ROUTE1 INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2022

As at May 25, 2022

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 consolidated financial statements and related notes as at and for the year ended December 31, 2021. These consolidated financial statements, including comparatives, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This Management Discussion & Analysis ("MD&A") has been reviewed and approved by the Company's Board of Directors prior to filing.

The information in this MD&A is current to May 25, 2022 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 filing with Canadian securities regulatory authorities, available on the SEDAR website (www.sedar.com) under Route1 Inc. and on the Company's website (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.

OVERVIEW

Route1 is an advanced North American technology company that empowers their clients with data-centric solutions necessary to drive greater profitability, improve operational efficiency and gain sustainable competitive advantages, while always emphasizing a strong cybersecurity and information assurance posture. Route1 delivers exceptional client outcomes through real-time secure delivery of actionable intelligence to decision makers, whether it be in a manufacturing plant, in-theater or in a university parking lot.

With offices and staff in Boca Raton, FL, Scottsdale, AZ, Chattanooga, TN, Cincinnati, OH, Denver, CO, Glen Allen, VA, and Toronto, Canada, Route1 provides leading-edge solutions to public and private sector clients around the world. Route1 is listed in Canada on the TSX Venture Exchange under the symbol ROI.

HIGHLIGHTS

On March 10, 2022, the Company provided a business update. Its growth focus will now be tied to its core services and engineering competencies:

- Will emphasize its turn-key engineering services for clients using video and sensor capture technology to deliver real-time, secure actionable intelligence.
- Amplify our customers' return on investment by driving outcomes through the application of advanced technological solutions and by leveraging our expertise in video intelligence data.
- Our continued investment in data security and user authentication technologies including our flagship software application MobiKEY and service delivery platform DEFIMNET, separate us from our turn-key engineering services competitors as we bring a unique skill set as a service to our clients.

BASIS OF PREPARATION

The interim condensed consolidated financial statements of Route1 include its wholly-owned subsidiaries, Route 1 Security Corporation, Group Mobile Int'l, LLC ("GMI"), Portable Computer Systems, Inc. ("PCS"), DataSource Mobility LLC ("DSM") and Spyrus Solutions, Inc. ("Spyrus").

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 profit before other income (expense) for the quarters presented.

	For the Quarters Ended				
In thousands of Canadian dollars	**Mar 31 2022**	Dec 31 2021	Sep 30 2021	Jun 30 2021	Mar 31 2021
Adjusted EBITDA	**$446**	$341	$465	$760	$764
Depreciation and amortization	**(335)**	(348)	(310)	(316)	(342)
Stock-based compensation	**(92)**	(89)	(105)	(173)	(201)
Operating profit (loss) before other income (expense)	**$19**	($96)	$50	$271	$221

SELECTED FINANCIAL INFORMATION

The following table outlines selected financial information of the Company on a consolidated basis for the three months ended March 31, 2022 and 2021.

(in thousands of Canadian dollars, except per share amounts)	**For the Three Months Ended**	
	Mar. 31, 2022	Mar. 31, 2021
STATEMENT OF OPERATIONS		
Revenue		
Subscription revenue and services	**$1,911**	$2,758
Devices and appliance	**2,781**	3,786
Other	**3**	67
Total revenue	**4,695**	6,611
Cost of revenue	**2,572**	3,647
Gross profit	**2,123**	2,964
Operating expenses		
General administration	**1,299**	1,471
Research and development	**266**	204
Selling and marketing	**447**	867
Total operating expenses	**2,012**	2,542
Operating profit (loss) before stock-based compensation	**111**	422
Stock-based compensation	**92**	201
Operating profit (loss) after stock-based compensation	**19**	221
Other income (expense)		
Interest expense	**(52)**	(46)
Foreign exchange gain (loss)	**(13)**	(1)
Gain (loss) on asset disposal	**22**	(3)
Acquisition expense	**-**	(38)
Other expenses	**(7)**	-
Total other income (expense)	**(49)**	(88)
Income (loss) before income taxes	**(30)**	133
Income tax recovery	**31**	5
Net income for the period	**1**	138
Other comprehensive income (loss)		
Foreign currency translation	**(47)**	(34)
Comprehensive income (loss)	**($46)**	$104
Basic and diluted earnings per share	**$0.00**	$0.00
Weighted average number of common shares outstanding	**39,709,463**	38,754,504
Diluted average number of shares outstanding	**39,709,463**	39,111,446

