STEER

# Management's Discussion and Analysis of Financial Condition as at March 31, 2023 and Results of Operations for the Three Months Ended March 31, 2023 and 2022

**STEER TECHNOLOGIES INC.**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**For the three months ended March 31, 2023 and 2022**

May 30, 2023

The following interim Management's Discussion and Analysis ("**MD&A**") provides information concerning the financial conditions and results of operations of STEER Technologies Inc. (the "**Company**", "**Corporation**", "**Facedrive**", **"STEER",** "**we**", "**us**" or "**our**") which includes its subsidiaries, for the three months ended March 31, 2023 ("**Q1 2023 or the quarter**"), and the three months ended March 31, 2022 ("**Q1 2022 or the comparative quarter**"). This MD&A should be read in conjunction with our audited consolidated financial statements, including the related notes thereto, for the fiscal years ended December 31, 2022, and 2021, and the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2023 and 2022 (the "**Q1 2023 Interim Statements**").

Our Q1 2023 Interim Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") applicable to the preparation of condensed interim financial statements, including International Accounting Standards ("**IAS**") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). Our fiscal year is the 12-month period ending December 31.

All amounts in this MD&A are in Canadian dollars, unless otherwise indicated. All information presented has been rounded to the nearest hundred dollars, unless otherwise indicated.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information or forward-looking statements (collectively referred to as "**forward-looking information**") which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of STEER or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this MD&A, such information uses such words as "may", "would", "could", "will", "intend", "predict", "aim", "seek", "potential", "expect", "believe", "plan", "anticipate", "estimate" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. This information reflects STEER's current expectations regarding future events and operating performance and speaks only as of the date of this MD&A. Forward-looking information involves significant risks and uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the factors discussed below. STEER believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct. STEER assumes no obligation to publicly update or revise forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable securities laws or regulations. These forward-looking statements include, among other things, statements relating to STEER's revenue streams and financial performance, future growth and profitability of the Company, the impact of the COVID-19 pandemic and economic challenges on the Company's business operations, financial condition and results of operations, the Company's ability to maintain or adjust its capital, the Company's ability to finance its future cash requirements through debt and/or equity and the ability of the Company to manage its credit risk through financially stable institutions and payment collection platforms.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of STEER to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, including those factors discussed under the heading "Financial Risk Management Objectives and Policies" in this MD&A. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time.

Although STEER has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. As such, there can be no assurance that forward-looking information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information due to the inherent uncertainty in them. Furthermore, unless otherwise stated, the forward-looking information contained in this MD&A is made as of the date of this MD&A and we have no intention and undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

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## COMPANY OVERVIEW

STEER Technologies Inc., previously named as Facedrive Inc., was incorporated under the *Business Corporations Act* (Alberta) on January 18, 2018 as "High Mountain Capital Corporation" ("**High Mountain**"). On September 16, 2019, the Company amalgamated with 2696170 Ontario Inc. ("**Subco**"), a wholly-owned subsidiary of High Mountain, to form 5021780 Ontario Inc., also a wholly-owned subsidiary of High Mountain. On December 31, 2019, High Mountain completed an amalgamation and continuance from a company incorporated under the *Business Corporations* Act (Alberta) to a company continued under the *Business Corporations Act* (Ontario) under the name "Facedrive Inc.".

The Corporation's head office and registered office is located at 100 Consilium Place, Suite 400, Toronto, ON M1H 3E3 and has various other operational offices across North America. The Company recently received formal approval for change of its name by way of Articles of Amendment to "STEER Technologies Inc." at its July 12, 2022 annual and special meeting of shareholders and has received TSXV approval for such name change. The Corporation is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia. The Company's Common Shares are listed and posted for trading on the TSXV under the trading symbol "STER". Therefore, the entire contents will use STEER to present the Company in order to keep alignment and consistency.

