

**STEER TECHNOLOGIES INC.
(Formerly Facedrive Inc.)**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND
2022 (Expressed in Canadian dollars)
(Unaudited)**

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102 “Continuous Disclosure Obligations”, if an auditor has not performed a review of the interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA (Chartered Professional Accountants) Canada for a review of interim financial statements by an entity’s auditor.

November 28th, 2023

Steer Technologies Inc. (Formerly Facedrive Inc.)
Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited - In Canadian dollars, except where otherwise indicated)

Table of Contents

Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Financial Position	4
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss	5
Condensed Consolidated Interim Statements of Changes in Equity	6
Condensed Consolidated Interim Statements of Cash Flows	7
Notes to the Consolidated Financial Statements	8-36

Steer Technologies Inc. (Formerly Facedrive Inc.)
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - In Canadian dollars, except where otherwise indicated)

As at	Notes	September 30, 2023	December 31, 2022
ASSETS		\$	\$
Current assets			
Cash and cash equivalents		259,948	2,063,539
Trade and other receivables	11	1,167,795	666,679
Prepaid expenses and deposits	12	338,087	351,324
Inventories	13	82,625	2,931,917
		1,848,456	6,013,459
Restricted investment	14	572,557	630,418
Deposits	12	766,171	909,935
Investment in preferred shares	17	1,333,342	1,366,453
Investment in FoodsUp	18	26,603,933	-
Property and Equipment	19	61,870	759,954
Right-of-use assets	28	13,584,078	19,148,325
Intangible assets	15	1,504,721	2,095,322
Goodwill	16	1,050,843	1,050,843
Deferred income tax assets		58,468	58,569
Total assets		\$ 47,384,438	\$ 32,033,278
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	20	\$ 7,865,944	\$ 9,714,894
Customer deposits		839,784	661,633
Deferred revenue	5	79,720	109,572
Due to related party	25	195,559	195,559
Lease liabilities – current	28	2,488,996	3,612,885
Income tax payable		157,209	157,486
Loans	21	110,000	110,000
		11,737,212	14,562,029
Lease liabilities	28	13,440,952	17,011,068
Total liabilities		25,178,164	31,573,097
SHAREHOLDERS' EQUITY			
Share capital	23	75,937,679	75,937,779
Contributed surplus		15,306,625	14,718,042
Accumulated other comprehensive loss		(324,259)	(161,372)
Deficit		(68,713,771)	(90,034,268)
Total shareholders' equity		22,206,274	460,181
Total liabilities and shareholders' equity		\$ 47,384,438	\$ 32,033,278

Commitments, contingencies and guarantees Note 27

Subsequent events Note 32

Approved by:

(signed) "Junaid Razvi" Director

(signed) "Dean Wu" Director

The accompanying notes are an integral part of these consolidated financial statements.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - In Canadian dollars, except where otherwise indicated)

	Notes	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
REVENUE	5	\$ 884,373	\$ 14,291,749	\$ 17,120,212	\$ 25,783,455
COSTS AND OPERATING EXPENSES					
Cost of revenue	6	1,459,145	14,694,325	18,711,244	27,058,663
General and administration	7	377,350	1,378,028	3,159,154	3,854,390
Operational support	8	526,690	3,371,088	3,476,844	7,891,127
Research and development	9	122,573	670,790	546,419	1,422,904
Sales and marketing	10	128,732	577,055	938,830	1,116,464
Amortization	15	196,865	225,757	590,599	951,097
Depreciation	19, 28	87,677	516,974	637,016	740,206
Total operating expenses		2,899,032	21,434,017	28,060,105	43,034,851
OPERATING LOSS		(2,014,659)	(7,142,268)	(10,939,894)	(17,251,396)
OTHER INCOME (EXPENSES)					
Government grants	29	-	-	-	1,654,467
Foreign exchange gain (loss)		112,740	(23,838)	224,578	(20,687)
Interest expenses		(374,528)	(379,871)	(1,210,113)	(524,349)
Interest income		396	758	11,437	118
Gain from sale of equipment		-	10,189	(24,770)	32,198
Gain or Loss on Termination		3,660	170,237	100,256	134,458
Fair value loss on investment	17	(2,860,412)	(29,623)	(30,704)	132
Gain from Spin off B2B Marketplace	18	-	-	35,946,312	-
NET LOSS/PROFIT BEFORE INCOME TAXES		\$ (5,132,803)	\$ (7,394,416)	\$ 24,077,101	\$ (15,975,059)
Deferred income tax recovery		-	33,478	-	16,417
NET LOSS/PROFIT		(5,132,803)	(7,360,938)	24,077,101	(15,958,643)
Cumulative translation adjustment		(70,936)	53,627	(59,695)	21,875
NET LOSS/PROFIT AND COMPREHENSIVE LOSS/PROFIT		(5,203,739)	(7,307,311)	24,017,406	(15,936,768)
Loss per share – Basic and diluted		\$ (0.04)	\$ (0.06)	\$ 0.18	\$ (0.14)
Weighted average number of shares outstanding					
Basic and diluted		132,277,899	131,942,719	132,277,899	114,710,331

The accompanying notes are an integral part of these consolidated financial statements.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - In Canadian dollars, except where otherwise indicated)

	Note	Number of common shares	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
Balance, December 31, 2021		95,721,499	\$ 62,659,497	\$ 4,155,087	\$ (56,593,792)	\$ (106,931)	\$ 10,113,861
Issuance of share capital/Warrants	23	37,004,766	22,199,999	-	-	-	22,199,999
Share issuance costs	23	-	(256,628)	-	-	-	(256,628)
Acquisition of Food Hwy		(38,116)	-	-	-	-	-
Exercise of RSUs	24	167,441	1,435,000	(1,435,000)	-	-	-
Share-based payments	23,24	89,025	69,500	1,468,518	-	-	1,538,018
Net loss and comprehensive loss		-	-	-	(23,319,588)	75,503	(23,244,085)
Balance, September 30, 2022		132,944,615	\$ 86,107,368	\$ 4,188,605	\$ (79,913,380)	\$ (31,428)	\$ 10,351,165
Balance, December 31, 2022		132,944,615	\$ 75,937,779	\$ 14,718,042	\$ (90,034,268)	\$ (161,372)	\$ 460,181
Issuance of share capital/Warrants	23	-	(100)	(100)	-	-	(200)
Share issuance costs	23	-	-	-	-	-	-
Acquisition of Food Hwy		-	-	-	-	-	-
Exercise of RSUs	24	-	-	-	-	-	-
Share-based payments	23,24	-	-	588,682	-	-	588,682
Net loss and comprehensive loss		-	-	-	21,320,497	(162,887)	21,157,610
Balance, September 30, 2023		132,944,615	\$ 75,937,679	\$ 15,306,725	\$ (68,713,771)	\$ (324,259)	\$ 22,206,274

