
ROUTE1 INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS****FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026****As at August 25, 2026**

The following discussion and analysis of the financial condition and results of operations (this "MD&A") of Route1 Inc. (also referred to as "we", "us", "our", "Route1", or the "Company") should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the three and six months ended June 30, 2026 and the Company's audited consolidated financial statements and related notes for the year ended December 31, 2025. The interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

This Management's Discussion and Analysis has been reviewed and approved by the Company's Board of Directors prior to filing.

The information in this MD&A is current to August 25, 2026 and all amounts are in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

The following discussion may contain forward-looking statements about matters that involve risks and uncertainties, such as statements of Route1's plans, objectives, expectations and intentions, as well as financial trends. The discussion also includes cautionary statements about these matters. You should read the cautionary statements made below as being applicable to all forward-looking statements wherever they appear in this document. In drawing a conclusion or making a forecast or projection set out in the forward-looking information, the Company takes into account the following material factors and assumptions in addition to the above factors: the Company's ability to execute on its business plan; the integration of acquired businesses; the acceptance of the Company's devices and services by its customers; the timing of execution of outstanding or potential customer orders by the Company; the sales opportunities available to the Company; the Company's subjective assessment of the likelihood of success of a sales lead or opportunity; the Company's historic ability to generate sales leads or opportunities; and that sales will be completed at or above the Company's estimated margins. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information.

Factors that could cause Route1's actual results to differ materially from the forward-looking statements are contained herein and include, but are not limited to, overall economic conditions, competitive pressures, successfully integrating acquired businesses and unexpected technology changes.

Additional information concerning risks and uncertainties affecting Route1's business and other factors that

could cause financial results to fluctuate is set forth later in this document, as well as elsewhere herein, and is contained in Route1's filings with Canadian securities regulatory authorities, available under Route1 Inc. on SEDAR+ at www.sedarplus.ca and on the Company's website at www.route1.com.

This MD&A includes additional disclosures on the critical accounting policies and estimates, additional disclosure on the quarterly selected financial information, additional discussion and analysis on the factors affecting the Company's financial performance, additional disclosure on future liquidity and capital needs including the addition of a tabular presentation of contractual obligations, additional disclosure on the last eight quarters, and details of related party transactions. The Company does not believe that any of the additional information provided, and that has not been otherwise disclosed in other filings, is material in nature.

INTELLECTUAL PROPERTY NOTICES

See <https://www.route1.com/terms-of-use/> for notice of Route1's intellectual property

OVERVIEW

Route1 helps organizations using license plate recognition, secure-access and other data-capture technologies navigate operational change and improve operational performance. The Company combines software, engineering, professional services, recurring support programs and related technology solutions to help customers operationalize changes arising from legislation, cybersecurity requirements, artificial intelligence, aging infrastructure and evolving operating needs.

Route1's business increasingly emphasizes recurring operational programs, lifecycle support and operational intelligence rather than one-time technology deployments. The Company also sells related devices and appliances, including rugged mobile-computing and license plate recognition systems. Route1 has operations in Scottsdale, Arizona and Toronto, Ontario and serves public- and private-sector customers primarily in the United States and Canada. Route1's common shares trade on the TSX Venture Exchange under the symbol ROI.

HIGHLIGHTS

On December 18, 2025, Route1 announced that it had filed a provisional patent application with the U.S. Patent and Trademark Office covering a hierarchical and distributed signal-processing architecture supporting low-latency machine learning and scalable agentic artificial intelligence coordination and training.

On January 8, 2026, Route1 provided a year-end review of its operational progress in 2025 and outlined its strategic priorities for 2026, including recurring revenue growth, execution discipline and the application of intelligence to real-world parking operations.

On March 18, 2026, Route1 announced that it had filed U.S. Patent Application No. 19/552,368 relating to its parking copilot technology framework and structured intelligence for automated license plate recognition programs.

On April 21, 2026, Route1 announced the commercial launch of Mr. Parking, an operational capability within Route1 ABI designed to improve performance across live parking environments and support **recurring** customer relationships.

On April 29, 2026, Route1 announced its full-year 2025 audited financial results. On June 11, 2026, the Company adopted a shareholder rights plan and participated in the Emerging Growth Conference.

BASIS OF PREPARATION

The consolidated financial statements of Route1 include its wholly owned subsidiaries, Route 1 Security Corporation, Group Mobile Int'l, LLC ("GMI") and Portable Computer Systems, Inc. ("PCS"). Route1 acquired GMI on March 22, 2018, and PCS on September 28, 2019.

NON-IFRS FINANCIAL MEASURE: Adjusted EBITDA

Within this MD&A, we use the term Adjusted EBITDA (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 us to compare our operating performance over time on a consistent basis. We believe that certain investors and analysts use Adjusted EBITDA to measure a Company's ability to service debt and to meet other payment obligations, or as a common valuation measurement in the technology industry.

The table below reconciles Adjusted EBITDA to operating income (loss) before other income (expense) for the quarters presented.

In thousands of Canadian dollars	Jun 30 2026	Mar 31 2026	Dec 31 2025	Sep 30 2025	Jun 30 2025
Adjusted EBITDA	\$43	\$125	\$19	\$220	\$269
Depreciation and amortization	171	180	178	176	195
Operating profit (loss) before other income (expense)	(\$128)	(\$55)	(\$159)	\$44	\$74

SELECTED FINANCIAL INFORMATION

The following table outlines selected unaudited consolidated financial information for the three and six months ended June 30, 2026 and 2025.

