



Route1 Provides Operating and Market Update; Outlines Q4 2026 Priorities

The Company continues its transition toward a higher-quality recurring revenue model; provides 2026 annual meeting information and confirms October 28 Emerging Growth Conference presentation

TORONTO, CANADA, October 14, 2026 - [Route1 Inc.](#) ("Route1" or the "Company") (TSXV: ROI), a provider of technology-enabled services focused on parking operations, public safety, and mobility, today provided an update on its operating progress, business-development activities and priorities for the fourth quarter of 2026. The Company also provided information regarding its upcoming annual general and special meeting of shareholders and its next presentation at the Emerging Growth Conference.

Operating Progress

Route1 expects revenue for the third quarter of 2026 to be generally consistent with the second quarter, while gross profit and EBITDA are expected to improve.

Management believes this progression reflects the Company's continuing transition from a business model more heavily influenced by transactional technology sales and project activity toward a higher-quality revenue mix that increasingly includes recurring support, operational services, Route1 ABI and Comprehensive+ relationships.

Route1's Q2 2026 results reflected this transition, with gross margin increasing to 45.2% from 36.5% in Q2 2025, technology lifecycle maintenance and support revenue increasing 12.4% year-over-year, and positive cash flow from operating activities of approximately C\$0.304 million. As of August 1, 2026, the Company's annualized recurring revenue base exceeded US\$1.4 million.

The Company continues to prioritize revenue quality, gross profit, EBITDA, recurring revenue and cash generation over quarter-to-quarter transactional volume.

"We have spent the last couple of years building Route1 around a simple view of where parking management is going," said Tony Busseri, Chief Executive Officer of Route1. "The long-term value is not in selling another camera or another stand-alone application. It is in helping customers get more value from increasingly complex parking environments by combining technology, lifecycle support, operational visibility and actionable intelligence, while reducing the burden of managing multiple systems. That is the model behind Comprehensive+ and Route1 ABI."

"Customer and institutional behavior does not change overnight, and the pace of procurement can be frustratingly slow. But we are now creating substantially more opportunities through multiple repeatable business-development motions, and the market is increasingly validating the operating model we have built. Our responsibility in Q4 is straightforward: convert that activity into revenue, recurring revenue, EBITDA and cash."

Business Development and Commercial Activity



Route1 has significantly expanded the breadth of its business-development activity during the second half of 2026. The Company's commercial strategy now operates through several complementary motions rather than relying on a single source of new business.

These include expansion within existing Route1 accounts; conversion of traditional VAR relationships into broader ALPR relationships; OEM and technology-partner referrals; channel-led opportunities; targeted public-sector and university outreach; formal procurements; and trigger-driven opportunities created by technology replacement cycles, operating issues, regulatory requirements or changes in customer priorities.

The resulting opportunity base spans new mobile and fixed ALPR deployments, existing-system expansion, Comprehensive+, Route1 ABI, lifecycle support, integration and modernization. Route1 is also seeing opportunities evolve from narrower installation, hardware or reseller engagements into broader recurring operating relationships.

During recent weeks, commercial activity has progressed across multiple university, municipal, public-safety, parking-operator, OEM and channel opportunities. Importantly, the Company is not dependent upon any single customer or procurement to create growth.

Recent opportunities demonstrate this progression: engagements that begin around a specific deployment, analytics requirement, technology expansion or operating need can broaden into integration, lifecycle support, operational intelligence and recurring service relationships.

The pace of opportunity creation has exceeded the pace of order conversion. A number of opportunities are in advanced commercial, procurement, approval or implementation stages, but public-sector and institutional procurement processes have frequently taken longer than management originally expected. In recent cases, the period between customer commitment and formal order issuance has extended for several months.

Route1's commercial focus is therefore increasingly on conversion rather than opportunity creation. The Company is concentrating resources on advancing opportunities already in procurement, approval or implementation and, where successful, expanding initial engagements into broader recurring operating relationships.

Market Environment

Route1 believes the ALPR market is undergoing an important structural change. Public-safety ALPR, agency-controlled ALPR and parking-focused LPR are increasingly developing as distinct markets with different customer requirements and regulatory considerations.

Within public safety, recent legislative, judicial, cybersecurity and privacy developments have increased scrutiny of large-scale networked ALPR environments. Customers are increasingly being required to demonstrate how data is retained, accessed, shared and audited, how searches are authorized, where data resides, what third parties may access it, and how policies are translated into enforceable technical and operational controls.

Management believes this represents an evolution of the ALPR market rather than a retreat from the technology itself. Public agencies continue to value ALPR, but procurement decisions are increasingly influenced by architecture, data governance, interoperability, customer control and lifecycle accountability in addition to traditional measures such as read accuracy and deployment cost.

Recent legal, legislative, privacy and cybersecurity scrutiny surrounding large-scale networked ALPR platforms has accelerated this reassessment. Management believes the resulting disruption has the potential to create meaningful medium-term replacement, modernization and governance-driven opportunities for agencies and organizations seeking greater control over their ALPR architecture, data, retention, sharing and operating model.