(in thousands of Canadian dollars, except per share amounts)	**For the Three Months Ended**	
	Mar. 31, 2022	Mar. 31, 2021
CASH FLOW INFORMATION		
Operating activities	**$744**	**$1,266**
Investing activities	**8**	**(1,699)**
Financing activities	**(311)**	**(211)**
Net cash inflow (outflow)	**441**	**(644)**
Consolidation currency adjustment	**(23)**	**20**
Cash, beginning of period	**63**	**1,137**
Cash, end of period	**$481**	**$513**
Working capital	**($4,528)**	**($4,530)**
Total assets	**$12,574**	**$14,386**
Shareholders' equity	**$2,774**	**$2,443**

COMPARISON FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

Revenue

Revenue for the three months ended March 31, 2022 was $4,695,468, representing a decrease of $1,915,806 from $6,611,274 for the same period in 2021. The comparison, discussed by segment, is as follows:

Subscription Revenue and Services

Revenue from the subscription revenue and services segment includes: (a) application software subscription based revenue (MobiKEY, ActionPLAN, *Powered by MobiNET*, DerivID and MobiENCRYPT); (b) DEFIMNET platform and other appliance licensing or yearly maintenance; (c) technology as a service ("TaaS") under term contracts; and (d) other services.

For the three months ended March 31, 2022, revenue from the subscription revenue and services segment was $1,911,292, representing a decrease of $846,248, from $2,757,540, for the same period in 2021. The decrease was the result of a shift in focus and demand for our subscription and services.

Subscription revenue and services, as a percentage of total revenue, represented 40.7% for the current period compared to 41.7% for the prior year period.

Subscription revenue and services by quarter *(in thousands of Canadian dollars)*	**Mar 31 2022**	Dec 31 2021	Sept 30 2021	June 30 2021	Mar 31 2021
Application software	**1,483**	1,504	1,628	1,724	1,977
Technology as a service (TaaS)	**-**	50	150	435	293
Other services	**428**	423	519	512	488
Total	**1,911**	1,977	2,297	2,671	2,758

Devices and Appliances

Revenue from MobiKEY devices (the MC3 device, the MobiKEY Fusion device and the MobiKEY Fusion3 device) and appliances (the DEFIMNET platform and the MobiNET Aggregation Gateway), ruggedized computing devices and accessories, license plate recognition equipment and accessories, and encrypted drives and micro sd cards for the three months ended March 31, 2022 was $2,781,237, representing a decrease of $1,005,155 from $3,786,392 for the same period in 2021. The decrease is reflective of the variability and the transactional nature of device revenue.

Devices and appliance revenue as a percentage of total revenue represents 59.2% of total revenue for the current period compared to 57.3% for the prior year period.

Other revenue

Other revenue for the three months ended March 31, 2022 was $2,939, representing a decrease of $64,402 compared to $67,341 for the same period in 2021. The decrease is attributable to recognition in Q1 2021 of customer deposits in accordance with our revenue recognition polices.

Gross Profit

Gross profit is revenue minus the cost of revenue. The cost of revenue includes the cost of our devices and appliances sold to clients, the cost to operate and maintain the Route1 MobiNET platform as well as the cost of shipping and packaging.

The cost of revenue for the three months ended March 31, 2022 was $2,572,331, representing a decrease of $1,075,113 from $3,647,445 for the same period in 2021. The decrease in cost of revenue is a result of a change in our sales mix due to a shift in focus to higher margin services.

Gross profit for the three months ended March 31, 2022 was $2,123,137 or 45.2% of gross revenue, representing a decrease of $840,692 from a gross profit of $2,963,829 or 44.8% of gross revenue for the same period in 2021.

Expenses

Operating expenses consist of general administration, research and development, and selling and marketing. Operating expenses for the three months ended March 31, 2022 were $2,011,854, representing a decrease of $529,889 from $2,541,743, for the same period in 2021.

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 for the three months ended March 31, 2022 were $1,298,860, representing a decrease of $172,127 from $1,470,987 for the same period in 2021. The majority of the change can be summarized as follows:

- Bonuses decreased by approximately $76,000 as no bonuses were paid in Q1 2022.
- Director fees increased by approximately $11,000.
- Professional fees decreased by approximately $14,000, primarily due to decreased recruitment costs.

- Accounting expense increased by approximately $13,000 as a result of increased audit fee accruals.
- Amortization expense decreased by approximately $6,000, with increased amortization of intangible assets acquired in 2021 offset by decreased amortization of property leases.
- Legal costs decreased by approximately $21,000 as the comparative quarter in 2021 included payments made as part of a settlement with a former employee.
- Insurance expenses increased by approximately $6,000 as a result of a general increase in the Company's insurance rates.
- Other expenses decreased by approximately $93,000 due to lower telecommunications cost and the recovery of certain accounts payable.
- Rent expenses increased by approximately $7,000 as two leases ended in Toronto and Burlington and final payments were expensed.