(in thousands of Canadian dollars, except per share amounts)	For the Three Months Ended		For the Six Months Ended	
	Jun 30, 2026	Jun 30, 2025	Jun 30, 2026	Jun 30, 2025
STATEMENT OF OPERATIONS				
Revenue				
Subscription revenue and services	1,151	1,466	2,132	2,372
Devices and appliances	1,246	2,233	2,818	3,553
Other	2	(8)	16	-
Total revenue	2,399	3,691	4,966	5,925
Cost of revenue	1,313	2,343	2,873	3,666
Gross profit	1,085	1,348	2,092	2,258
Operating expenses				
General administration	942	980	1,845	1,981
Research and development	3	55	6	67
Selling and marketing	268	239	424	531
Total operating expenses	1,213	1,274	2,274	2,579
Operating profit (loss) before other income (expense)	(128)	74	(182)	(321)
Other income (expense)				
Interest expense	(66)	(105)	(132)	(199)
Foreign exchange gain (loss)	27	(97)	59	(78)
Inventory write off	-	-	(4)	-
Gain on sale of employee retention credits	179	91	189	348
Total other income (expense)	140	(111)	112	71
Income (loss) for the period before income tax	12	(36)	(70)	(250)
Income tax (recovery) expense	(13)	(25)	(13)	(26)
Net income (loss) for the period	(1)	(61)	(83)	(276)
Other comprehensive income (loss)				
Foreign currency translation	(50)	70	(41)	50
Comprehensive income (loss)	(51)	9	(124)	(226)
Basic and diluted income (loss) per share	\$0.00	\$0.00	\$0.00	(\$0.01)

CASH FLOW INFORMATION				
Operating activities	304	(33)	403	94
Investing activities	(79)	167	(161)	(99)
Financing activities	(194)	(113)	(161)	(47)
Net cash inflow (outflow)	31	21	82	(52)
Consolidation currency adjustment	(56)	42	(82)	30
Cash, beginning of period	57	1	33	87
Cash, end of period	32	64	32	64
Working capital	(5,193)	(4,020)	(5,193)	(4,020)
Total assets	7,724	8,501	7,724	8,501
Shareholders' equity	(570)	(609)	(570)	(609)

COMPARISON FOR THE THREE MONTHS ENDED JUNE 30, 2026 AND 2025

Revenue

Revenue for the three months ended June 30, 2026 was \$2,398,779, a decrease of \$1,291,813, or 35.0%, from \$3,690,592 for the same period in 2025. The decrease was primarily attributable to lower devices and appliances revenue, together with lower subscription revenue and services. These decreases were partially offset by a \$9,837 improvement in other revenue.

Subscription Revenue and Services

Subscription revenue and services includes application-software subscriptions, technology lifecycle maintenance and support, and professional services.

For the three months ended June 30, 2026, subscription revenue and services was \$1,151,117, a decrease of \$314,545, or 21.5%, from \$1,465,662 for the same period in 2025. The decrease primarily reflected the timing of professional service activity. Technology lifecycle maintenance and support revenue increased and continued to provide a recurring base of revenue.

Subscription revenue and services represented 48.0% of total revenue for the second quarter of 2026 compared with 39.7% for the same period in 2025, reflecting the lower proportion of transactional devices and appliances revenue in the current quarter.

Subscription revenue and services by quarter <i>(in thousands of Canadian dollars)</i>	Jun 30 2026	Mar 31 2026	Dec 31 2025	Sep 30 2025	Jun 30 2025
Application software	\$3	\$13	\$16	\$14	\$15
Other services	1,148	968	1,025	1,189	1,451
Total	\$1,151	\$981	\$1,041	\$1,203	\$1,466

Other services revenue by quarter <i>(in thousands of Canadian dollars)</i>	Jun 30 2026	Mar 31 2026	Dec 31 2025	Sep 30 2025	Jun 30 2025
Technology life-cycle maintenance and support	\$463	\$465	\$438	\$413	\$412
Professional services	685	503	587	776	1,039
Total	\$1,148	\$968	\$1,025	\$1,189	\$1,451

Devices and Appliances

Devices and appliances revenue for the three months ended June 30, 2026 was \$1,246,097, a decrease of \$987,106, or 44.2%, from \$2,233,203 for the same period in 2025. The decrease reflected the timing, size and transactional nature of customer orders for rugged devices, license plate recognition systems and related equipment. Revenue in this category can vary materially between periods because customers may place large individual orders and the timing of delivery and acceptance determines when revenue is recognized.

Devices and appliances revenue represented 51.9% of total revenue for the second quarter of 2026 compared with 60.5% for the same period in 2025.

Other revenue

Other revenue was \$1,565 for the three months ended June 30, 2026 compared with negative revenue of \$8,272 for the same period in 2025. Other revenue was not material to the Company's results in either period.

Cost of Revenue and Gross Profit

Cost of revenue includes the cost of devices and appliances sold to clients, costs associated with operating and maintaining the Route1 MobiNET platform, costs to install data-capture technology at client locations, and shipping and packaging costs.

Cost of revenue was \$1,313,439 for the three months ended June 30, 2026, a decrease of \$1,029,189, or 43.9%, from \$2,342,628 for the same period in 2025. The decrease primarily reflected the lower volume of devices and appliances sold and the change in revenue mix.

Gross profit was \$1,085,340 for the three months ended June 30, 2026, a decrease of \$262,624, or 19.5%, from \$1,347,964 for the same period in 2025. Gross margin increased to 45.2% from 36.5%, primarily reflecting the increased proportion of subscription revenue and services and the mix and margins associated with devices and appliances sold during the period.

Operating Expenses

Operating expenses were \$1,212,932 for the three months ended June 30, 2026, a decrease of \$60,655, or 4.8%, from \$1,273,587 for the same period in 2025. The \$262,624 decrease in gross profit was only partially offset by lower operating expenses. As a result, the Company recorded an operating loss before other income and expense of \$127,591 compared with operating income of \$74,376 for the same period in 2025.

General administration

General administration expenses consist primarily of salaries and benefits for administrative staff, professional fees, rent, telephone, computer related expenses, directors' fees, insurance, public Company and regulatory costs, depreciation and amortization and other indirect costs.

General administration expenses were \$942,166 for the three months ended June 30, 2026, a decrease of \$37,621, or 3.8%, from \$979,787 for the same period in 2025. The decrease primarily reflected lower compensation and related administrative costs, partially offset by higher professional fees.

Research and development

Research and development expenses consist of salaries and benefits for the research and development department, and other professional fees associated with development work.

Research and development expenses were \$2,819 for the three months ended June 30, 2026, a decrease of \$51,798, or 94.8%, from \$54,617 for the same period in 2025. The decrease reflected the timing and classification of development activity and the recognition of available scientific research and experimental development benefits.

