

## **ROUTE1 INC.**

**TSX-V: ROI**

**Price (October 12): \$0.225**

**52-Week Range: \$0.23-\$0.005**

**Shares O/S: 388.4 million**

**Market Cap: \$87.4 million**

**PROFILE: provider of security and identity management solutions.**

- (1) PURCHASE ORDER FOR DEFIMNET® AND TRUOFFICE®;**
- (2) \$500,000 CREDIT FACILITY;**
- (3) AGREEMENT WITH NETHERLANDS PROVIDER**

### **1. PURCHASE ORDER**

Route1 Inc. has announced the receipt of a purchase order for the use and support of its DEFIMNET® platform connected to the U.S. Navy Marine Corps Intranet (NMCI) and for its TruOFFICE® application software. See following page for information on DEFIMNET® and TruOFFICE®.

The purchase order, for a minimum of one month and maximum of six months, is valued between US\$225,000 and US\$1.35 million.

The order is a result of Route1 having exceeded expectations in a pilot project for the U.S. Navy Reserve Forces Command.

### **2. CREDIT FACILITY**

Route1 has entered into a credit facility of \$500,000 with a banking and financial services organization, with the facility being secured by the assets of the Company. The terms are: a \$450,000 demand operating facility and a \$50,000 Mastercard limit.

### **3. PROVIDER FOR EU COUNTRIES**

The Company has signed a co-venture agreement with Fox Crypto N.V. (Fox-IT) of Delft in the Netherlands. Under the agreement, Fox-IT has the non-exclusive right to be Route1's independent information technology security solutions provider for the Netherlands and other EU countries. Fox-IT will be marketing and selling Route1's TruOFFICE® application software and MobiKEY® device, and will build a MobiNET® platform that will be installed within a Fox-IT high assurance data centre. The initial term of the agreement is two years. The agreement is expected to provide Route1 with new opportunities in Europe.

For further details on these developments, see Route1 Inc's news releases of October 4 and October 5, 2010, available on SEDAR at [www.sedar.com](http://www.sedar.com).



### **DEFIMNET®**

The Route1 DEFIMNET® platform is an information assurance and service delivery platform that permits high-security remote access to enterprise networks.

### **TruOFFICE®**

The Route1 TruOFFICE® application software is secure remote application software.

**COMMENT:** *These recent developments are positive for Route1.*

*(1) Since the Company exceeded the expectations of the U.S. Navy with DEFIMNET® and TruOFFICE®, it is possible that other parts of the U.S. military could become interested in these services. In addition, with this transaction, Route1 offloads essentially all of its existing MobiKEY devices (380 out of 400 are being provisioned for use on the DEFIMNET® connected to the NMCI), and the Company can purchase a slightly improved version from the manufacturer.*

*(2) The credit facility increases Route1's financial flexibility.*

*(3) The agreement with Fox-IT represents exposure to the European consumer, and could lead to an increase in European business for Route1.*

## **THE COMPANY**

Route1 Inc. is a provider of security and identity management solutions. The Company, with headquarters in Toronto, was founded in 2004 and now has about 35 employees. Route1's strategy is to achieve growth through the development of hardware designs and service offerings of patented innovative solutions to the public and private identity management markets of the developed world. These solutions are focused on increasing the digital protection and efficiency of an organization through the use of secure hardware (MobiKEY®) coupled with back-end platforms.

Route1 is partnered with many industry leaders, including RIM, IBM, Qwest and HP. The Company has a long list of clients, including governments. On the client list are: the U.S. Department of Homeland Security, the U.S. military, the Government of Canada, and the Government of the Netherlands.

**Note:** *eResearch issued its initiating StockPotentials Report on ROUTE1 Inc. on September 21, 2010. It is available at our link: [http://www.eresearch.ca/report/ROI\\_092110-SP.pdf](http://www.eresearch.ca/report/ROI_092110-SP.pdf)*

**NOTE:** *eResearch reports on Route1 Inc. and other companies are available FREE on our website at [www.eresearch.ca](http://www.eresearch.ca). You must REGISTER to gain access to these reports.*



## ROUTE1 STOCK CHART



Source: [www.BigCharts.com](http://www.BigCharts.com)

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Bob Weir, CFA, B.Sc., B.Comm.

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**eResearch Corporation**  
**56 Temperance Street, Suite 501**  
**Toronto, ON M5H 3V5**  
**Toll-Free: 1-877-856-0765**