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 for the three months ended March 31, 2022 were $266,299, representing an increase of $62,393 from $203,906 for the same period in 2021. The majority of the change can be summarized as follows:

- Salary costs increased by approximately $72,000 due to increased head count following the acquisition of Spyrus.
- Training costs decreased by approximately $10,000 as LPR employee training was conducted in the first quarter of 2021.

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 for the three months ended March 31, 2022 were $446,695, representing a decrease of $420,155 from $866,850 for the same period in 2021. The majority of the change can be summarized as follows:

- Decreased salary expenses of approximately $258,000 as a result of decreased headcount.
- Decreased commissions costs of approximately $94,000 as a result of decreased revenues and a change in the MobiKEY commission plan.
- Decreased travel and tradeshow expenses of approximately $48,000 due to decreased travel as a result of COVID-19.
- Decreased other expenses of approximately $21,000, primarily as a result of the payment of a customs charge in the first quarter of 2021 on behalf of a major customer.

Other Items

Stock-based compensation

Stock-based compensation was $91,998 for the three months ended March 31, 2022, a decrease of $108,786 from $200,784 for the same period in 2021. The contributing factor to the decreased expense was the lower number of options granted in 2022 compared to 2021, resulting in a lower number of options vesting during the three months ended March 31, 2022 as compared to the same period in 2021.

Foreign exchange (loss) gain

Foreign exchange gains or losses are primarily attributable to fluctuations in the Canadian/U.S. dollar exchange rates. The loss attributable to foreign exchange translation on balance sheet items such as accounts receivable, accounts payable and bank accounts denominated in foreign currencies was $12,993 for the three months ended March 31, 2022, an increase of $11,968 from a loss of $1,024 for the same period in 2021. There was low volatility of the Canadian dollar against the U.S. dollar during the first quarter of 2022, from a high of $1.2470 to a low of 1.2867, while there was also low volatility during the first quarter of 2021, with a high of 1.2506 to a low of $1.2828.

From time to time, the Company may enter into U.S. dollar forward contracts to mitigate possible foreign exchange risk. The timing and amount of foreign exchange contracts are estimated based on existing or anticipated sales, current conditions in the Company's markets, the estimated timing of payments denominated in Canadian dollars and the Company's past experience. The Company's policy is not to utilize financial instruments for trading or speculative purposes. There were no such forward contracts outstanding as of March 31, 2022.

Comprehensive Income (Loss) After Taxes

Comprehensive loss for the three months ended March 31, 2022 was $45,789, representing a decrease of $149,629 from a comprehensive income of $103,840 for the same period in 2021.

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.

As at and for the three month periods ended

(in thousands of Canadian dollars, except per share data)

	Mar-31 2022	Dec-31 2021	Sep-30 2021	Jun-30 2021	Mar-31 2021	Dec-31 2020	Sep-30 2020	Jun-30 2020
STATEMENT OF OPERATIONS								
Revenue								
Subscription revenue and services	**$1,911**	$1,977	$2,297	$2,671	$2,758	$2,528	$2,599	$2,489
Devices and appliances	**2,781**	5,022	4,960	3,663	3,786	4,637	6,523	4,477
Other	**3**	36	31	4	67	62	25	3
Total revenue	**4,695**	7,035	7,288	6,338	$6,611	7,227	9,147	6,969
Cost of revenue	**2,572**	4,660	4,696	3,443	3,647	4,315	6,134	4,188
Gross margin	**2,123**	2,375	2,592	2,895	2,964	2,912	3,013	2,781
Operating expenses								
General administration	**1,299**	1,492	1,518	1,453	1,471	1,389	1,456	1,481
Research and development	**266**	253	248	201	204	200	189	204
Selling and marketing	**447**	637	671	797	867	880	917	885
Total operating expenses	**2,012**	2,382	2,437	2,451	2,542	2,469	2,562	2,570
Operating profit (loss) before stock-based compensation and patent litigation	**111**	(7)	155	444	422	443	451	211
Patent litigation	**-**	-	-	-	-	(1,058)	(381)	(67)
Stock-based compensation	**92**	(89)	(105)	(173)	(201)	(171)	(76)	(141)
Operating profit (loss) after stock-based compensation and patent litigation	**19**	(96)	50	271	221	(786)	(6)	3
Acquisition expenses	**-**	-	(39)	(1)	(38)	-	2	(16)
Foreign exchange translation	**(13)**	(83)	64	(11)	(1)	(37)	(43)	(33)
Interest expense	**(52)**	(55)	(131)	(45)	(46)	(52)	(30)	(35)
Asset disposal gain (loss)	**22**	-	(11)	-	-	-	218	-
Gain on litigation settlement	-	18	-	-	(3)	-	-	-
Other expenses	**(7)**	(96)	-	244	-	(36)	(620)	-
Total income (loss) for the period before income tax expense	**(31)**	(312)	(67)	458	133	(967)	(479)	(81)
Income tax (expense) recovery	**30**	(3)	6	3	**5**	31	(49)	21
Total income (loss) for the period after income tax expense	**1**	(315)	(61)	461	138	(936)	(528)	(60)
Other comprehensive income								
Foreign currency translation	**(47)**	(29)	118	(55)	(34)	(70)	(41)	(58)
Comprehensive income (loss)	**($46)**	($344)	$57	$406	$104	($1,006)	($569)	($118)
Earnings (loss) per share	**$0.00**	($0.01)	$0.00	$0.01	$0.00	($0.03)	($0.01)	($0.00)
Adjusted EBITDA	**$446**	$341	$465	$760	$764	$768	$789	$556

