

Business Update Shareholder Presentation

Route1 is an advanced North American engineering and professional services company using data capture technologies.

February 28, 2023

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Route1 Snapshot

- **Bringing security and operations together with real-time actionable intelligence.**
 - Route1 provides you with advanced data in a usable format from video capture technologies to enhance safety and security, driving greater profitability and improving operational efficiencies.
 - We build strong and lasting relationships with our clients and technology partners. We are involved at every step, from design and installation to the continuous support of technological enhancements and ever-changing outcomes.
- **Technology Focus:**
 - Automatic License Plate Recognition (ALPR).
 - Surveillance and Video Intelligence: surveillance video, body worn cameras, access control and drones
 - Data Security and User Authentication.
- **The Route1 Difference:**
 - We leverage our IP and people, and our partners' video capture technology to help our clients gain a better understanding of their data and use that data to develop more intuitive real-time decisions.
 - With a deep-rooted background in software development, network operations, and cybersecurity, Route1 has a significant competitive advantage in the engineering and professional services arena.



Route1 Inc.

Incorporation Year 2006

Employees 31

Offices Scottsdale, AZ
Denver, CO
Cincinnati, OH
Chattanooga, TN
Toronto, Canada

FY 2021 Revenue \$27.6 million

ALPR Clients with Support Contracts 140+

Ticker TSXV: ROI



Defining how we know that the business model direction change was successful and can be scaled?

1. Gross profit generated by non MobiKEY activities on a **Quarterly basis** grows to in excess of US \$1.15 mm
2. Recurring LPR support contracts on an annualized basis are greater than USD \$1.0 mm

We will assist you in tracking our execution against these two immediate term metrics starting with unpackaging our year end 2022 results and following thru 2023.

Metrics will evolve as we move through 2023.

Bigger goal is to be able to pursue acquisition growth in 2H 2023.

From Nov 22: Next 120 Days

- **Operationally focused and cash flow driven**

- Working capital management:

- **Update.** Being addressed in light of 2022 MobiKEY losses. Our ALPR business growth with its associated support agreements will in time strongly assist in **smoothing out** our monthly cash flow (no heavy renewal month for support contracts).
 - **Update.** Not a strong operating performance in Q4-22 due to a delay in the timing of (a) manufacturing new PocketVault P-3X devices, and (b) a large rugged device transaction being bumped into Q1-23.

- Note and debt repayment:

- **Update.** Q2 thru Q3 2023 should see debt levels come down.
 - **Update.** Q1-23 should be a productive quarter operationally as what hurts in Q4-22 helps in Q1-23.
 - **Update.** Cost cutting measures were materially in place by Nov 30-22. Q1-23 and beyond will show a reduced fixed cost burden.

From Nov 22: Next 120 Days

- **Operationally focused and cash flow driven**

- Build the ALPR, video surveillance and rugged device sales pipeline:
 - **Update.** We were the low bidder responding to a State of New Mexico RFP for the use of fixed and mobile LPR technology by State Public Safety agencies. The award was in Jan-23. There is no minimum order size but we believe it will be a productive award this calendar year.
 - **Update.** Named a “Unified Elite Partner” by Genetec. Only ALPR Premier partner to be named such. Building more than ALPR pipeline.
 - **Update.** Building deeper, stronger parking industry partner relationships.
- Put in place the building blocks for the manufacturing of additional PocketVault P-3X product.
 - **Update.** The current “round” of inventory build is complete in Mar-23. Majority of what is being built is already “sold” per sales orders in hand. The next build round will be in Q2-23.

From Nov 22: Next 120 Days

- **Finalize research and development**

- Route1's cloud based, next generation secure, remote access offering.
 - **Update.** We hope to announce a demo client within the U.S. Department of Defense very shortly.
- MobiLPR evolved to support parking use cases.

Other Updates

- **Funding updates**

- RBC facility upsized from CAD \$1.050 mm to \$1.225 mm in Feb-23.
- The private lender promissory note being repaid in a monthly payments thru April 30, 2024. The note bears interest at 12% per annum and has a monthly repayment schedule. At December 31, 2022, the balance drawn on the promissory note was \$634,994.

THANK YOU



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