

STEER TECHNOLOGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

Steer Technologies Inc.
Consolidated Financial Statements
December 31, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Steer Technologies Inc.

Opinion

We have audited the consolidated financial statements of Steer Technologies Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements, which indicates that the Company incurred an operating loss during the year ended December 31, 2023 and had a working capital deficit and an accumulated deficit at December 31, 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Emphasis of Matter - Material Uncertainty Related to Going Concern* section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

(Continues)



Independent Auditor’s Report to the Shareholders of Steer Technologies Inc. (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Investment in associate</p> <p>The Company divested 37.5% of its ownership in a subsidiary which required management to make significant assumptions in determining loss of control and related gain on disposal.</p>	<p>We determined this as a key audit matter as it represented an area of significant risk of material misstatement given the magnitude of the transaction and the high degree of judgement in determining the level of control.</p> <p>We performed the following procedures:</p> <ul style="list-style-type: none"> ▪ Evaluated management’s process and methodology with regards to the determination of lack of control; ▪ Tested the accuracy of information used in determining the Company’s gain on disposal; ▪ Tested the financial information used in the Company’s application of it’s equity method accounting; and ▪ Assessed the overall presentation and disclosure in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis but does not include the consolidated financial statements and our auditor’s report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

(Continues)



Independent Auditor's Report to the Shareholders of Steer Technologies Inc. (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements (continued)

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(Continues)



Independent Auditor's Report to the Shareholders of Steer Technologies Inc. (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sameer Parekh.

SRCO Professional Corporation

Richmond Hill, Canada
May 7, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Steer Technologies Inc.
Consolidated Statements of Financial Position
(In Canadian dollars, except where otherwise indicated)

As at December 31	Notes	2023	2022
ASSETS		\$	\$
Current assets			
Cash and cash equivalents		146,169	2,063,539
Trade and other receivables	13	339,514	666,679
Prepaid expenses and deposits	14	-	351,324
Inventories	15	-	2,931,917
		485,683	6,013,459
Restricted investment	16	61,968	630,418
Deposits	14	-	909,935
Investment in preferred shares	20	433,812	1,366,453
Investment in associate	19	23,726,489	-
Property and equipment	21	47,539	759,954
Right-of-use assets	30	506,243	19,148,325
Intangible assets	17	315,421	2,095,322
Goodwill	18	-	1,050,843
Deferred income tax assets	32	125,129	58,569
Total assets		\$ 25,702,284	\$ 32,033,278
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	22, 30	\$ 9,539,128	\$ 9,714,894
Customer deposits		454,766	661,633
Deferred revenue	7	46,566	109,572
Due to related party	27	195,559	195,559
Lease liabilities – current	30	3,496,528	3,612,885
Income tax payable	32	121,295	157,486
		13,853,842	14,562,029
Loans	23	160,000	110,000
Lease liabilities	30	9,536,185	17,011,068
Total liabilities		23,550,027	31,573,097
SHAREHOLDERS' EQUITY			
Share capital	25	75,937,779	75,937,779
Contributed surplus		15,384,438	14,718,042
Accumulated other comprehensive loss		(51,737)	(161,372)
Deficit		(89,118,223)	(90,034,268)
Total shareholders' equity		2,152,257	460,181
Total liabilities and shareholders' equity		\$ 25,702,284	\$ 32,033,278

Corporate information and going concern Note 1
Commitments, contingencies and guarantees Note 29
Subsequent events Note 33

Approved by:
(signed) "Junaid Razvi" Director

(signed) "Qamar Qureshi" Director

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

Steer Technologies Inc.
Consolidated Statements of Income (Loss) and Comprehensive Income
(Loss)

(In Canadian dollars, except where otherwise indicated)

	Notes	2023	2022
REVENUE	7	\$ 17,732,540	\$ 54,921,277
Cost of revenue	8, 15	20,212,942	58,980,897
General and administration	9	3,866,061	6,738,225
Operational support	10	4,319,435	13,554,630
Research and development	11	606,765	2,556,581
Sales and marketing	12	1,014,502	2,263,322
Provision for trade and other receivable	13	1,082,034	-
Amortization	17	671,800	1,397,765
Depreciation	21, 30	715,882	1,734,804
Total operating expenses		32,489,421	87,226,224
OPERATING LOSS		(14,756,881)	(32,304,947)
OTHER INCOME (EXPENSES)			
Government grants	23	(48,450)	1,654,467
Foreign exchange gain		9,904	78,705
Net interest and finance charges		(1,508,190)	(1,378,095)
Loss from sale of equipment		(24,770)	(13,845)
Net (loss) gain on derecognition of right-of-use assets	30	(9,993,937)	729,158
Gain from spin-off of a subsidiary	19	33,791,897	-
Share of loss of an associate	19	(5,737,886)	-
Fair value loss on investment	20	(919,077)	(90,999)
Impairment of intangible assets	17,18	-	(2,054,874)
NET INCOME (LOSS) BEFORE TAXES		\$ 812,610	\$ (33,380,430)
Income tax recovery (expense)	32	33,468	(66,124)
Deferred income tax recovery	32	69,967	6,078
NET INCOME (LOSS)		916,045	(33,440,476)
Cumulative translation adjustment		109,635	(54,441)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		1,025,680	(33,494,917)
Income (loss) per share – basic and diluted		\$ 0.01	\$ (0.27)
Weighted average shares outstanding – basic and diluted		132,944,615	123,902,409

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

Steer Technologies Inc.

Consolidated Statements of Changes in Shareholders' Equity

(In Canadian dollars, except where otherwise indicated)

	Note	Number of common shares	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive losses	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	25	37,004,766	11,911,476	10,288,523	-	-	22,199,999
Share issuance costs	25	-	(137,694)	(118,934)	-	-	(256,628)
Acquisition of Food Hwy (a)		(38,116)	-	-	-	-	-
Exercise of RSUs	26	167,441	1,435,000	(1,435,000)	-	-	-
Share-based payments	26	89,025	69,500	1,828,366	-	-	1,897,866
Net loss and comprehensive loss		-	-	-	(33,440,476)	(54,441)	(33,494,917)
Balance, December 31, 2022		132,944,615	\$ 75,937,779	\$ 14,718,042	\$ (90,034,268)	\$ (161,372)	\$ 460,181
Balance, December 31, 2022		132,944,615	\$ 75,937,779	\$ 14,718,042	\$ (90,034,268)	\$ (161,372)	\$ 460,181
Share-based payments	26	-	-	666,396.00	-	-	666,396
Net income and comprehensive income		-	-	-	916,045	109,635	1,025,680
Balance, December 31, 2023		132,944,615	\$ 75,937,779	\$ 15,384,438	\$ (89,118,223)	\$ (51,737)	\$ 2,152,257

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

Steer Technologies Inc.
Consolidated Statements of Cash Flows
(In Canadian dollars, except where otherwise indicated)