### Services and Offerings - Overview

STEER is an integrated ESG technology platform that moves people and delivers things through subscription and on-demand services. The Company's goal is to build a one-of-a-kind system that aggregates conscientious users, through a series of connected offerings, and enables them to buy, sell, or invest with the same platform, STEER. The Company's offerings generally fall into two categories: 1) subscription-based offerings led by its flagship electric vehicle ("**EV**") subscription business, STEER EV, and 2) on-demand services incorporating food delivery, B2B marketplace, Delivery-as-a-Service (DaaS), health technology, and rideshare (mobility) services. The Company's platform is powered by EcoCRED, its big data, analytics and machine learning engine that seeks to capture, analyse, parse and report on key data points in ways that measure, in a reportable manner, the Company's impact on carbon reductions and offsets.

The Company's vision was inspired by a number of global megatrends: 1) widespread adoption of environmental, socially-conscious and governance-oriented (ESG) consumer behaviour (particularly among the Y and Z generations, the future of global economic consumption), including an increased emphasis on social issues as a factor in commercial decision-making; 2) international movement towards environmentally-conscious legislation and policy (quote: the Paris Accord, the European Union's target that all vehicles in production be electric by 2030[1] and the Canadian Federal Government's later announcement mandating 2035 as a transition date (e.g. Transport Canada, June 29 2021[2]); 3) corporate and institutional adoption of said ESG principles (e.g. automotive industry manufacturers and other institutions including Canadian Schedule "I" Banks and top-tier Canadian telecommunications giants committing hundreds of millions of dollars towards ESG-related initiatives), and 4) the modern gig economy, reflecting a decline in traditional ownership models in favour of shared, subscription-based or on-demand solutions.

*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.

The Company's electric vehicle subscription business was first acquired ("**STEER Acquisition**") from Exelorate Enterprises, LLC ("**Exelorate**"), a wholly-owned subsidiary of Exelon Corporation (NASDAQ: EXC). The STEER its business-to-consumer (B2C) operations. Following this, the goal is to further expand, in the intermediate term, into electric charging and smart-community infrastructure.

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[1] https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement
[2] https://www.canada.ca/en/transport-canada/news/2021/06/building-a-green-economy-government-of-canada-to-require-100-of-car-and-passenger-truck-sales-be-zero-emission-by-2035-in-canada.html

The STEER acquisition was completed in September 2020, and the launch of the STEER vehicle subscription service platform in Toronto occurred in February 2021. The Company leases primarily electric automobiles for its STEER EV operations. The Company is responsible for related car payments, maintenance costs, and insurance; STEER's customers pay only the monthly subscription fee for use of the vehicles and associated surcharge fee.

Since the STEER Acquisition, the Company has been pleased with the growth and success of STEER EV's operations in Toronto and Washington, DC as two operational centers with strong utilization and subscriber growth rates. More recently, the Company has further established operations in Vancouver, BC, Austin, Texas, and Tampa, Florida. STEER EV intends to pursue aggressive expansion in North America into targeted markets that have been specifically identified for such. The Company anticipates future expansions translating into strong and organic monthly recurring revenue and, ultimately, significant year-over-year revenue growth from its business-to-consumer ("**B2C**") and business-to-business ("**B2B**") operations. Following this, the goal is to further expand, in the intermediate term, into electric charging and smart-community infrastructure.

*On-Demand Offerings*

On-Demand Services include the Company's various mobility and delivery platform offerings catering to both businesses ("**B2B**") and consumers ("**B2C**"). B2B is led by the Company's fast-growing business-to-business marketplace ("**B2B Marketplace**") targeting businesses, while B2C includes foods and grocery delivery, delivery-as-a-service (DaaS, or last mile delivery), and rideshare (mobility), focused on serving end users/customers. The Company feels its On-Demand Services serve local communities by supporting local restaurants with all essential resources including supply chain management and logistics, customers, and delivery solutions, while enabling drivers to generate revenue in a diversified, hedged manner should demand for other offerings become temporarily low. The Company also prides itself on its thorough driver onboarding and training processes, extended delivery radius to cater to remote and underserved communities, and grocery delivery services.

