

ROUTE1 ANNOUNCES ITS FINANCIAL RESULTS FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2024

TORONTO, CANADA, APRIL 28, 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 reported its financial results for the three and twelve-month periods ended December 31, 2024.

Fiscal Year 2023 (FY 2024)

<i>In 000s of CAD dollars</i>	FY 2024	FY 2023	FY 2022
Revenue			
Services	\$4,342	\$4,456	\$6,194
Device	10,821	13,104	15,830
Other	(9)	18	21
Total Revenue	15,154	17,578	22,045
Cost of revenue	9,903	11,703	14,462
Gross profit	5,251	5,875	7,583
Operating expenses	5,771	6,439	7,645
Operating profit ¹	(520)	(564)	(62)
Total other expenses ^{2,3}	541	719	1,656
Net income (loss)	(\$1,061)	(\$1,283)	(\$1,718)

Fourth Quarter 2024 (Q4 2024)

Statement of operations	Q4	Q3	Q2	Q1	Q4	Q3
<i>In 000s of CAD dollars</i>	2024	2024	2024	2024	2023	2023
Revenue						
Subscription and services	\$1,130	\$1,417	\$888	\$906	\$1,064	\$1,148
Devices and appliances	2,804	2,301	2,605	3,123	3,222	3,370
Other	(3)	(12)	(9)	3	10	5
Total revenue	3,931	3,706	3,484	4,032	4,296	4,523
Cost of revenue	2,542	2,376	2,269	2,716	2,797	2,998
Gross profit	1,389	1,331	1,215	1,317	1,499	1,525
Operating expenses	1,464	1,418	1,457	1,431	1,558	1,542
Operating profit ¹	(75)	(87)	(242)	(115)	(59)	(18)
Total other expenses ²	226	196	86	34	223	52
Net income (loss)	(\$301)	(\$283)	(\$328)	(\$149)	(\$282)	(\$70)

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.

³ For Q4 2022, the Company wrote down its deferred tax asset and liabilities with a net impact of (\$1,141).

Adjusted EBITDA¹	Q4	Q3	Q2	Q1	Q4	Q3
<i>In thousands of Canadian dollars</i>	2024	2024	2024	2024	2023	2023
Adjusted EBITDA	\$130	\$147	\$2	\$134	\$226	\$297
Depreciation and amortization	205	234	245	248	285	314
Operating profit	(\$75)	(\$87)	(\$242)	(\$115)	(\$59)	(\$18)

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.

Subscription and services revenue	Q4	Q3	Q2	Q1	Q4	Q3
<i>in 000s of CAD dollars</i>	2024	2024	2024	2024	2023	2023
Application software	\$24	\$37	\$49	\$129	\$139	\$280
Other services	1,106	1,380	839	777	925	868
Total	\$1,130	\$1,417	\$888	\$906	\$1,064	\$1,148

Other services revenue	Q4	Q3	Q2	Q1	Q4	Q3
<i>in 000s of CAD dollars</i>	2024	2024	2024	2024	2023	2023
Technology life-cycle maintenance and support	\$378	\$370	\$356	\$347	\$323	\$314
Professional services	727	1,010	483	430	602	553
Total	\$1,106	\$1,417	\$839	\$777	\$925	\$867

Balance Sheet Extracts

<i>In 000s of CAD dollars</i>	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
	2024	2024	2024	2024	2023	2023
Cash	\$87	(\$47)	\$136	\$27	\$38	\$23
Total current assets	3,422	3,099	2,501	2,650	3,071	3,877
Total current liabilities	7,573	8,585	7,983	7,856	8,089	8,728
Net working capital	(4,151)	(5,486)	(5,482)	(5,206)	(5,018)	(4,851)
Total assets	9,380	8,923	8,677	9,017	9,541	10,678
Net bank debt and seller notes	3,147	2,690	2,953	2,783	3,258	3,248
Total shareholders' equity	(\$383)	(\$211)	\$47	\$407	\$584	\$838

As of April 28, 2025, there are a total of 525,000 options currently outstanding under the stock option plan.

Business and Operations Metrics

Route1 has established three operating metrics that are critical to the Company’s business model, initially creating cash flow stability and then generating sustainable shareholder value. It is the Company’s goal to demonstrate success through cash flow generation that provides for meaningful debt reduction and improved returns on invested capital, and additionally demands scaling the business model through acquisition.

In May 2025, the Company will provide shareholders with updated operating metrics for fiscal year 2025 and 2026, reflecting the next stage in the Company’s development - growth.

- A. Gross profit (GP) generated from non-MobiKEY and other Route1 software application sales on a quarterly basis needs to achieve and maintain a minimum value of US \$1.15 million (“Benchmark A”). Gross profit is defined as revenue less devices and appliances direct costs but does not include other direct costs including salaries, wages and consulting fees, bad debts and travel expenses.

in US 000s	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23
Quarter Value	\$1,144	\$1,129	\$998	\$1,064	\$1,170	\$1,124

- B. Recurring ALPR support contracts need to grow to more than US \$1.0 million in annualized revenue (“Benchmark B”).

Route1 started the 2022 fiscal year at a base of US \$595,000 per annum.

in US 000s	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Quarter Value	\$275	\$272	\$261	\$258	\$237	\$235	\$228
Annualized Value	\$1,100	\$1,088	\$1,044	\$1,032	\$946	\$941	\$914

- C. Fixed costs including amortization need not exceed CAD \$1.65 million per quarter (“Benchmark C”).

In CAD 000s	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Fixed Costs	\$1,464	\$1,418	\$1,457	\$1,431	\$1,558	\$1,542	\$1,533

Business Update Conference Call and Webcast

The Company will hold a business update conference call and web cast in May 2025. Specifics of the conference call and web cast to be released at a later time.

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.

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