Selling and marketing

Selling and marketing expenses consist primarily of salaries and commissions, agent fees, marketing and trade shows, and travel and entertainment.

Selling and marketing expenses were \$267,947 for the three months ended June 30, 2026, an increase of \$28,764, or 12.0%, from \$239,183 for the same period in 2025. The increase reflected the timing of compensation, travel and business-development activity during the quarter as the Company continued to invest in recurring operational programs, operational intelligence and lifecycle customer relationships.

Other Income and Expenses

Interest expense was \$66,310 for the three months ended June 30, 2026 compared with \$104,599 for the same period in 2025. The Company recognized income of \$179,155 related to the sale of employee retention credits, compared with \$90,623 for the same period in 2025.

The Company recorded a foreign-exchange gain of \$26,968 for the three months ended June 30, 2026 compared with a foreign-exchange loss of \$96,631 for the same period in 2025. The change primarily resulted from movements in the Canadian/U.S. dollar exchange rate applied to monetary assets and liabilities denominated in foreign currencies. Total other income was \$139,813 compared with total other expense of \$110,607 in 2025.

Net Loss and Comprehensive Loss

Income before income taxes was \$12,222 for the three months ended June 30, 2026 compared with a loss before income taxes of \$36,232 for the same period in 2025. Income tax expense was \$13,101 compared

with \$25,262. Net loss improved to \$879 from \$61,494. After recognizing a foreign-currency translation loss of \$50,458, comprehensive loss was \$51,337 compared with comprehensive income of \$8,743 for the same period in 2025.

COMPARISON FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

Revenue

Revenue for the six months ended June 30, 2026 was \$4,965,875, a decrease of \$958,776, or 16.2%, from \$5,924,651 for the same period in 2025. The decrease was primarily attributable to lower devices and appliances revenue, which declined by \$734,593, together with a \$240,590 decrease in subscription revenue and services. These decreases were partially offset by a \$16,407 improvement in other revenue.

Although total revenue declined, the Company generated a higher proportion of its revenue from subscription revenue and services. This category represented 42.9% of total revenue for the six months ended June 30, 2026, compared with 40.0% for the same period in 2025.

Subscription Revenue and Services

Subscription revenue and services was \$2,131,833 for the six months ended June 30, 2026, a decrease of \$240,590, or 10.1%, from \$2,372,423 for the same period in 2025.

Subscription revenue and services includes application-software subscriptions, technology lifecycle maintenance and support, and professional services. The year-over-year decrease primarily reflected the timing of professional-service activity. Technology lifecycle maintenance and support revenue remained comparatively stable and continued to provide a recurring base of revenue.

Subscription revenue and services represented 42.9% of total revenue for the six months ended June 30, 2026, compared with 40.0% for the same period in 2025.

Devices and Appliances

Devices and appliances revenue was \$2,818,014 for the six months ended June 30, 2026, a decrease of \$734,593, or 20.7%, from \$3,552,607 for the same period in 2025.

The decrease reflected the timing, size and transactional nature of customer orders for rugged devices, license plate recognition systems and related equipment. Revenue in this category can vary materially between periods because customers may place large individual orders and the timing of delivery and acceptance determines when revenue is recognized.

Devices and appliances revenue represented 56.7% of total revenue for the six months ended June 30, 2026, compared with 60.0% for the same period in 2025.

Other Revenue

Other revenue was \$16,028 for the six months ended June 30, 2026, compared with negative revenue of \$379

for the same period in 2025. Other revenue was not material to the Company's results in either period.

Cost of Revenue and Gross Profit

Cost of revenue was \$2,873,467 for the six months ended June 30, 2026, a decrease of \$792,786, or 21.6%, from \$3,666,253 for the same period in 2025. The decrease was greater than the decline in revenue and primarily reflected the lower volume of devices and appliances sold and the change in revenue mix.

Gross profit was \$2,092,408, a decrease of \$165,990, or 7.3%, from \$2,258,398 for the same period in 2025. Gross margin increased to 42.1% from 38.1%.

The improvement in gross margin reflects the increased proportion of subscription revenue and services, together with the mix and margins associated with devices and appliances sold during the period. Accordingly, the decline in gross profit was substantially lower than the decline in total revenue.

Operating Expenses

Operating expenses were \$2,274,453 for the six months ended June 30, 2026, a decrease of \$304,788, or 11.8%, from \$2,579,241 for the same period in 2025.

The reduction in operating expenses more than offset the \$165,990 decrease in gross profit. As a result, the operating loss before other income and expense improved by \$138,798, from \$320,843 for the six months ended June 30, 2025 to \$182,045 for the six months ended June 30, 2026.

General administration

General administration expenses were \$1,844,991 for the six months ended June 30, 2026, a decrease of \$136,469, or 6.9%, from \$1,981,460 for the same period in 2025.

The decrease primarily reflected lower compensation and related administrative costs, partially offset by higher professional fees. General administration expenses included depreciation and amortization of \$350,609 for the six months ended June 30, 2026, compared with \$399,614 for the same period in 2025.

Research and development

Research and development expenses were \$5,515 for the six months ended June 30, 2026, a decrease of \$61,720, or 91.8%, from \$67,235 for the same period in 2025.

The decrease reflected the timing and classification of development activity and the recognition of available scientific research and experimental development benefits. Certain qualifying software and technology-development expenditures are capitalized as intangible assets rather than expensed when the applicable recognition criteria are met.

Selling and marketing

Selling and marketing expenses were \$423,947 for the six months ended June 30, 2026, a decrease of \$106,599, or 20.1%, from \$530,546 for the same period in 2025.

The decrease primarily reflected lower compensation, travel, meals and brand-building expenditures. The Company continued to invest in business development activities directed toward recurring operational programs, operational intelligence and lifecycle customer relationships.

Other Income and Expense

Interest expense was \$132,059 for the six months ended June 30, 2026, a decrease of \$66,731 from \$198,790 for the same period in 2025.

