Route1 Reports Q1 2026 Results and Continued Expansion of Recurring Operational Engagement

TORONTO, CANADA, May 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 announced its financial results for the three-month period ended March 31, 2026.

Q1 2026 represented another important operational quarter for Route1 as the Company continued executing against its long-term strategy of expanding recurring operational engagement, operational intelligence capabilities, and lifecycle customer relationships.

During the quarter, Route1 continued expanding Route1 ABI-related discussions within existing customer environments, launched "Mr. Parking", and continued strengthening its positioning around operational accountability, workflow intelligence, and AI-assisted operational support.

Q1 2026 Highlights

- Revenue increased 15% year-over-year to $2.57 million, primarily driven by increased device and appliance revenue.
- Within services revenue, recurring technology life-cycle maintenance and support revenue continued increasing year-over-year, partially offset by lower transactional professional-services activity.
- Operating loss improved materially to ($0.05) million compared to ($0.40) million in Q1 2025
- Positive operating cash flow generated during the quarter
- Annualized recurring revenue reached approximately USD $1.346 million as at March 31, 2026
- Continued support-plan expansion and lifecycle operational engagement activity across municipal and university customer environments
- Expanded operational visibility and Route1 ABI discussions within existing customer relationships
- Launched "Mr. Parking" in April 2026 as part of Route1's evolving operational-intelligence and workflow-orchestration strategy

Q1 2026 Commentary

Revenue during Q1 2026 was $2.57 million compared to $2.23 million during Q1 2025.

Consistent with prior periods, device, appliance and deployment-related revenue continued fluctuating based on customer deployment timing and project activity. At the same time, Route1 continued seeing increased customer engagement around recurring operational support, operational visibility, workflow accountability, and lifecycle operational engagement.

The Company continues to see evidence that operators increasingly value measurable operational performance, operational responsiveness, workflow visibility, and long-term operational accountability in addition to traditional infrastructure deployment.

Q1 2026 FINANCIAL RESULTS

Statement of Operations

(in 000s of CAD dollars)

(in 000s of CAD dollars)	Q1-26	Q4-25	Q3-25	Q2-25	Q1-25
Revenue					
Subscription and services	$981	$1,041	$1,203	$1,465	$1,327
Devices and appliances	1,586	1,596	1,759	2,233	906
Other	-	-	(7)	(8)	-
Total revenue	**2,567**	**2,637**	**2,954**	**3,691**	**2,233**
Cost of revenue	1,560	1,610	1,775	2,343	1,324
Gross profit	**1,007**	**1,027**	**1,179**	**1,348**	**909**
Operating expenses	1,061	1,186	1,136	1,274	1,306
Operating profit (loss) (1)	**(54)**	**(159)**	**43**	**74**	**(395)**
Total other income (expense) (2)	(58)	(169)	(209)	135	181
Net income (loss)	**($112)**	**($328)**	**$252**	**($61)**	**($214)**

(1) Before stock-based compensation.
(2) Includes gain or loss on asset disposal, gain on sale of employee retention credits, interest expense, income tax recovery, foreign exchange loss or gain and other expenses.

Adjusted EBITDA (3)

(in 000s of CAD dollars)

	Q1-26	Q4-25	Q3-25	Q2-25	Q1-25
Adjusted EBITDA	$125	$19	$220	$269	($190)
Depreciation and amortization	180	178	176	195	205
Operating profit (loss)	**($54)**	**($159)**	**$43**	**$74**	**($395)**

(3) Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation and amortization, stock-based compensation, and other costs. Adjusted EBITDA does not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other companies.