CASH FLOW INFORMATION								
Operating activities	**$744**	($530)	$435	($125)	$1,266	($3,515)	$1,523	$1,773
Investing activities	**8**	(83)	(308)	(110)	(1,699)	906	(489)	(240)
Financing activities	**(310)**	(92)	451	(142)	(211)	1,601	1,092	(1,543)
Net cash inflow (outflow)	**442**	(1,008)	2,126	(377)	(644)	(1,008)	2,126	(10)
Consolidation currency adjustment	**(23)**	(81)	(7)	30	20	(81)	(7)	1
Cash, beginning of period	**$62**	2,226	107	$513	$1,137	2,226	107	116
Cash, end of period	**$481**	$1,137	$2,226	$166	$513	$1,137	$2,226	$107
BALANCE SHEET INFORMATION								
Working capital	**($4,528)**	($4,837)	($3,999)	($4,086)	($4,530)	($3,371)	($4,549)	($3,454)
Total assets	**$12,574**	$15,097	$15,749	$12,283	$11,501	$14,176	$15,749	$12,283
Shareholders' equity	**$2,774**	$2,728	$2,982	$2,906	$2,442	$2,141	$37	$778

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

The net cash generated from operating activities for the three months ended March 31, 2022 was $744,109 compared to $1,265,919 in the same period in 2021, representing a decrease of $521,810. Non-cash working capital generated was $352,605 for the three months ended March 31, 2022 compared to $565,498 a year earlier, representing a decrease in cash generated of $212,893. Net cash generated by the day–to-day operations for the three months ended March 31, 2022 was $391,504 compared to $700,421 in 2021, representing a decrease of $308,917. The decrease in net cash generated by operating activities for the three months ended March 31, 2022, is due to decreased net income and decreased accounts payable offset by increased accounts receivable.

Cash used in investing activities

Cash generated by investing activities for the three months ended March 31, 2022 was $8,130 compared to cash used of $1,699,937 in the same period in 2021, representing an increase in cash generated of $1,708,067. The increase in cash generated is primarily driven by the acquisition of DataSource Mobility, LLC on March 29, 2021. No acquisition was completed in the quarter ended March 31, 2022.

Cash used in financing activities

Cash used by financing activities was $310,550 for the three months ended March 31, 2022 compared to cash used of $210,635 for the same period in 2021, an increase of $99,915. The increase was primarily as a result of increased repayment of notes payable and repayment of bank indebtedness.

The Company's current business plan projects further revenue growth in 2022 and beyond. The Company believes that its current success in securing sales to the U.S. government through various resellers will lead to growth within the U.S. government and future opportunities with other governments including state and local agencies. The Company believes that sales from software applications will continue in 2022 and beyond as a result of the continued need for highly secure remote access. The Company expects to increase revenue in the license plate recognition aspect of its business including the resale of hardware and software as well as the installation and support of installed systems. The Company continues to be an active value added reseller of ruggedized computing equipment and accessories as well as the sale of encrypted drives and other secure products

The Company's need for capital includes items such as computer hardware and software, expenditures to support sales, marketing and general administration activities and working capital. The Company has financed its cash and/or capital requirements through operating cash flow, bank and other indebtedness and the issuance of equity.