For the twelve months ended December 31	2023	2022
OPERATING ACTIVITIES		
Net income (loss)	\$ 916,045	\$ (33,440,476)
Items not affecting cash:		
Depreciation and amortization (Note 17, 18, 30)	1,387,682	6,144,341
Share-based payments (Note 25)	666,396	1,828,366
Other non-cash items	-	77,945
Inventory provision (Note 15)	82,625	2,228,058
Unrealized foreign exchange gain (loss)	9,904	(84,511)
Provision for trade and other receivables (Note 13)	1,082,034	-
Impairment of intangible assets and goodwill (Note 17, 18)	-	2,054,874
Fair value (gain) loss on investments	(33,791,897)	90,999
Fair value loss on investment	919,077	-
Deferred income tax recovery (Note 32)	(66,560)	(6,079)
Share of losses in associate (Note 19)	5,737,886	-
Forgivable portion of government loan forfeited	50,000	-
Net (loss) gain on derecognition of right-of-use assets (Note 30)	9,993,937	(506,086)
(Gain) loss from sale of property and equipment	(24,770)	13,845
Interest expenses	1,531,263	11,405
Net changes in non-cash working capital items		
Trade and other receivables	(1,324,674)	1,282,657
Prepaid expenses and deposits	(489,400)	22,578
Interest receivable	-	111
Deposits	909,935	226,257
Inventories	(562,556)	264,930
Accounts payable and accrued liabilities	5,758,895	2,681,335
Customer deposits	(206,866)	-
Deferred revenue	(63,006)	302,750
Income tax payable	(36,191)	-
Cash used in operating activities	(7,520,241)	(17,412,200)
INVESTING ACTIVITIES		
Purchase of equipment (Note 21)	(26,900)	(4,480,684)
Proceeds from sale of property and equipment (Note 21)	145,837	3,835,026
Proceeds from sale of net assets of B2B Marketplace (Note 19)	6,000,000	-
Restricted investment	568,450	(408,500)
Deposit returns	-	315,719
Cash used in investing activities	6,687,387	(738,439)
FINANCING ACTIVITIES		
Issuance of common shares and warrants	-	22,199,999
Share issuance costs	-	(256,628)
Principal payment of lease liabilities (Note 30)	(1,105,511)	(3,901,128)
Cash (used in) provided by financing activities	(1,105,511)	18,042,243
Impact of currency translation adjustment on cash	25,228	(57,238)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,917,370)	(165,634)
Cash and cash equivalents, beginning of period	2,063,539	2,229,173
Cash and cash equivalents, end of period	\$ 146,169	\$ 2,063,539

Supplemental information

Interest paid	-	-
Income taxes paid	-	-

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

Steer Technologies Inc.

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2023 and 2022

(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, Canada) and its shares are publicly traded under the stock symbol STER on the TSX Venture Exchange. The Company’s corporate headquarters is located at 44 East Beaver Creek, Suite 16, Richmond Hill, Ontario L4B 1G8, Canada.

The Company has previously developed an innovative system that aggregates socially responsible users through a variety of entry points. 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.

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.

ESG and Data Driven Intelligence

EcoCRED is the Company’s ESG big-data analytics machine for all carbon impacts and offsets coming through its platform. The Company plans to utilize its EcoCRED system to capture carbon reductions and offsets created in real-time for its current and future services, including the EV subscription service.

Steer Technologies Inc.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

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.

At December 31, 2023, the Company had a working capital deficiency of \$13,368,159 and accumulated deficit of 89,118,223. The Company has negative operating cash flows of \$7,520,241. 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. Subsequent to the year end, the Company raised C\$3,536,400 in additional financing (Note 33). 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company has consistently applied the same accounting policies as described herein for all periods presented.

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on May 7, 2024.

(b) Basis of Presentation

These consolidated financial statements have been prepared using the historical cost basis, except for certain financial instruments that have been measured and recorded at fair value. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements are presented in Canadian dollars, the Company's functional and reporting currency. All amounts stated in these consolidated financial statements are expressed in Canadian dollars, except where otherwise indicated.

Steer Technologies Inc.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

(c) Basis of Consolidation

Subsidiaries

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. The Company's subsidiaries are included in the consolidated financial results of the Company from the date on which control commences until the date on which control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those used by the Company. All intercompany balances, transactions, income and expenses have been eliminated on consolidation. Entities controlled by the Company and included in the consolidated financial statements are as follows:

SUBSIDIARIES	FUNCTIONAL CURRENCY	PRINCIPAL PLACE OF OPERATIONS	2023 %	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
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. (Note 19)	Canadian Dollar	Canada	62.5	-
Meituan Canada Logistics Inc (February 6, 2023) (indirect subsidiary)	Canadian Dollar	Canada	62.5	-

(d) Foreign Currency Translation

The functional currency of each entity as listed above is determined using the currency of the primary economic environment in which that entity operates.

Foreign currency transactions and balances

Foreign currency transactions are translated into the respective functional currency of the Company and its subsidiaries, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year end exchange rates are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items are measured at historical cost in a foreign currency are translated using the exchange rates at the transaction date, except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Steer Technologies Inc.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

Foreign operations

In the Company's consolidated financial statements, all assets, liabilities and transactions of subsidiaries with a functional currency other than the Canadian Dollar are translated to Canadian Dollars upon consolidation. On consolidation, assets and liabilities are translated into Canadian Dollars at the closing rate at the reporting date and income and expenses are translated at average exchange rates prevailing during the year. Foreign currency differences on foreign operations are recognized in other comprehensive income (loss) in the cumulative translation account within accumulated other comprehensive income (loss). On disposal or on loss of control/significant influence of a foreign operation, the related cumulative translation difference recognized in equity are reclassified to the consolidated statements of income (loss) and comprehensive income (loss) as part of the gain or loss on disposal.

(e) 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

(a) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

(b) Revenue recognition

The Company recognizes revenue in accordance with the five-step approach prescribed under IFRS 15. The Company's revenue recognition policies are further described below for each revenue stream:

- **Revenue through Subscription-Based Offerings**

Vehicle Subscription Service

The Company derives revenues from its offering of a technology-driven monthly vehicle subscription service through its Steer EV platform. The Steer EV platform provides consumers an alternative to owning, leasing or renting low-emission transportation vehicles. The consumer accesses the Steer EV platform to subscribe an electric or hybrid vehicle of his/her own choice. The Company has determined that a contract exists between the Company and a consumer when the consumer places the order through the Steer EV platform and subscribes for a vehicle at the prescribed subscription fees. Under the contractual agreement with the consumer, the consumer subscribes the use of the vehicle for a fixed monthly fee based on the selected subscription plan. The subscription fee is recognized as revenue evenly over the term of the contract as obligations under the terms of a contract with the customer are satisfied through the Company's provision of the vehicle subscribed.

Steer Technologies Inc.
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For the Years Ended December 31, 2023 and 2022
(In Canadian dollars, except where otherwise indicated)

- **Revenue through On-Demand Offerings**

Food Delivery Services

The Company derives its food delivery revenue from orders completed through the STEER Foods platform, including the related delivery service fees charged to end-user consumers and the related commissions charged to restaurant partner merchants. The consumer accesses the STEER Foods platform to identify merchants and places an order for merchants' products. These orders are picked up from partner merchants and delivered to consumers by drivers. The Company directly enters into contracts with drivers and charges a fee to the consumer for its meal delivery services. A restaurant partner merchant represents a merchant that has entered into a contractual agreement with the Company. The Company charges a commission to the restaurant partner merchants for its order facilitation services through the STEER Foods platform to connect with the end-user consumers.

Revenue from the food delivery orders completed through the STEER Foods platform is recognized at the point in time upon the completion of the meal delivery and the control of the restaurant merchant partner's products is passed onto the end-user consumers. Under the Company's agreements with partner merchants, the merchant agrees to a commission to be charged as a percentage of the total dollar value of goods ordered. When an end-user consumer signs up to use the Company's STEER Foods platform, the end-user consumer agrees to be charged certain fees, at the time an order is placed, in exchange for use of the platform and the Company's delivery services. The Company has concluded that a contract exists between the Company and a partner merchant when the partner merchant accepts each end-user consumer's order, and a contract exists between the Company and an end-user consumer when the end-user consumer places the order and requests delivery services.

The Company's STEER Foods platform facilitates orders between end-user consumers and partner merchants. Separately, the Company's platform arranges for the end-user consumers to obtain meal delivery service from its contracted drivers. The Company has determined that the order facilitation service and the meal delivery service are two distinct performance obligations given that the end-user consumer can benefit from each item separately. Further, the order facilitation service and meal delivery service are separately identifiable as the nature of the promises are to transfer the order facilitation service and meal delivery service individually, rather than as a combined item. The Company satisfies its performance obligations to a partner merchant when there is a successful sale of the merchant's products and meets its performance obligation to an end-user consumer once its contracted driver has picked up the products from the merchant and completed the meal delivery to the consumer.

Principal vs agent considerations

Judgment is required in determining whether the Company is the principal or the agent in transactions with partner merchants, end-user consumers, and drivers and whether to present revenue on a gross versus net basis based on whether it controls each specified good or service before it is provided to the end-user who orders through the STEER Foods platform.

With respect to order facilitation services, the Company has determined it is an agent for partner merchants in facilitating the sale of products to the end-user through the STEER Foods platform.

