Route1 Securing Enterprise Mobility

Route1's Services Revenue Grows by 14%, Reports 2015 First Quarter Financial Results

Toronto, May 5, 2015 - Route1 Inc. (TSXV: ROI) (the "Company" or "Route1"), a leading provider of secure access technologies for the mobile workspace that protects businesses and government agencies, and whose customers include the U.S. Department of Defense, the Department of Homeland Security, the Department of Energy and the Government of Canada, today announced its first quarter (Q1) financial results for the three month period ended March 31, 2015.

For the first quarter of 2015, total revenue was $1.54 million compared with $1.76 million in Q1 2014.

Total Revenue *In 000s of CAD dollars*	**Q1 2015**	Q1 2014
Devices	**55**	461
Services	**1,461**	1,281
Other	**21**	14
Total Revenue	**1,538**	1,756

During the first quarter of 2015 Route1 realized further growth in revenue from subscribers (recurring revenue), for the fourth consecutive quarter. The net increase in MobiKEY application software users (subscriber revenue being the largest component of Route1's services revenue) continues to be largely a result of continued growth from accounts within the U.S. Department of Defense.

The decrease in device revenue from the comparable quarter is a result of a large MobiKEY device order that wasn't repeated in the current quarter.

Revenue from Subscribers *In 000s of CAD dollars*	**Mar 31 2015**	Dec 31 2014	Sep 30 2014	Jun 30 2014	Mar 31 2014
Closing number of subscribers	**15,012**	14,792	14,645	14,461	14,240
Average number of subscribers	**14,983**	14,631	14,588	14,401	14,198
Revenue per subscriber	**$334**	$334	$332	$329	$312
Subscriber Revenue	**$1,252**	$1,221	$1,211	$1,185	$1,108

Gross profit was $1.27 million or 83% of revenue in Q1 2015, compared to gross profit of $1.41 million or 80% of revenue in Q1 2014.

Route1's Q1 2015 total comprehensive net income was $0.6 million compared to $0.4 million during the same period in 2014.

Earnings before interest, tax, depreciation, and amortization (Adjusted EBITDA) during the first quarter of 2015 amounted to $404,000 compared to $564,000 in Q1 2014.

Adjusted EBITDA *in 000s of CAD dollars*	**Mar 31 2015**	Dec 31 2014	Sep 30 2014	Jun 30 2014	Mar 31 2014
Revenue	**1,538**	1,485	1,432	1,404	1,756
Adjusted EBITDA	**404**	107	110	120	564
Amortization	**90**	87	89	94	95
Operating profit before stock based compensation	**314**	20	21	26	469

During Q1 2015, Route1 had cash generated from operating activities of approximately $0.1 million compared with cash used of $0.4 million in Q1 2014.

Balance Sheet Extracts *In 000s of CAD dollars*	**Mar 31 2015**	Dec 31 2014	Mar 31 2014
Cash	**1,277**	1,533	332
Total current assets	**3,363**	2,246	3,057
Total current liabilities	**2,986**	1,927	2,629
Net working capital	**377**	319	428
Total assets	**4,631**	2,976	3,778
Bank debt	**0**	0	0
Total liabilities	**3,092**	2,032	2,770

Route1's cash position is at its highest level during the second quarter of the fiscal year as a direct result of the timing of annual enterprise user subscription renewal payments.

Share Repurchase Program

On September 5, 2014, the Company announced with approval from the TSX Venture Exchange its intention to make a Normal Course Issuer Bid ("NCIB"). The NCIB permits the Company to purchase for cancellation up to 10% of the common shares in the public float. The maximum number of shares allowed for repurchase is 38,200,991. Purchases under the NCIB commenced September 11, 2014 and will end September 10, 2015, or the date upon which the maximum number of common shares have been purchased by the Company.

For the quarter ended March 31, 2015, the Company repurchased for cancellation 740,000 of its common shares for total consideration of $28,850, at an approximate average price of $0.04 per share under the NCIB. As of March 31, 2015 the Company has purchased a total of 9,976,000 common shares under the NCIB.

Business Development Update

The Company provided an update on April 1, 2015. The presentation can be found on Route1's website at https://www.route1.com/investors/company-presentations.html.

The following is an update to certain information provided on the conference call and web cast:

- The Company's two largest accounts - both with an annual spring renewal date - have now been renewed.
- As previously reported, Route1 received and fulfilled device orders from a component of the DOD for approximately 720 MobiKEY Fusion devices in the second half of fiscal year 2014. The reported closing number of subscribers does not account for the expected user count growth attached to the device orders. The delay in "lighting up the users" continues to be a direct result of a contracting issue related to the customer's transition to a next generation program. Route1 now expects the contracting issue will be resolved during the second quarter of 2015.
- As planned, Route1 has built, tested and shipped a DEFIMNET platform to U.S. Fish and Wildlife Service (FWS) and it is expected the platform will be installed and accredited for use by FWS and the broader U.S. Department of Interior during the second quarter of 2015.

ABOUT ROUTE1, INC.

Route1 enables the mobile workspace without compromising on security. Its flagship technology MobiKEY uniquely combines secure mobile access, with high assurance identity validation and plug-and-play usability. Remote and mobile workers are able to securely and cost effectively access their workspace from any device without exposing the organization to the risk of data spillage or malware propagation. MobiKEY customers include Fortune 500 enterprises as well as the U.S. Department of Defense, the Department of Homeland Security, the Department of Energy and the Government of Canada. Headquartered in Toronto, Canada, Route1 is listed on the TSX Venture Exchange.

For more information, visit our website at: www.route1.com.

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