The Company's credit facility in Canada consists of a revolving demand facility of $1,025,000 and a $150,000 credit card facility. The operating facility carries an interest rate equal to the lender's prime rate of interest plus 1.5%. At March 31, 2022, the interest rate was 4.2%. The credit facility is secured by the assets of Route1 and guaranteed by a subsidiary of the Company.

The Company's wholly owned subsidiary, PCS, has an asset-based revolving credit facility in the amount of US $1,500,000. The facility carries an interest rate of 50 basis points over the prime rate published daily in the Wall Street Journal. At March 31, 2022, the interest rate was 4%. The availability under the facility is based on a percentage of the aggregate of certain accounts receivable and inventory. The facility is secured by the assets of PCS and is guaranteed by the Company and a wholly owned subsidiary of the Company.

On September 16, 2020, Route1 entered into a promissory note agreement with a private lender in the amount of $650,000. The note bears interest at 10% per annum and any amounts drawn must remain outstanding for a minimum of six months from the date of the agreement and thereafter may be repaid without premium, penalty or bonus. The original note maturity of September 30, 2021 was extended to October 31, 2022 and can be further extended by mutual agreement. The promissory note is secured by a pledge of the shares of the Company's wholly owned subsidiary, Route 1 Security Corporation, and a general security agreement over all current and hereafter acquired personal property of the Company. The promissory note is subordinated to the Company's existing bank credit facilities in both Canada and the United States. At December 31, 2021, the balance drawn on the promissory note was $632,372 (December 31, 2020 - $357,372). The note was entered into in order to provide part of the collateral for the bond posted in connection with the Company's previous litigation in the United States and for working capital purposes.

In the normal course of business operations of GMI, PCS, the Company may be required to guarantee certain trade payables to the value-added distributors from which GMI and PCS purchase product to sell to their customers. Such guarantees would be enforced only if GMI or PCS could not pay the distributor for goods acquired from such distributor and the amounts under such guarantees would vary from time to time based on the volume of purchases from the particular distributor. The Company has entered into these continuing, unconditional guarantees with several of the larger vendors/suppliers to GMI and PCS.

In the normal course of operations, GMI and PCS may enter into continuing purchase money security interests with distributors and original equipment manufacturers. These security interests relate specifically to the products purchased from each distributor and original equipment manufacturer and the amounts secured will vary from time to time with purchases.

INVENTORY

On a quarterly basis or when necessary, management reviews the carrying value of inventory. Inventory is valued at the lower of cost and net realizable value, which is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. For the quarters ended March 31, 2022 and 2021, management determined no adjustment to the carrying value was required.

RELATED PARTY TRANSACTIONS

The Company has directors and officers who are considered related parties. The Company had the following transactions and/or outstanding amounts with related parties. All transactions are recorded at their exchange amounts.

- The Company incurred expenses (including CPP and EHT) payable to and on behalf of the independent members of the Board of Directors of $101,083 for the quarter (March 31, 2021 - $90,237). These transactions are in the normal course of operations and are paid or payable for directorship services. As at March 31, 2022, accounts payable included $210,326 owing to directors (March 31, 2021 - $100,430). The Company also incurred stock-based compensation expense related to stock options granted to directors in the amount of $25,821 for the quarter ended March 31, 2022 (March 31, 2021 - $54,189).
- The Company made payments (including HST) to Chodos Capital Group Inc. for management services provided by Mr. Peter Chodos, a director and the CFO of the Company, in the amount of $80,230 for the quarter ended March 31, 2022 (March 31, 2021 - $nil). The Company also incurred stock-based compensation expenses related to stock options granted to Mr. Chodos in the amount of $22,551 (March 31, 2021 -$nil). Prior to November 1, 2021, Mr. Chodos was employed by the Company and payments made are included as part of key management.
- The Company made payments to or incurred expenses for key management (President and Chief Executive Officer and the Chief Operating Officer) in the quarter ended March 31, 2022 as follows, with 2021 comparatives:

	March 31, 2022	March 31, 2021
Short-term employee benefit	**$185,864**	$256,486
Stock-based compensation expense	**33,597**	89,577
	$219,461	$346,063

BUSINESS COMBINATION – DataSource Mobility, LLC

On March 29, 2021, the Company completed the acquisition of 100% of the membership interests of DataSource Mobility, LLC (“DSM”). The purchase consideration was US $1,300,000 cash paid at closing (CAD $1,637,220). The US/CAD exchange rate on March 29, 2021 was US $1 = CAD $1.2594.