The near-term effect is more complex. Heightened scrutiny is also causing some municipalities, public agencies and enterprise buyers to slow investment decisions while they reassess policies, governance requirements, technology architecture and procurement strategy. In management's view, this can extend current sales cycles even as it expands the medium-term addressable opportunity for more controlled, accountable ALPR environments.

These developments are strategically relevant to Route1 because the Genetec ALPR architecture and Route1's operating model emphasize customer control, integration and accountable system operation rather than dependence upon a broadly shared centralized ALPR network.

Route1 also believes governance requirements are creating a larger role for recurring operational services. Comprehensive+ and Route1 ABI can help customers operate, monitor and optimize ALPR environments over their lifecycle, while documenting performance, supporting operating controls and reducing the internal burden of managing increasingly complex systems.

The parking and mobility market is developing differently. Parking customers remain primarily focused on operational efficiency, enforcement productivity, occupancy, access, payments, system reliability and measurable operating outcomes. The broader parking industry continues moving away from isolated hardware toward integrated, cloud-enabled operating environments.

Route1 believes that trend directly supports the Company's Route1 ABI strategy. Parking operators increasingly manage significant installed technology, multiple operating systems and substantial amounts of data. Route1 believes the opportunity is to help customers derive greater value from those existing investments through better operational visibility, integrated workflows, reliable support and actionable intelligence.

As a result, Route1's strategy is increasingly centered on combining ALPR technology, integration, lifecycle support, Comprehensive+ and Route1 ABI into longer-duration customer relationships rather than competing principally on transactional technology sales.

Route1 ABI

Route1 continues to invest in the development of Route1 ABI, its parking and mobility analytics platform.

Recent development initiatives have been increasingly driven by specific operating requirements identified by customers and include:

- enhanced fixed-camera trend analysis, including weekday and weekend segmentation;
- expanded parking survey analysis using multi-zone and multi-permit filtering and side-by-side analytical views;
- a structured customer request and system-of-record workflow for surveys, zones, geofences, permits and other configuration requirements; and
- expanded municipal reporting capabilities, including detailed Excel-based reporting and map-based visualization of parking occupancy and street-block performance.

The objective is to continue developing Route1 ABI from a reporting tool into a broader operational platform that allows parking organizations to convert ALPR and parking data into information that supports enforcement, occupancy analysis, resource allocation, planning and day-to-day operating decisions.

The Company is also continuing to develop capabilities that make customer interaction with Route1 ABI more structured and auditable, including request intake, status tracking, workflow ownership and reporting consistency.

Q4 2026 Priorities

Route1's principal operating priorities for the remainder of 2026 are to:

- close a number of advanced business-development opportunities;
- grow recurring revenue;
- increase revenue compared with Q3 2026;
- further improve gross profit and EBITDA;
- convert existing customer relationships into broader Comprehensive+, Route1 ABI and lifecycle-support relationships; and
- reduce debt and continue strengthening the Company's financial position.

Management expects Q4 2026 to reflect revenue growth compared with Q3 and further improvement in EBITDA, although the timing and size of technology orders and public-sector procurement activity may continue to create variability between reporting periods.

Third Quarter 2026 Results

Route1 expects to report its financial results for the three and nine months ended September 30, 2026 before November 26, 2026. The Company does not intend to host a conference call or webcast in connection with the release of its Q3 2026 financial results.

2026 Annual General and Special Meeting

Route1's annual general and special meeting of shareholders will be held on November 10, 2026 at 10:00 a.m. Eastern Standard Time at the offices of Fasken Martineau DuMoulin LLP, Suite 2400, 333 Bay Street, Toronto, Ontario, Canada.

Among other matters, shareholders will be asked to:

- receive the Company's audited financial statements for the year ended December 31, 2025 and the auditor's report thereon;
- fix the number of directors of the Company at four;
- elect the Company's directors for the ensuing year;
- re-appoint MNP LLP as the Company's auditors and authorize the directors to fix the auditors' remuneration;
- re-approve the Company's amended and restated Long-Term Incentive Plan ("**LTIP**"); and
- approve the Company's shareholder rights plan.

The record date for shareholders entitled to receive notice of and vote at the meeting was September 25, 2026.

Route1 is using the notice-and-access rules for distribution of its meeting materials. Electronic copies of the notice of meeting, management information circular, form of proxy and other proxy-related materials are available at www.envisionreports.com/PSEQ2026 and under the Company's profile on SEDAR+ at www.sedarplus.com.

Shareholders are encouraged to review the meeting materials and vote as soon as possible. Proxies must generally be received by Computershare Investor Services Inc. no later than November 6, 2026 at 10:00 a.m. Eastern Time, subject to the provisions applicable to any adjournment of the meeting.