Recently, the Company has centralized all its On-Demand service platforms – B2B Marketplace, Foods, DaaS, and Rideshare – into one mobile application named "STEER". The centralization of service platforms allows the Company to better achieve economies of scale for its expenses. In other words, the centralization of the Company's On-Demand services creates an organic ecosystem that allows for all On-Demand service platforms to share the input cost factors, including, but not limited to, merchants, customers, drivers, and suppliers. Ultimately, this is intended to minimize supply chain logistics cost, opportunity cost, and time cost.

- B2B Marketplace

B2B Marketplace is the platform for the Company's business-to-business marketplace. B2B marketplace is based on the sale and delivery of various restaurant industry supply items on a just-in-time basis. Such items include numerous restaurant industry items, ranging from general tableware, commercial kitchen items, supplies to restaurant meal ingredients and condiments. This inventory of goods is procured, owned, and warehoused by the Company. Once a restaurant or a similar business orders goods through the STEER platform, the Company will deliver the inventory to its business customers.

- Foods Delivery

The food delivery platform connects restaurants, including national chains, local businesses, and ethnic restaurants, with drivers and consumers, and is currently operational in 19 cities in Canada. It emphasizes driver safety with both enhanced health and background screening protocols and focuses on supporting local businesses and communities by offering features such as long-radius delivery to provide underserved merchants and consumers more opportunities to transact. The Company's entrance in the food delivery market was sparked by its acquisition of certain assets from Foodora Canada Inc. ("**Foodora Canada**") which was completed in July 2020 (the "**Foodora Transaction**") and the acquisition of Food Hwy Canada Inc. ("**Food Hwy**") which was completed in October 2020 (the "**Food Hwy Transaction**"). Following the acquisition of Food Hwy, a Canada-based food delivery service, the Company increased its operational capabilities and market presence, and benefited from onboarding Food Hwy's highly skilled team with over eight years of expertise – both operational and technical – in the field.

- DaaS

STEER’s DaaS offering provides a last mile logistics solution for various types of merchants, ranging from locally owned stores and pharmacies to Walmart, to offer just-in-time deliveries to end-users. DaaS does this by leveraging the assets, technology and base of resources developed by the Company through its pre-existing on-demand offerings, including a shared tech stack and driver fleet. For drivers, this means potentially higher earnings through an additional revenue stream, minimized idle time, and the convenience of managing more potential driving and delivery functions on fewer apps on their phone. For the Company, the DaaS functionality results in greater operational efficiencies due to a unified driver acquisition and training process as well as optimized marketing spend across the platform. The Company feels these operational efficiencies will translate into economies of scale as STEER’s DaaS onboards more vendors and launches operations in new geographies.

- Rideshare

Rideshare offers a green transportation alternative to traditional taxi services. Through leveraging the Company’s well-established technology and driver pool, customers can request a ride through the “STEER” application. Furthermore, Rideshare offers carbon emission tracking for conscientious consumers. Riders can choose between an electric, hybrid or gas vehicle, while the platform calculates carbon impact associated with a rider’s ride and earmarks an equivalent amount to be contributed towards carbon offset initiatives to minimize its footprint. Other differentiating factors of Rideshare have included an emphasis on driver and rider safety through a) various health and safety protocols that can disallow a driver from remaining on the platform if his/her temperature is above an acceptable level at applicable times and b) a robust driver onboarding process focused on rider safety and platform integrity.

*ESG and Data Driven Intelligence*

The Company has designed its services to leverage its built-in data science algorithms powered by the Company’s big data, analytics and machine learning engine, EcoCRED. EcoCRED seeks to capture, analyse, parse and report on key data points in order to measure the Company’s impact on metrics such as carbon reductions and offsets in a manner that can be reported. The Company’s primary objectives in collecting this data are to: a) analyse daily demand cycles for each individual offering, b) streamline resource allocation including driver utilization and grid navigation for greater efficiency, c) identify cross-selling opportunities within the STEER platform, and d) provide customers with analytics, metrics and data that quantify their carbon reduction efforts, as businesses face increased expectations to track and report on ESG metrics.