DSM is primarily a reseller of ruggedized tablets and laptops along with associated accessories. DSM offers guidance and state-of-the-art mobile devices for a wide range of sectors including public safety, utilities, field services, logistics and healthcare as well as state and local governments. DSM services customers primarily located in the Southeastern United States.

The acquisition of DSM was accounted for using the acquisition method of accounting in accordance with IFRS 3 with the results of operations consolidated with those of the Company effective March 29, 2021.

The goodwill recorded on the statement of financial position represents the purchase price paid in excess of the fair value of the assets. The Company expects the DSM acquisition to allow it to expand the Company’s business model in Texas, through adding Texas-based customers. Further, by leveraging DSM’s current and future rugged mobile device sales, it will allow the Company to expand its field service installation business as well as open additional opportunities to sell data security and analytics software applications and capabilities.

The intangible assets recorded on the balance sheet represent the fair value of the customer lists acquired. The operating results of DSM have been combined with PCS. Accordingly, separate disclosure of revenue and profit generated by DSM since acquisition is impracticable.

The table below summarizes the estimated fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed.

Assets Acquired	**US Dollars**	**Canadian Dollars**
Cash and cash equivalents	$20,632	$25,984
Accounts receivable	182,094	229,329
Prepaid expenses	4,750	5,982
Current assets	207,476	261,295
Furniture and equipment	1,000	1,258
Intangible assets	450,153	566,924
Goodwill	922,891	1,162,289
Non-current assets	1,374,044	1,730,471
Total assets	1,581,520	1,991,766
Liabilities Assumed		
Accounts payable and other liabilities	167,406	210,831
Deferred tax liability	114,114	143,715
Total liabilities	281,520	354.546
Fair value of net assets acquired	1,300,000	1,637,220
Net consideration issued	$1,300,000	$1,637,720

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 reporting the Company's assets and liabilities as well as operating results in order to prepare the audited financial statements in conformity with IFRS. On an on-going 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:

- The Company's revenue is derived from (i) hardware sales (i.e. MC3 device, the MobiKEY Fusion3 device and the MobiKEY Fusion device) and subscription services (i.e. MobiKEY application software and Action Plan, *powered by MobiNET*); and (ii) sales of ruggedized computing devices and related accessories and services, as well as license plate recognition hardware and related services. The Company recognizes revenue in accordance with 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 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 SRED tax credits and government grants (if any).
- The recoverable amount of the cash generating units 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.

FINANCIAL INSTRUMENTS

Establishing fair value

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

The following table sets out the classification, carrying amount, and fair value of the Company's financial assets and liabilities as at March 31, 2022 and December 31, 2021:

	March 31, 2022		December 31, 2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
FINANCIAL ASSETS				
Cash and cash equivalents	**$480,873**	**$480,573**	$62,568	$62,568
Accounts receivable	**$1,882,731**	**$1,882,731**	$4,396,886	$4,396,886
FINANCIAL LIABILITIES				
Bank indebtedness	**$1,784,209**	**$1,784,209**	$1,826,640	$1,826,640
Accounts payable and other liabilities	**$2,816,212**	**$2,816,212**	$4,564,165	$4,564,165
Notes payable	**$993,571**	**$993,571**	$1,161,851	$1,161,581

FINANCIAL INSTRUMENTS - RISK MANAGEMENT

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

The Company has an earn-out provision from the acquisition of Spyrus on September 15, 2021 which could require a payment to the previous owners of Spyrus should the gross profit exceed certain targets. It is not anticipated that any payouts will be required under this provision.

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

All assets and liabilities for which fair value is measured or disclosed in the 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 the fair value require management judgment or estimation.

The Company has exposure to credit risk, liquidity risk and market risk associated with its financial assets and liabilities. The Board 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 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	

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, taking into account their financial position, past experience and other factors. During the quarter ended March 31, 2022, the largest single customer represented approximately $475,000 of revenue (March 31, 2021 - $786,000).

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 March 31, 2022, the Company had cash consisting of deposits with a Schedule 1 bank in Canada and a large money centre bank in the U.S. and a large regional bank in the U.S. of $480,873 (December 31, 2021 - $62,568).

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 statement of comprehensive income. As at March 31, 2022, the largest single customer's account receivable represented $118,501 (December 31, 2021 - $1,716,281) of the total accounts receivable. This account was collected in full subsequent to the end of the period.

