



Route1 Provides Business Update

Toronto, Canada, March 10, 2022 - [Route1 Inc.](#) (OTCQB: ROIUF and TSXV: ROI) (the “Company” or “Route1”), an advanced North American provider of data-centric business empowerment solutions, today provided a business update.

A New Growth Paradigm

With the goal of (a) reducing our dependency on original equipment manufacturers (“OEM”) and the cyclical nature of supply chain and manufacturing disruptions, and (b) addressing the strong enterprise and government trend to move desktop computing to applications accessed in the cloud, Route1’s growth focus will now be tied to its ***core services and engineering competencies***.

The Company will emphasize its turn-key engineering services for clients using video and sensor capture technology to deliver real-time, secure actionable intelligence. We will amplify our customers return on investment by driving outcomes through the application of advanced technological solutions and by leveraging our expertise in video intelligence data. Our continued investment in data security and user authentication technologies including our flagship software application MobiKEY and service delivery platform DEFIMNET, separate us from our turn-key engineering services competitors as we bring a unique skill set as a service to our clients.

According to Mike Jude, IDC research director for Video Surveillance and Vision Applications, "Global revenue for video management systems and video analytic applications was nearly \$1.8 billion in 2020. This represents a 10.9% growth over 2019." Mr. Jude notes, "Growth is expected to continue in this market and will likely top \$3.6 billion by 2025, driven by increasing demand for video data to support business process improvement activities."

As we first shared with the market on November 1, 2021, Route1 continues to see delivery times for equipment that directly or indirectly rely upon semiconductor chips are well beyond traditional norms. We took certain actions over the summer of 2021 based on OEM guidance to mitigate the impact of the global chip shortage on our ability to deliver on purchase orders, including building inventory and encouraging our clients to place orders ahead of their traditional timing cycle. These actions were good short term actions but ultimately do not address the root issue that OEM delivery time has materially impacted our business model.

Route1 currently excels as an engineering and professional services provider for automated license plate recognition (“ALPR”) clients and is seeing growth in the number of accounts, increased investment in the technology once deployed by an account, and strong demand for post-sales support from these accounts.



Technology Focus

Route1 currently is or intends to be active with its turn-key engineering and professional services to support clients investing in video and sensor capture technologies including ALPR, surveillance video, body worn cameras and drones. Further, Route1 intends to expand on its capability to support clients adopting access control technology.

[Genetec](#) will continue to be an important technology partner for Route1.

Turn-key Services

Route1’s turn-key engineering and professional services to support our clients are as follows:

<ul style="list-style-type: none">• Advisory and analysis including operations assessment	<ul style="list-style-type: none">• Installation and configuration
<ul style="list-style-type: none">• Design and engineering	<ul style="list-style-type: none">• End user and administrator training
<ul style="list-style-type: none">• Hardware and software procurement	<ul style="list-style-type: none">• Technology life-cycle maintenance and support
<ul style="list-style-type: none">• Project management	<ul style="list-style-type: none">• Operations optimization

For Route1, operation optimization is centered around data integration and intelligence. Areas of expertise are: (a) data transport, hosting and storage; (b) data presentation including cloud based software applications to deliver data captured in an actionable format; (c) data analytics including integration of multiple data sets; and (d) data and network security, and user authentication. Our focus will be scenarios where video intelligence and related environmental data can augment an organization’s capabilities – whether in private or public sector. Building on our expertise in the video space, combined with our deep-rooted background in software development, system infrastructure operations and cybersecurity, Route1 has a significant competitive advantage and is in position to differentiate itself in the engineering and professional services arena.

The subscription-based revenue model for Route1’s MobiKEY product was one of the first in the industry. Now, Route1 will augment and solidify that recurring revenue stream by adopting the model throughout our Company. Unlike traditional turn-key engineering and professional-services organizations, the emphasis is on engaging our customers in a way that creates an on-going interaction and drives long term recurring revenue. Our investment will be in people and relationships with independent software vendors (“ISV”) and OEMs to leverage their intellectual property to ***gain actionable intelligence that generates exceptional outcomes for our clients.***



FY 2021 Financial Results

The Company will release its financial results for the three and twelve-month periods ending December 31, 2021 in mid to late April 2022. In addition, the Route1 will hold a conference call and web cast at the same time.

Sales Notes

On June 28, 2021, Route1 announced that its wholly owned subsidiary, PCS Mobile, received a purchase order from a State of California law enforcement agency to purchase 197 state-of-the-art ALPR systems that will be deployed in patrol vehicles. The revenue generated by Route1 from the 197 ALPR systems purchase order was approximately US \$1.3 million and has since been recognized. Earlier this quarter, Route1 received a follow on order from the same State of California law enforcement agency. This purchase order is for 144 state-of-the-art ALPR systems that will be deployed in additional patrol vehicles. The revenue generated by Route1 from the 144 ALPR systems purchase order will be approximately US \$0.9 million and should be recognized during Q2 2022 depending on equipment delivery dates. Further, Route1 anticipates growth with this same law enforcement client later this year or early in 2023 but with fixed ALPR systems versus vehicle mounted ALPR systems.

On September 15, 2021 Route1 reported it had acquired Spyrus Solutions Inc. (“Spyrus”). With the acquisition of Spyrus, Route1 added products that provide: (a) safe application execution environment mitigating the risk of malware introduction; (b) modules to create secure Internet of Things interactions across all sectors from military applications to consumer electronics; (c) cryptographically enabled MicroSD cards to secure mobile communications for governments and citizens; and (d) next generation of high-performance encrypted data storage devices from portable flash drives to embedded solid state drives complemented with high assurance management and control platform. Since the closing of the acquisition of Spyrus on September 15, 2021 and through to February 28, 2022, Route1 has generated in excess of US \$0.8 mm in revenue related to Spyrus encryption, authentication and digital content security products. Route1 continues to have a healthy pipeline of opportunities from clients ranging from U.S. civilian and defense agencies and contractors, technology resellers and international governments.

[About Route1 Inc.](#)

Route1 Inc. 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 ROIUF and in Canada on the TSX Venture Exchange under the symbol ROI. For more information, visit: www.route1.com.

For More Information, Contact:

Tony Busseri
President and Chief Executive Officer
+1 480 500-7030
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.

© 2022 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 or future oriented financial information. These statements are based on certain factors and assumptions, including, expectations regarding the success of the private placement and the terms on which the Company will raise funds, price and liquidity of the common shares, expected financial performance, expected subscribers and subscription-based revenue, business prospects, technological developments, development activities, the ability of the Company to obtain the supersedeas bond in order to appeal the decision to the United States Court of Appeals for the Federal Circuit, 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 or future oriented financial information 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 or forecasted performance is not a guarantee of future performance and readers should not rely on historical results or forward-looking statements or future oriented financial information as an assurance of future results.

###