The Company feels that as it continues to experience a growing number of users and businesses transacting on its platform, EcoCRED will take on a more pivotal role in analysing and producing analytic reports on the collected datasets. First acquired from a wholly-owned subsidiary of Exelon Corporation in April of 2021, EcoCRED has become the Company’s ESG big-data analytics machine for all carbon impacts and offsets coming through its platform. The goal is to ultimately power all of the Company’s On-Demand and Subscription-Based services through EcoCRED to automatically capture carbon reductions and offsets created in real-time and to do so in a reportable manner. This will include offsets created by the Company’s EV subscription service and its B2B Marketplace (e.g., the materials used and purchased). The Company is working closely with industry-leading consultants to better understand all carbon reductions and offsets within the context of global industry standards. The Company intends to further integrate key sustainability metrics and statistics into its user interface (as it currently does for consumers on its mobile app) to provide real-time ESG analytics and data to customers on its dashboard for instant tracking and reporting.

Another function of EcoCRED as an application is to engage and empower consumers and businesses to build eco-friendly habits, increase awareness of sustainability, and to purchase verified, science-backed carbon offsets. EcoCRED includes an online application for mobile phones and tablets (the “**EcoCRED Platform**”) that estimates users’ daily carbon footprint based on their living habits, such as how they commute, the type of food they consume, their heating and air conditioning habits and the type of vehicle they drive. It suggests simple tasks and useful lifestyle tips to help educate its users and, if incorporated into their daily routine, help reduce their carbon footprint.

While EcoCRED does generate revenue, the Company does not envision EcoCRED becoming a significant generator of revenue growth on a standalone basis. Rather, the Company sees EcoCRED’s true value as the Company’s internal analytics and data engine. Services offered through EcoCRED to the market are not being offered primarily for the purposes of revenue but as part of the Company's continued efforts to develop, test and strengthen its analytics engine and/or to grow its own datasets in a manner that enhances the functionality and utility of the STEER platform overall.

<u>Recent Development of Business</u>

STEER's development of its business and operations activities during the current financial year to date consists of the following:

- On March 30, 2023, Steer Technologies Inc. announced it has closed its previously announced sale of approximately 37.5% of the Company's B2B Marketplace to a group of investors at a post-money valuation of approximately $47.14 million. The B2B Marketplace business line is incorporated into a new company named "FoodsUp Inc.". The Company has received $6,000,000 as a result of the spin-off and maintains a 62.5% stake in FoodsUp Inc.

*STEER's Economic Recession Response*

Combined with ongoing inflation and the Bank of Canada's attempts to contain it, conditions of economic recession appear to be precipitating lower-than-expected sales across all technology markets. Given the uncertain nature of these developing economic conditions, the full macroeconomic influence of which cannot yet be determined, a recession may have direct or indirect impact on Company's business and financial implications. For example, a period of high inflation may lead to higher supply chain costs for STEER that it may or may not be able to pass on to its customers. If the Company is unable to successfully pass on any rising supply chain costs, then this will reduce gross profit margins. Inflation may also result in decreased demand for the Company's products and services if customers change their purchasing behaviours and seek out lower cost providers and/or reduce their consumption as a result of the inflation and the related macroeconomic trend. STEER is seeking to monitor its expenses and consumer behaviours in order to try and maximize both revenues and gross profit margins during this period of inflation and potential economic recession.

The Company is monitoring economic conditions closely and plans to remain vigilant about what, if any, measures need to be deployed should a recession or stagflation begin directly impacting its business and future performance (including, among other things, total revenues, profit margins etc.).