Subscription and Services Revenue

(in 000s of CAD dollars)

	Q1-26	Q4-25	Q3-25	Q2-25	Q1-25
Application software	$13	$16	$14	$15	$17
Other services	968	1,025	1,189	1,451	1,310
Total	**$981**	**$1,041**	**$1,203**	**$1,466**	**$1,327**

Other Services Revenue

(in 000s of CAD dollars)

	Q1-26	Q4-25	Q3-25	Q2-25	Q1-25
Technology life-cycle maintenance and support (4)	$465	$438	$413	$412	$381
Professional services	503	587	776	1,039	929
Total	**$968**	**$1,025**	**$1,189**	**$1,451**	**$1,310**

(4) Route1 ABI license revenue is included in this line. Route1 ABI started adding revenue in Q2-25.

Operational Accountability and Workflow Visibility

During Q1 2026 and early Q2 2026, legislative developments and operational reviews across multiple jurisdictions, including Washington State, continued to reinforce management's view that the parking and mobility market is increasingly evolving toward operational accountability, workflow visibility, governance, and measurable operational outcomes.

Management believes this trend increasingly supports Route1's positioning around:

- Lifecycle operational engagement
- Operational intelligence
- Workflow orchestration
- Operational visibility
- AI-assisted operational support

Commercial Expansion Activity

During Q1 2026 and early Q2 2026, the Company continued progressing multiple operational expansion and operational-visibility discussions involving:

- Municipal environments
- Universities
- Enterprise mobility environments
- Autonomous parking-enforcement opportunities

Examples of active commercial and operational expansion activity currently include:

- Washington regional operational expansion activity
- Enterprise mobility discussions
- Autonomous parking-enforcement discussions
- Route1 ABI operational-visibility opportunities
- Lifecycle operational modernization discussions

Intellectual Property and AI Strategy

Route1 continues advancing its intellectual property strategy around operational intelligence, AI-assisted workflow orchestration, and parking operations performance management.

In December 2025, Route1 filed a provisional patent application related to low-latency machine learning, scalable agentic AI coordination, and adaptive learning architecture. In February 2026, the Company filed a patent application related to its parking copilot technology framework, including structured intelligence and operational performance management for ALPR programs.

Management believes these filings support Route1's long-term strategy of protecting differentiated workflow intelligence, operational automation, and AI-assisted parking operations capabilities.

The Company does not view artificial intelligence as a standalone product category. Route1's strategy is to apply AI directly inside operational workflows where it can improve visibility, accountability, enforcement performance, and recurring lifecycle engagement.

Working Capital and Debt Analysis
(in 000s of CAD dollars)

	Mar 31 2026	Dec 31 2025	Sep 30 2025	Jun 30 2025	Mar 31 2025
Working capital analysis					
Total current assets	$3,134	$2,956	$2,913	$3,116	$1,939
Current liabilities	8,119	7,829	7,597	7,136	6,317
Net working capital	**($4,985)**	**($4,873)**	**($4,684)**	**($4,020)**	**($4,378)**
Pro forma net working capital (5)	($1,235)	($1,151)	($724)	($1,143)	($1,541)
Debt analysis					
Current bank indebtedness and notes payable	$2,430	$2,335	$2,454	$1,652	$1,601
Non-current bank indebtedness and notes payable	590	482	676	1,564	1,731
Total bank indebtedness and notes payable	**$3,019**	**$2,817**	**$3,130**	**$3,216**	**$3,332**

(5) Net working capital adjusted for (a) bank indebtedness and notes payable, (b) contract liabilities, and (c) operating leases.

Conference Call and Webcast
The Company will hold a conference call and webcast to provide a business update on Friday, May 15, 2026 at 9 am Eastern Time.

Participants should dial Toll-Free 877-545-0523 or Toll/International 973-528-0016 at least 10 minutes prior to the conference call and webcast. The participant access code is 910557. For those unable to attend the call, a replay will be available at Toll-Free 877-481-4010 or Toll/International 919-882-2331 passcode 54021 until Friday, May 29, 2026.

About Route1 Inc.

Route1 provides operational intelligence and secure data solutions for public sector and critical infrastructure operators. The Company's ABI platform supports structured intelligence and operational improvement initiatives across mobility, parking enforcement, public safety and smart infrastructure environments. Route1 trades on the TSX Venture Exchange under the symbol ROI.

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