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The Company does not pre-purchase, or otherwise control the products prior to them being transferred to the consumer as it neither has the ability to redirect the products to another consumer nor does it obtain any economic benefit from the products. Accordingly, the Company recognizes merchant commissions on a net basis. With respect to meal delivery services, the Company has concluded that it acts as a principal with respect to delivery services in the arrangement. This conclusion is based on the totality of the facts and circumstances above that affect the substance of the arrangement for delivery services, including the Company's stated terms and conditions, its contractual agreements and its customary business practices. The Company controls the managed delivery services as it is responsible to provide delivery services, direct its network of delivery partners to render food delivery services, bears the costs of delivery service problems and inefficiencies, and has full discretion in establishing the delivery fees charged to end-customers and the amounts paid to its delivery network. Accordingly, the Company recognizes delivery revenue on a gross basis.

Incentive programs

From time to time, the Company uses promotions in tandem with sales and marketing spend and offers incentives to attract consumers to use the STEER Foods platform. Types of incentives offered include vouchers and coupons to existing consumers. Market-wide incentives, discounts, coupons or similar promotions that are made generally available are recorded as being netted from revenue. Incentives provided to new consumers, first orders, and new merchants are considered customer-specific acquisition costs and are recorded as sales and marketing expenses.

Rideshare Platform

The Company derives revenues from service fees charged to drivers for use of its rideshare platform. The rideshare platform connects riders to drivers who provide personal transportation services to passengers using a variety of vehicles. The consumer accesses the rideshare platform to place an order for drivers' transportation services. A contract exists between the Company and a driver when the driver accepts each consumer's order through the rideshare platform. Under the Company's Terms of Service ("TOS"), drivers acknowledge and agree that the Company will retain a service fee on each transaction (or ride) whereby the driver connects to the passenger using the Company's rideshare platform. The Company recognizes each ride as a single performance obligation and revenue is recognized on completion of each ride. The Company collects fares and related charges from passengers on behalf of drivers using the passenger's pre-authorized credit card. The Company then deducts its service fee and delivers the balance of the fare to the driver.

Principal vs agent considerations

Judgment is required in determining whether the Company is the principal or the agent in transactions with drivers and whether to present revenue on a gross versus net basis based on whether it controls service before it is provided to the consumers who orders through the STEER rideshare platform. While the Company facilitates setting the price for services, the drivers, and end-users have the discretion of accepting the transaction price through the platform. Accordingly, the Company has concluded that it is not primarily responsible for the ride services, as it does not contract drivers to provide services on the Company's behalf and does not control the services being provided to the end-user. Consequently, the Company has determined that it acts as an agent, intermediary and platform provider by facilitating the ability of a driver to provide services to the end-user. As a result, the Company reports ridesharing revenue on a net basis, reflecting only the

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fee owed to the Company from the drivers as the Company's revenue.

Incentive programs

From time to time, the Company uses promotions in tandem with sales and marketing spend and offers incentives to attract drivers and consumers to use the rideshare platform. Types of incentives offered include vouchers and coupons. Market-wide incentives, discounts, coupons or similar promotions that are made generally available are recorded as being netted from revenue. Incentives provided only to new consumers, first orders are considered customer-specific acquisition costs and are recorded as sales and marketing expenses.

(c) Inventories

Inventories include finished goods. Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method. The cost of merchandise inventories is based on "landed cost", which includes all costs incurred to bring inventories to the Company's warehouse or office, including product costs, insurance, inbound freight and duty. In the case of work in process, cost includes an appropriate share of overheads. The net realizable value of inventories represents the estimated selling price of the inventories in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. If the Company determines that the estimated net realizable value of its inventories is less than the carrying value of such inventories, it records a charge to cost of sales for the difference.

(d) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment, if any. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset to the location and condition necessary for operation. Subsequent expenditures are capitalized only if it is probable that the future economic benefits associated with the expenditures will flow to the Company.

Repairs and maintenance costs that do not improve or extend productive life are expensed as incurred. Depreciation is provided over the related assets estimated useful lives using the straight-line method of accounting at the following rates:

Computers	3 years
Furniture	5 years
Vehicles	5 years
Warehouse equipment	5 years

The Company reviews the estimated useful lives, residual values and depreciation method at the end of each reporting period, accounting for the effect of any changes in estimate on a prospective basis.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

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(e) Intangible Assets and Goodwill

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an asset or business acquisition is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. A change in the expected useful life of the expected pattern of consumption of future economic benefits embodied in the asset is accounted prospectively for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Finite lived intangible assets are amortized on a straight-line basis over the period of their expected future economic benefit using the following rates:

Food Hwy brand name	3 years
Food Hwy customer relationships	8.25 years
Food Hwy courier relationships	1.5 years
Food Hwy developed technology	1.5 years
Food Hwy vendor relationships	9.25 years
Foodora lists	2 years
HiRide brand name	2 years
HiRide platform	2 years
Steer brand name	Indefinite life
Steer customer list	7 years
EcoCRED developed technology	5 years

The Company determined the Steer brand name to have an indefinite useful life based on an analysis of all of the relevant factors, including no limit to the period over which it is expected to generate net cash inflows and the useful lives of brand names and trademarks in the business-to-consumer subscriptions services industries.

Indefinite lived intangible assets are not amortised and are subject to impairment testing annually or earlier whenever there is an indication that the intangible asset may be impaired. The useful life for each asset is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in estimate.

Goodwill

Goodwill, representing the excess of the consideration paid for entities acquired over the fair values

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of the assets acquired and liabilities assumed, is initially measured at cost and is not amortized. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is subject to impairment testing on an annual basis.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination. Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(f) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that the carrying values of its non-financial assets may be impaired. If any indication of impairment exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. For impairment testing, assets are grouped together into the reasonable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An asset or CGU's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are considered, or an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For non-financial assets, except for goodwill, an assessment is made at each reporting date as to whether there is any indication that previously-recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the non-financial asset's or CGU's recoverable amount. A previously-recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the non-financial asset's recoverable amount since the last impairment loss was recognized. Any such reversal is limited so that the carrying amount of the non-financial asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the non-financial asset in prior periods. Such reversal is recognized in the consolidated statements of income (loss) and comprehensive income (loss).

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(g) Investment in Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

When the Company ceases to have control, any retained interest in the entity or business is remeasured to its fair value at the date when the control is lost, with the change in the carrying amount recognised in the consolidated statement of income (loss). The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate. In addition, any amounts previously recognised in other comprehensive income in respect of that entity or business are accounted for as if the related assets or liabilities have been directly disposed off. This may result in amounts previously recognised in other comprehensive income (loss) to be reclassified to the consolidated income statement.

If the ownership in a an associate is reduced but significant influence is retained, only a roportionate share of the amounts previously recognised in other comprehensive income (loss) are reclassified to the consolidated statement of income (loss) where appropriate.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of loss of an associate' in the statement of loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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(h) Financial instruments

Financial Assets

Recognition, classification and measurement

Financial assets are classified and measured based on the Company's business models for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either amortized cost; fair value through other comprehensive income; or fair value through profit or loss:

- Amortized Cost – Financial assets classified and measured at amortized cost are those assets whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- Fair value through other comprehensive income ("FVTOCI") – Financial assets classified and subsequently measured at FVTOCI are those assets whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The classification includes certain equity instruments where an irrevocable election was made to classify the equity instruments as FVTOCI. Equity investments require a designation, on an instrument-by-instrument basis, between recording both unrealized and realized gains and losses either through (i) other comprehensive income ("OCI") with no recycling to profit and loss or (ii) profit and loss.
- Fair value through profit or loss ("FVTPL") – Financial assets classified and subsequently measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Derecognition of financial assets

Financial assets are derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial Liabilities

Recognition, classification and measurement

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are generally classified

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and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if its classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognized in profit or loss. Other financial liabilities are measured at fair value at initial recognition and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability at its fair value based on the modified term. Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the consolidated statements of income (loss) and comprehensive income (loss).