Amendment to the Long-Term Incentive Plan

As previously disclosed in the Company's management information circular dated October 1, 2026, the Company's board of directors has approved an amendment to the Company's LTIP. The amendment eliminates the ability of participants under the LTIP to use previously owned shares to satisfy the exercise price of options or applicable tax withholding obligations.

The amended and restated LTIP remains subject to acceptance by the TSX Venture Exchange ("TSXV") and, in connection with the Company's annual renewal of the LTIP, to approval by shareholders at the Company's annual general and special meeting.

Following receipt of all required approvals, the amended and restated LTIP will be filed and made available on the Company's profile on SEDAR+.

Emerging Growth Conference

Route1 will participate in the Emerging Growth Conference on October 28, 2026, with its presentation scheduled from 4:10 p.m. to 4:20 p.m. Eastern Time.



The presentation will provide investors with a concise update on Route1's operating progress, recurring-revenue strategy, commercial activity and priorities for the remainder of 2026.

Investors may register for and access the presentation at:

https://goto.webcasts.com/starthere.jsp?ei=1772210&tp_key=8ae90219a3&sti=roi

Investors who are unable to attend the event live are encouraged to register to receive information regarding webcast availability.

About [Route1 Inc.](#)

Route1 Inc. is a North American technology company focused on parking operations, public safety and mobility. Through its technology, services and recurring operational-support offerings, Route1 helps customers deploy, operate and optimize automated license plate recognition, parking and mobility technologies.

Route1's offerings include Genetec AutoVu-based ALPR solutions, Comprehensive+ lifecycle and operational support, Route1 ABI parking analytics and business intelligence, and related technology and professional services.

Additional information about Route1 is available under the Company's profile on SEDAR+.

For More Information, Contact:

Tony Busseri

President and Chief Executive Officer

+1 480 578-0287

tony.busseri@route1.com

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This news release contains statements that are not current or historical factual statements and that may constitute forward-looking statements or future-oriented financial information within the meaning of applicable Canadian securities laws.

Forward-looking statements in this news release include, among other things, statements regarding Route1's expected Q3 2026 revenue, gross profit and EBITDA performance; the expected timing of the release of the Company's Q3 2026 financial results; expected Q4 2026 revenue growth and EBITDA improvement; the Company's ability to grow recurring revenue; the conversion of business-development opportunities into purchase orders, deployments and recurring-revenue relationships; the timing and completion of customer procurement processes; the expected impact of legal, legislative, privacy and cybersecurity developments on customer demand, procurement timing, sales cycles and market opportunities; management's belief that the ALPR market is undergoing structural change and that this change may create medium-term replacement, modernization and governance-driven opportunities for the Company; the Company's ability to sustain and expand its shift toward higher-quality recurring revenue; the Company's ability to expand Comprehensive+, Route1 ABI and lifecycle-support relationships; the development and commercialization of Route1

ABI capabilities; debt reduction; the strengthening of the Company's financial position; the Company's operating priorities and expectations for the remainder of 2026; the implementation of the amended Long-Term Incentive Plan, the receipt of acceptance of such amendment from the TSX Venture Exchange, and the approval of the Long-Term Incentive Plan by shareholders; and like matters.

These statements are based on certain factors and assumptions, including management's current expectations regarding customer demand, procurement timing, purchase-order conversion, deployment schedules, recurring-revenue growth, gross margins, operating expenses, business-development activity, technology development, customer retention, the Company's ability to execute its commercial strategy, the continuation of the Company's recent shift in revenue mix toward recurring, higher-margin support and operational services at a similar pace to recent periods, management's current expectations regarding the pace and direction of regulatory, legislative, privacy and cybersecurity developments affecting the ALPR market, the implementation of the amended Long-Term Incentive Plan, the receipt of acceptance of such amendment from the TSX Venture Exchange, and the approval of the Long-Term Incentive Plan by shareholders, and other factors considered reasonable by management based on information currently available.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such statements. These risks and uncertainties include, but are not limited to, market demand for the Company's products and services; the timing and outcome of customer procurement and approval processes; delays in purchase orders, deployments or implementation; the ability to convert business-development opportunities into revenue; the timing and mix of device, project and recurring revenue; customer concentration; technology-development and implementation risks; competitive conditions; the risk that anticipated market, regulatory or governance-driven opportunities in the ALPR sector do not materialize as expected, develop on a different timeline than anticipated, or are captured by competitors rather than the Company; the risk that the Company is unable to sustain or expand the pace of its shift toward recurring, higher-margin revenue; working-capital requirements; access to capital; the Company's ability to reduce debt and improve profitability and cash generation; changes in laws, regulations or customer policies affecting ALPR and related technologies; the ability or inability to obtain, in a timely manner or at all, all necessary regulatory and shareholder approvals required to implement and maintain the Long-Term Incentive Plan; and the other risks described in the Company's continuous disclosure filings available on SEDAR+.

Although Route1 believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct. Readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained in this news release are made as of the date hereof. Except as required by applicable securities laws, Route1 undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.



Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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