The Company recorded a foreign-exchange gain of \$59,281 for the six months ended June 30, 2026, compared with a foreign-exchange loss of \$78,165 for the same period in 2025. The change primarily resulted from movements in the Canadian/U.S. dollar exchange rate applied to monetary assets and liabilities denominated in foreign currencies.

The Company recognized income of \$188,646 related to the sale of employee retention credits during the six months ended June 30, 2026, compared with \$347,764 for the same period in 2025. The amount recognized depends on the timing and value of claims sold or otherwise realized and may vary significantly between reporting periods.

The Company also recognized an inventory write-off of \$3,955 during the first quarter of 2026. This amount was separate from the second-quarter utilization of the existing inventory-obsolescence allowance described under “Inventory,” which did not affect income for the period.

Total other income was \$111,913 for the six months ended June 30, 2026, compared with \$70,809 for the same period in 2025.

Net Loss and Comprehensive Loss

Loss before income taxes was \$70,132 for the six months ended June 30, 2026, compared with \$250,034 for the same period in 2025. The improvement primarily reflected lower operating expenses, lower interest expense and the favorable year-over-year change in foreign exchange, partially offset by lower gross profit and reduced employee retention credit income.

Income tax expense was \$13,101, compared with \$25,565 for the same period in 2025. The expense principally related to U.S. federal and state income taxes and was based on calculations prepared by the Company’s tax advisors. The amount may be adjusted upon finalization of the related tax filings.

Net loss improved by \$192,367 to \$83,232 from \$275,599. After recognizing a foreign-currency translation loss of \$40,939, comprehensive loss was \$124,171, compared with \$225,637 for the same period in 2025.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited financial information of the Company on a consolidated basis for the last eight quarters. The information has been derived from the Company’s quarterly unaudited interim condensed consolidated financial statements that, in management’s opinion, have been prepared on a basis consistent with the consolidated annual financial statements and are reviewed and approved by the Company’s Board of Directors. The Company’s quarterly operating results have varied substantially in

the past and may vary substantially in the future. Accordingly, the information below is not necessarily indicative of results for any future quarter.

(in thousands of Canadian dollars, except for per share data)	As at and for the three months ended							
	Jun 30 2026	Mar 31 2026	Dec 31 2025	Sep 30 2025	Jun 30 2025	Mar 31 2025	Dec 31 2024	Sep 30 2024
STATEMENT OF OPERATIONS								
Revenue								
Subscription revenue and services	1,151	981	1,041	1,203	1,466	\$907	\$1,130	\$1,417
Devices and appliances	1,246	1,572	1,596	1,758	2,233	1,327	2,804	2,301
Other	2	14	-	(7)	(8)	0	(3)	(12)
Total revenue	2,399	2,567	2,637	2,954	3,691	2,234	3,931	3,707
Cost of revenue	1,313	1,560	1,610	1,775	2,343	1,324	2,542	2,376
Gross profit	1,085	1,007	1,027	1,179	1,348	910	1,389	1,331
Operating expenses								
General administration	942	903	948	830	980	1,002	1,104	1,043
Research and development	3	3	24	62	55	13	52	52
Selling and marketing	268	156	213	244	239	291	309	323
Total operating expenses before stock-based compensation	1,213	1,062	1,186	1,136	1,274	1,306	1,464	1,418
Stock-based compensation	-	-	-	-	-	-	1	4
Total operating expenses	1,213	1,062	1,186	1,136	1,274	1,306	1,465	1,422
Operating profit (loss)	(128)	(54)	(159)	44	74	(395)	(76)	(92)
Other income (expenses)								
Interest expense	(66)	(66)	(70)	(81)	(105)	(94)	(115)	(128)
Foreign exchange gain (loss)	27	32	(11)	22	(97)	18	(82)	(35)
Inventory write off	-	(4)	-	-	-	-	-	-
Asset disposal gain (loss)	-	-	(191)	(39)	-	-	(21)	(28)
Employee Retention Credits	179	9	109	310	91	257	-	-
Total other income (expense)	140	(28)	(163)	212	(111)	181	(218)	(192)
Total income (loss) for the period before income tax expense	12	(82)	(322)	256	(36)	(214)	(294)	(283)
Income tax recovery (expense)	(13)	-	5	3	25	-	(7)	-
Total income (loss) for the period	(1)	(82)	(327)	253	(61)	(214)	(301)	(283)
Other comprehensive income								
Foreign currency translation	(50)	10	(6)	(10)	70	(20)	129	20
Comprehensive income (loss)	(51)	(73)	(333)	242	9	(234)	(173)	(262)
Basic and diluted earnings (loss) per share	(\$0.00)	(\$0.00)	(\$0.01)	\$0.01	\$0.00	\$0.00	(\$0.01)	(\$0.00)
Adjusted EBITDA	43	125	19	220	269	(190)	128	147

CASH FLOW INFORMATION								
Operating activities	304	99	111	251	(33)	126	(57)	81
Investing activities	(79)	(81)	(121)	(5)	167	(257)	(61)	48
Financing activities	(194)	33	(55)	(219)	(113)	64	267	(425)
Net cash inflow (outflow)	31	51	(65)	27	21	(67)	(216)	(295)
Consolidation currency adjustment	(56)	(26)	19	(12)	42	(19)	202	113
Cash, beginning of period	57	33	79	64	1	87	(47)	136
Cash, end of period	32	57	33	79	64	1	87	(47)
BALANCE SHEET INFORMATION								
Working capital	(5,193)	(4,985)	(4,873)	(4,684)	(4,020)	(4,378)	(4,151)	(5,485)
Total assets	7,724	8,292	8,134	8,220	8,501	7,942	9,380	8,923
Shareholders' equity	(570)	(519)	(401)	(367)	(609)	(618)	(384)	(211)

The Company's revenue and financial results are difficult to forecast and have historically fluctuated on a quarterly basis. It is expected that quarterly revenue and financial results will become more stable than previously; however, revenues may continue to fluctuate as the Company grows its revenues and customer base. Fluctuations in results are related to the growth of the Company's revenue, the timing of revenue being recognized and sales to customers, who may place large single orders in any one quarter, the timing of staffing and infrastructure additions to support growth and future acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

Management continually assesses liquidity in terms of the ability to generate sufficient cash flow to fund the business. Net cash flow is affected by the following items: (i) operating activities, including fluctuations in the levels of accounts receivable, inventory, prepaid expenses, accounts payable and contract liability; (ii) investing activities including the purchase of capital assets; and (iii) financing activities including the issuance of and/or repurchase of capital stock.