Reclassification

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the consolidated statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has classified its cash and cash equivalents, deposits, restricted investment, trade and other receivables, accounts payable, lease liabilities, loans, due to related party as financial assets and financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. The investment in preferred shares (Note 24) are classified as financial assets measured at FVTPL.

Impairment of financial assets measured subsequently at amortized cost

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset at the reporting date with the risk of default at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information. The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost, and debt instruments at FVOCI, irrespective of whether a loss event has occurred at the reporting date. Loss allowances for trade and other receivables are always

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measured at an amount equal to lifetime expected credit losses (“ECL”) if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

(i) Share-based payments

Equity-settled share-based payments made to employees are measured at the fair value of the instruments at the grant date and recognized in expense over the applicable vesting periods. Equity-settled share-based payments made to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured. Non-employee share-based payments are recognized in expense at the date the goods or services are received. The corresponding amount is recorded to share-based payment reserves. Upon the exercise of stock options at the applicable exercise price, the consideration received by the Company on the exercise is recorded in share capital and the related share-based payment reserve is transferred to share capital.

The fair value of options and warrants are determined using the Black-Scholes Option Pricing Model on the date of the grant, based on certain assumptions further discussed in Note 4. The fair value of restricted share units (“RSUs”) is measured on the date of grant based on the closing price of the Company’s common shares.

(j) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the Company’s net profit/loss by the weighted average number of shares outstanding and reduced by any shares held in escrow during the reporting period. Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares issued and outstanding assuming all additional shares that would have been outstanding if potentially dilutive instruments were converted, and reduced by any shares held in escrow. When there is a loss, inclusion of the Company’s stock options, RSUs and the warrants in the computation of diluted loss per share would have an antidilutive effect on the loss per share. All options and RSUs are currently out of the money. Furthermore, the total outstanding options and RSUs will not have a material impact on the calculation of the weighted average number of shares outstanding. Accordingly, the Company has excluded these from the calculation of diluted loss per share. Consequently, there is no difference between basic income (loss) per share and diluted income (loss) per share.

(k) Income taxes

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible, as the case may be. Current tax is calculated using tax rates and laws that were enacted or substantively enacted as at the end of the reporting period, adjusted for amendments, if any, to tax payable from previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

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Provisions are established, where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred tax is recognized using the asset-liability method and calculated based on all temporary differences, at the consolidated statements of financial position date, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, as applicable, based on the tax rates that have been enacted or substantively enacted at the reporting date. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(l) Treasury shares

The Company's equity instruments which are reacquired (treasury shares) are recognized at cost, cancelled and then deducted from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within capital reserves. No gain or loss is recognized on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in capital reserves.

(m) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will

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be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured using management's best estimate as to the outcomes, based on known facts, risks and uncertainties at the reporting date. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the consolidated statements of income (loss) and comprehensive income (loss), net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the asset associated with the contract.

(n) Government Grants

Government grants are recognized when there is reasonable assurance that the grant will be received and that the Company will comply with the conditions attached to them. When the grant relates to an expense item, it is recognized as other income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. Government loans are analyzed to determine whether they qualify as grants or are required to be treated as financial liabilities.

Government loans treated as financial liabilities are recognized initially at fair value, with the difference between the fair value of the loan based on prevailing market interest rates and the amount received recorded as a government grant.

(o) Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is

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depreciated from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment. The ROU is derecognized upon termination of lease or when no future economic benefits are expected from its use.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in the consolidated statements of income (loss) and comprehensive income (loss) in the period in which they are incurred.

The ROU assets are presented within “Right-of-use asset” and the lease liabilities are presented in “Lease liabilities” on the consolidated statements of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a remaining lease term of 12 months or less and leases of low-value assets.

(p) Segments

The consolidated financial statements include one operating segment for the overall business. The

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operating results are regularly reviewed by the chief operating decision makers to determine decisions about resources and how they will be allocated to determine performance. At this time, management does not make decisions by revenue stream, but rather as an organization as a whole on a consolidated basis. Therefore, the consolidated financial statements are presented as one operating segment.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the Company's consolidated 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.

(a) Estimates

Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Critical accounting estimates are also those that could potentially have a material impact on the Company's financial results where a different estimate or assumption is used. The significant areas of estimation uncertainty are:

Recognition and Valuation of Deferred Tax Assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future or whether taxable temporary differences will reverse such that deferred tax assets can be utilized. Recognition therefore involves a degree of estimation and judgement regarding the future financial performance or the timing of the reversed deferred tax liabilities of the legal entity in which the deferred tax assets have been recognized.

Useful life of intangible assets

Intangible assets with finite lives are amortized on a straight-line basis over their expected useful life once the asset is available for use. Estimates of useful lives are based on data and information from various sources including industry practice and historic experience. Factors considered include technical, technological, commercial or other types of obsolescence and typical product life cycles for the asset. Although management believes the estimated useful lives of the Company's intangible assets are reasonable, changes in estimates could occur, affecting the expected useful lives and salvage values of intangible assets.

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Leases – Estimating the incremental borrowing rate

The Company estimates Incremental Borrowing Rate (“**IBR**”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of comparable value to the right-of-use asset in a similar economic environment. IBR therefore reflects what the Company “would have to pay”, which requires estimation when no observable rates are available or where the applicable rates need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Share-based payments

In estimating the fair value of stock options using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates such as the expected life of options, volatility of the Company’s future share price, risk-free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used could result in different results.

Expected credit losses

ECLs are estimated for trade and other receivables based on historical experience and forecasted economic conditions, taking into considerations of a range of factors, including the age of the receivables and the creditworthiness of the counterparties. Determining the recoverability of an account involves estimates and assumptions, changes in which could result in different results.

Fair value of financial assets

The estimation of fair value of investments in shares is inherently complex and requires making certain estimates and assumptions about future events. The inputs to determine the fair value are taken from observable markets where possible but, where they are unavailable, assumptions are required in establishing fair value. The fair value measurement for investment in shares is derived using level 3 inputs based on past experience and management’s expectations of future changes.

Impairment of goodwill and other non-financial assets

Determining whether an impairment has occurred requires the valuation of the respective assets or CGU’s, which the Company estimates the recoverable amount using discounted cash flow models. The key estimates and assumptions used include revenue growth and discount rate. These estimates are based on past experience and management’s expectations of future changes in the market and forecasted growth initiatives.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

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(b) Judgments

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

Investments in associated businesses

From time to time, the Company makes investments in other entities. At the time of investment, the Company considers whether there is significant influence over the investee. Where there is significant influence, the Company accounts for the investment using the equity method. In construing "significant influence", consideration is given to the extent to which the Company has representation on the board of directors (or equivalent governing body) of the investee, participation in the policy-making process, material transactions between the Company and the investee, interchange of managerial personnel and the provision of essential technical information among other factors. Significant influence is presumed if the Company holds between 20% and 50% of the voting rights, unless evidence exists to the contrary. The carrying value of associates is assessed for impairment at each statement of financial position date.

Treatment of development costs

Costs to develop products are capitalized to the extent that the criteria are met for recognition as intangible assets in accordance with IAS 38. Such criteria require that the product is technically and economically feasible, the Company has the intention and ability to use the asset, and that the asset will generate future benefits to the Company. Management assessed the capitalization of development costs based on the attributes of each development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is technically and economically feasible.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Sales and marketing expenses

The Company uses significant judgment to assess whether promotions are market-wide incentives, discounts, coupons that are made generally available and should be netted from revenue; as against incentives provided to new consumers, first orders, and new merchants that are considered customer-specific acquisition costs and are recorded as sales and marketing expenses.

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5. STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED

IAS 1 and the IFRS PS 2, Making Materiality Judgements, was amended in February 2021 to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose “significant” accounting policies with a requirement to disclose “material” accounting policies. The standard was adopted by the Company on January 1, 2023.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors was amended to clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy and clarifying that accounting estimates are monetary amounts in the consolidated financial statements that are subject to measurement uncertainty. The amendments are required to be applied for annual reports commencing on or after January 1, 2023 with early application permitted. The Company has implemented IAS 8 and there is no impact to the financials as a result.

