ROUTE1
DRIVING DATA FORWARD

QY and FY 2023 Business Update Shareholder Presentation

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

April 25, 2024

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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 (LPR).
  - 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	24
Offices	**Scottsdale, AZ** Denver, CO Chattanooga, TN Toronto, Canada
Revenue	FY 21 - $27.3 million FY 22 - $22.0 million FY 23 - $17.6 million
LPR Clients with Support Contracts	133
Ticker	TSXV: ROI

Genetec Unified Elite Partner

Annual Operating Performance

In 000s of CAD Dollars	FY 23 A	FY 22 A	FY 21 A
Revenue	**17,578**	22,045	27,306
• Subscription Revenue and Services	**4,457**	6,194	9,702
Gross Margin	**5,875**	7,583	10,860
• Gross Margin %	**33%**	34%	40%
Expenses	**6,439**	7,645	9,797
Operating Income	**(564)**	(62)	1,062
EBITDA	**714**	1,307	2,378
Net Income (Loss)	**(1,283)**	(1,721)	263

Quarterly Operating Performance

In 000s of Dollars	Q4 A 2023	Q3 A 2023	Q2 A 2023	Q1 A 2023
Revenue	4,296	4,523	4,184	4,575
Devices and Appliances	3,222	3,370	3,026	3,486
Subscription Revenue and Services	1,064	1,147	1,159	1,086
Other Revenue	10	5	(1)	3
Gross Margin	**1,499**	**1,525**	**1,173**	**1,678**
Gross Margin %	35%	34%	28%	37%
Expenses	1,558	1,542	1,533	1,805
Operating Income	(59)	(17)	(360)	(128)
EBITDA	**226**	**297**	**(27)**	**219**
Net Income (Loss)	(285)	(70)	(625)	(303)

Recurring Revenue Profile

In 000s of Dollars	Q4 A 2023	Q3 A 2023	Q2 A 2023	Q1 A 2023
Subscription Revenue and Services	1,064	1,147	1,159	1,086
Components:				
Application Software	139	280	343	456
Professional Services	602	554	506	345
Technology Life-Cycle Maintenance and Support	323	313	310	285
MobiKEY Revenue Notes:				
JSP	-	-	-	59
DON	-	129	133	167
All Other	139	198	210	230

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

in US 000s	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Quarter Value	**$1,170**	$1,124	$794	$1,163	$862	$1,231

2. **Recurring ALPR support contracts** on an annualized basis are greater than USD $1.0 mm

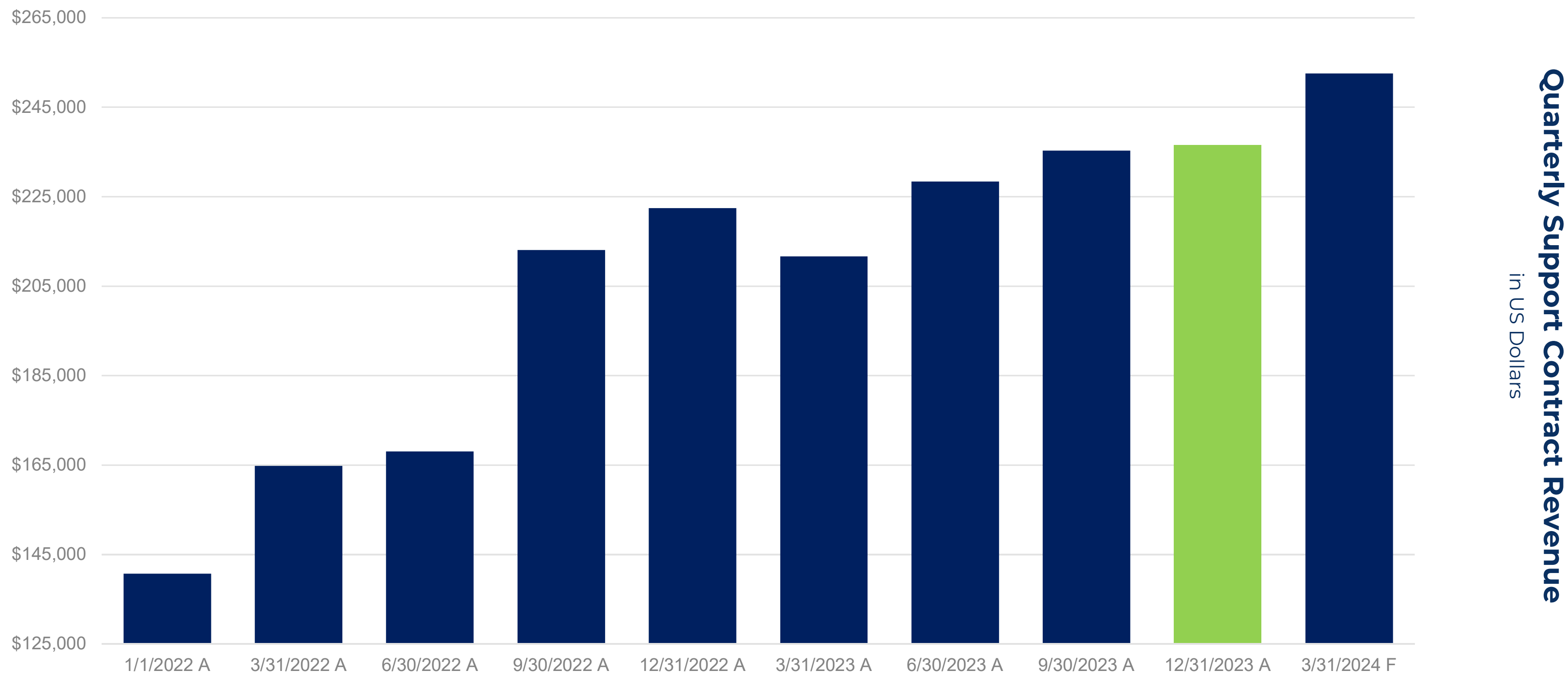
in US 000s	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Quarter Value	**$237**	$235	$228	$212	$222	$213
Annualized Value	**$946**	$941	$914	$847	$888	$852