Cash generated in operating activities

Net cash generated by operating activities for the six months ended June 30, 2026 was \$403,021 compared with \$93,562 for the same period in 2025. The improvement primarily reflected collections of accounts receivable and other working-capital movements, partially offset by reductions in accounts payable and contract liabilities.

Changes in non-cash working capital generated cash during the six months ended June 30, 2026, principally from accounts-receivable collections.

Cash used in investing activities for the six months ended June 30, 2026 was \$160,763 compared with \$98,552 for the same period in 2025. The 2026 amount primarily reflected additions to intangible assets, while the 2025 amount related to employee retention credit activity.

Cash used in financing activities

Cash used in financing activities for the six months ended June 30, 2026 was \$160,550 compared with \$47,037 for the same period in 2025. The 2026 amount reflected scheduled lease and debt repayments, partially offset by proceeds from a new term loan.

The Company's capital requirements include working capital, technology infrastructure, software development, operational support capacity and sales and marketing activities. The Company has historically financed these requirements through operating cash flow, bank and other indebtedness and equity financings.

The Company's ability to meet its obligations and fund planned growth remains dependent on the timing of accounts-receivable collections, the generation of positive operating cash flow, continued access to existing credit facilities and the availability of additional debt or equity financing when required.

On October 1, 2025, Route1 entered into a revised credit agreement with its primary Canadian lender. On March 17, 2026, the Company entered into an accommodation agreement that revised the repayment schedule. From February 2026 to July 2026, principal was to be reduced by \$25,000 per month plus accrued interest. From August 2026 to June 2027, principal is to be reduced by \$60,000 per month plus accrued interest, followed by a final principal payment in July 2027.

At June 30, 2026, the Canadian facility balance was \$750,000, of which \$685,000 was classified as current and \$65,000 as non-current. The facility bore interest at the lender's prime rate plus 1.5%, or 5.95% at June 30, 2026, and remained secured by the assets of Route1 Inc. and guaranteed by GMI and PCS.

PCS has an asset-based revolving credit facility with maximum availability of US \$1,200,000. At June 30, 2026, the balance drawn was US \$1,121,972, or CAD \$1,594,323, and the interest rate was 7.25%. PCS met the fixed-charge coverage covenant at June 30, 2026.

Subsequent to June 30, 2026, PCS entered into a US\$150,000 secured promissory note on August 13, 2026. The note bears interest at 24% per annum and matures on February 14, 2027. The financing was obtained to provide additional working capital. The note is secured by specified customer contracts and the related accounts receivable and proceeds, subordinate to existing security interests under PCS's existing credit arrangements. No separate UCC financing statement or other lien-perfection filing has been authorized or made in connection with the note.

INVENTORY

On a quarterly basis or when necessary, management reviews the carrying value of inventory. During the second quarter of 2026, the Company identified inventory with a gross carrying amount of \$39,932 that had previously been transferred to furniture and equipment in error. The amount was reclassified to inventory and written off against the existing inventory obsolescence allowance. The correction did not affect loss for the period or cash flows.

RELATED PARTY TRANSACTIONS

The Company has directors and officers who are considered related parties. Related-party transactions are recorded at their exchange amounts.

The Company incurred expenses payable to and on behalf of the independent members of the Board of Directors of \$39,550 for the three months ended June 30, 2026 and \$78,636 for the six months ended June 30, 2026 (2025 - \$39,152 and \$80,285, respectively). These transactions were incurred in the normal course of operations and were paid or payable for directorship services. At June 30, 2026, accrued liabilities included \$399,958 owing to directors (December 31, 2025 - \$439,423).

The Company made payments, including applicable taxes, to Chodos Capital Group Inc. for management services provided by Mr. Peter Chodos, a director and former Chief Financial Officer of the Company, of \$42,375 for the three months ended June 30, 2026 and \$93,225 for the six months ended June 30, 2026 (2025 - \$50,850 and \$101,700, respectively). Payments made to Mr. Chodos as an independent contractor are not included as part of key management compensation.

The Company made payments to or incurred expenses for key management personnel as follows:

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Short-term employee benefits	\$197,752	\$174,796	\$385,194	\$363,633
Total	\$197,752	\$174,796	\$385,194	\$363,633

There were no other material related-party transactions or balances during the six months ended June 30, 2026.

CRITICAL ACCOUNTING ESTIMATES

The consolidated financial statements have been prepared in accordance with IFRS. Management makes certain estimates and relies on certain assumptions relating to the reporting of the Company's assets, liabilities and operating results in preparing the interim condensed consolidated financial statements in accordance with IFRS. On an ongoing basis, the Company evaluates its estimates and assumptions including those related to revenue, the valuation of accounts receivable, the estimation of useful lives of the various classes of capital assets, the valuation of assets acquired in business combinations, stock-based compensation expense, and the measurement of income tax valuation allowances. Actual results could differ from those estimates, which are as follows:

- Revenue is generated from software subscriptions, recurring support and maintenance programs, professional and engineering services, operational-intelligence services and the sale of related devices and appliances. Management applies judgment in identifying performance obligations, determining when control transfers and estimating the timing and amount of revenue recognized under IFRS 15.