The following table outlines the details of the aging of the Company's receivables as at March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
Current	**$1,279,549**	$3,452,297
Past due		
1 – 60 days	**423,493**	675,991
Greater than 60 days	**179,689**	268,598
Less: Allowance for doubtful accounts	**-**	-
Total accounts receivable, net	**$1,882,731**	$4,396,886

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 details the Company's contractual maturities for its financial liabilities, including interest payments and operating lease commitments, as at March 31, 2022:

	2022	**2023**	**2024 and Beyond**	**Total**
Accounts payable and other liabilities	$2,816,212	$-	$-	$2,816,212
Notes payable	993,571	-	-	993,571
Lease commitments	325,960	422,530	1,057,734	1,806,224
	$4,135,743	$422,530	$1,057,734	$5,616,007

Bank indebtedness does not have a contractual maturity and as such has not been included in the above table.

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 is Canadian dollars and the reporting currency is Canadian dollars. As at March 31, 2022, the Company had non-Canadian dollar net monetary liabilities of approximately US $1,038,000 (March 31, 2021 – liabilities of approximately US $1,600,000). An increase or decrease in the U.S. to Canadian dollar exchange rate by 5% as at March 31, 2021 would have resulted in a gain or loss in the amount of $52,000 (March 31, 2021 – gain or loss of $83,000).

Interest rate

The Company has cash balances and bank indebtedness which may be exposed to interest rate fluctuations. At March 31, 2022, cash balances were $480,873 (December 31, 2021 - $62,568) and bank indebtedness was $1,784,209 (December 31, 2021 – $1,826,640).

SHARE REPURCHASE PROGRAM

On September 28, 2020, the Company received approval from the TSX Venture Exchange to enter into another NCIB. The NCIB permits the Company to purchase for cancellation up to 5% of the common shares in the public float. The maximum number of shares allowed for repurchase is 1,755,980. Purchases under the NCIB may occur during the 12-month period commencing September 27, 2020 and ending September 26, 2021, or the date upon which the maximum number of common shares has been purchased by the Company. Purchases for cancellation under the NCIB during the period from September 27, 2020 to December 31, 2020 were 15,000 common shares.

On September 28, 2021, the Company received approval from the TSX Venture Exchange to enter into another NCIB. The NCIB permits the Company to purchase for cancellation up to 5% of the common shares in the public float. The maximum number of shares allowed for repurchase is 1,985,473. Purchases under the NCIB may occur during the 12-month period commencing September 28, 2021 and ending September 27, 2022, or the date upon which the maximum number of common shares has been purchased by the Company. There were no purchases for cancellation under the NCIB during the period from September 28, 2021 to December 31, 2021.

For the three months ended March 31, 2022, the Company purchased no shares for cancellation (March 31, 2021 – no shares purchased for cancellation).

SHARE CAPITAL AND OPTIONS

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

- Unlimited number of common shares with voting rights and no par value.
- Unlimited number of non-cumulative, non-voting first preferred shares with no fixed dividend rate, issuable in series.
- Unlimited number of non-cumulative, non-voting second preferred shares with no fixed dividend rate, issuable in series.
- 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, January 1, 2021	38,694,020	$23,370,074
Warrants exercised	1,355,443	534,000
Shares repurchased for cancellation	(340,000)	(198,113)
Share repurchase costs	-	(5,000)
Balance, December 31, 2021	39,709,463	$23,700,961
Balance, March 31. 2022	**39,709,463**	**$23,700,961**

- There are 2,925,000 (December 31, 2021 – 3,225,000) common share purchase options ("Options") outstanding to acquire 2,925,000 (December 31, 2021 - 3,225,000) common shares at various prices.
- There are 3,574,411 common share purchase warrants outstanding with an expiry date of June 16, 2022, enabling the holders to purchase 3,573,411 common shares at an exercise price of $1.00 per share.

