



## **ROUTE1 REPORTS FISCAL YEAR 2025 RESULTS AND CONTINUED TRANSITION TOWARD RECURRING, LIFECYCLE-BASED REVENUE**

**TORONTO, CANADA, April 29, 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 and twelve-month periods ended December 31, 2025.

Fiscal 2025 was a transition year. The Company focused on reducing reliance on one-time project activity and building a model based on recurring support, software licensing, operational engagement, and account expansion. Early results of this transition are beginning to appear in customer engagement, support contract growth, and demand for Route1’s operational improvement capabilities.

### **Fiscal 2025 and Q4 Highlights**

- Expanded deployment of Route1 ABI and introduced “Mr. Parking” in response to increasing demand for operational performance and accountability within customer environments
- Grew quarterly ALPR support contract revenue to exceed USD \$310,000, representing annualized recurring revenue of approximately USD \$1.25 million
- Continued growth in ALPR end users and average support contract value
- Expanded Route1’s role within customer environments beyond deployment into ongoing operational performance
- Monetized employee retention credits totaling USD \$549,000 for fiscal 2025
- Completed a non-brokered private placement generating gross proceeds of approximately \$328,000

### **Q4 2025 Commentary**

Revenue in Q4 2025 was \$2.6 million compared to \$3.9 million in Q4 2024, reflecting variability in device and project-based activity.

Consistent with prior periods, hardware and project revenue continued to fluctuate based on timing of customer deployments. In contrast, the Company’s support and services revenue remained more stable and is increasingly reflective of its long-term operating model.

Route1 continues to prioritize expansion of recurring revenue within its existing customer base, focusing on increasing the scope and value of each customer relationship over time rather than maximizing one-time transactional revenue. This approach reflects how customers are now engaging Route1, with increasing demand for operational improvement that extends beyond system deployment.

The Company expects variability in hardware revenue to continue, while recurring support, software licensing and services revenue represents a growing portion of total revenue. This shift in revenue mix is expected to materially improve the predictability, visibility, and quality of revenue over time.

The Company is already seeing this shift in customer activity, with increasing engagement beyond traditional support and deployment.

### **Business Model and Recurring Revenue Expansion**

Route1's operating model is built on long-term lifecycle engagement rather than one-time system deployment.

Within this model, the Company:

- Deploys and integrates ALPR infrastructure
- Provides ongoing support, monitoring, and maintenance
- Works directly with operators in live environments
- Expands its role over time into operational performance and decision support

This approach shifts value from deployment activity to ongoing operational outcomes and performance accountability.

The Company is also evolving its operating model to support broader deployment and partner structures designed to scale recurring revenue across multiple customer environments.

This shift changes Route1's role from a system provider to an embedded participant in operational performance and outcomes.

### **"Mr. Parking" and Expansion Within Existing Accounts**

As part of this evolution, Route1 introduced "Mr. Parking" in April 2026 as an operational capability deployed within existing customer engagements.

The capability is deployed within existing customer relationships and is not positioned as a standalone system. Instead, it is integrated into Route1's support and operational model, where the Company maintains continuous involvement in client environments.

Across the parking technology market, much of the discussion remains focused on deployment, system features and data access. Route1's view is that this framing misses the core issue. Much of the sector remains focused on system deployment, while the primary challenge in live environments is whether performance is being measured, managed, and improved over time.

"Mr. Parking" is designed to address this gap by enabling continuous performance management within existing environments. This reflects a broader shift in how customers are evaluating

technology investments, with increased focus on measurable outcomes and return on existing infrastructure.

### **Embedded in the Lifecycle, Not Sold as Software**

“Mr. Parking” is deployed within Route1’s lifecycle model. It is configured to each client’s environment and operates using live data generated through existing systems and workflows.

It is not accessed as a standalone application. It is deployed as part of ongoing engagement, with outputs delivered directly into existing operational workflows used by supervisors, analysts, and enforcement teams.

As a result, Route1’s role becomes more embedded in the client’s day-to-day operations, increasing the durability of the customer relationship over time.

### **Expanding Across the Operation**

Initial deployment of “Mr. Parking” is focused on enforcement and patrol operations. However, the underlying framework is designed to extend across additional operational areas including:

- Violation processing workflows
- Customer communication and response management
- Other back-office and administrative functions

As these applications are introduced, the capability is expanded within the same customer relationship, further embedding Route1 within the client’s operating environment and increasing the value of each customer relationship and expanding recurring revenue over time.