- In the determination of the valuation of accounts receivable, including the allowance for doubtful accounts, the Company relies on current customer information, payment history and trends as well as future business and economic conditions.
- The determination of inventory obsolescence allowance.
- The estimation of useful lives of the various classes of capital assets is based upon history and experience of similar assets within each class.
- The Company estimates the value of the assets acquired in the business combinations on the basis of fair value to the ongoing operations of the acquired business.
- The fair value of stock options is based on certain estimates applied to the Black-Scholes option-pricing model as disclosed in the Company's financial statements.
- The recognition of SR&ED tax credits and government grants (if any).
- The recoverable amount of the Company's cash-generating units is based on discounted future cash-flow projections.
- The measurement of the income tax valuation allowance is based upon estimates of future taxable income and the expected timing of reversals of temporary differences.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING STANDARDS

The Company adopted all accounting standards and amendments that became effective for periods beginning on January 1, 2026. Standards and amendments issued but not yet effective are discussed below.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1. IFRS 18 applies to annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The standard must be applied retrospectively with restatement of comparative information. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The Company is currently assessing the impact and efforts related to adopting IFRS 18. The Company expects the standard will primarily affect the presentation and disclosure of information within the consolidated financial statements.

Effective January 1, 2026, the Company adopted the amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures, relating to the classification and measurement of financial instruments. The adoption of these amendments did not have a material effect on the Company's consolidated financial statements or related disclosures.

Other standards and amendments issued but not yet effective are not expected to have a material effect on the Company's consolidated financial statements. The Company will adopt applicable standards and amendments when they become effective.

FINANCIAL INSTRUMENTS

Establishing fair value

The carrying amount of financial instruments including cash and cash equivalents, accounts receivable, other receivables, bank indebtedness, and accounts payable and other liabilities approximate fair value because of the short-term nature of these instruments.

The following table sets out the carrying amounts and fair values of the Company's financial assets and liabilities at June 30, 2026 and December 31, 2025:

	June 30, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
FINANCIAL ASSETS				
Cash and cash equivalents	\$32,311	\$32,311	\$32,565	\$32,565
Accounts receivable	\$1,841,042	\$1,841,042	\$2,239,220	\$2,239,220
FINANCIAL LIABILITIES				
Bank indebtedness	\$2,344,323	\$2,344,323	\$2,430,625	\$2,430,625
Accounts payable and other liabilities	\$4,063,795	\$4,063,795	\$4,106,607	\$4,106,607
Notes payable	\$556,943	\$556,943	\$386,483	\$386,483

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The carrying amount of financial instruments including cash and cash equivalents, accounts receivable, other receivables, bank indebtedness, accounts payable, current portion of notes payable, and other liabilities approximate fair value because of the short-term nature of these instruments. Long term bank indebtedness and notes payable approximate fair value due to market rate of interest being charged.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within a three-level hierarchy, based on observability of significant inputs, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or

Level 3: Unobservable inputs for the asset or liability.

Inputs into the determination of fair value require management judgment or estimation. The Company does not have any assets or liabilities measured at fair value.

The Company has exposure to credit risk, liquidity risk and market risk associated with its financial assets and liabilities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Audit Committee which is responsible for monitoring the Company's compliance with risk management policies. The Audit Committee regularly reports to the Board of Directors on its activities.

The Company's risk management program seeks to minimize potential adverse effects on the Company's financial performance and ultimately shareholder value. The Company manages its risks and risk exposures through a system of internal controls and sound business practices.

The Company's financial instruments and the nature of the risks to which they may be subject are set out in the following table:

	Credit	Liquidity	Foreign Exchange	Interest Rate
Cash and cash equivalents	Yes		Yes	Yes
Accounts receivable	Yes		Yes	
Other receivables	Yes		Yes	
Bank indebtedness		Yes	Yes	Yes
Accounts payable and other liabilities		Yes	Yes	
Notes payable		Yes	Yes	Yes

Credit Risk

Credit risk arises from cash held with banks and credit exposure to customers, including outstanding accounts and other receivables. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counterparties, considering their financial position, past experience and other factors.

Cash and cash equivalents consist of bank balances. Credit risk associated with cash is minimized substantially by ensuring that these financial assets are held in highly rated financial institutions. At June 30, 2026, the Company had cash consisting of deposits with a Schedule 1 bank in Canada, a large money center bank in the U.S. and one large regional bank in the U.S. of \$32,311 (December 31, 2025 - \$32,565).

Accounts receivable consist primarily of accounts receivable from invoicing for subscriptions, devices, and services. Other receivables consist primarily of unbilled accounts receivable, marketing development funds, sales tax refunds to be received and an amount due for the refund of the excess of the posted bond over the patent litigation settlement amount. The Company's credit risk arises from the possibility that a customer which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss for the

Company. This risk is mitigated through established credit management techniques, including monitoring customer's creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The Company measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables, financial difficulty of the borrower, and it becoming probable that the borrower will enter bankruptcy or financial re-organization. Financial assets are written off when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off reduce other expenses in the consolidated statements of income (loss) and comprehensive income (loss).

The following table outlines the aging of the Company's accounts receivable at June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Current	\$787,878	\$1,423,304
Past Due 1-60 days	370,020	227,343
Greater than 60 days	683,145	588,573
Total accounts receivable, net	\$1,841,042	\$2,239,220

The Company incurred bad debt charges on trade accounts receivable in the amount of \$NIL during the quarter ended June 30, 2026 (2025 - \$NIL).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. In order to meet its financial liabilities, the Company has primarily relied and expects to continue to rely primarily on collecting its accounts receivable as they come due.

The Company's ability to manage its liquidity risk going forward will require some or all of the following: the ability to generate positive cash flows from operations and secure capital and/or credit facilities on reasonable terms in the current marketplace. The following table presents the contractual maturity profile of selected financial liabilities at June 30, 2026:

	Within one year	After one year	Total
Accounts payable and other liabilities	\$4,063,795	\$-	\$4,063,795
Notes payable and term loans	284,171	272,773	556,944
Canadian bank indebtedness	685,000	65,000	750,000
Lease liabilities	242,553	153,395	395,948
	\$5,275,519	\$491,168	\$5,766,687

The PCS asset-based revolving credit facility is repayable on demand and has therefore not been included in the contractual-maturity table above.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the fair value of recognized assets and liabilities or future cash flows or the Company's results of operation.

Foreign Exchange

The functional currency of the parent company and the reporting currency of the Company are Canadian dollars. At June 30, 2026, the Company had non-Canadian-dollar net monetary liabilities of approximately US \$2,282,200 (December 31, 2025 - US \$1,847,361). An increase or decrease in the U.S.-dollar to Canadian-dollar exchange rate of 5% at June 30, 2026 would have resulted in a gain or loss of approximately \$162,150 (December 31, 2025 - \$126,599).