*Going Concern*

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able 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 March 31, 2023, the Company had working capital deficiency of $4,695,500 (March 31, 2022: Working capital deficiency of $12,459,623) and a net profit of $30,276,046 (March 31, 2022: Net loss of $8,182,038). The continuation of the Company as a going concern is dependent on its ability to achieve positive cash flows from operations, to obtain the necessary equity or debt financing to continue with its planned market expansion, and to ultimately attain and maintain profitable operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing or that such financing will be on terms that are acceptable to the Company. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The consolidated financial statements do not give effects to any adjustments to the carrying values of recorded assets and liabilities, revenue and expenses, the consolidated statements of financial position classifications used and disclosures that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

## ANALYSIS OF RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31, 2023 AND 2022

The following section provides an overview of our financial performance during the three months ended March 31, 2023 ("**Q1 2023**"), compared to the three months ended March 31, 2022 ("**Q1 2022**").

### Revenue

Revenue for Q1 2023 was $15,229,000, as compared to $10,734,500 in Q1 2022, an increase of $4,494,500. The increase in revenue was primarily attributable to organic growth in expansion of the Company's On-Demand businesses, led mainly by its Business-to-Business (B2B) Marketplace, and the Company's vehicle subscription service.

*Subscription Revenues*

Total revenue from subscription-based services, led by electric vehicle subscription, was $795,000 in Q1 2023 as compared to $662,800 in Q1 2022. The Company expects continued revenue growth for its subscription service as it continues to seek new regions for expansion, leveraging its existing expertise, data and technology to continue scaling up operations. The Company sees its EV subscription business as a key part of its focus and growth strategy and anticipates that subscription revenues, being recurring in nature, will allow it to better predict and forecast associated future revenues accurately.

*On-Demand Revenues*

Total revenue from the Company's On-Demand Services was $14,434,100 in Q1 2023, as compared to $9,976,400 in Q1 2022. The increase was attributable to the further development of business lines. On-Demand revenues were led by the Company's B2B Marketplace, which generated $13,685,600 in revenues in Q1 2023, as compared to $8,330,000 in Q1 2022. This increase is attributable to the Company's B2B Marketplace's growth into a platform that the Company estimates to be used by approximately 20% of Ontario's independently-owned restaurants. Total revenue from the Company's B2C On-Demand services, which include Foods, DaaS and Rideshare, was $748,400 in Q1 2023 as compared to $1,646,400 in Q1 2022. This decline is attributable to slower demand for food delivery orders as consumers appeared to be dining out more than usual.

Management feels confident about the outlook for On-Demand services as it is carefully monitoring spending and promotions to cater to new customer spending habits. The Company has obtained $6,000,000 funding through spinning-off a portion of its B2C Marketplace business line (See "Recent Development of Business" above). Management seeks to use this funding to adapt its operations to match the changing consumer habits, meanwhile, to explore potential market opportunities emerging. The Company is optimistic that the successful completion of Company's B2C On-Demand "STEER" mobile application will lower costs by spreading them among the B2C platform services which, in turn, can enable more aggressive consumer pricing strategies for the remainder of 2023 and beyond to make the On-Demand services more competitive.

### Cost of Revenue

The overall cost of revenue for Q1 2023 was $15,434,000, representing an increase from $11,745,500 in Q1 2022.This overall growth in cost of revenue is attributable to the overall organic growth and expansion of the Company's key Subscription-based STEER EV and On-Demand Offerings, especially from its B2B Marketplace.

Total payouts to drivers for Food Delivery were $583,700 in Q1 2023, as compared to $1,695,600 in Q1 2022. This decrease is mainly attributable to an improvement in the utilization and centralization of the Company's DOB (Driver Onboarding) process, and the operations team's conscious optimization of its payout structure to reduce costs. Total depreciation related to vehicle subscription services was $755,600 in Q1 2023, as compared to $617,200 in Q1 2022. Total automobile costs were $213,700 in Q1 2023, as compared to $125,200 in Q1 2022. Total insurance expenses were $260,400 in Q1 2023, as compared to $157,700 in Q1 2022. These increases were attributable to the organic business growth of the STEER EV subscription business as the Company has proceeded to add to its fleet size and number of locations offered in both the United States and in Canada. Total payment processing fees were $281,000 in Q1 2023, as compared to $384,600 in Q1 2022. The reduction of payment processing fees was the culmination of renegotiation with its payment gateway to offer lower fees and improved payment structure based on transaction volume, among other things. Total delivery expenses for B2B Marketplace were $755,600 in Q1 2023, as compared to $617,200 in Q1 2022. The increase was attributable to expansion in 2023 to include the sale and delivery of various restaurant supply items and SKUs (stock keeping units) on a business-to-business basis.