### **Market Context: From Deployment to Performance**

Across North America, ALPR deployment is largely complete and the remaining challenge is operational performance. This shift is increasingly driven by governance, compliance, and accountability requirements within customer environments, where operators are expected to demonstrate measurable outcomes rather than simply deploying technology.

Route1’s direct engagement in live environments continues to show:

- Variability in enforcement output
- Missed revenue opportunities
- Limited ability to measure and defend outcomes

These conditions reinforce a consistent conclusion: deployment alone does not improve operations. In many cases, performance degrades after systems go live.

## Q4 2025 FINANCIAL RESULTS

<b>Statement of operations</b>	<b>Q4</b>	Q3	Q2	Q1	Q4
<i>In 000s of CAD dollars</i>	<b>2025</b>	2025	2025	2025	2024
Revenue					
Subscription and services	<b>\$1,041</b>	\$1,203	\$1,465	\$1,327	\$1,130
Devices and appliances	<b>1,596</b>	1,759	2,233	906	2,804
Other	-	(7)	(8)	-	(3)
Total revenue	<b>2,637</b>	2,954	3,691	2,234	3,931
Cost of revenue	<b>1,610</b>	1,775	2,343	1,324	2,542
Gross profit	<b>1,027</b>	1,179	1,348	910	1,389
Operating expenses	<b>1,186</b>	1,136	1,274	1,306	1,464
Operating profit <sup>1</sup>	<b>(159)</b>	43	74	(395)	(75)
Total other expenses (income) <sup>2</sup>	<b>(169)</b>	(209)	135	181	226
Net income (loss)	<b>(\$328)</b>	\$252	(\$61)	(\$214)	(\$301)

1. Before stock-based compensation. The last quarter of stock-based compensation expenses was Q4-24.
2. Includes gain or loss on asset disposal, stock-based compensation expense, gain on sale of employee retention credits, interest expense, income tax recovery, foreign exchange loss or gain, other expenses.

<b>Adjusted EBITDA <sup>3</sup></b>	<b>Q4</b>	Q3	Q2	Q1	Q4
<i>In thousands of Canadian dollars</i>	<b>2025</b>	2025	2025	2025	2024
Adjusted EBITDA	<b>\$19</b>	\$220	\$269	(\$190)	\$130
Depreciation and amortization	<b>178</b>	176	195	205	205
Operating profit	<b>(\$159)</b>	\$43	\$74	(\$395)	(\$75)

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 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.

<b>Subscription and services revenue</b>	<b>Q4</b>	Q3	Q2	Q1	Q4
<i>in 000s of CAD dollars</i>	<b>2025</b>	2025	2025	2025	2024
Application software	<b>\$16</b>	\$14	\$15	\$17	\$24
Other services	<b>1,025</b>	1,189	1,451	890	1,106
Total	<b>\$1,041</b>	\$1,203	\$1,466	\$907	\$1,130

<b>Other services revenue</b>	<b>Q4</b>	Q3	Q2	Q1	Q4
<i>in 000s of CAD dollars</i>	<b>2025</b>	2025	2025	2025	2024
Technology life-cycle maintenance and support <sup>4</sup>	<b>\$438</b>	\$413	\$412	\$381	\$378
Professional services	<b>587</b>	776	1,039	526	727
Total	<b>\$1,025</b>	\$1,189	\$1,451	\$907	\$1,106

4. Route1 ABI license revenue is included in this line

## FISCAL YEAR 2025 (FY 2025)

<i>In 000s of CAD dollars</i>	FY 2025	FY 2024	FY 2023	FY 2022
Revenue				
Services	<b>\$4,616</b>	\$4,342	\$4,456	\$6,194
Device	<b>6,923</b>	10,821	13,104	15,830
Other	<b>(24)</b>	(9)	18	21
Total Revenue	<b>11,516</b>	15,154	17,578	22,045
Cost of revenue	<b>7,051</b>	9,903	11,703	14,462
Gross profit	<b>4,465</b>	5,251	5,875	7,583
Operating expenses	<b>4,901</b>	5,771	6,439	7,645
Operating profit <sup>1</sup>	<b>(436)</b>	(520)	(564)	(62)
Total other expenses <sup>2,3</sup>	<b>(85)</b>	541	719	1,656
Net income (loss)	<b>(\$351)</b>	(\$1,061)	(\$1,283)	(\$1,718)