IAS 12 Deferred Tax Arising from a Single Transaction was amended to clarify that entities are required to recognize deferred taxes on transactions that on initial recognition give rise to equal amounts of taxable and deductible temporary differences. The amendments are required to be applied on or after January 1, 2023 with early application permitted. The Company has implemented IAS 12 and there is no impact to the financials as a result.

6. NEW ACCOUNTING PRONOUNCEMENTS

The Company has evaluated all recent accounting pronouncements up to the date of issuance of these consolidated financial statements and conclude that these pronouncements are not expected to have any material impact on the Company’s consolidated financial statements.

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7. REVENUE

In the following table, revenue is disaggregated by nature:

As at December 31	2023		2022	
Revenue recognized at a point of time				
B2B Marketplace	\$	13,685,641	\$	46,365,615
Other (Foods Delivery, Rideshare, Daas, Health)		1,148,323		5,259,174
Subtotal On-Demand Offerings		14,833,964		51,624,789
Revenue recognized over the point of time				
Vehicle subscription	\$	2,898,050	\$	2,972,726
Other		526		323,762
Subtotal Subscription-Based Offerings	\$	2,898,576	\$	3,296,488
	\$	17,732,540	\$	54,921,277

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

As at December 31	2023		2022	
Beginning balances	\$	109,572	\$	402,172
Additions		1,131,664		1,144,216
Recognized in revenue		(1,177,987)		(1,446,481)
Write off		(10,000)		-
Currency translation adjustments		(6,683)		9,665
Ending balances	\$	46,566	\$	109,572

8. COST OF REVENUE

Cost of revenue consists of:

As at December 31	2023		2022	
Cost of goods sold	\$	12,421,269	\$	43,075,565
Depreciation		3,749,570		3,011,772
Automobile costs		808,195		926,992
Insurance expenses		794,883		705,926
Delivery on B2B Marketplace		791,769		2,912,916
Payout to drivers		770,568		4,240,455
Other cost of revenue		413,272		468,377
Payment processing fees		380,791		1,410,836
Inventory provision (Note 15)		82,625		2,228,058
	\$	20,212,942	\$	58,980,897

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9. GENERAL AND ADMINISTRATION

General and administration expense consists of:

As at December 31	2023		2022	
Salaries and benefits	\$	1,214,154	\$	2,685,052
Legal and accounting fees		826,325		1,410,110
Professional fees		632,275		215,635
Share-based compensation (Note 26)		576,711		1,542,836
Insurance		400,297		386,372
Consulting fees		211,665		336,665
Other general and administration expenses		4,634		161,555
	\$	3,866,061	\$	6,738,225

10. OPERATIONAL SUPPORT

Operational support expenses consist of:

As at December 31	2023		2022	
Salaries and benefits	\$	2,234,378	\$	9,891,852
Rent- Office		744,904		895,802
Warehouse expenses		716,420		607,303
Telephone, internet and data		368,038		761,916
Consulting fees		131,109		443,991
Share-based compensation (Note 26)		63,600		171,187
Other operational support expenses		60,986		782,579
	\$	4,319,435	\$	13,554,630

11. RESEARCH AND DEVELOPMENT

Research and development expenses consist of:

As at December 31	2023		2022	
Salaries and benefits	\$	561,085	\$	1,763,541
Consulting fees		23,062		711,857
Share-based compensation (Note 26)		22,618		81,183
	\$	606,765	\$	2,556,581

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12. SALES AND MARKETING

Sales and marketing expenses consist of:

As at December 31	2023		2022	
Consulting fees	\$	589,369	\$	1,022,413
Salaries and benefits		382,139		797,036
Share-based compensation (Note 26)		3,467		33,161
User incentives and marketing expenses		39,527		410,712
	\$	1,014,502	\$	2,263,322

13. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

As at December 31	2023		2022	
Trade receivables	\$	289,534	\$	381,301
HST receivable		-		285,378
Other receivable		49,980		-
	\$	339,514	\$	666,679

Other receivable represents amount owed by former CEO. During the year, the Company has recorded provision on trade receivable, HST receivable and other receivables amounting to \$1,082,034 (2022 - \$Nil).

14. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits consist of:

As at December 31	2023		2022	
Prepaid insurance	\$	-	\$	38,912
Prepaid licenses		-		5,416
Prepaid rent		-		13,544
Deposits		-		245,772
Other prepaid expenses		-		47,680
	\$	-	\$	351,324

Non-current deposits of \$Nil (2022 - \$909,935) consisted of the Company's security deposits of it leases (Note 30).

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15. INVENTORIES

Inventories consist of finished goods less any provision. Finished goods inventory is primarily made up of electric charging stations for EV vehicles and marketing purposes.

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

An inventory provision is estimated by management based on historical sales, inventory aging, and expected future sales and is included in cost of revenue. Subsequent changes to the provision are recorded in cost of revenue in the consolidated statements of income (loss) and comprehensive income (loss). During the year ended December 31, 2023, inventory write-downs of \$82,625 were expensed through cost of revenue (2022 - \$2,228,058).

During the year ended December 31, 2023, \$12,186,827 (2022 - \$41,854,669) of inventory was sold and recognized in cost of revenue.

16. RESTRICTED INVESTMENT

Restricted investment represents short-term deposit of \$61,968 (2022 - \$630,418) with an original maturity of twelve months bearing an interest within the range of 3% to 5.50% (2022: 0.6% to 3.00%) per annum. Originally, it was held as a collateral with the Company's banker for a letter of credit of \$525,000 (Note 30) and a credit card facility of \$104,000; however, due to missed payment, both restricted accounts have been withdrawn to pay the outstanding balances.

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17. INTANGIBLE ASSETS

	Indefinite Useful Life							Total
	Brand Names	Customer Lists	Developed Technology	Vendor Relationships	Courier Relationships	Brand Names		
Cost								
Balance, December 31, 2021	\$ 1,458,000	\$ 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	\$ 1,264,221	\$ 2,787,927	\$ 1,656,000	\$ 176,000	\$ 672,595	\$ 8,775,952	
Impact of currency translation	-	-	-	-	-	-	-	
Balance, December 31, 2023	\$ 1,458,000	\$ 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	\$ 523,949	\$ 1,845,703	\$ 223,784	\$ 146,666	\$ -	\$ 4,149,645	
Amortization	462,666	238,919	487,818	179,027	29,334	-	1,397,765	
Impairment	-	448,773	-	-	-	672,595	1,121,368	
Impact of currency translation	-	11,853	-	-	-	-	11,852	
Balance, December 31, 2022	\$ 1,111,000	\$ 1,223,494	\$ 2,333,521	\$ 402,811	\$ 176,000	\$ -	\$ 6,680,630	
Amortization	347,000	6,788	138,985	179,027	-	-	671,800	
Disposal	-	33,939	-	1,074,162	-	-	1,108,101	
Impact of currency translation	-	-	-	-	-	-	-	
Balance, December 31, 2023	\$ 1,458,000	\$ 1,264,221	\$ 2,472,506	\$ 1,656,000	\$ 176,000	\$ 672,595	\$ 8,460,531	
Net book value								
At December 31, 2022	\$ 347,000	\$ 40,727	\$ 454,405	\$ 1,253,189	\$ -	\$ -	\$ 2,095,322	
At December 31, 2023	\$ -	\$ -	\$ 315,421	\$ -	\$ -	\$ -	\$ 315,421	

Intangible Assets & Goodwill

FoodHwy was acquired as a result of the Company's past strategy to focus on strengthening its market share in certain regions. However, the Company's plan for increasing its sales and market share did not actualize. Following the sale of its B2B business (Note 19), FoodHwy revenue consistently decreased. The Company derecognized the intangible assets and goodwill due to sale of its B2B business.