The accompanying notes are an integral part of these consolidated financial statements.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - In Canadian dollars, except where otherwise indicated)

For the nine months ended September 30,	2023		2022	
OPERATING ACTIVITIES				
Net loss	\$	21,217,234	\$	(23,319,588)
Items not affecting cash:				
Depreciation and amortization (Note 15, 19, 28)		4,138,538		4,414,420
Share-based payments (Note 24)		588,681		1,468,518
Other non-cash items		-		77,944
Inventory provision (Note 13)		-		598,023
Unrealized foreign exchange (gain)/loss		(241,979)		(67,799)
Gain or loss on investment		(35,463,249)		29,491
Deferred income tax recovery		-		(49,895)
Gain on lease terminations		(290,360)		(222,484)
Loss from sale of property and equipment (Note 19)		-		(42,387)
Interest expenses		-		8,433
Net changes in non-cash working capital items				-
Trade and other receivables		(426,627)		565,377
Prepaid expenses and deposits		13,205		(121,481)
Interest receivable		41,361		207
Deposits		245,862		181,660
Inventories		2,849,291		(795,058)
Accounts payable and accrued liabilities		(1,854,408)		1,075,559
Deferred revenue		(29,388)		(265,166)
Cash used in operating activities		(9,211,839)		(16,464,226)
INVESTING ACTIVITIES				
Proceeds from Right -of-used assets		(86,851)		-
Purchase of property and equipment (Note 19)		(21,373)		(4,442,039)
Proceeds from sale of property and equipment (Note 19)		656,041		3,253,713
Proceeds from sale of Investment in FoodsUp (Note 18)		8,860,412		-
Restricted investment		16,500		(408,500)
Deposit returns		-		316,719
Cash used in investing activities		9,424,729		(1,280,107)
FINANCING ACTIVITIES				
Repayments to related parties		(100)		-
Cash received before issuance of common shares		-		-
Issuance of common shares and warrants (Note 24)		-		22,199,999
Share issuance costs (Note 23)		-		(256,628)
Principal payment of lease liabilities (Note 28)		(1,975,523)		(2,714,887)
Cash provided by financing activities		(1,975,623)		19,228,484
Impact of currency translation adjustment on cash		(40,860)		79,726
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,803,593)		1,563,877
Cash and cash equivalents, beginning of year		2,063,539		2,229,173
Cash and cash equivalents, end of year	\$	259,946	\$	3,793,050

The accompanying notes are an integral part of these consolidated financial statements.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited - In Canadian dollars, except where otherwise indicated)

1. CORPORATE INFORMATION AND GOING CONCERN

Steer Technologies Inc. (“**Steer Technologies**” or the “**Company**”) changed its name on October 4th, 2022 from Facedrive Inc., which was incorporated on January 18, 2018, under the *Business Corporations Act* (Alberta) as High Mountain Capital Corporation and was continued on December 31, 2019, under the *Business Corporations Act* (Ontario) and its shares are publicly traded under the stock symbol STER on the TSX Venture Exchange. The Company’s corporate headquarters is located at 400-100 Consilium Place, Scarborough, ON, M1H 3E3.

The Company has developed an innovative system that aggregates socially responsible users through a variety of entry points, offering a unified platform for buying, selling, leasing, or investing. This system generates revenue and value for shareholders by leveraging the growing demand for sustainable investment options, while providing a seamless and efficient user experience. The Company’s business offerings generally fall into two categories: 1) Subscription-based offerings and 2) On-Demand Offerings. All services are ultimately powered by the Company’s data, analytics, and machine learning engine, EcoCRED to better capture, analyse, parse and report on key data points that will measure the Company’s impact on carbon reductions and offsets.

Subscription-based offerings

The Company’s Subscription-Based Services are led by its flagship STEER EV business unit, which allows consumers (typically on a monthly recurring subscription basis) to choose from a diverse fleet of automobiles that includes a range of premium luxury, comfort and entry-level electric vehicles (EV) – without the hassles that come with long-term ownership or daily rental. Subscription Services also include health technology services and related offerings. Currently, the Company is operating STEER EV hubs in Austin, Texas, and Tampa, Florida, Washington, DC, and Toronto, ON.

On-demand offerings

The Company’s On-Demand Services provide diverse mobility solutions for businesses and consumers, including rideshare, food delivery, and delivery-as-a-service (DaaS). These offerings cater to the distinct needs of corporate entities and individuals, showcasing the Company’s commitment to seamless and customer-centric mobility solutions in a dynamic marketplace. The rideshare platform connects passengers to reliable transportation options, while the food delivery service offers convenient access to a variety of culinary experiences. The DaaS business provides a flexible logistics solution, empowering businesses to meet evolving client demands and streamline operations.

Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited - In Canadian dollars, except where otherwise indicated)

At September 30, 2023, the Company had a working capital deficiency of \$9,888,756 and a net profit of \$21,320,425. The continuation of the Company as a going concern is dependent on its ability to achieve positive cash flows from operations, to obtain the necessary equity or debt financing to continue with its planned market expansion, and to ultimately attain and maintain profitable operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing or that such financing will be on terms that are acceptable to the Company. These conditions indicate a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The consolidated financial statements do not give effects to any adjustments to the carrying values of recorded assets and liabilities, revenue and expenses, the consolidated statements of financial position classifications used and disclosures that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements (“interim financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements as set out in International Accounting Standard 34 Interim Financial Reporting (“IAS 34”).

The Company has consistently applied the same accounting policies as described herein for all periods presented. These interim financial statements do not include all the disclosures required for a complete set of IFRS financial statements. Accordingly, they should be read in conjunction with the last audited consolidated annual financial statements and notes thereto for the year ended December 31, 2022 (“annual financial statements”), which are available on SEDAR at www.sedar.com. Selected explanatory notes are included in the interim financial statements to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors of the Company on November 28, 2023.

