



ROUTE1 ANNOUNCES BUSINESS UPDATES AND ITS FINANCIAL RESULTS FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2025

Route1 Launches Actionable Business Intelligence 3.0 for its ALPR Clients and an Additional Sale of Employee Retention Credits

TORONTO, CANADA, AUGUST 26, 2025 - [Route1 Inc.](#) (TSXV: ROI) (“Route1” or the “Company”), a leading engineering and professional services firm specializing in the deployment and integration of advanced data capture-based technologies, and actionable business intelligence (“ABI”) to city, state, and federal first responder departments, public safety and parking managers, today provided important business updates and reported its financial results for the three- and six-month periods ended June 30, 2025.

ACTIONABLE BUSINESS INTELLIGENCE (“ABI”) SOFTWARE APPLICATION

In June 2025, Route1 unveiled an advanced business intelligence software application – www.route1.com/abi - purpose-built to harness the dormant power of automated license plate recognition (ALPR) data. Designed to seamlessly integrate with the Genetec AutoVu™ system, this platform transforms high-volume ALPR telemetry into a structured framework for operational optimization - delivering unparalleled intelligence to municipalities, universities, and enterprise parking operators.

Route1’s actionable intelligence solution empowers parking and public safety professionals to extract strategic value from raw ALPR feeds via a secure, analytics-driven architecture. By assessing systemic performance, monitoring dynamic inventory utilization, and quantifying enforcement outcomes, the platform operationalizes insight in alignment with real-world objectives - shifting decision making from reactive to predictive, and from anecdotal to empirical.

Route1’s cloud-native platform utilizes continuous ALPR camera streams into the Route1 Neural Intelligence Fabric™ - a proprietary, ultra-scalable orchestration engine engineered for real-time event synthesis and semantic signal extraction. Drawing on deep parking domain expertise, raw ALPR telemetry is transfigured into the Operational Intelligence Matrix™: a precision-modeled, high-fidelity substrate built for tactical clarity and actionable insight. This intelligence layer powers our interactive visualization engine, delivering an unprecedented level of operational visibility - enabling operators to uncover inefficiencies, forecast enforcement hotspots, and deploy strategy with surgical precision. By aligning predictive analytics with live operational signals, the system transforms fragmented telemetry into a unified strategic core—amplifying revenue recovery, regulatory compliance, and urban safety.

Through an intuitive interface, professionals can compare current operational performance against adaptive benchmarks derived by Route1’s domain experts. These benchmarks - segmented by Enforcement and Parking - serve as intelligent baselines for real-time KPI tracking, trend deviation

analysis, and compliance monitoring across a rolling twelve-month window. With embedded analytics and continuous feedback loops, the system elevates visibility, accountability, and impact at every layer of operational oversight.

A short summary of the ABI software versions released to the marketplace are as follows:

- Version 1.0 was released in June 2025 with a focus on data captured by **mobile ALPR cameras** - commonly referred to as Enforcement Metrics. These include real-time tracking of license plate scans, hit rates, and enforcement outcomes - categorized as successful, unenforced, or rejected hits - delivering a high-resolution view of mobile enforcement performance and route efficacy.
- Version 2.0 was also released in June 2025 introducing **integrated mapping capabilities**, enabling users to spatially contextualize enforcement data for geo-specific insight, heatmap overlays, and precision route refinement.
- Version 3.0.1 was released earlier today incorporating data from **fixed ALPR cameras** - classified as Parking Metrics. This expansion unlocks detailed visibility into parking session density, violation frequency, facility utilization rates, dwell time distributions, and incomplete session anomalies, empowering operators to optimize policy enforcement, staffing, and monetization strategies with data-backed precision.
- Version 3.0.2 will be released by August 29, 2025 and include specific end user requested enhancements.
- Version 3.5 will be released on or before September 30, 2025 adding integration with parking ticketing systems and applications to provide transparency on the economic impact or the opportunity cost of not meeting benchmarks, and in addition quantifying the economic opportunity of an additional mobile ALPR enforcement vehicle.