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18. 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
Disposal (Note 19)		(1,050,843)		-		-
Impact of currency translation		-		-		-
Balance, December 31, 2023	\$	-	\$	-	\$	-

19. INVESTMENT IN ASSOCIATE

On January 18, 2023, The Food Hwy incorporated a new subsidiary, FoodsUp Inc. (“FoodsUp”) and 100 FoodsUp’s common shares were subscribed by one of the Company’s wholly owned subsidiaries, Food Hwy Canada Inc. (“Food Hwy”). On March 24, 2023, Food Hwy and FoodGrowup Partner Group entered into a mutual agreement as follows:

- Sale of B2B Marketplace Net Assets: Food Hwy sold net assets of its B2B marketplace business to FoodsUp. The consideration for this sale is an unsecured, non-interest-bearing promissory note in the amount of \$4,500,000, payable on demand. The sale led to a gain from disposal of net assets of \$2,827,522.
- Subscription of FoodsUp’s common shares: FoodGrowup Partner Group subscribed to 35,000 common shares of FoodsUP at a price of \$471.43 per share, resulting in a total subscription amount of \$16,500,000 . Out of the total \$16,500,000, FoodsUp agreed to pay the Company \$4,500,000 for the promissory note.
- Acquisition of FoodsUp common shares and call option: In addition to the subscription, FoodGrowup Partner Group 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 the conditions are met, for a total consideration of \$1,500,000.
- Following the completion of this transaction, Food Hwy retains ownership of 62.5% common shares of FoodsUP.

On May 12, 2023, Food Hwy determined that it had lost control over FoodsUp on March 30, 2023 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.
- The General Partner of FoodGrowup Partner Group, who is an unrelated party, has the veto right as stipulated in the Unanimous Shareholder Agreement, thereby exercising control over the Board of Directors and consequently holds power over FoodsUp’s activities.

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The Company decided to derecognize the assets and liabilities at their carrying value of FoodsUp at the date when control was lost. The investment in FoodsUp is recognized through equity method with subsequent adjustments to reflect the Company's portion of the investment in FoodsUp.

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.

Given the Company's interest in FoodsUP Inc. is accounted for using equity method in the consolidated financial statements, the following table illustrates the summarized financial information of the Company's investment in FoodsUP Inc. as at December 31, 2023:

As at December 31	2023	
Current assets	\$	10,073,103
Non-current assets		9,859,332
Current liabilities		(8,897,086)
Non-current liabilities		(3,715,967)
		2023
Revenue	\$	57,180,011
Cost of goods sold		(56,677,547)
Operation support expenses		(6,502,197)
Administrative expenses		(1,188,581)
Advertising expenses		(194,551)
Food delivery support expense		(165,683)
Interest expense		(179,709)
Depreciation and amortization		(1,674,370)
Other income		219,887
Other expense		2,122
Loss before and after tax		(9,180,618)
Food Hwy's share of loss for the year	\$	(5,737,886)

Given the Company's interest in FoodsUP Inc. is accounted for using equity method in the consolidated financial statements, the Company adjusts its associate's carrying value, which is calculated as the Company's proportional ownership of FoodsUp's net income.

Balance, December 31, 2022	\$	-
Fair value on investment		29,464,375
Share of net loss in associate		(5,737,886)
Balance, December 31, 2023	\$	23,726,489

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20. INVESTMENT IN PREFERRED SHARES

On October 21, 2019, the Company purchased a USD \$1,000,000, 3.00% unsecured convertible promissory note of Westbrook Global Inc., due December 31, 2022 and on December 20, 2021, the promissory note was converted to 14,200 (0.274%) preferred shares, earning 3% annually compounded dividend in Westbrook Global Inc.

The preferred share was recognized as FVTPL; the fair value was determined using the price proposed for Westbrook funding during 2022 adjusted for passage of time at the rate of 25% annualized decline.

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
Balance, December 31, 2022	\$	1,366,453
Fair value loss on investment		(919,077)
Foreign exchange loss		(13,564)
Balance, December 31, 2023	\$	433,812

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21. 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	110,108	6,301	4,105,508	259,627	4,481,544
Disposals	-	-	(3,935,995)	(46,340)	(3,982,335)
Balance, December 31, 2022	\$ 166,956	\$ 38,071	\$ 284,463	\$ 463,255	\$ 952,745
Additions	8,500	-	-	18,400	26,900
Disposals	(55,066)	(2,916)	(284,463)	(481,655)	(824,100)
Balance, December 31, 2023	\$ 120,390	\$ 35,155	\$ -	\$ -	\$ 155,545
Accumulated depreciation					
Balance, December 31, 2021	18,747	5,989	5,747	23,633	54,116
Depreciation	33,629	7,368	150,458	80,686	272,141
Disposals	-	-	(127,555)	(5,911)	(133,466)
Balance, December 31, 2022	52,376	\$ 13,357	\$ 28,650	\$ 98,408	\$ 192,791
Depreciation	40,567	7,177	9,006	24,231	80,980
Disposals	(7,106)	(680)	(37,656)	(122,639)	(168,081)
Impact of currency translation	2,316	-	-	-	2,316
Balance, December 31, 2023	\$ 88,152	\$ 19,854	\$ -	\$ -	\$ 108,006
Net book value					
At December 31, 2022	\$ 114,580	\$ 24,714	\$ 255,813	\$ 364,847	\$ 759,954
At December 31, 2023	\$ 32,238	\$ 15,301	\$ -	\$ -	\$ 47,539

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22. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

	2023	2022
Trade payables	\$ 4,300,112	\$ 8,128,625
Accrued liabilities and other payables	4,773,904	810,613
Other payables	300,000	-
Payroll liabilities and source deductions	20,097	257,909
Related party liabilities (Note 27)	145,015	517,747
	\$ 9,539,128	\$ 9,714,894

Included in accrued liabilities and other payables is \$633,322 owing to FoodsUp. The amount is unsecured, non-interest bearing and due on demand.

23. LOANS

Canada Emergency Business Account (CEBA) Loan

The Canada Emergency Business Account (CEBA) loan, partially forgivable, originally launched on April 9, 2020, was intended to support businesses during the COVID-19 pandemic. The outstanding balance as of January 18, 2024, converts to a non-amortizing term loan with full principal repayment due on December 31, 2026. Commencing January 19, 2024, the loan accrues interest of 5% per annum.

The Company did not repay the loan before January 18, 2024, and is not eligible for the forgivable portion. Consequently, the previously forgiven portion of \$50,000 were reversed, and recorded as government grant expense, bringing the balance to \$160,000 (2022 - \$110,000).

24. 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 following represents the carrying values and fair values of the financial assets and liabilities of the Company as at the date of the consolidated statements of financial position and the associated measurement basis of each balance after initial recognition:

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	Measurement basis	Fair values	Carrying Values
		\$	\$
December 31, 2023			
Financial assets			
Cash and cash equivalents	Amortized cost	146,169	146,169
Restricted investment	Amortized cost	61,968	61,968
Deposits	Amortized cost	-	-
Trade and other receivables	Amortized cost	339,514	339,514
Investment in preferred shares	FVTPL	433,812	433,812
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	9,539,128	9,539,128
Due to related parties	Amortized cost	195,559	195,559
Lease liabilities	Amortized cost	13,032,713	11,915,125
Loans	Amortized cost	160,000	160,000
December 31, 2022			
Financial assets			
Cash and cash equivalents	Amortized cost	2,063,539	2,063,539
Restricted investment	Amortized cost	630,418	630,418
Deposits	Amortized cost	1,155,707	1,155,707
Trade and other receivables	Amortized cost	666,679	666,679
Investment in preferred shares	FVTPL	1,366,453	1,366,453
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	9,714,894	9,714,894
Due to related party	Amortized cost	195,559	195,559
Lease liabilities	Amortized cost	20,623,953	20,623,953
Loans	Amortized cost	110,000	110,000

25. 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 December 31, 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.

No common shares were issued in 2023.

Share capital transactions during the twelve months ended December 31, 2022 consisted the following:

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- On March 1, 2022, the Company completed a non-brokered private placement of 7,343,750 units, with each unit consisting of one common share and one warrants, 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 March Lock-Up Shares as a result of post-closing adjustment for acquisition of Food Hwy in 2020. On June 1, 2022, the Company clawed back 11,275 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 29,661,016 units, with each unit consistent of one common 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 June 1, 2022, the Company issued an aggregate of 89,025 common 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 common shares with a fair value of \$69,500, representing a grant date fair value of the Shares of \$0.78 per common shares.