These interim financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances, transactions, income and expenses have been eliminated on consolidation. Entities controlled by the Company and included in the interim financial statements are as follows:

SUBSIDIARIES	FUNCTIONAL CURRENCY	PRINCIPAL PLACE OF OPERATIONS	SEPTEMBER, 2023 %	DECEMBER, 2022 %
Facedrive Food Inc.	Canadian Dollar	Canada	100	100
Facedrive Health Inc.	Canadian Dollar	Canada	100	100
Food Hwy Canada Inc.	Canadian Dollar	Canada	100	100

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited - In Canadian dollars, except where otherwise indicated)

Facedrive USA LLC.	US Dollar	United States	100	100
HiRide Share Ltd.	Canadian Dollar	Canada	100	100
Steer EV Canada Inc.	Canadian Dollar	Canada	100	100
Steer Holdings, LLC	US Dollar	United States	100	100
EcoCRED, LLC	US Dollar	United States	100	100
FoodsUp Inc.	Canadian Dollar	Canada	62.5	-

(b) Reclassification

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations or cash flow.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of these interim financial statements in conformity with IFRS requires management to make certain judgments, estimates, and assumptions that affect the application of accounting policies, the reported amounts of revenues and expenses for the periods presented, and the carrying amounts of assets, and liabilities, and the disclosure of contingent liabilities, at the date of financial statements. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events believed to be reasonable, that are considered to be relevant, the results of which form the basis of the estimates made or judgement exercised that are not readily apparent from other sources. Actual results may differ from these estimates. Judgments and estimates are often interrelated. The Company's judgments and estimates are continually re-evaluated to ensure they remain appropriate. Revisions to accounting estimates are recognized in the period in which they are revised and in future periods affected.

The areas of significant judgement and estimation were identified in the Company's annual financial statements for the year ended December 31, 2022.

4. NEW ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statements of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2024. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

5. REVENUE

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited - In Canadian dollars, except where otherwise indicated)

In the following table, revenue is disaggregated by nature:

	For the three months ended Sep 30, 2023	For the three months ended Sep 30, 2022	For the nine months ended Sep 30, 2023	For the nine months ended Sep 30, 2022
Revenue recognized at a point of time				
B2B Marketplace	\$ -	\$ 12,252,750	\$ 13,685,641	\$ 33,313,159
Other (Food Delivery, Rideshare, Daas)	101,852	1,151,491	1,016,905	4,321,398
Subtotal On-Demand Offerings	\$ 101,852	\$ 13,404,241	\$ 14,702,546	\$ 37,634,557
Revenue recognized over the point of time				
Vehicle subscription	\$ 782,521	\$ 788,904	\$ 2,417,271	\$ 2,150,962
Other		98,604		289,685
Subtotal Subscription-Based Offerings	\$ 782,521	\$ 887,508	\$ 2,417,271	\$ 2,440,647
Total	\$ 884,373	\$ 14,291,749	\$ 17,120,212	\$ 40,075,204

Significant changes in deferred revenue balances during the years are as follows:

	September 30, 2023	December 31, 2022
Beginning balances	\$ 109,572	\$ 402,172
Additions	1,027,569	1,144,216
Recognized in revenue	(1,057,044)	(1,446,481)
Currency translation adjustments	1,650	9,665
Ending balances	\$ 79,720	\$ 109,572

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited - In Canadian dollars, except where otherwise indicated)

6. COST OF REVENUE

Cost of revenue consists of:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Automobile costs	\$ 244,028	\$ 305,506	\$ 762,287	\$ 602,825
Cost of goods sold	(556.8)	11,405,981	12,320,488	31,269,717
Inventory provision (Note 16)	-	186,316	-	598,022
Delivery on B2B Marketplace	34,485	701,019	790,052	2,116,028
Depreciation	962,245	813,233	2,923,445	1,980,384
Insurance expenses	171,908	187,103	687,144	498,028
Payment processing fees	38,756	329,755	363,281	1,069,742
Payout to drivers	-	686,833	770,569	3,417,879
Other cost of revenue	8,280	78,579	93,978	200,364
	\$ 1,459,145	\$ 14,694,325	\$ 18,711,244	\$ 41,752,989

7. GENERAL AND ADMINISTRATION

General and administration expense consists of:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Consulting fees	\$ 51,133	\$ 56,818	\$ 196,845	\$ 255,030
Legal and accounting fees	27,202	174,736	545,605	1,063,396
Professional fees	(4,368)	36,207	480,047	128,454
Salaries and benefits	114,328	642,621	1,124,048	2,109,804
Share-based compensation (Note 26)	82,163	333,288	243,955	1,252,749
Insurance	89,025	69,798	503,235	295,547
Other general and administration expenses	17,867	64,560	65,418	127,438
	\$ 377,350	\$ 1,378,028	\$ 3,159,154	\$ 5,232,418

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited - In Canadian dollars, except where otherwise indicated)

8. OPERATIONAL SUPPORT

Operational support expenses consist of:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Consulting fees	\$ 26,933	\$ 98,709	\$ 72,033	\$ 339,753
Rent- Office	157,807	354,838	485,465	700,552
Salaries and benefits	219,745	2,367,211	2,089,838	8,377,497
Share-based compensation (Note 26)	9,583	51,830	59,986	126,849
Telephone, internet and data	81,667	186,162	297,854	609,401
Warehouse expenses	27,617	103,942	446,459	561,440
Other operational support expenses	3,338	208,396	25,209	546,723
	\$ 526,690	\$ 3,371,088	\$ 3,476,844	\$ 11,262,215

9. RESEARCH AND DEVELOPMENT

Research and development expenses consist of:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Consulting fees	\$ -	\$ 161,487	\$ 23,063	\$ 611,823
Salaries and benefits	119,391	486,388	501,361	1,419,981
Share-based compensation	3,182	22,915	21,995	61,890
	\$ 122,573	\$ 670,790	\$ 546,419	\$ 2,093,694

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited - In Canadian dollars, except where otherwise indicated)

10. SALES AND MARKETING

Sales and marketing expenses consist of:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Consulting fees	\$ 52,538	\$ 276,399	\$ 562,947	\$ 685,268
Salaries and benefits	79,692	226,876	332,946	683,750
Share-based compensation (Note 26)	527	9,109	3,467	27,031
User incentives and marketing expenses	(4,025)	64,671	39,470	297,470
	\$ 128,732	\$ 577,055	\$ 938,830	\$ 1,693,519

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

	November 30, 2023	December 31, 2022
Trade receivables	\$ 288,888	\$ 381,301
HST receivable	672,003	285,378
Other receivables	84,301	-
Receivables from MR. Suman Pushparajah (Note 25)	122,603	-
	\$ 1,167,795	\$ 666,679

12. PREPAID EXPENSES AND DEPOSITS

Current prepaid expenses and deposits consist of:

	November 30, 2023	December 31, 2022
Prepaid insurance	\$ 54,196	\$ 38,912
Prepaid licenses	5,415	5,416
Prepaid rent	13,520	13,544
Deposits	234,522	245,772
Other prepaid expenses	30,434	47,680
	\$ 338,087	\$ 351,324

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited - In Canadian dollars, except where otherwise indicated)

13. INVENTORIES

Inventories consist of goods in transit, finished goods, and work-in-process, less any provision. Finished goods is primarily made up of STEER EV Supercharging.

