Route1 Reports 2016 Third Quarter Financial Results

Company Posts its Eleventh Consecutive Quarter of Growth in Services Revenue and MobiKEY Subscribers

Toronto, November 22, 2016 - Route1 Inc. (TSXV: ROI) (the Company or Route1), a world-leader in secure data protection technologies and user authentication for government and enterprise, today announced its third quarter (Q3) and year to date (YTD) financial results for the period ended September 30, 2016.

In 000s of CAD dollars	**Q3 2016**	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Revenue					
Device	**221**	51	69	9	42
Services	**1,808**	1,760	1,648	1,616	1,572
Other	**2**	1	1	0	0
Total Revenue	**2,031**	1,812	1,718	1,625	1,614
Cost of revenue	**448**	341	348	284	320
Gross profit	**1,583**	1,471	1,370	1,341	1,294
Operating expenses	**1,243**	1,299	1,332	1,189	1,170
Operating profit (1)	**340**	172	38	152	124
Total other expenses	**(34)**	27	(304)	225	(22)
Comprehensive net income	**306**	199	(266)	377	102

(1) Note: Before stock-based compensation

During the third quarter of 2016, Route1 realized growth in revenue from MobiKEY application software subscribers (recurring revenue). Revenue from Services includes MobiKEY application software, the MobiNET (DEFIMNET) platform and other appliance licensing or yearly maintenance.

Services Revenue	**Q3 2016**	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Closing number of subscribers	**17,344**	16,800	16,490	16,286	15,989
Revenue per subscriber	**$383**	$383	$367	$361	$362
Subscriber Revenue *	**$1,639**	$1,591	$1,496	$1,467	$1,424
Other Services Revenue *	**$169**	$169	$152	$149	$148
Total Services Revenue *	**$1,808**	$1,760	$1,648	$1,616	$1,572

* Note: Figures are in CAD 000s

Earnings before interest, taxes, depreciation amortization, and stock-based compensation (Adjusted EBITDA) during the third quarter of 2016 amounted to approximately $447,000 compared to $242,000 in Q3 2015.

in 000s of CAD dollars	**Q3 2016**	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Gross Profit	**1,583**	1,471	1,370	1,341	1,294
Adjusted EBITDA	**447**	278	172	279	242
Amortization	**107**	106	134	127	118
Operating profit before stock based compensation	**340**	172	38	152	124

Route1 used cash in operating activities of approximately $0.7 million during Q3 2016 compared with cash used of $0.9 million in Q3 2015. As at September 30, 2016, the Company had no bank debt and a cash balance of $2.9 million.

Balance Sheet Extracts	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30
In 000s of CAD dollars	**2016**	2016	2016	2015	2015
Cash	**2,898**	3,735	407	1,251	2,433
Total current assets	**3,938**	4,765	3,880	2,112	3,161
Total current liabilities	**3,555**	4,719	3,814	1,948	3,155
Net working capital	**383**	46	66	164	6
Total assets	**5,230**	6,116	5,296	3,656	4,466
Bank debt	**0**	0	0	0	0
Total liabilities	**3,656**	4,820	3,919	2,059	3,256

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 16, 2016, the Company announced with approval from the TSX Venture Exchange its intention to make another NCIB. The NCIB permits the Company to purchase for cancellation up to 5% of the common shares in the public float. The maximum number of shares allowed for repurchase is 17,563,870. Purchases under the NCIB may occur during the 12 month period commencing September 27, 2016 and ending September 26, 2017, or the date upon which the maximum number of common shares have been purchased by the Company.

For the nine months ended September 30, 2016, the Company in aggregate repurchased for cancellation 11,582,000 of its common shares for a consideration of $543,710, at an approximate average price of $0.047 per share under the NCIB. For the nine months ended September 30, 2015, the Company repurchased for cancellation 7,691,500 of its common shares for a consideration of $361,927 at an average price of $0.047 per share under the NCIB.

Business and Product Development Highlights

Route1 provided a Q3 2016 Operations Update via an investor presentation and conference call on October 18, 2016. The investor presentation was filed on SEDAR at www.sedar.ca and is also available on Route1's website at www.route1.com/investors/company-presentations.html.

About Route1, Inc.

Route1 Inc. is a world-leader in secure data protection technologies and user authentication for government and enterprise. Route1 solutions enable the workforce to be more productive and more flexible without compromising system access, data-at-rest, or data-in-use. The Company's suite of patented enterprise security solutions combines best-in-class authentication, data security and secure communications with streamlined administration tools, running on a proven, trusted infrastructure. From mobile access to business continuity to best-in-class full system encryption, Route1 offers the most effective, affordable methods to secure the digital fortress, while meeting or exceeding the highest standards for government and industry. Route1 has Full Authority to Operate from the U.S. Department of Defense, the U.S. Department of the Navy, the U.S. Department of Homeland Security, the U.S. Department of the Interior, and other government agencies. The Company is also trusted by enterprise security teams in the banking, healthcare, legal and education sectors, among others. With offices in Washington, D.C., Boca Raton, FL and Toronto, Canada, Route1 serves public and private sector clients around the world. Route1 is listed on the TSX Venture Exchange under the ticker symbol TSXV: ROI.

For more information, visit: www.route1.com.

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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.

The DEFIMNET and MobiNET platforms, the MobiKEY, MobiKEY Classic, MobiKEY Classic 2, MobiKEY Classic 3, MobiKEY Fusion, MobiKEY Fusion2, and MobiKEY Fusion3 devices, and MobiLINK are protected by U.S. Patents 7,814,216, 7,739,726, 9,059,962, 9,059,997 and 9,319,385, Canadian Patent 2,578,053, and other patents pending. The MobiKEY Classic 2 and MobiKEY Classic 3 devices are also protected by U.S. Patents 6,748,541 and 6,763,399, and European Patent 1001329 of Aladdin Knowledge Systems Ltd. and used under license. Other patents are registered or pending in various countries around the world.

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