3. **Fixed costs** including amortization need to not exceed CAD $1.65 million per quarter

in US 000s	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Quarter Value	**$1,558**	$1,542	$1,533	$1,805	$1,859	$1,802

The larger goal is to be able to pursue acquisition growth in the 2H of 2024.

LPR - Growing Support Revenue



Indirect Costs

In 000s of Dollars	Q4 A 2023	Q3 A 2023	Q2 A 2023	Q1 A 2023
General and Administration (includes amortization)	1,218	1,227	1,248	1,332
Research and Development	51	36	(34)	93
Selling and Marketing	289	279	320	380
Total	**1,558**	**1,542**	**1,533**	**1,805**
Amortization	285	314	332	346
Total with no Amortization	**1,273**	**1,228**	**1,201**	**1,459**

Turnkey Engineering Services

Mission and Positioning

- Best-in-class engineering and professional services company focused on helping our customers achieve successful outcomes deploying and leveraging video capture based technologies, i.e. ALPR, Body Worn Cameras (BWC), Surveillance Video.
- For Route1 to be recognized by Genetec, our customers and the industry for being uniquely positioned and visionary in our approach to deploying, servicing and supporting technology deployments focused on our **client's outcomes.**
- At Route1 we are more than just hardware installers, we are willing to get out and see our customers, we are willing to invest in their programs and teams' training, strategies and outcomes.
- Our team is always available and capable of helping customers solve the smallest or largest problems, organically or by bringing the right resources together to find solutions, our team is second to none.
- **Target market:** Focus on secondary markets, including small to medium sized cities, universities and public safety.

Target Audience and Customer Segments

- **Installed Base**: Existing ALPR and rugged device customers both current and past.
- **New Logos**: Targets include higher education schools, cities, corporate headquarters and public safety agencies.
- **Partners**: Grow and develop strategic partnerships focused on driving new logo sales right away. We need our partners to think of us when they are involved in consulting or RFP development phase. We need to expand this even further with the ***goal*** of establishing sole source or exclusivity with some of our partners or at least get so integrated with them that they see us as an extension of their organization when it comes to ALPR.
- **Customer Personas**: Creative and driven type; those individuals, institutions or organizations that want to lead change for the community by building strong relationships and networks that can help to make their vision a reality.

Cybersecurity Offerings

A. MobiKEY X

- **Expected 2024 Revenue:** Approximately USD $250,000 to $0.4 million

B. PocketVault P-3X

- A secure storage token that is a high-security, use anywhere encrypted solid-state disk (SSD) drive that protects data.
- Drag files to it, as you would with any USB drive. Every file is securely protected in its encrypted solid-state storage.
- Includes an embedded PKI smartcard for multi-factor authentication
- **We assemble and or contract manufacture PocketVault P-3X devices:**
  - We procure flash memory from third parties
  - We use a US based contract manufacturer for less than 1 TB devices and we assemble our own 1 and 2 TB devices using purchased cases
- **Expected 2024 Revenue:** Approximately USD $750,000 to $1.0 million

Balance Sheet

In 000s of CAD Dollars	Dec 31 23 A	Dec 31 22 A
Cash	38	79
Total current assets	3,071	4,901
Total current liabilities	8,089	8,825
Current contract liabilities (“CCL”)	892	985
Net working capital (“NWC”)	(5,018)	(3,924)
Non-current assets	6,470	8,939
Total assets	9,541	13,839
Bank debt and promissory/seller notes	**3,258**	**3,118**
Total liabilities	8,957	10,933
Shareholders’ Equity	584	2,906
NWC – not including CCL and lease liabilities	(3,622)	(2,478)

Net Debt

In 000s of CAD Dollars	Dec 31 23 A	Dec 31 22 A	Dec 31 21 A
Lines of Credit (RBC and Vectra Bank)	2,898	2,420	1,626
Windsor Promissory Note	360	635	632
PCS Mobile Seller Promissory Notes(s)	0	63	263
Spyrus Promissory Note(s)	0	0	266
Bank Account Balances	(38)	(79)	(62)
Net Debt	**3,220**	**3,039**	**2,926**

- **Funding updates**
  - RBC facility upsized from CAD $1.050 mm to $1.225 mm in Feb-23.

What's Next?

Extended Stability – 1H 2024

- Continue to build the ALPR, video surveillance and rugged device sales pipelines.
- Organically grow our cybersecurity practice.
- Four quarters of trailing EBITDA in excess of $1.0 mm.
- Improved working capital position from Dec 31-23.
- Reduce third party debt level from Dec 31-23.

Growth

- Scale the business model.

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