	Sep 30, 2023	December 31, 2022
Goods in transit	\$ -	\$ 178,815
Finished goods	82,625	4,981,160
Inventory provision	-	(2,228,058)
Disposal	-	-
	\$ 82,625	\$ 2,931,917

An inventory provision is estimated by management based on historical sales, inventory aging and expiry, and expected future sales and is included in cost of revenue. Subsequent changes to the provision are recorded in cost of sales in the consolidated statements of loss and comprehensive loss. For the three and nine months ended September 30, 2023, inventory write-downs of \$Nil and \$Nil were expensed through cost of revenue (2022 - \$176,345 and \$411,706).

During the three and nine months ended September 30, 2023, \$Nil and \$12,105,008 (2022 - \$11,699,491 and \$19,283,301) of inventory was sold and recognized in cost of revenue, and \$Nil and \$Nil (2022 - \$11,167 and \$16,253) of inventory was used for promotional purposes and recognized in other expense categories, such as selling and marketing and investor relations, \$Nil and \$Nil (2022 - \$Nil and \$820) of inventory was used for office supplies.

14. RESTRICTED INVESTMENT

Restricted investment represents short-term deposit of \$572,557 (2022 - \$630,418) with an original maturity of twelve months bearing an interest within the range of 0.6% to 3.00% per annum held as a collateral with the Company's banker for a letter of credit of \$525,000 (2022 - \$525,000); hence it is classified as non-current assets.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

15. INTANGIBLE ASSETS

	Definite Useful Life						Indefinite	Total
	Brand Names	HiRide Platform	Customer Lists	Developed Technology	Vendor Relationships	Courier Relationships	Brand Names	
Cost								
Balance, December 31, 2021	\$ 1,458,000	\$ 761,209	\$ 1,221,281	\$ 2,787,927	\$ 1,656,000	\$ 176,000	\$ 629,590	\$ 8,690,007
Impact of currency translation	-	-	42,940	-	-	-	43,005	85,945
Balance, December 31, 2022	\$ 1,458,000	\$ 761,209	\$ 1,264,221	\$ 2,787,927	\$ 1,656,000	\$ 176,000	\$ 672,595	\$ 8,775,952
Impact of currency translation	-	-	-	-	-	-	-	-
Balance, September 30, 2023	\$ 1,458,000	\$ 761,209	\$ 1,264,221	\$ 2,787,927	\$ 1,656,000	\$ 176,000	\$ 672,595	\$ 8,775,952
Accumulated Amortization and Impairment								
Balance, December 31, 2021	\$ 648,334	\$ 761,209	\$ 523,949	\$ 1,845,703	\$ 223,784	\$ 146,666	\$ -	\$ 4,149,645
Amortization	462,666	-	238,919	487,819	179,027	29,334	-	1,397,765
Impairment	-	-	448,773	-	-	-	672,595	1,121,368
Impact of currency translation	-	-	11,852	-	-	-	-	11,852
Balance, December 31, 2022	\$ 1,111,000	\$ 761,209	\$ 1,223,493	\$ 2,333,522	\$ 402,811	\$ 176,000	\$ 672,595	\$ 6,680,630
Amortization	347,000	-	5,092	104,239	134,270	-	-	590,601
Impairment	-	-	-	-	-	-	-	-
Impact of currency translation	-	-	-	-	-	-	-	-
Balance, September 30, 2023	\$ 1,458,000	\$ 761,209	\$ 1,228,585	\$ 2,437,761	\$ 537,081	\$ 176,000	\$ 672,595	\$ 7,271,231
Net book value								
At December 31, 2022	\$ 347,000	\$ -	\$ 40,727	\$ 454,405	\$ 1,253,189	\$ -	\$ -	\$ 2,095,322
At Sep 30, 2023	\$ 0	\$ -	\$ 35,636	\$ 350,166	\$ 1,118,919	\$ -	\$ -	\$ 1,504,721

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

During the nine months ended September 30, 2023, no indicators of impairment were assessed on the Company's intangible assets.

16. GOODWILL

		FoodHwy		STEER EV		Total
Balance, December 31, 2021	\$	1,050,843	\$	869,001	\$	1,919,844
Goodwill impairment		-		(928,360)		(928,360)
Impact of currency translation		-		59,359		59,359
Balance, December 31, 2022	\$	1,050,843	\$	-	\$	1,050,843
Impact of currency translation		-		-		-
Balance, September 30, 2023	\$	1,050,843	\$	-	\$	1,050,843

Goodwill is tested for impairment on an annual basis. The Company performed goodwill testing on the Steer EV and FoodHwy as at December 31, 2022 and did not note any impairment. as at September 30, 2023.

17. INVESTMENT IN PREFERRED SHARES

On October 21, 2019, the Company completed a transaction with Westbrook Global Inc. ("Westbrook") whereby the Company purchased a USD \$1,000,000, 3.00% unsecured convertible promissory note of Westbrook, due December 31, 2022 (the "Note").

With Westbrook completing the Series A transaction on December 20, 2021, by confirming the Series A Stock Purchase Agreement and the Investors' Rights Agreement mutually agreed by both parties, the promissory notes were converted to 14,200 preferred shares, representing 0.247% of total ownership, earning 3% annually compounded dividend.

The preferred share was recognized as FVTPL at fair value determined based on a recent arm's length third party transaction; the difference between the carrying amount of the promissory notes and the fair value on conversion date was recognized immediately in the consolidated statements of loss and comprehensive loss.

Balance, December 31, 2021	\$	1,365,145
Fair value loss on investment		(90,999)
Foreign exchange gain		92,307
Balance, December 31, 2022	\$	1,366,453
Fair value loss on investment		(50,418)
Foreign exchange gain		17,306
Balance, Sep 30, 2023	\$	1,333,342

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

18. INVESTMENT IN FOODSUP

On January 18, 2023, The Food Hwy incorporated a new subsidiary, FoodsUP and 100 FoodsUP common shares were subscribed by Food Hwy.

On March 24, 2023, Food Hwy and FoodGrowup Partner entered into a mutual agreement. The transaction details are as follows:

- Sale of B2B Marketplace Net Assets: Food Hwy sold the net assets of its B2B marketplace business to FoodGrowup Partner. The consideration for this sale is an unsecured, non-interest-bearing promissory note in the amount of \$4.5 million, payable on demand.
- Subscription of FoodsUP Common Shares: As part of the agreement, FoodGrowup Partner subscribed to 35,000 common shares of FoodsUP at a price of \$471.43 per share, resulting in a total subscription amount of \$16.5 million.
- Acquisition of FoodsUP Common Shares and Call Option: in addition to the subscription, FoodGrowup Partner purchased 2,500 common shares of FoodsUP directly from Food Hwy. They also acquired a call option from Food Hwy, which grants them the right to purchase an additional 7,500 shares of FoodsUP at a price of \$0.01 per share, which may only be exercised when/if certain conditions are met, for a total consideration of \$1.5 million.
- Following the completion of this transaction, Food Hwy retains ownership of 62,500 common shares of FoodsUP.