<i>In 000s of CAD dollars</i>	Dec 31 2025	Sep 30 2025	Jun 30 2025	Mar 31 2025	Dec 31 2024
<b>Working capital analysis</b>					
Total current assets	<b>\$2,956</b>	\$2,913	\$3,116	\$1,939	\$3,422
Current liabilities:					
Accounts payable and accruals	<b>4,107</b>	3,637	4,260	3,480	4,683
Contract liabilities (deferred revenue)	<b>1,065</b>	1,189	922	917	995
Operating lease liabilities (property leases)	<b>322</b>	317	301	320	335
Bank indebtedness and notes payable	<b>2,335</b>	2,454	1,652	1,601	1,561
Total current liabilities	<b>7,829</b>	7,597	7,136	6,317	7,573
Net working capital	<b>(4,873)</b>	(4,684)	(4,020)	(4,378)	(4,151)
Pro Forma net working capital <sup>5</sup>	<b>(\$1,151)</b>	(\$724)	(\$1,143)	(\$1,541)	(\$1,261)
<b>Debt analysis</b>					
Current bank indebtedness and notes payable	<b>\$2,335</b>	\$2,454	\$1,652	\$1,601	\$1,561
Non-current bank indebtedness and notes payable	<b>482</b>	676	1,564	1,731	1,586
Total bank indebtedness and notes payable	<b>\$2,817</b>	\$3,130	\$3,216	\$3,332	\$3,147

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

## PRIVATE PLACEMENT

The Company completed a private placement in December 2025 and issued 4,376,665 Units for aggregate gross proceeds of approximately \$328,250. Company management subscribed for Units under the Offering for a total of \$68,000, representing approximately 21% of the Offering.



Each Unit consisted of one common share in the capital of the Company (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.10 for a period of 18 months from the issue date of the Units. All securities issued pursuant to the offering were subject to a four-month hold period that has now expired.

The Company is using the net proceeds of the Offering to fund the development of Route1’s Actionable Business Intelligence (“ABI”) software application and “Mr. Parking”.

### **MONETIZING ROUTE1’S EMPLOYEE RETENTION CREDITS**

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

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

With the help of a third-party professional to assist in its submission, Route1 filed ERCs in the amount of USD \$1,320,002. The credits were for Route1’s wholly owned U.S. subsidiaries Route 1 Security Corporation, Group Mobile Int’l, LLC (“GMI”) and Portable Computer Systems, Inc. (“PCS”) relating to wages paid to employees between April 1, 2020 and September 30, 2021.

On June 18, 2025, Route1 sold USD \$467,030 of its ERCs (the “First ERC Claim”) to a private equity fund. Route1 received payment of USD \$179,807 and subject to the US government paying out the First ERC Claim, will receive an additional USD \$65,384. The private equity fund purchased the First ERC Claim at a discount to the face value and required an additional amount to be held back until the First ERC Claim is paid out by the US government. Route1 also incurred professional fees to complete the transaction. In certain circumstances, including situations in which the Internal Revenue Service disallows some or all of Route1’s ERC claims, the private equity fund may cause Route1 to refund the proceeds paid. Should that occur, some or all of the professional fees incurred will also be reimbursed.

On August 8, 2025, Route1 sold USD \$468,802 of its ERCs (the “Second ERC Claim Amount”) to a private equity fund. Route1 received payment of USD \$167,836 and subject to the US government paying out the ERC Claim Amount, will receive an additional USD \$58,122. The private equity fund purchased the Second ERC Claim Amount at a discount to the face value and required an additional

amount to be held back until the Second ERC Claim Amount is paid out by the US government. Route1 also incurred professional fees to complete the transaction.

## **FINANCIAL REPORTING UPDATE**

Route1 does not intend to host a shareholder call in connection with its year-end results.

The Company expects to host a shareholder call in mid-May 2026 following the release of its first quarter 2026 financial results. Management expects to provide additional commentary at that time regarding operational progress and early observations following the launch of “Mr. Parking.”

### **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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granting of the patent and the terms thereof, the launch date of “Mr. Parking”, the results of development and testing, market trends and the continuation of such trends, the expected growth in the value of support contracts for the LPR business, competition for skilled personnel, expected financial performance and subscription-based revenue, business prospects, technological developments, development activities and like matters. While Route1 considers these factors and assumptions to be reasonable, based on information currently available, they may prove to be incorrect. These statements involve risks and uncertainties, including but not limited to the market demand for the Company’s products and services and risk factors described in reporting documents filed by the Company. Actual results could differ materially from those projected as a result of these and other risks and should not be relied upon as a prediction of future events. The Company undertakes no obligation to update any forward-looking statement or future-oriented financial information to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, except as required by law. Estimates used in this presentation are from Company sources. Past or forecasted performance is not a guarantee of future performance and readers should not rely on historical results or forward-looking statements or future oriented financial information as an assurance of future results.

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