

Route1 Provides Operations Update

Toronto, Canada, March 19, 2020 - [Route1 Inc.](#) (OTCQB: ROIUF and TSXV: ROI) (the “Company” or “Route1”), an advanced North American provider of data-centric business empowerment solutions, today provided an update on its business operations.

Q4 2020 Revenue and Gross Profit

<i>In 000s of CAD dollars</i>	Q4	Q3	Q2	Q1	Q4	Q3
	2019	2019	2019	2019	2018	2018
Revenue						
Subscription and services	2,133	2,136	1,610	1,576	1,628	1,684
Devices and appliances	6,270	6,576	1,819	1,883	2,440	13,207
Other	1	2	1	3	6	4
Total revenue	8,403	8,714	3,430	3,462	4,074	14,895
Cost of revenue	5,653	5,953	1,672	1,700	2,216	12,311
Gross profit	2,750	2,761	1,758	1,762	1,858	2,584
Gross Margin	33%	32%	51%	51%	46%	17%

The gross margin in Q3 and Q4 2019 is directly related to the composition of the revenue subsequent to the acquisition of PCS Mobile on June 28, 2019.

The fourth quarter of the calendar year also realizes a rugged device sales slowdown directly related to seasonal holidays.

Q4 2019 Sales Mix

In Q4 2019, Route1 had revenue of approximately CAD \$8.4 million and gross profit of CAD \$2.75 million. Significant drivers of revenue were as follows:

- A fire department in the state of Tennessee purchased 150 Panasonic Toughbook rugged laptops.
 - Solution outcome: Our client is a repeat customer that last purchased rugged laptops six years ago. The mobile data computers or MDCs are used in all of the client’s fire apparatus and vehicles.
 - Revenue: CAD \$1.16 million
- An energy generation corporation in the southeastern U.S. purchased 200 Getac rugged tablets.
 - Solution outcome: Our client’s field crews are now able to receive work orders from dispatchers in real-time enabling the field crew to optimize assignments as conditions constantly change in their environment.
 - Revenue: CAD \$0.53 million

- A U.S. Department of Defense client continued its use of [MobiKEY](#).
 - Solution outcome: Addressed the client's secure remote access.
 - Revenue: CAD \$0.46 million
- The U.S. Department of the Navy continued its use of MobiKEY.
 - Solution outcome: Addressed the client's secure remote access.
 - Revenue: CAD \$0.35 million
- A worldwide clothing and sports equipment manufacturer purchased over 100 Zebra handheld scanners running on Android, replacing their outdated devices running on a Windows CE based operating system.
 - Solution Outcome: Enabling our client's warehouse workers to quickly locate, pick, and capture data from inventory. Ultimately, streamlining efficiency and increasing workflow within their supply chain.
 - Revenue: CAD \$0.37 million
- A police department in the state of North Dakota purchased 43 Panasonic Toughbooks rugged laptops with docking stations.
 - Solution outcome: The client uses the laptops data communications, mobile video record management, electronic ticketing, which are all categorized under the realm of public safety.
 - Revenue: CAD \$0.28 million
- A North American auto parts manufacturer/remanufacturer purchased 42 Zebra semi-rugged tablets, barcode scanners, and hand straps.
 - Solution Outcome: Enabled our client's forklift operators to safely capture and visualize data while picking and loading their inventory.
 - Revenue: CAD \$0.21 million
- A local government in the state of Arizona purchased Panasonic laptops for the police department.
 - Solution outcome: The county makes purchases of 30-60 laptops every fiscal year. From their annual purchase, the county distributes them to departments that require the technology as a hardware update.
 - Revenue: CAD \$0.15 million
- In aggregate revenue was generated from 116 municipal and commercial organizations adopting the Genetec [AutoVu](#)™ automatic license plate recognition (ALPR) system.
 - Solution outcome: Automation of license plate reading and identification thereby making it easier for law enforcement and for municipal and commercial organizations to locate vehicles of interest and enforce parking restrictions.
 - Revenue: CAD \$1.29 million



As we move forward, we expect our quarterly revenue to fluctuate depending on the mix, timing of completion of projects and seasonality of the Company's revenue.

Corporate Development

In order to expand our enterprise and public safety client base, and grow our profitability through the leveraging of our human and technology capital, on April 3, 2020 Route1 will acquire the assets of Mobile-Tek Consulting, LLC, a reseller of rugged mobile device hardware. Route1 will pay cash of US \$50,000 in two instalments for the assets of the company and also assume US \$25,000 in net working capital.

Based in Cincinnati, Ohio, Mobile-Tek sells rugged devices and applications including but not limited to Panasonic Toughbook mobile computers, Fujitsu and Getac rugged and semi-rugged tablets, Zebra handheld devices, and accessories from Gamber-Johnson and Havis to public safety and enterprise clients principally in the states of Ohio, West Virginia, Michigan, Indiana and Kentucky. The company also refurbishes off warranty rugged devices and resells them.

MobileTek will operate under the tradename of PCS Mobile, a Route1 company.

Mobile-Tek has historically generated in excess of US \$2.5 million in annual sales. The company is owned by Howard Mandel who has signed an employment agreement with PCS Mobile, a Route1 company, in an outside sales capacity. Including Howard, Mobile-Tek will bring three employees to the Route1 team – two in sales and one in help desk support.

AirWatch US Lawsuit

On October 7, 2019, Route1 appealed to the United States Court of Appeals for the Federal Circuit from the district court's August 7, 2019 decision finding that AirWatch has not infringed Route1's U.S. Patent No 7,814,216. Briefings will be complete on March 20, 2020, and Route1 expects that a decision is likely in the fourth quarter of 2020 or first quarter of 2021.

VMWare Canadian Lawsuit

In December 2018, Route1 Inc. commenced a patent infringement lawsuit in Canada against VMware, Inc., asserting that at least five claims of Route1's patent was infringed. The case has since proceeded and Route1 Inc. has received further disclosure from VMware, Inc. As a result, on March 11, 2020 Route1 Inc. filed an amended Statement of Claim increasing the number of infringed claims from Route1's patent from five to thirty-four. The Canadian lawsuit continues to proceed, with inventor and corporate examinations having been conducted in Toronto, Ontario and Chandler, Arizona in Q1 2020. Route1 Inc. continues to work with its counsel to build its case in preparation for trial before the Federal Court of Canada.



Q4 and FY 2019 Financial Results Notification

Route1 will report its financial results for the three- and twelve-month periods ended December 31, 2019 prior to the markets opening on Tuesday, April 21, 2020. The Company will also hold a conference call and web cast to discuss the Company's financial results and provide a business update on the same day at 4:30 p.m. eastern.

Dial in and the webcast link information will be provided prior to April 21st.

About Route1 Inc.

Route1 Inc., also operating under the tradenames GroupMobile and PCS Mobile, 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
Chief Executive Officer +1
416 509 1496
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.

© 2020 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. These statements are based on certain factors and assumptions, including, price and liquidity of the common shares, expected financial performance, business prospects, technological developments, and development activities 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 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 performance is not guarantee of future performance and readers should not rely on historical results as an indication of future results.

#