The cost of goods sold from the sale of merchandise was $12,295,800 in Q1 2023, compared to $8,165,200 in Q1 2022. Most of the this increase in cost of goods sold from the sale of B2B Marketplace is attributed to a substantial increase in sales volume which resulted from, among other things, better selection of more desirable SKUs in the Company's B2B Marketplace.

**General and Administration Expenses**

General and Administrative expenses for Q1 2023 were $1,409,200, down from $2,004,400 in Q1 2022. This decrease is primarily attributed to the management's strategic reduction of fees to reduce overhead. Total legal and accounting fees were $285,000 for Q1 2023 as compared to $231,700 in Q1 2022.

Total share-based compensation expenses recognized related to stock options and restricted share units granted to directors and officers of the Company were $224,200 in Q1 2023, as compared to $336,300 for Q1 2022. Total share-based compensation expenses recognized related to restricted share units granted to advisors and consultants were $25,100 in Q1 2023, as compared to $265,000 in Q1 2022. Total share-based compensation expenses recognized related to stock options and restricted share units granted to employees of the Company were $53,100 in Q1 2023, as compared to $93,000 for Q1 2022.

Total salaries and benefits for general and administrative staff members decreased to $689,600 in Q1 2023 from $883,700 in Q1 2022. The decrease was primarily due to more cautious spending decisions made by management. Total insurance expenses were $80,600 in Q1 2023, compared to $120,700 in Q1 2022.

**Operational Support Expenses**

Operational support expenses increased to $2,116,400 in Q1 2023, from $3,701,200 in Q1 2022. The year-over-year decrease was primarily attributable to management's decision to reduce unnecessary costs through optimizing operations.

Total share-based compensation expenses recognized related to stock options and restricted share units granted to employees of the Company were $53,000 in Q1 2023, as compared to $93,000 for Q1 2022. Total salaries and benefits for the Company's technical operations and support staff were $1,461,800 in Q1 2023, a decrease of $1,355,400 compared to $2,817,200 in Q1 2022 primarily due to the decrease in employee headcount above. This decreased headcount occurred primarily due to increased operation efficiency, which reduced the need for headcount.

Total telephone, internet and data expenses decreased to $136,500 in Q1 2023 from $222,900 in the Q1 2022. This decrease was attributable to consolidation of resources and more efficient management of operations. Total operational support expenses payable to Connex Telecommunications Inc., a related company ("**Connex**"), was $15,300 in Q1 2023, as compared to $16,000 in Q1 2022. See "Related Party Transactions" below.

**Research and Development Expenses**

Research and development expenses increased to $278,800 in Q1 2023, as compared to $737,500 in Q1 2022. Research and development expenses included payments to consultants, salaries and benefits and share-based compensation. To this end, total salaries and benefits related to research and development personnel were $244,400 in Q1 2023, as compared to $495,600 in Q1 2022. The decrease in expenses was primarily attributable to the decrease in the employee headcount described above. Total fees paid to third parties providing services and product development to the Company in the amount of $23,100 in Q1 2023, as compared to $223,300 in Q1 2022. Total share-based compensation expenses recognized related to stock options and restricted share units granted to employees of the Company were $11,300 in Q1 2023, as compared to $18,600 in Q1 2022.

## Sales and Marketing Expenses

Sales and marketing expenses for Q1 2023 were $551,100, as compared to $591,100 in Q1 2022. This decrease was primarily attributable to the Company's increased efficiency in marketing spending. Total sales and marketing expenses for the Company's user and prospective user incentive programs were $23,600 in Q1 2023, as compared to $125,900 in Q1 2022.