Interest Rate

The Company has cash balances and bank indebtedness which may be exposed to interest-rate fluctuations. At June 30, 2026, cash balances were \$32,311 (December 31, 2025 - \$32,565) and bank-indebtedness balances were \$2,344,323 (December 31, 2025 - \$2,430,625).

SHARE CAPITAL WARRANTS AND OPTIONS

The Company's authorized share capital consists of the following:

- An unlimited number of common shares with voting rights and no-par value.
- An unlimited number of non-cumulative, non-voting first preferred shares with no fixed dividend rate, issuable in series.
- An unlimited number of non-cumulative, non-voting second preferred shares with no fixed dividend rate, issuable in series.
- An unlimited number of non-cumulative, non-voting Series A first preferred shares with no fixed dividend rate, issuable in series and convertible into common shares at the option of the holder on a one-for-one basis at any time after October 31, 2000.

	Number of Common Shares	Common Shares \$
Balance, December 31, 2025	46,873,820	\$24,078,859
Share issuance costs	-	(44,799)
Balance, June 30, 2026	46,873,820	\$24,034,060

Private Placements and Outstanding Warrants

The Company completed private placements in November and December 2025. There were no common-share issuances, warrant issuances, warrant exercises or warrant expirations during the six months ended June 30, 2026.

At June 30, 2026, 3,123,331 investor warrants and 117,500 broker warrants issued in connection with the November 2025 private placement remained outstanding. A further 1,253,333 investor warrants issued in connection with the December 2025 private placement remained outstanding. Each warrant is exercisable at \$0.10 per common share. The November 2025 warrants expire on May 19, 2027 and the December 2025 warrants expire on June 12, 2027.

At June 30, 2026, 250,000 stock options remained outstanding and exercisable at an exercise price of \$0.50 per common share, with an approximate remaining contractual life of 0.3 years.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2026, there were no off-balance sheet arrangements.

RISK FACTORS AND UNCERTAINTY

Although management has a positive outlook for the Company and continually improves and adapts the Company's risk mitigation strategies, operating in the technology industry inherently involves a certain level of risk and uncertainty. In management's opinion, the following risk factors, among others, should be considered when evaluating the Company's business and its results of future operations:

- Management's ability to secure additional financing, if needed, on reasonable terms. Access to such financing on acceptable commercial terms will be dependent on the timing of recognition and receipt of cash from our current receivables and contracts, on our ability to demonstrate execution of our business strategy and the general condition of the credit and/or equity markets. Such additional financing may be dilutive in nature to existing shareholders
- At June 30, 2026, the Company had a working-capital deficiency, an accumulated deficit and a shareholders' deficiency. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern depends on collecting accounts receivable, generating positive cash flows from operations and obtaining additional financing when required. There can be no assurance that these actions will be successful.
- The Company's access to credit or capital could be restricted based on an economic downturn that would restrict credit availability worldwide and could also impact its ability to continue operations.
- A portion of the Company's projected revenue in the short-term is tied to approximately US \$0.5 million in renewals from MobiKEY application software subscriptions with one or more U.S. Government ("USG") accounts. If one or more USG accounts were to discontinue their relationship with the Company, such events could have a material adverse impact on the Company's operating results and financial condition.
- The Company's revenues are derived primarily from the United States and, with respect to MobiKEY application software subscriptions, from U.S. federal governmental agencies and departments as well as state and local governments and agencies. With a change in administration, governmental agencies and departments often defer material changes in their operations and purchases of products and services until a new cabinet is appointed, the political direction is confirmed, and agency leadership is appointed. This deferral and possible change in political direction following an

election could have a material adverse effect on the prospects, operations and results of operations of the Company.

- Funding of the United States government is a complex and contentious process and may result in temporary funding of government through continuing resolutions or government shutdowns. Such circumstances may result in delays in sales and renewals of existing contracts with government agencies.
- The Company's ability to collect payment on a timely basis for products and services delivered may have a material adverse impact on the Company's liquidity position.
- The Company's growth strategy depends on its ability to expand recurring support programs, operational-intelligence services and customer relationships involving license plate recognition and other data-capture technologies. Failure to demonstrate measurable operational value, retain existing customers or convert technology deployments into recurring operational engagements could adversely affect revenue and profitability.
- The Company depends on third-party technology manufacturers, software providers and infrastructure partners. Product shortages, changes in commercial terms, cybersecurity incidents, service interruptions or a deterioration in a key partner relationship could delay customer deployments, reduce margins or adversely affect the Company's ability to provide support.
- The Company provides services to public-sector organizations whose procurement decisions may be affected by budget approvals, legislation, policy changes, privacy requirements, cybersecurity standards and public scrutiny of data-capture technologies. These factors may delay, reduce or cancel customer purchases and deployments.
- The Company is developing and commercializing software and artificial-intelligence-enabled operational capabilities. These initiatives may require significant investment and may not achieve expected adoption, revenue or operating results. The use of artificial intelligence also creates risks relating to reliability, data governance, privacy, cybersecurity, intellectual property and evolving regulation.
- Should Route1 be unable to establish new customers, and to build on its existing customer base, such inability could also slow the Company's continued growth;
- Should Route1 be unable to integrate acquired businesses successfully, such inability could have an adverse effect on the Company;
- The occurrence of a breach or perception of a breach of Route1's secure product and service offering may have an impact on the credibility of the Company's product and services;
- The inappropriate disclosure of confidential information of the Company may have an impact on the credibility of the Company's product and services;
- Route1's reliance on its suppliers and the risk that suppliers will not be able to deliver required components on a timely basis may slow future sales growth;
- Any significant economic downturn in geographic areas where Route1 engages in business activities may cause those government agencies to reduce discretionary budget spending in areas such as secure access solutions, and purchases of other services and products offered by the Company.
- Any delays in the budget approval process by the U.S. government may delay the procurement and spending in areas such as digital security solutions.
- The Company's rugged mobile technology solutions and license plate recognition business depends on a small group of large vendors from whom the Company purchases equipment to sell to end

users. The Company expects that purchases will be delivered by the vendor on a timely basis. Any disruption in the supply chain could adversely affect the business.