26. OPTIONS AND RESTRICTED SHARE UNITS

The Company’s recorded share-based compensation for the year ended December 31, 2023 and 2022 comprised of the following:

(a) Options

The Company has established a stock option plan for its directors, officers, employees and consultants under which the Company may grant options (each, an “Option”) from time to time to acquire Shares. The exercise price of each Option shall be determined by the Board of Directors (but must be at least equal to the closing price of a Share on the TSX-V on the day immediately prior to the relevant grant date). Options may be granted for a maximum term of ten years from the date of grant. Options are non-transferable and expire immediately upon termination of employment for cause, or within 30 days of termination of employment or holding office as director or officer of the Company or in the case of death. Unless otherwise provided in the applicable grant agreement, Options fully vest upon the grant thereof.

		2023		2022
Options (a)	\$	142,885	\$	448,832
RSUs (b)		523,511		1,379,534
Total share-based compensations	\$	666,396	\$	1,828,366

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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	(298,500)		-
Outstanding, December 31, 2022	1,224,971	\$	1.94
Forfeited/cancelled	(582,851)		
Outstanding, December 31, 2023	642,120	\$	1.60
Exercisable, December 31, 2023	611,930	\$	1.51

During the year ended December 31, 2023, there are no Options issued by the Company.

During the year ended December 31, 2022, the Company granted 600,000 Options to directors and officers and 104,283 Options to employees.

As at December 31, 2023, 611,930 options were vested and exercisable.

As at December 31, 2023, the following Options were outstanding:

Number of options	Exercise price	Expiry date	Remaining contractual life (years)
90,580	1.63	September 26, 2024	0.74
45,290	1.61	September 26, 2024	0.74
30,190	3.31	September 26, 2024	0.74
90,580	1.90	April 7, 2026	2.27
45,290	2.28	April 7, 2026	2.27
30,190	3.31	April 7, 2026	2.27
310,000	0.90	May 25, 2023	1.39
642,120			1.45

(b) Restricted Share Units

Under the Company's performance and restricted share unit plan ("PRSU Plan"), the Company may grant restricted share units ("RSUs") or performance share units ("PSUs") to directors, officers, employees and consultants of the Company. The RSUs generally vest over a period of three years, in three equal tranches on the first, second and third anniversaries of the applicable grant date. The RSUs are valued at the market price of the underlying Share on the grant date and the compensation expense, based on the estimated number of awards expected to vest, is recognized over the vesting period of each tranche. Upon vesting of each RSU, the participant will receive a Share.

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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)		6.88
Cancelled	(65,407)		0.86
Outstanding, December 31, 2022	1,021,794		3.61
Granted	-		-
Exercised	-		-
Cancelled	(418,240)		0.95
Outstanding, December 31, 2023	603,554		3.45
Vested, pending settlement and issue	176,869	\$	5.78

During the year ended December 31, 2023, there was no RSUs granted.

During the year ended December 31, 2022, the Company granted 430,000 RSUs to directors and officers, 6,500 RSUs to advisors and consultants, and 182,397 RSUs to employees. The fair value of the RSUs granted during the year ended December 31, 2022 was determined based on the market value within the range of \$0.61 to \$0.90.

During the year ended December 31, 2023, 406,972 RSUs vested (2022 – 254,651). The weighted average remaining contractual life of the outstanding unvested RSUs was 6.32 years at December 31, 2023.

(c) Warrants

In 2023, no common share purchase warrants were issued.

The Company issued an aggregate of 7,343,750 common share purchase warrants in connection with the non-brokered private placement (Note 25) in March 2022. These warrants are exercisable at the option of the holder to acquire one Share at an exercise price of \$0.80 per warrant. The fair value of warrants was estimated using Black-Scholes valuation model with the following assumptions: (i) expected life of 3 years; (ii) risk free rate of 0.17%; (iii) dividend yield of nil; (iv) expected volatility of 169.80%; and (v) fair value of the share price of \$0.70 at the time of grant based on the market rate.

The Company issued an aggregate of 29,661,016 common share purchase warrants in connection with the non-brokered private placement (Note 25) in April 2022. These warrants are exercisable at the option of the holder to acquire one Share at an exercise price of \$0.73 per warrant. The fair value of warrants was estimated using Black-Scholes valuation model with the following assumptions: (i) expected life of 3 years; (ii) risk free rate of 0.17%; (iii) dividend yield of nil; (iv) expected volatility of 169.08%; and (v) fair value of the share price of \$0.85 at the time of grant based on the market rate.

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Continuity of the Warrants issued and outstanding are as follows:

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

27. 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.

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 year ended December 31, 2023 and 2022, the compensation awarded to key management personnel is as follows:

	2023	2022
Salaries, service fees and short-term benefits	\$ 325,390	\$ 747,704
Share based compensations	476,272	998,485
	\$ 801,662	\$ 1,746,189

Related party transactions

During the years ended December 31, 2023 and 2022, the Company incurred office space, operational supports, consulting, and product development expenses for services provided by the following related entities controlled by key officers or directors:

	2023	2022
Connex Telecommunications Inc.	\$ 61,040	\$ 36,309
Abrahams LLP.	-	9,701
	\$ 61,040	\$ 46,010

The above incurred expenses are included in cost of revenues, operational support expenses, and research and development expenses. Transactions with the related parties are measured at the amounts agreed to with the related parties.

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Due to related parties:

As at December 31, 2023 and 2022 amounts due to related parties include:

	2023	2022
Directors	\$ -	\$ 5,000
Founders	195,559	195,559
Entities controlled by key officers or directors	145,015	512,747
	\$ 340,574	\$ 713,306

Amounts due to directors and entities controlled by key officers or directors are included in accounts payable and accrued liabilities (Note 22). 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.

28. 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 December 31, 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 December 31, 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 \$9,867 in the Company's consolidated statements of income (loss) and comprehensive income (loss).

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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 December 31, 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 December 31, 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 December 31, 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. 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.

As at December 31, 2023	Carrying Amount	Undiscounted Contractual Cash Flows		
		< 1 year	1 – 5 years	Total
Accounts payables and accrued liabilities	\$ 9,539,128	9,539,128	-	9,539,128
Due to related parties	195,559	195,559	-	195,559
Loans	160,000	-	160,000	160,000
Lease liabilities	13,032,713	3,535,166	11,346,334	14,881,500
	\$ 22,927,400	13,269,853	11,506,334	24,776,187

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As at December 31, 2022					
Accounts payables and accrued liabilities	\$	9,714,894	9,714,894	-	9,714,894
Due to related parties		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 year ended December 31, 2023, nor have there been any changes made in the objectives, policies, or processes of the Company in respect of capital management during the year ended December 31, 2022. 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.

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.

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29. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Legal claim contingency

- On March 30, 2023, former shareholders of the Company's subsidiary commenced an action against the directors of the Company in the Ontario Superior Court of Justice for an amount of \$1,127,572 for breach of contract and unjust enrichment. The action is at an early stage and the Company has defended the action. The Company is of the view that the claim is without merit and that the likelihood of paying the claim to be remote. As such, no provision has been recognized for this matter as at December 31, 2023.
- On August 4, 2023, a former service provider commenced an action against the Company in the Superior Court of Fulton County, Georgia, USA, for an amount of USD \$224,613, plus interest and attorney's fees, for breach of contract and unjust enrichment. The action is at an early stage and the Company has defended the action. As such, no provision has been recognized for this matter as at December 31, 2023.
- On October 30, 2023, a former executive and member of the Board commenced an action against the Company in the Ontario Superior Court of Justice for an amount of \$1,819,903 for wrongful dismissal and breach of employment contract. The action is at an early stage and the Company has defended the action by way of counterclaim served in the Ontario Superior Court of Justice for an amount of \$3,500,000. The Company is of the view that the claim is without merit and that the likelihood of paying the claim to be remote. As such, no provision has been recognized for this matter as at December 31, 2023.
- On December 12, 2023, a former employee commenced an action against the Company in the Ontario Superior Court of Justice (Toronto Small Claims Court) for \$35,000 for unpaid loan. The action is at an early stage and the Company has defended the action. As such, no provision has been recognized for this matter as at December 31, 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.