Total salaries and benefits related to sales and marketing personnel were $158,500 in Q1 2023, as compared to $253,400 in Q1 2022. Total share-based compensation expenses recognized related to stock options and restricted share units granted to employees of the Company were $1,800 in Q1 2023, as compared to $8,900 in Q1 2022. The decreases were primarily due to the decrease in employee headcounts in order to improve cost efficiency. The Company continues to monitor and assess the best balance of internalizing marketing support functions versus outsourcing to hired external marketing consultants and will continue to adapt in attempts to optimize capital efficiency.

## Net Profit

The Company incurred a net gain of $30,300,000, in Q1 2023 compared to a net loss of $8,182,000 in Q1 2022. The drastic increase in net profit is the result of the Company spinning off 37.5% of its B2B Marketplace business line into a new company named "FoodsUp Inc.". The spin-off led to a gain from investment fair value of $35,946,000 on the Company's income statement, and $6,000,000 on the Company's cash position. The Company still retains 62.5% of FoodsUp Inc. The Company anticipates using the cash generated from the spin-off to enhance its balance sheet position and to improve its operations to meet consumer demands. See "Commentary about the Accounting Treatment for the Steer's Sale of FoodsUp Inc." below.

## SUMMARY OF QUARTERLY RESULTS

The following table summarizes the results of our operations for the eight most recently completed fiscal quarters:

| *(Unaudited)* | Q1 2023 ($) | Q4 2022 ($) | Q3 2022 ($) | Q2 2022 ($) | Q1 2022 ($) | Q4 2021 ($) | Q3 2021 ($) | Q2 2021 ($) |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | 15,229,021 [1] | 14,846,074 [2] | 14,291,749 [3] | 15,048,939 [4] | 10,734,515 [5] | 10,310,269[6] | 7,811,810[7] | 4,521,548 [8] |
| **Net Gain/(Loss)** | 30,299,977 [1] | (10,120,894) [2] | (7,360,938) [3] | (7,776,605) [4] | (8,182,039) [5] | (6,190,315)[6] | (9,930,182) [7] | (7,559,851) [8] |
| **Basic and diluted loss per Share** | 0.24 | (0.08) | (0.06) | (0.06) | (0.08) | (0.06) | (0.10) | (0.08) |

Notes:

(1) Net gain increased for the three months ended March 31, 2023 as compared to the prior quarter, primarily due to the Company's spinning off 37.5% of its B2B Marketplace business line. The spin off led to a $35,946,312 gain from investment through fair value.

(2) Net loss increased for the three months ended December 31, 2022 as compared to the prior quarter, primarily due to impairment loss. In Q4 2022, the Company recognized impairment losses of $2,054,874 for Goodwill and Intangible assets and $1,630,453 for Inventory. If no impairment loss were recognized, net loss would be $6,435,567.

(3) Net loss decreased for the three months ended September 30, 2022 as compared to the prior quarter, primarily due to the decrease in expenses. As compared to the prior quarter, operating expenses decreased by $1,042,647 from $8,184,915 in Q2 2022 to $7,142,268 in Q3 2022.

(4) Net loss decreased for the three months ended June 30, 2022 as compared to the prior quarter, primarily due to the growth in revenue and disproportionately lower expenses from utilization of cost structure and improvements in operational efficiency. Revenue increased by 40% to $15,048,939 in Q2 2022, up from $10,734,515 in Q1 2022. Conversely, Net Loss

was reduced by 5% to $7,776,605 in Q2 2022 from $8,182,039 in Q1 2022. Driver payouts decreased by 39% to $1,035,418 in Q2 2022 from $1,695,628 in Q1 2022. For the three months ended June 30, 2022, total share-based compensation expenses were $357,017, which was included in general & administrative, operational support, research and development and sales and marketing expense.