On May 12, 2023, Food Hwy determined that it had lost control over FoodsUP on March 30, 2023, with a comprehensive analysis by external consultants, due to the following reasons:

- Despite holding a majority of the voting shares of FoodsUP, Food Hwy only controls 2 out of the 5 seats on the Board of Directors, which possesses decision-making authority over strategic activities related to FoodsUP.
- FoodGrowup Partner, through Di's veto right as stipulated in the Unanimous Shareholder Agreement, exercises control over the Board of Directors and consequently holds power over FoodsUP's activities.

After a comprehensive analysis to determine the fact of losing significant control, Food Hwy decided to derecognize the assets and liabilities of FoodsUP at the date when control was lost, recognizing them at their carrying value. The investment in FoodsUP was subsequently recorded at fair value, determined to be \$471.43 per share based on the Subscription Agreement for Common Share closing on March 28, 2023. Food Hwy held 62,500 shares of FoodsUP, resulting in a fair value of \$29,464,375

On September 30, 2023, Food HWY adjusted the carrying value of FoodsUP in accordance with Equity Method. FoodsUp recognized its portion of loss on its investment of \$979,684 in Q2 2023 and \$1,880,728 in Q3 2023 for a total of \$2,860,412. The current carrying value of FoodsUp is \$26,603,933.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

Balance, December 31, 2022	\$ -
Fair value on investment	29,464,375
Equity Method Adjustment	2,860,412
Balance, September 30, 2023	\$ 26,603,933

Total Transactions from Spin off B2B Marketplace:

	As at Sep, 2023
Gain from disposal of net assets for B2B Marketplace	\$ 4,981,937
Sales of shares for FoodsUp	1,500,000
Gain on investment on FoodsUp	29,464,375
Total	\$ 35,946,312

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

19. PROPERTY AND EQUIPMENT

	Computers	Furniture	Vehicles	Warehouse Equipment	Total
Cost					
Balance, December 31, 2021	\$ 56,848	\$ 31,770	\$ 114,950	\$ 249,968	\$ 453,536
Additions	109,247	6,301	4,105,508	259,627	4,480,683
Disposals	-	-	(3,935,995)	(46,340)	(3,982,335)
Impact of currency translation	861	-	-	-	861
Balance, December 31, 2022	\$ 166,956	\$ 38,071	\$ 284,463	\$ 463,255	\$ 952,745
Additions	8,500	-	-	18,400	21,353
Disposals	(55,066)	(2,916)	(284,463)	(481,655)	(824,100)
Impact of currency translation	-	-	-	-	-
Balance, Sep 30, 2023	\$ 120,390	\$ 35,155	\$ -	\$ -	\$ 149,998
Accumulated Depreciation					
Balance, December 31, 2021	18,747	5,989	5,747	23,633	54,116
Depreciation	33,278	7,368	150,458	80,686	271,790
Disposals	-	-	(127,555)	(5,911)	(133,466)
Impact of currency translation	351	-	-	-	351
Balance, December 31, 2022	52,376	\$ 13,357	28,650	98,408	\$ 192,791
Depreciation	29,798	5,419	9,005	24,231	60,108
Disposals	(7,106)	(680)	(37,655)	(122,639)	(168,080)
Impact of currency translation	511	-	-	-	103
Balance, Sep 30, 2023	\$ 75,579	\$ 18,096	\$ -	\$ -	\$ 84,922
Net Book Value					
At December 31, 2022	\$ 114,580	\$ 24,714	\$ 255,813	\$ 364,847	\$ 759,954
At Sep 30, 2023	\$ 44,811	\$ 17,059	\$ -	\$ -	\$ 61,870

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

20. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023	December 31, 2022
Trade payables	\$ 3,623,355	\$ 8,128,625
Accrued liabilities and other payables	4,099,790	810,613
Payroll liabilities and source deductions	32,410	257,909
Related party liabilities (Note 25)	110,389	517,747
	\$ 7,865,944	\$ 9,714,894

21. LOANS

On January 7, 2021, the Company received a loan in the principal amount of \$20,000 under the Canada Emergency Business Account (“CEBA”) program. The loan is non-interest bearing and eligible for \$10,000 forgiveness if repaid by December 31, 2023. If not repaid by December 31, 2023, the loan bears interest at 5% per annum and is due on December 31, 2025. The Company intends to repay the loan by December 31, 2023 and management has assessed that the Company will have the financial ability to do so. As it is probable that the conditions for the forgiveness of the loans will be met, the Company has recognized the \$10,000 loan forgiveness as government grant income for the year ended December 31, 2021. As the loan is issued at below market rates, the initial fair value of the loan was determined to be \$8,033, which was determined using an estimated effective interest rate of 11%. The difference between the face value of the loan and the fair value of the loan of \$1,967 has been recognized as government grant income during the year ended December 31, 2021.

During the year ended December 31, 2020, the Company received loans in the principal amount of \$140,000 under the CEBA program. The loans are non-interest bearing and eligible for \$40,000 forgiveness if repaid by December 31, 2023. If not repaid by December 31, 2023, the loans bear interest at 5% per annum and are due on December 31, 2025. The Company intends to repay the loans by December 31, 2023 and management has assessed that the Company will have the financial ability to do so. As it is probable that the conditions for the forgiveness of the loans will be met, the Company has recognized the \$40,000 loan forgiveness as government grant income during the year ended December 31, 2020. As the loans are issued at below market rates, the initial fair value of the loans was determined to be \$76,417, which was determined using an estimated effective interest rate of 11%. The difference between the face value of the loans and the fair value of the loans of \$23,583 has been recognized as government grant income during the year ended December 31, 2020.

For the three and nine months ended Sep 30, 2023, the Company recognized interest expense of \$Nil (2022 - \$2,812 and \$5,548) related to the CEBA loans.

As of Sep 30, 2023, the balance outstanding was \$110,000 (December 31, 2022- \$110,000).

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

22. FAIR VALUE MEASUREMENT

The Company uses various methods to estimate the fair values of assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the consolidated statements of financial position after initial recognition. The fair value hierarchy reflects the significance of inputs used in determining the fair values.

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash and cash equivalents, restricted investment, trade and other receivables, accounts payable and accrued liabilities, amounts due to related party, and loans are considered reasonable approximations of their fair values due to the short-term nature of these instruments. The fair value measurement for investment in preferred shares is derived using level 3 inputs.

23. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series with no par value for both.

As of September 30, 2023, the Company had 132,944,615 (December 31, 2022 - 132,944,615) common shares issued and outstanding and no preferred shares issued and outstanding.

Share capital transactions during the nine months ended September 30, 2022 consisted of the following:

- On March 1, 2022, the Company completed a non-brokered private placement of 7,343,750 units, with each unit consistent of one Share and one warrant, issued at a price of \$0.64 per unit for aggregate gross proceeds of \$4,700,000. The Company incurred legal fees of \$49,860 and professional fees of \$24,250 in connection with this financing.
- On March 31, 2022, the Company clawed back 26,841 common shares of the 18 Month Lock-Up Shares as a result of post-closing adjustment for acquisition of Food Hwy.
- On April 7, 2022, the Company completed a non-brokered private placement of

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

29,661,016 units, with each unit consistent of one Share and one warrant, issued at a price of \$0.59 per unit for aggregate gross proceeds of \$17,499,999. The Company incurred finder fees of \$47,495, legal fees of \$78,442 and professional fees of \$56,581 in connection with this financing.

- On September 1, 2022, the Company issued an aggregate of 89,025 Shares to two of the Company's former advisors as debt settlements. The arrangements are share-based payment transactions with non-employees. For accounting purposes, using the fair value method of accounting, consideration comprised of 89,025 Shares with a fair value of \$69,500, representing a grant date fair value of the Shares of \$0.78 per Share.
- On September 1, 2022, the Company clawed back 11,275 common shares of the 18 Month LockUp Shares as a result of post-closing adjustment for acquisition of Food Hwy

24. OPTIONS, RESTRICTED SHARE UNITS AND WARRANTS

The Company's recorded share-based compensation for the three months ended September 30, 2023 and 2022 and nine months ended September 30, 2023 and 2022 comprised of the following:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Options (a)	\$ 2,356	\$ 140,275	\$ 142,885	\$ 333,924
RSUs (c)	99,962	276,867	523,511	1,134,594
Total share-based compensations	\$ 102,317	\$ 417,142	\$ 666,396	\$ 1,468,518

(a) Options

Continuity of the Options issued and outstanding are as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2021	819,188	\$ 1.94
Granted	704,283	0.9
Expired/forfeited/cancelled	(298,500)	-
Outstanding, December 31, 2022	1,224,971	\$ 1.32
Granted	-	-
Expired	-	-
Outstanding, September 30, 2023	1,224,971	1.32
Exercisable, September 30, 2023	1,194,781	1.27

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

As at September 30, 2023, the following Options were outstanding:

Number of options	Exercise price	Expiry date	Remaining contractual life (years)
90,580	1.63	September 26, 2024	0.99
45,290	1.61	September 26, 2024	0.99
30,190	3.31	September 26, 2024	0.99
90,580	1.90	April 7, 2026	2.52
45,290	2.28	April 7, 2026	2.52
30,190	3.31	April 7, 2026	2.52
188,568	1.25	November 18, 2024	1.14
704,283	0.90	May 23, 2025	1.65
1,224,971			1.60

As at Dec 31, 2022, the following Options were outstanding:

Number of options	Exercise price	Expiry date	Remaining contractual life (years)
90,580	1.63	September 26, 2024	1.74
45,290	1.61	September 26, 2024	1.74
30,190	3.31	September 26, 2024	1.74
90,580	1.90	April 7, 2026	3.27
45,290	2.28	April 7, 2026	3.27
30,190	3.31	April 7, 2026	3.27
188,568	1.25	November 18, 2024	1.88
704,283	0.90	May 23, 2025	2.39
1,224,971			2.34

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

(b) Restricted Share Units

Continuity of the Company's RSUs issued and outstanding was as follows:

	Number of RSUs		Weighted average grant date fair value
Outstanding, December 31, 2021	635,668	\$	7.69
Granted	618,973		0.65
Exercised	(167,441)		9.23
Cancelled	(65,407)		0.86
Outstanding, December 31, 2022	1,021,794		3.61
Granted	-		-
Exercised	-		-
Cancelled	-		-
Outstanding, September 30, 2023	1,021,794		3.61
Vested, pending settlement and issue	176,869		5.78

(c) Warrants

Continuity of the warrants issued and outstanding are as follows:

	Number of warrants		Weighted average exercise price
Outstanding, December 31, 2021	-	\$	-
Granted	37,004,766		0.74
Exercised	-		-
Outstanding, December 31, 2022	37,004,766	\$	0.74
Granted	-		-
Exercised	-		-
Exercisable, September 30, 2023	37,004,766	\$	0.74

25. RELATED PARTY DISCLOSURES

Related parties include key management, the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers. For the three and nine months ended September 30, 2023 and 2022, the compensation awarded to key management personnel is as follows:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Salaries, service fees and short-term benefits	\$ 85,928	\$ 191,873	\$ 217,500	\$ 455,204
Share based compensations	68,670	237,135	413,259	769,330
	\$ 154,598	\$ 429,008	\$ 562,089	\$ 987,399

Related party transactions

During the nine months ended September 30, 2023, and 2022, the Company incurred office space, operational support, consulting, and product development expenses for services provided by the following related entities controlled by key officers or directors and the loan provided to key officers or directors:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Connex Telecommunications Inc. (“Connex”)	791 \$	15,238 \$	43,826 \$	78,851
Abrahams LLP.	-	14,066	-	65,197
Mr. Suman Pushparajah	122,603		122,603	
	137,037 \$	29,304 \$	152,300 \$	144,048

The above incurred expenses are included in cost of revenues, operational support expenses, research and development expenses, and the loan to the previous CEO, Mr. Suman Pushparajah. Transactions with the related parties are measured at fair value.

During the nine months ended September 30, 2023, the company provided a loan of \$120,000 to the previous CEO, Mr. Suman Pushparajah, carrying an annual interest rate of 8%.

As at September 30, 2023, the outstanding balance on the loan was \$122,603. The interest accrued and not yet paid as of the balance sheet date was \$2,603.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

Due to related parties:

As at September 30, 2023 and 2022 amounts due to related parties include:

	September 30, 2023		December 31, 2022
Directors	5,000	\$	90,000
Founders	195,559		195,559
Entities controlled by key officers or directors	105,389		595,077
	305,948	\$	880,636

Amounts due to directors and entities controlled by key officers or directors are included in accounts payable and accrued liabilities (Note 20). Amounts due to founders are included as due to related parties. The amounts owing by the Company are unsecured, and non-interest bearing, with no specific terms for repayment.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's primary financial risk management objective is to protect the Company's consolidated financial position statement and cash flow. The Company's principal financial liabilities are comprised of accounts payable and accrued liabilities, lease liabilities and amounts due to related parties. The main purpose of these financial liabilities is to provide working capital for the Company's operations. During the normal course of operations, the Company may become exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at September 30, 2023, the Company is primarily exposed to foreign exchange risk through its United States dollars denominated, investment in preferred shares. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends. The Company does not currently hedge its currency risk.