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30. LEASES

Right-of-use assets

At December 31, 2023, the Company's right-of-use assets are as follows:

	Office space	Vehicles	Warehouse equipment	Total
As at December 31, 2021	\$ 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)
Currency translation	-	326,257	-	326,257
As at December 31, 2022	\$ 3,863,620	\$ 15,138,509	\$ 146,196	\$ 19,148,325
Disposals	(886,601)	(2,527,516)	(134,354)	(3,548,471)
Depreciation	(611,003)	(3,761,626)	(11,842)	(4,384,471)
Derecognition/impairment	(2,366,016)	(8,264,749)	-	(10,630,765)
Currency translation	-	(78,375)	-	(78,375)
As at December 31, 2023	\$ -	\$ 506,243	\$ -	\$ 506,243

The depreciation on the vehicles for Steer EV and Steer Holding Inc. have been recognized under cost of revenue (Note 8). The vehicles referred to in the table above are related to the Company's services and offerings for vehicle subscription service.

As of December 31, 2023, 73 leases were terminated as the Company ceased paying the lessor in 2023 and the vehicles were returned to the lessor. The lessor filed a lawsuit against the Company for non-payment and damages. (refer Note 29).

The Company transferred the unpaid lease liability to accounts payable and accruals, amounting to \$2,240,885 (2022 - \$198,773).

The lessor who provided the building lease, encashed the guarantee provided by the Company, amounting to \$525,000 due to non-payment (Note 16).

Due to non-payment of lease liabilities, leases were repossessed by the supplier; the Company incurred a loss on termination of \$10,630,765 (2022 - \$Nil) during the year ended December 31, 2023, net of a gain on the termination of the lease of 636,828.

Lease liability

At December 31, 2023, the Company's lease liability is as follows:

Lease liability	2023	2022
Current portion	\$ 3,496,528	\$ 3,612,885
Long-term portion	9,536,185	17,011,068
Total lease liability	\$ 13,032,713	\$ 20,623,953

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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	2023		2022	
Less than one year	\$	3,535,166	\$	5,235,679
One to five years		11,346,334		18,322,090
Total undiscounted lease commitments	\$	14,881,499	\$	23,557,769

Amounts recognized in the consolidated statements of income (loss) and comprehensive income (loss)

During the year ended December 31,	2023		2022	
Interest on lease liabilities	\$	1,531,263	\$	1,371,389
Expenses relating to short-term leases		221,496		363,096
Loss on termination of lease		10,630,765		-
Expenses relating to variable lease payments not included in lease liabilities	\$	474,692	\$	150,313

Amounts recognized in the consolidated Statements of cash flows

During the year ended December 31,	2023		2022	
Interest paid	\$	523,902	\$	1,371,389
Payment of lease liabilities		1,105,511		3,897,227
Short-term lease payments		221,496		363,096
Expenses relating to variable lease payments not included in lease liabilities		474,692		150,313
Total cash outflows for leases	\$	2,325,602	\$	5,782,025

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31. 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 for the year ended and as at December 31, 2023 are set out below:

	Canada	United States	Total
December 31, 2023:	\$	\$	\$
Revenue recognized at a point of time			
B2B Marketplace	13,685,641	-	13,685,641
Foods Delivery, Rideshare, Daas, Health	1,148,323	-	1,148,323
On-Demand Offerings	14,833,964	-	14,833,964
Revenue recognized over the point of time			
Vehicle subscription service	1,012,661	1,885,389	2,898,050
Other	526	-	526
Subscription-Based Offerings	1,013,187	1,885,389	2,898,576
	15,847,151	1,885,389	17,732,540
Long-lived assets	1,048,752	441,360	\$1,490,112
Investment in associate	23,726,489	-	23,726,489
	Canada	United States	Total
December 31, 2022:	\$	\$	\$
Revenue recognized at a point of time			
B2B Marketplace	46,365,615	-	46,365,615
Foods Delivery, Rideshare, Daas, Health	5,259,174	-	5,259,174
On-Demand Offerings	51,624,789	-	51,624,789
Revenue recognized over the point of time			
Vehicle subscription service	824,641	2,148,085	2,972,726
Other	323,762	-	323,762
Subscription-Based Offerings	1,148,403	2,148,085	3,296,488
	52,773,192	2,148,085	54,921,277
Long-lived assets	17,691,365	10,378,186	28,069,551

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

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32. INCOME TAXES

(a) Amounts recognized in net income (loss)

During the year ended December 31,		2023		2022
Current income tax expense (recovery)	\$	33,468		66,000
Deferred income tax expense (recovery)		69,967		(12,000)
Total income tax expense (recovery)	\$	103,435	\$	54,000

(b) Reconciliation of effective tax rate

The following table reconciles the expected income tax expense at Canadian statutory income tax rates to the amounts recognized in the consolidated statements of income (loss) and comprehensive income (loss) for the years ended December 31, 2023 and 2022:

During the year ended December 31,		2023		2022
Net income (loss) before taxes	\$	812,610	\$	(33,380,000)
Statutory tax rate		26.5%		26.5%
Expected income tax expense (recovery)	\$	215,342	\$	(8,845,814)
Non-deductible items		304,069		496,439
Impairment		181,523		-
Adjustments related to prior years		133,799		(521,201)
Non-taxable portion of investment gains		(3,927,715)		-
Other		354,778		(986)
Change in tax rates		128,783		(41,428)
Change in deferred tax assets not recognized		2,712,856		8,967,443
Total income tax expense (recovery)	\$	103,435	\$	54,453

(c) Movement in deferred tax balances

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding values for tax purposes. Deferred tax assets (liabilities) recognized as at December 31, 2023 and 2022 were as follows:

As at December 31,		2023		2022
Capital assets	\$	(5,457)	\$	(54,208)
Right-of-use asset		(153,675)		(5,266,830)
Lease liability		222,973		5,274,360
Intangible assets		41,878		(376,369)
Investment		(3,082,359)		-
Reserves		9,165		-
Tax loss carry-forwards		3,092,604		481,619
Total deferred tax asset		125,129		58,572

The Company recognizes deferred tax assets to the extent that it is probable that future taxable

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profit will be available against which the Company can utilize the benefits of the deductible temporary differences and unused tax losses. The Company did not recognize deferred tax assets for the following deductible temporary differences because it is not probable that they would be utilized.

As at December 31,	2023	2022
Lease liability	12,456,340	1,448,000
Capital assets	44,908	-
Prepaid capital contribution	-	151,000
Inventory	189,625	-
Investment	4,477,813	3,579,000
Investment tax credit	3,806	-
Deductible SR&ED Expenditures	60,398	60,000
Share issue costs	332,719	520,000
Intangible assets	1,729,846	1,988,000
Tax loss carry-forwards	71,512,007	69,830,000
Unrecognized deductible temporary differences	\$ 90,807,462	\$ 77,576,000

(d) Tax losses carried forward

As of December 31, 2023, non-capital tax loss carry-forwards that can be applied to reduce future taxable income in Canada of \$76,822,417 (2022 - \$67,262,046) will expire between 2037 and 2043.

As of December 31, 2023, non-capital tax loss carry-forwards that can be applied to reduce future taxable income in the U.S. is USD\$4,805,198 (2022 - USD\$3,238,075), and these losses do not expire.

33. SUBSEQUENT EVENTS

Private Placement with Strategic Investors

On February 8, 2024, the Company completed a private placement offering of 12.0% secured convertible debentures (the “Debentures”) for aggregate gross proceeds of \$3,536,400 (the “Private Placement”). The proceeds from the Private Placement are expected to be used by the Company for working capital and general corporate purposes.

Each Debenture is convertible into units of the Company (each, a “Unit”), at a conversion price of \$0.06 per Unit, at the sole option of the holder. Each Unit will consist of one Share and one Share purchase warrant (each, a “Warrant”). Each Warrant will be exercisable into one Share at the exercise price of \$0.06 per Share at any time prior to February 8, 2025, subject to certain adjustments and acceleration provisions.