



Route1 Announces Q3 and Year to Date 2022 Financial Results

Toronto, Canada, November 18, 2022 - [Route1 Inc.](#) (TSXV: ROI) (the “Company” or “Route1”), an advanced North American provider of turn-key engineering and professional services, today reported its financial results for the three and nine-month period ended September 30, 2022.

The Company’s operating results for Q3 2022 with comparatives are as follows:

Statement of operations	Q3	Q2	Q1	Q4	Q3	Q2
<i>In 000s of CAD dollars</i>	2022	2022	2022	2021	2021	2021
Revenue						
Subscription and services	1,326	1,854	1,911	1,977	2,297	2,671
Devices and appliances	5,519	5,251	2,781	5,022	4,960	3,663
Other	2	9	3	36	31	4
Total revenue	6,847	7,114	4,695	7,035	7,288	6,338
Cost of revenue	4,842	5,015	2,572	4,660	4,696	3,443
Gross profit	2,005	2,099	2,123	2,375	2,592	2,895
Operating expenses	1,802	1,972	2,012	2,382	2,437	2,451
Operating profit ¹	150	127	111	(7)	155	444
Total other expenses ²	86	183	110	308	216	(17)
Net income (loss)	64	(56)	1	(315)	(61)	461

¹ Before stock-based compensation

² Includes gain on litigation, gain or loss on asset disposal, stock-based compensation expense, interest expense, income tax recovery, foreign exchange loss or gain, other expenses and acquisition expense.

Subscription and services revenue	Q3	Q2	Q1	Q4	Q3	Q2
<i>in 000s of CAD dollars</i>	2022	2022	2022	2021	2021	2021
Application software	804	1,402	1,483	1,504	1,628	1,724
Technology as a service (TaaS)	-	-	-	50	150	435
Other services	521	452	428	423	519	512
Total	1,325	1,854	1,911	1,977	2,297	2,671

Other services revenue	Q3	Q2	Q1	Q4	Q3	Q2
<i>in 000s of CAD dollars</i>	2022	2022	2022	2021	2021	2021
Technology life-cycle maintenance and support	275	214	209	175	177	200
Professional services	246	238	219	248	342	312
Total	521	452	428	423	519	512



Adjusted EBITDA	Q3	Q2	Q1	Q4	Q3	Q2
<i>in 000s of CAD dollars</i>	2022	2022	2022	2021	2021	2021
Adjusted EBITDA ³	543	459	446	341	465	760
Amortization	340	332	335	348	310	316
Operating profit	203	127	111	(7)	155	444

³ Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation and amortization, stock-based compensation, patent litigation, restructuring and other costs. Adjusted EBITDA does not have any standardized meaning prescribed under IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. Adjusted EBITDA allows Route1 to compare its operating performance over time on a consistent basis.

Balance sheet extracts	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
<i>In 000s of CAD dollars</i>	2022	2022	2022	2021	2021	2021
Cash	103	299	481	63	727	166
Total current assets	5,445	4,593	3,618	5,726	7,543	5,008
Total current liabilities	9,629	9,012	8,147	10,563	11,542	9,095
Net working capital	(4,184)	(4,419)	(4,529)	(4,837)	(3,999)	(4,087)
Total assets	14,826	13,909	12,574	15,097	16,833	13,739
Net bank debt and seller notes	3,018	2,515	2,297	2,926	2,194	1,673
Total shareholders' equity	3,209	2,883	2,774	2,728	2,982	2,906

As of November 18, 2022, there are a total of 2,925,000 options currently outstanding under the stock option plan.

Business and Operations Metrics

- Route1 continued to see improved levels of recurring revenue derived from its LPR clients through improved support contracts – technology life-cycle maintenance and support revenue. Route1 started the year at a base of US \$595,000 per annum.

<i>in US 000s</i>	Q1-22 A	Q2-22 A	Q3-22 A
Reported Quarter Value	\$165	\$168	\$213
Annualized Value	\$660	\$672	\$852

- The Company has seen, and expects further growth, in the number of ALPR accounts it has, as active clients. Route1 started the year at 143 unique end users, has an 87% retention rate in FY 2022 and has gross organic growth of 17% as at Nov 18-22.



- Since the closing of the Spyrus Solutions acquisition, the Company has monetized the inventory acquired and realized good short-term success in selling the PocketVault P-3X technology. The Company spent approximately US \$580,000 to acquire Spyrus Solutions.

in US 000s	Q4-21 A	Q1-22 A	Q2-22 A	Q3-22 A
Spyrus Solutions Gross Profit	\$410	\$281	\$109	\$280

Business Update Conference Call and Webcast

The Company will hold a conference call and web cast to provide a business update on Friday, November 18, 2022 at 9 a.m. Eastern Time.

Participants should dial Toll-Free 888-506-0062 or Toll/International 973-528-0011 at least 10 minutes prior to the conference call and web cast. The participant access code is 318548. For those unable to attend the call, a replay will be available at Toll-Free 877-481-4010 or Toll/International 919-882-2331, passcode 47107 until 4:30 pm on November 25, 2022.

The webcast will be presented live at <https://www.webcaster4.com/Webcast/Page/2167/47107>.

About Route1 Inc.

Route1 Inc. is an advanced North American engineering and professional services company using data capture technologies. We bring security and operations together with real-time actionable intelligence to enhance safety and security, drive greater profitability and improve operational efficiencies. With a deep-rooted background in software development, network operations, and cybersecurity, Route1 brings a unique and valuable approach to the turn-key engineering and professional services arena. Route1's services follow a complete life-cycle model, ensuring the evolution of your technology to meet your desired outcomes. Route1 is listed in Canada on the TSX Venture Exchange under the symbol ROI. For more information, visit: www.route1.com.

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