Based on current exposures as at As at September 30, 2023, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar relative to the United States dollar would result in a gain or loss of approximately \$8,900 in the Company's consolidated statements of loss and comprehensive loss.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2023, the Company is not exposed to significant interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Examples include changes in commodity prices or equity prices. As at September 30, 2023, the Company is not exposed to significant other price risk, except with regards to FVTPL investments.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's financial instruments that are exposed to credit risk consist primarily of cash and cash equivalents and trade and other receivables. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with financially stable and insured institutions. The Company mitigates its exposure to credit risk from trade and other receivables through a payment collection platform which processes users' pre-authorized credit cards. As payments from users are typically pre-authorized, the risk of credit loss is expected to be minimal. As at September 30, 2023, the Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far ahead as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions such as those created by the global pandemic COVID-19. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company continuously reviews both actual and forecasted cash flows in order to ensure that the Company has appropriate capital capacity.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

As at September 30, 2023	Carrying Amount	Undiscounted Contractual Cash Flows		
		< 1 year	1 – 5 years	Total
Accounts payables and accrued liabilities	\$ 7,865,944	7,865,944	\$ -	\$ 6,737,526
Due to related party	195,559	195,559	-	195,559
Loans	110,000	110,000	-	110,000
Lease liabilities	16,735,465	3,194,230	15,941,114	19,135,344
	\$ 23,778,550	\$ 10,237,315	\$ 15,941,114	\$ 26,178,429
As at December 31, 2022				
Accounts payables and accrued liabilities	\$ 9,714,894	\$ 9,714,894	\$ -	\$ 9,714,894
Due to related party	195,559	195,559	-	195,559
Loans	110,000	110,000	-	110,000
Lease liabilities	20,623,953	5,235,679	18,322,090	23,557,769
	\$ 30,644,406	\$ 15,256,132	\$ 18,322,090	\$ 33,578,222

Capital management

The Company manages its capital, which consists exclusively of equity, with the primary objective being safeguarding sufficient working capital to sustain operations. The Company may require additional funds in order to fulfill all of its future expenditure requirements or obligations, in which case the Company may raise additional funds either through the issuance of equity or by incurring debt to satisfy such requirements or obligations. There is no assurance that any additional funding required by the Company will be available to the Company on terms acceptable to the Company or at all.

There have been no changes in the Company's approach to capital management during the nine months ended September 30, 2023, nor have there been any changes made in the objectives, policies, or processes of the Company in respect of capital management during the six months ended September 30, 2023. The Company will continually assess the adequacy of its capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business.

The Company's primary objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that it can provide adequate returns to its shareholders and benefits for other stakeholders;
- fund capital projects for facilitation of business expansion provided there is sufficient liquidity of capital to enable the internal financing; and
- maintain a capital base to maintain investor, creditor, and market confidence.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

The Company considers the items included in the consolidated statements of changes in equity as capital. The Company manages its capital structure and makes adjustments thereto as is necessary from time to time in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new Shares from treasury. The Company is not subject to externally imposed capital requirements.

27. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Legal claim contingency

The Company may from time to time become subject to a variety of claims and lawsuits that arise from time to time in the ordinary course of the Company's business. Although management currently believes that resolving claims against the Company, individually or in aggregate, will not have a material adverse impact on the Company's financial position, results of operations or cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

On March 2, 2020, an oppression remedy action was commenced by the individual pursuant to section 248 of the *Business Corporations Act* (Ontario) against the Company, its Board of Directors, and Odyssey Trust Company (its transfer agent), in the Ontario Superior Court of Justice. The plaintiff is seeking, among other relief, an order requiring the Company's Board of Directors to deliver to the plaintiff 340,947 common shares in the Company or, in the alternative, payment of damages equal to the greater of \$1,568,356 or the monetary value of the 340,947 common shares of the Company as of the date of trial. To date, the Company has not been required to deliver a statement of defence. The Company has assessed that the likelihood of delivering the shares or paying the damages to be remote. As such, no provision has been recognized for this matter as at September 30, 2023.

On August 4, 2023, a complaint was filed by Clutch Technologies, LLC and its parent company Cox Automotive against the Company for breach of contract in the Fulton County Superior Court, GA. Cox Automotive entered into a contract with Steer Technologies Inc. to provide the Company's car subscription division with Clutch's Multi Subscription product in exchange for a minimum fee of \$5,000 per month in addition to \$75 per subscriber per month. Steer Technologies Inc. Steer Technologies Inc is in initial settlement discussions with Clutch and is assessing the probability of outcomes in this case. As such, no provision has been recognized on this matter as of September 30, 2023

Guarantees

The Company indemnifies its directors and officers against claims reasonably incurred and resulting from the performance of their services to the Company and maintains liability insurance for its directors and officers.

At September 30, 2023, the Company was contingently liable under an irrevocable letter of credit issued by its bank in February 2020 in the amount of \$100,000. The letter of credit was issued to Greater Toronto Airports Authority ("GTAA") as a security for the Company's obligations in connection with an agreement between the Company and GTAA. In February 2022, GTAA has requested a reduction in the amount of \$75,000. With all other terms and conditions remain

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

unchanged, the outstanding balance has been reduced to \$25,000.

28. LEASES

Right-of-use assets

As at Sep 30, 2023, the Company's Right-of-use assets are as follows:

	Office space	Vehicles	Warehouse Equipment	Total
As at January 1, 2022	\$ 3,136,561	\$ 6,740,505	\$ -	\$ 9,877,066
Additions	2,812,930	12,210,997	173,453	15,197,380
Disposals	(711,154)	(1,066,438)	-	(1,777,592)
Depreciation	(1,374,717)	(3,072,812)	(27,257)	(4,474,786)
Impact of currency translation	-	326,257	-	326,257
As at December 31, 2022	\$ 3,863,620	\$ 15,138,509	\$ 146,196	\$ 19,148,325
Additions				
Disposals	(886,601)	(1,043,365)	(134,354)	(2,064,320)
Depreciation	(532,136)	(2,935,502)	(11,842)	(3,479,480)
Impact of currency translation		(20,448)		(20,447)
As at Sep 30, 2023	\$ 2,444,883	\$ 11,139,194	\$ -	\$ 13,584,078

The depreciation on the vehicles for Steer EV and Steer Holding Inc. have been recognized under cost of revenue (Note 7). The vehicles referred to in the table above are related to the Company's services and offerings for vehicle subscription service.