- The Company is dependent on obtaining acceptable payment and credit terms with certain vendors. The lack of such terms could adversely affect the ability of the Company to purchase and sell product.
- The Company depends on purchasing product from its vendors at acceptable prices and being able to sell the product to end users at acceptable margins. Unfavorable variances in the prices from vendors and the prices paid by end users would have an adverse effect on the business.
- The Company resells its products and solutions to a wide variety of manufacturing companies and state and local governments. Any deterioration in the creditworthiness of the Company's customer base could have an adverse effect on the Company's ability to sustain the business without collecting the amounts due from customers.
- The Company resells its products and sells its solutions to state and local governments and law enforcement agencies. Any delay or decrease in funding of these entities would have an adverse impact on the Company's business.
- The products sold by the Company are subject to technological obsolescence. To the extent that the Company has non-current inventory, it could be subject to a loss on the sale or write-down of such old or obsolete inventory.
- Counterparties to purchase and sale agreements of businesses may be in breach of their representations and warranties or covenants to the Company requiring the Company to seek indemnification or other contractual or legal remedy.
- The majority of the Company's customers purchase product on a purchase order basis. The Company is dependent on the strength of the economy as well as that of the customer and the customer's capital budget and ability to continue purchasing product sold by the Company.
- The Company ships its product to customers through third parties and price increases, and transportation disruptions could adversely affect the business.
- The rugged mobile technology solutions business is highly competitive, and profit margins can be adversely affected by a host of factors including the availability of sufficient working capital to operate the business. The required working capital may not be available to the Company on acceptable terms or in the amounts required to operate the business profitably.
- The Company records transactions in Canadian dollars and conducts business primarily in the United States. The volatility of the Canadian dollar against the U.S. dollar can impact financial results negatively should the Canadian dollar appreciate significantly.
- The Company is a Canadian corporation. While the Company has not yet been affected by the imposition of tariffs on various goods and services, any such tariffs may have an adverse impact on the Company's ability to be price competitive in the markets in which it operates.
- There is no assurance that any forward-looking statement will materialize. Unless otherwise indicated, forward-looking statements describe expectations as of the date of this document.
- Route1 disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
- Claims filed under the CARES Act and subsequent legislation by Route1 are subject to approval of the IRS. There is no assurance that the IRS will approve, in whole or in part, the amounts claimed by Route1, accordingly this may impact the realizable value of amounts claimed by Route1.

- The recognition of Employee Retention Credits involves significant management estimates, particularly in determining qualified wages and eligibility periods. Changes in IRS guidance or audit outcomes may lead to revisions of previously recognized credits.
- Employee Retention Credit-related receivables are included in other receivables within current assets. Delays in processing or denial of these credits may adversely affect the Company's liquidity and cash position.
- We engaged a third-party advisor to assist with the calculation and filing of Employee Retention Credit claims. We cannot guarantee that their interpretations will align with future IRS rulings. Adverse outcomes may impact the realizability of amounts claimed by Route1.

Legal proceedings

In the course of operations, the Company may (i) be subject to litigation claims from customers, suppliers, patent holders, resellers and former employees and (ii) seek to enforce its intellectual and other property rights and rights to indemnification. A provision is recognized when the probability that the event will occur is greater than the probability that it will not. The Company regularly reviews any outstanding claims to see if they meet the criteria. A provision is calculated based on management's best estimate of probable outflow of economic resources.

REVENUE INFORMATION

Amounts billed or collected in advance for subscriptions and services are recorded as contract liabilities and recognized as revenue as the related performance obligations are satisfied.

Revenue from the sale of devices is recognized when control transfers to the customer. Amounts billed or collected before control transfers are recorded as contract liabilities. At June 30, 2026, the Company had contract liabilities of \$933,147 (December 31, 2025 - \$1,065,354).

The following table provides a presentation of the Company's revenue streams for the three months ended June 30, 2026 and 2025:

	Three months ended June 30, 2026		Three months ended June 30, 2025	
	Revenue	% of Total	Revenue	% of Total
Subscription revenue and services	\$1,151,117	48.0	\$1,465,662	39.7
Devices and appliances	1,246,097	51.9	2,233,203	60.5
Other	1,565	0.1	(8,272)	(0.2)
	\$2,398,779	100.0	\$3,690,592	100.0

The following table provides a presentation of the Company's revenue streams for the six months ended June 30, 2026 and 2025:

	Six months ended June 30, 2026		Six months ended June 30, 2025	
	Revenue	% of Total	Revenue	% of Total
Subscription revenue and services	\$2,131,833	42.9	\$2,372,423	40.0
Devices and appliances	2,818,014	56.7	3,552,607	60.0
Other	16,028	0.3	(379)	-
	\$4,965,875	100.0	\$5,924,651	100.0

The following table provides a geographic presentation of the Company's revenue for the six months ended June 30, 2026 and 2025:

	Six months ended June 30, 2026		Six months ended June 30, 2025	
	Revenue	% of Total	Revenue	% of Total
USA	\$4,873,074	98.1	\$5,846,833	98.7
Canada and International	92,802	1.9	77,818	1.3
	\$4,965,875	100.0	\$5,924,651	100.0

The following table provides a geographic presentation of the Company's right-of-use assets, furniture and equipment and intangible assets at June 30, 2026:

	June 30, 2026	
	Assets	% of Total
USA	\$1,138,577	70.9
Canada	466,681	29.1
Total	\$1,605,258	100.0

ADDITIONAL INFORMATION

Additional information about Route1 is available on the Company's website at www.route1.com, under Route1 Inc. on SEDAR+ at www.sedarplus.ca, or by request from Route1's head office at 8 King Street East, Suite 1801, Toronto, Ontario, Canada M5C 1B5 (telephone: 416-848-8391).

See <https://www.route1.com/terms-of-use/> for notice of Route1's intellectual property.