Tony Busseri, President and CEO of Route1, stated: *"We have closed on our first sale of our ABI software application to an Arizona based university, with a number of other colleges, parking operators, and local governments working to complete their purchase shortly. It is great to identify the operational failures, it is more important to know how to act to create dramatically improved parking outcomes."*

Route1 is a trusted leader in leveraging ALPR systems - mobile and fixed cameras - to deliver the parking outcomes our end users need. We have nationwide coverage and deep expertise in parking compliance and enforcement technologies; ultimately, we help organizations drive revenue, enhance user experience, and improve enforcement effectiveness".

MONETIZING ROUTE1'S EMPLOYEE RETENTION CREDITS

The Employee Retention Credit ("ERC"), also known as the Employee Retention Tax Credit ("ERTC"), was designed to help businesses recover from the COVID-19 pandemic. The overall goal of the program was to encourage employers to retain employees during pandemic-related business shutdowns and slowdowns.

First introduced in March 2020 as part of the Coronavirus Aid, Relief, and Economic Security Act, the ERC has been updated twice since its original creation. In November 2021, the ERC program expired early with the signing of the Infrastructure Investment and Jobs Act. The change limited ERC claims to wages paid before October 1, 2021, except for recovery startup businesses. Businesses were able to retroactively claim ERC by amending their 2020 or 2021 tax returns, meaning employers were able to claim the credit for actions during the pandemic on their tax returns up until the year 2024.

Route1 has such credits filed prior to January 31, 2024 totaling USD \$467,030 and filed an additional USD \$852,972 in credits between February 1, 2024 to January 31, 2025. Route1 engaged a third-party professional to assist in its submission.

The credits were for Route1's wholly owned U.S. subsidiaries Route 1 Security Corporation, Group Mobile Int'l, LLC and Portable Computer Systems, Inc. relating to wages paid to employees between April 1, 2020 and September 30, 2021.

On June 18, 2025, Route1 sold USD \$467,030 of its ERCs (the "First ERC Claim") to a private equity fund. Route1 received payment of USD \$179,807 and subject to the US government paying out the First ERC Claim, will receive an additional USD \$65,384.

The private equity fund purchased the First ERC Claim at a discount to the face value and required an additional amount to be held back until the First ERC Claim is paid out by the US government. Route1 also incurred professional fees to complete the transaction. In certain circumstances, including situations in which the Internal Revenue Service disallows some or all of Route1's ERC claims, the private equity fund may cause Route1 to refund the proceeds paid. Should that occur, some or all of the professional fees incurred will also be reimbursed.

The US Congress passed H.R. 1 – One Big Beautiful Bill Act on July 4, 2025 and it gave rise to an additional USD \$468,802 being saleable. On August 8, 2025, Route1 sold USD \$468,802 of its ERCs (the "Second ERC Claim Amount") to a private equity fund. Route1 received payment of USD \$167,836 and subject to the US government paying out the ERC Claim Amount, will receive an additional USD \$58,122.

The private equity fund purchased the Second ERC Claim Amount at a discount to the face value and required an additional amount to be held back until the Second ERC Claim Amount is paid out by the US government. Route1 also incurred professional fees to complete the transaction.

In certain circumstances, including situations in which the Internal Revenue Service disallows some or all of Route1's ERC claims, the private equity fund may cause Route1 to refund the proceeds paid. Should that occur, some or all of the professional fees incurred will also be reimbursed.