Lease liabilities

As at Sep 30, 2023, the Company's lease liabilities are as follows:

Lease liabilities	Sep 30, 2023	December 31, 2022
Current portion	\$ 2,488,996	\$ 3,612,885
Long-term portion	13,440,951	17,011,068
Total lease liabilities	\$ 15,929,948	\$ 20,623,953

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

When measuring the lease liabilities, the Company discounted lease payments using its incremental borrowing rate. The weighted-average rate applied was 9%.

The Company is committed to undiscounted minimum lease payments as follows:

Lease commitments		Sep 30, 2023		December 31, 2023
Less than one year	\$	3,926,818	\$	5,235,679
One to five years		14,576,540		18,322,090
Total undiscounted lease commitments	\$	18,503,359	\$	23,557,769

Amounts recognized in the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

		For the three months ended September 30, 2023		For the three months ended September 30, 2022		For the nine months ended September 30, 2023		For the nine months ended September 30, 2022
Interest on lease liabilities	\$	368,950	\$	376,981	\$	1,204,534	\$	884,927
Expenses relating to short-term leases		50,057		93,178		196,656		249,093
Expenses relating to variable lease payments not included in lease liabilities	\$	118,673	\$	89,470	\$	356,019	\$	166,691

Amounts recognized in the Condensed Consolidated Interim Statements of Cash Flows

During the nine months ended September 30,		2023		2022
Interest paid	\$	1,204,534	\$	897,410
Payment of lease liabilities		1,975,523		2,714,887
Short-term lease payments		211,656		249,093
Expenses relating to variable lease payments not included in lease liabilities		356,019		166,691
Total cash outflows for leases	\$	3,747,732	\$	2,229,052

29. GOVERNMENT AND OTHER GRANTS

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Toronto Region Board of Trade's Recovery Activation Program (a)	-	-	-	10,000
Canada Emergency Wage Subsidy ("CEWS") (b)	-	-	-	1,012,814
Total government and other grants	\$	-\$	631,653	\$
			-\$	1,654,467

a) Toronto Region Board of Trade's Recovery Activation Program

During the three and nine months ended September 30, 2023, the Company has received grant from Lenovo Evolve Small grant program in the amount \$Nil (2022 - \$10,000), which aimed at providing relief to Black, Indigenous, and People of Colour-owned small businesses navigating the challenges and impact of COVID-19.

b) Canada Emergency Wage Subsidy ("CEWS")

The Canadian government announced CEWS program in April 2020 which provides a wage subsidy on eligible remuneration to eligible employers based on certain criteria. During the three and nine months ended September 30, 2023, the Company received \$Nil (2022 - \$1,012,814) as government grant income on the consolidated statements of loss and comprehensive loss.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

30. SEGMENT REPORTING

The Company has one operating segment, being the provider of ridesharing, food-delivery and contract-tracing solutions, and operates in two geographic areas, being the United States and Canada. The Company's revenue and long-lived assets by geographic area during the nine months ended and as at September 30, 2023 are set out below:

	Canada		United States		Total
September 30, 2023:					
B2B Marketplace	\$ 13,685,641	\$	-	\$	13,685,641
Other (Foods Delivery, Rideshare, Daas, Health)	1,017,037		395		1,017,431
On-Demand Offerings	\$ 14,702,678	\$	-	\$	14,703,072
Vehicle subscription service	\$ 880,025	\$	1,537,247	\$	2,417,271
Subscription-Based Offerings Total	\$ 880,025	\$	1,537,641	\$	2,417,271
	\$ 15,582,702	\$	1,537,641	\$	17,120,212
Long-lived assets	\$ 43,637,283	\$	6,071,225	\$	49,708,508
September 30, 2022:					
B2B Marketplace	\$ 33,313,159	\$	-	\$	33,313,159
Other (Food Delivery, Rideshare, DaaS)	4,321,398		-		4,321,398
On-Demand Offerings	37,634,557	\$	-	\$	37,634,557
Vehicle subscription service	524,673	\$	1,626,291	\$	2,150,964
Other	-		289,685		289,685
Subscription-Based Offerings Total	524,673	\$	1,915,976	\$	1,553,140
	\$ 38,159,230	\$	1,915,976	\$	40,075,206
Long-lived assets	\$ 18,875,342	\$	8,720,779	\$	27,596,121

The above disclosures are consistent with the financial information regularly reviewed by the chief operating decision makers.

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

31. DISCONTINUED OPERATIONS

On March 30, 2023, the Company successfully completed the sale of a 37.5% ownership stake in its B2B Marketplace business through its wholly owned subsidiary, FoodHWY.

After conducting a comprehensive analysis with the assistance of external accounting experts on May 12, 2023, FoodHwy made the decision to derecognize the assets and liabilities associated with the B2B Marketplace as of the date control was relinquished, which occurred on March 30, 2023.

Regarding the presentation in the financial statements, in compliance with International Financial Reporting Standards (IFRS), the results of the discontinued operations have been segregated from the continuing operations. This separate presentation aims to enhance clarity and enable stakeholders to better comprehend the financial impact of the discontinued operations.

Financial Results of Discontinued Operations for the period, cut off on March 30, 2023, are as follows:

DISCONTINUED OPERATIONS - BALANCE SHEET

Assets		
Total Current Assets	\$	15,210,272
Total Non-Current Assets		1,919,837
Total Assets	\$	17,130,109
Liabilities		
Total Current Liabilities	\$	4,147,136
Total Non-Current Liabilities		17,964,909
Total Liabilities	\$	22,112,046
Gain on Disposal	\$	4,981,937

DISCONTINUED OPERATIONS - INCOME STATEMENT

Revenue	\$	13,685,641
COGS		(13,058,744)
Gross Profit		\$626,897
Operating Expenses		(1,920,139)
Loss from operations		(1,293,242)

Steer Technologies Inc. (Formerly Facedrive Inc.)
Notes to the Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

32. SUBSEQUENT EVENTS.

STEER Announces Change to Its Board

On October 27, 2023, STEER Technologies Inc. (“STEER” or the “Company”) (TSXV: STER), (OTCQX: STEEF), an integrated ESG technology platform, announces a change to its Board of Directors with Suman Pushparajah resigning as the Company’s Director effective October 25, 2023. As previously announced, Suman Pushparajah was terminated from his role as STEER’s CEO on September 11, 2023.

STEER Announces Senior Management Change

On September 11, 2023, STEER Technologies Inc. announced a change to its senior management team with Suman Pushparajah having been terminated as the Company’s Chief Executive Officer (CEO), effective immediately. Following his termination, Mr. Pushparajah will continue to serve as a director of the Company.