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2022, there are 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.
- 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 $2 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.
- The current U.S. President has publicly supported certain policies, including those related to changes to international trade agreements and policies favoring U.S. persons and companies. There is continued uncertainty as to which measures and policies will be maintained by the United States government, governmental agencies and departments in 2022 and beyond. Certain of these measures, including trade and tariff uncertainty, could have a material and adverse effect on the Company.
- Certain Chief Information Officers of governmental agencies in the United States are required to resign following the election of a new President. There is no assurance that a resigning Chief Information Officer will be reappointed or that a newly appointed Chief Information Officer will be supportive (or continue to be supportive) of the Company's products and services. A change in the senior officers and decision makers in the U.S. government and its agencies could have a material adverse effect on the Company.
- In addition to the risks discussed above and as a consequence of this transition process, the confirmation of the approval and/or renewal of the Company's products and services could be delayed and/or not subject to the approval process experienced in the past and that such delay and/or change in process will make it difficult for the Company to effectively forecast revenues and to plan and budget its operations and this could have a material adverse effect on 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.
- Third-party claims for infringement of intellectual property rights by Route1, and the outcome of any litigation with respect thereto, may harm the Company's competitive advantage in the secure remote access industry;
- Should Route1 be unable to successfully obtain patent or other proprietary or statutory protection for its technologies and products, the Company's competitive advantage in the secure remote access industry may be harmed;
- Route1's ability to obtain rights to use certain software or components which are supplied by third parties may not be sufficient to support future sales volumes;
- Should Route1 be unable to run efficient and uninterrupted operation of its MobiNET platform, such inability could impact on the credibility of the Company's product and services;
- 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;
- Competition, both with existing providers as well as with any future providers entering the marketplace, within the secure remote access industry may hamper future sales growth;
- 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 future government(s) regulation of the secure remote access industry, including but not limited to restrictions on encryption of the MobiKEY device and the MobiNET platform may limit future 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. Unfavourable 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.

COVID-19

Since December 31, 2019, the spread of COVID-19 severely impacted many local economies around the globe. In many countries, including Canada and the United States, businesses were forced to cease or limit operations for long or indefinite periods of time. Governments and central banks responded with monetary and fiscal interventions to stabilize economic conditions and continued to do so. Central banks in developed countries have recently begun to indicate that monetary policy may become more restrictive in 2022 and beyond. In addition, the central banks have begun raising interest rates and reducing their balance sheets.

The COVID-19 pandemic has affected the Company's business both positively and negatively. The Company's secure remote access technology initially benefited from the requirements to telework both in government and business. Some of this increase in MobiKEY users has not been sustained as more employees return to the office.

The impact of COVID-19 on the balance of the Company's business had initially been the disruption in the supply chain for ruggedized devices and accessories. In addition, client facility shutdowns and deferral of installation services for certain license plate recognition projects also occurred as a result of the virus. At the present time, the economy in the United States has broadly reopened and the Company's business has returned to a more normal level as facilities have reopened and installation activities are moving forward. The most significant lasting impact of the pandemic has been and continues to be the increased lead times for deliveries of products from certain manufacturers especially those whose products require components from and manufacturing of products in Asia. In addition, projects that are dependent on the delivery of automotive vehicles have been delayed as delivery times and prices of those vehicles have increased. The global supply situation has been exacerbated by the reopening of developed economies and the continued limited ability of lesser developed economies to meet the increased demand. The recent rise in COVID-19 cases in Asia has further exacerbated the supply chain issues.

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

Revenue for the recurring revenue and services is reported as a contract liability on the statement of financial position and is recognized as earned revenue for the period in which the subscription and/or service is provided. For the sale of devices, revenue or contract liability is recognized at the time transfer of ownership of the device occurs. At March 31, 2022, the Company had $2,231,476 (December 31, 2021 $2,684,836) in contract liabilities.

The following table provides a presentation of the Company's revenue streams for the quarter ended March 31, 2022 and 2021:

	2022		2021	
	Revenue	**% of Total**	Revenue	% of Total
Subscription revenue and services	**$1,911,292**	**40.7**	$2,757,540	41.7
Devices and appliances	**2,781,237**	**59.2**	3,786,392	57.3
Other	**2,939**	**0.1**	67,342	1.0
	$4,695,468	**100.0**	$6,611,274	100.0

The following table provides a geographic presentation of the Company's revenue streams for the year ended March 31, 2022 and 2021:

	2022		2021	
	Revenue	**% of Total**	Revenue	% of Total
USA	**$4,578,562**	**97.5**	$6,585,997	99.6
Canada & International	**116,906**	**2.5**	25,277	0.4
	$4,695,468	**100.0**	$6,611,274	100.0

The following table provides a geographic presentation of the Company's right-of-use assets, furniture and equipment and intangible assets for the periods ending March 31, 2022 and December 31, 2021:

	March 31, 2022		December 31, 2021	
	Assets	**% of Total**	Assets	% of Total
USA	**$3,965,705**	**90.4**	$4,223,555	88.8
Canada	**419,532**	**9.6**	532,314	11.2
	$4,385,237	**100.0**	$4,755,869	100.0

ADDITIONAL INFORMATION

Additional information about Route1 is available from Route1's website at www.route1.com, the SEDAR website at www.sedar.com, or by request from Route1's head office at 8 King Street East, Suite 600, Toronto, Ontario, Canada M5C 1B5 (telephone (416) 848-8391).

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