Q2 2025 FINANCIAL RESULTS

| Statement of operations | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
|-----------------------------------|----------------|-------------|-------------|-------------|-------------|-------------|
| <i>In 000s of CAD dollars</i> | 2025 | 2025 | 2024 | 2024 | 2024 | 2024 |
| Revenue | | | | | | |
| Subscription and services | \$1,465 | \$1,327 | \$1,130 | \$1,417 | \$888 | \$906 |
| Devices and appliances | 2,233 | 906 | 2,804 | 2,301 | 2,605 | 3,123 |
| Other | (8) | - | (3) | (12) | (9) | 3 |
| Total revenue | 3,691 | 2,234 | 3,931 | 3,706 | 3,484 | 4,032 |
| Cost of revenue | 2,343 | 1,324 | 2,542 | 2,376 | 2,269 | 2,716 |
| Gross profit | 1,348 | 910 | 1,389 | 1,331 | 1,215 | 1,317 |
| Operating expenses | 1,274 | 1,306 | 1,464 | 1,418 | 1,457 | 1,431 |
| Operating profit ¹ | 74 | (395) | (75) | (87) | (242) | (115) |
| Total other expenses ² | 135 | 181 | 226 | 196 | 86 | 34 |
| Net income (loss) | (\$61) | (\$214) | (\$301) | (\$283) | (\$328) | (\$149) |

¹ Before stock-based compensation

² Includes gain or loss on asset disposal, stock-based compensation expense, interest expense, income tax recovery, foreign exchange loss or gain, other expenses and acquisition expense.

| Adjusted EBITDA ¹ | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
|---|--------------|-------------|-------------|-------------|-------------|-------------|
| <i>In thousands of Canadian dollars</i> | 2025 | 2025 | 2024 | 2024 | 2024 | 2024 |
| Adjusted EBITDA | \$269 | (\$190) | \$130 | \$147 | \$2 | \$134 |
| Depreciation and amortization | 195 | 205 | 205 | 234 | 245 | 248 |
| Operating profit | \$74 | (\$395) | (\$75) | (\$87) | (\$242) | (\$115) |

¹ Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation and amortization, stock-based compensation, patent litigation, restructuring and other costs. Adjusted EBITDA does not have any standardized meaning prescribed under IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. Adjusted EBITDA allows Route1 to compare its operating performance over time on a consistent basis.

Balance Sheet Extracts

| <i>In 000s of CAD dollars</i> | Jun 30 2025 | Mar 31 2025 | Dec 31 2024 | Sep 30 2024 | Jun 30 2024 | Mar 31 2024 |
|--------------------------------|------------------------|----------------|----------------|----------------|----------------|----------------|
| Cash | \$64 | \$1 | \$87 | (\$47) | \$136 | \$27 |
| Total current assets | 3,116 | 1,939 | 3,422 | 3,099 | 2,501 | 2,650 |
| Total current liabilities | 7,136 | 6,317 | 7,573 | 8,585 | 7,983 | 7,856 |
| Net working capital | (4,020) | (4,378) | (4,151) | (5,486) | (5,482) | (5,206) |
| Total assets | 8,501 | 7,942 | 9,380 | 8,923 | 8,677 | 9,017 |
| Net bank debt and seller notes | 3,216 | 3,332 | 3,147 | 2,690 | 2,953 | 2,783 |
| Total shareholders' equity | (\$609) | (\$618) | (\$383) | (\$211) | \$47 | \$407 |

As of August 26, 2025, there are a total of 525,000 options currently outstanding under the stock option plan.

About Route1 Inc.

Route1 Inc. 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. Route1 is listed in Canada on the TSX Venture Exchange under the symbol ROI. For more information, visit: www.route1.com.

For More Information, Contact:

Tony Busseri

President and Chief Executive Officer

+1 480 578-0287

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.



© 2025 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 or future oriented financial information. These statements are based on certain factors and assumptions, including expectations regarding the expected growth in the value of support contracts for the LPR business, price and liquidity of the common shares, competition for skilled personnel, expected financial performance and subscription-based revenue, business prospects, technological developments, 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 market demand for the Company’s products and services and 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 or future-oriented financial information 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 or forecasted performance is not a guarantee of future performance and readers should not rely on historical results or forward-looking statements or future oriented financial information as an assurance of future results.

###