before February 2020 and purchase was based on features and functionality.

\$1.5M

Approximate value in US dollars of the initial order of 4,000 subscriptions.

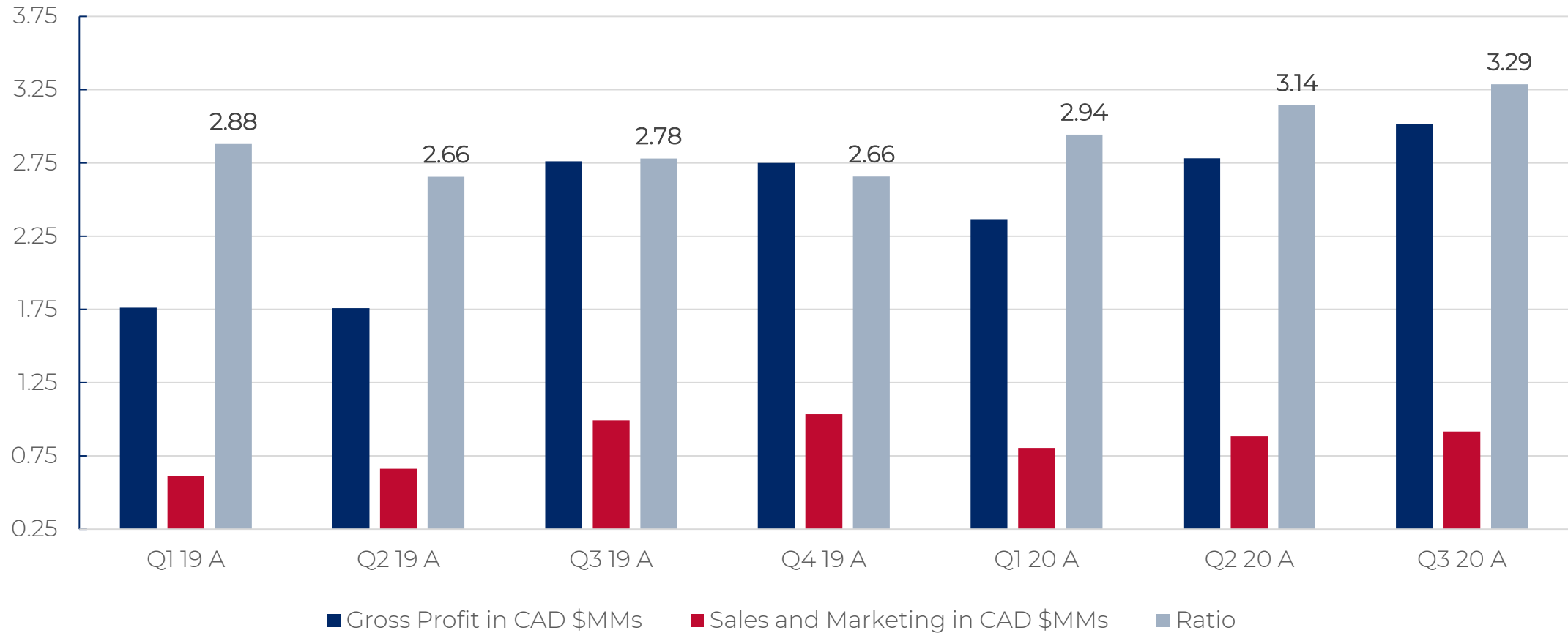
\$740k

Projected monthly MobiKEY subscription revenue (CAD) going forward compared to \$405k in Feb. 2020.

Operating Expenses

In 000s of CAD Dollars	Q3 A 2020	Q2 A 2020	Q1 A 2020	Q4 A 2019	Q3 A 2019	Q2 A 2019	Q1 A 2019
General and Administration	1,456	1,481	1,359	1,133	1,157	1,015	997
Research and Development	189	204	171	192	186	147	85
Selling and Marketing	917	885	804	1,035	993	662	612
Total	2,562	2,570	2,334	2,360	2,336	1,824	1,693

Gross Profit to Sales and Marketing Cost Ratio



Balance Sheet

In 000s of CAD Dollars	Sep 30 2020 A	Jun 30 2020 A	Mar 31 2020 A	Dec 31 2019 A	Sep 30 2019 A	Jun 30 2019 A	Mar 31 2019 A
Cash	-	107	116	125	320	702	367
Total current assets	8,836	5,448	4,391	6,206	6,106	6,219	5,106
Total current liabilities	13,385	8,901	7,532	9,034	8,749	8,626	6,033
Contract liability - included in current liabilities	5,039	4,253	1,571	1,750	2,422	2,258	2,626
Net working capital	(4,549)	(3,453)	(3,141)	(2,828)	(2,643)	(2,407)	(927)
Non-current assets	6,913	6,835	7,110	6,424	4,932	5,307	2,955
Total assets	15,749	12,283	11,501	12,630	11,780	12,268	8,803
Bank debt and seller notes	2,609	1,193	2,461	2,415	2,294	1,862	-
Total liabilities	15,712	11,504	10,551	11,650	11,307	11,415	7,943
Shareholders' Equity	37	778	950	980	473	854	860
Net working capital – not including contract liability	490	800	(1,570)	(1,078)	(221)	(149)	1,699

Capital Expenditures

In 000s of CAD Dollars	Q3 A 2020	Q2 A 2020	Q1 A 2020	Q4 A 2019	Q3 A 2019	Q2 A 2019	Q1 A 2019
Leasehold Improvements	-	-	-	-	-	(3)	4
Furniture and Equipment	28	3	22	-	-	-	-
Computer Hardware (including TaaS)	35	203	13	56	172	152	198
Computer Software	-	-	-	11	2	-	-
Intangibles	32	39	175	10	-	70	11
Total	95	245	210	77	174	220	213

Summary of Q3-20 large investments:

\$29K

Website improvements

\$28K

Office furniture & fixtures

\$18K

JSP DEFIMNET

\$17K

PCs

\$3K

Other

2020 is all about CHANGE



Working from home is here to stay



Policing and law enforcement budgets are being cut and or funds reallocated



Community transparency is a critical theme

- Body worn cameras
- ALPR
- Data access and security



The federal election will have a “real” impact on the economy, how tax dollars are to be spent and public policy

Responding to Market Changes

01

California GSA for ALPR

Win and market the “gateway” ALPR bid win.

02

MobiKEY

Advance enterprise MobiKEY orders

03

EBITDA

Drive operational performance.

04

Launch New Video Offerings

Fixed ALPR, BWC and low-cost storage

05

Marketing Capabilities

Demonstrate new marketing capabilities

06

DON DEFIMNET

Turn on new DON DEFIMNET

07

BWC and Fixed Video

Develop BWC and fixed video capability

08

Settle or Advance Litigation

AirWatch et al.

Financing

- The Company intends to raise up to \$2,500,000 by way of a non-brokered private placement (the "Offering") of Units ("Units") of the Company at a price of \$0.85 per Unit.
- Each Unit will consist of one common share in the capital of Route1 (the "Common Share") and one Common Share Purchase Warrant (the "Warrant").
 - Each Warrant will be exercisable into one Common Share for a period of 18 months at a price of \$1.00 per share.
- The completion of the private placement and payment of any commission and fees remains subject to the receipt of all necessary approvals, including the approval of the TSX Venture Exchange.
- The securities issued will be subject to a statutory hold period in Canada for a period of four months and one day from the Closing Date.
- Proceeds of the private placement will be used for growth and general corporate purposes.

THANK YOU



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