(5) Net loss increased for the three months ended March 31, 2022 as compared to the prior quarter, primarily due to the growth of the Company and the associated cost of revenue increase in the amount of $990,000, the increase in operational support in the amount of $846,000 and the increase in sales and marketing in the amount of $178,800. Net loss for the three months ended March 31, 2022 would have been $7,487,600 if we exclude the non-cash portion of our share-based compensation expenses. For the three months ended March 31, 2022, the total non-cash portion of share-based compensation expenses was $694,400.

(6) Net loss decreased for the three months ended December 31, 2021 as compared to the prior quarter, primarily due to the fair value loss on the investment in Tally Technology Group Inc. in the amount of $3,489,916 in Q3 2021. For the three months ended December 31, 2021, the total share-based compensation expense was $1,082,400, and was included in general & administrative, operational support, research and development and sales and marketing expenses.

(7) Net loss increased for the three months ended September 30, 2021 as compared to the prior quarter, primarily due to the fair value loss on the investment in Tally Technology Group Inc. in the amount of $3,489,916. For the three months ended September 30, 2021, the total share-based compensation expense was $511,100, and was included in general & administrative expenses.

(8) Net loss increased for the three months ended June 30, 2021 as compared to the prior quarter, primarily due to the growth of the Company and the costs associated with the increase in cost of revenue in the amount of $1,976,200 and the increase in operational support in the amount of $1,273,100. For the three months ended June 30, 2021, the total share-based compensation expense was $279,800, and was included in general & administrative expenses.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

### *Overview*

The Company currently manages its capital structure and makes adjustments to it based on cash resources expected to be available to the Company in order to support its future business plans. Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to safeguard its ability to sustain future development of the business, particularly in the face of uncertainty created by the COVID-19 global pandemic. The Company's objective is met by retaining adequate cash reserves – more than usual for the duration of the pandemic – to account for the possibility that cash flows from operations will not be sufficient to meet future cash flow requirements. In order to maintain or adjust its capital structure, the Company may issue Shares through public or private equity financings from time to time.

### *Cash Flows*

The following table presents our cash flows for each of the periods presented:

| | **For the Three Months Ended March 31, 2023 ($)** | **For the Three Months Ended March 31, 2022 ($)** |
|---|---|---|
| Net cash generated used in operating activities | (3,862,767) | (4,950,979) |
| Net cash generated used in investing activities | 6,549,247 | (39,751) |
| Net cash generated from financing activities | (883,212) | 6,391,165 |
| Impact of currency translation adjustment on cash | (25,008) | (24,703) |
| **Increase in cash and cash equivalents** | **1,777,260** | **1,375,731** |

### *Analysis of Cash Flows*

The Company's cash balance as of March 31, 2023 was $3,840,800, as compared to $2,063,500 as of December 31, 2022. The Company had a working capital deficiency of $4,695,500 as of March 31, 2023, as compared to a working capital deficiency of $8,548,572 on December 31, 2022. This decrease is mainly due to management's focus on improving its cash position and enhancing its operational efficiencies.

### *Cash Flows used in Operating Activities*

Cash used in operations of the Company was $3,840,800 for the Q1 2023, as compared to $4,951,000 in Q1 2022. This consisted of a net loss of $30,300,000, deferred income tax recovery of $38,700, gain on lease terminations of $234,900. Non-cash expenditures consist of depreciation and amortization, share-based payments of $303,500. Total share-based compensation expenses for Q1 2023 were: (a) to several directors of the Company: $ 224,200; and (b) to advisors and consultants: $26,200 and (c) to employees of the Company: $53,100. Cash was decreased from the increase in prepaid expenses and deposits of $14,500. Cash was also decreased from the decrease in accounts payable and accrued liabilities of $3,103,091. However, cash was increased from the decrease in inventory of $2,849,300, and the decrease in deferred income of $38,700.

### *Cash Flows used in Investing Activities*

Cash generated from investing activities was $6,547,200 for the Q1 2023, as compared to $39,800 used in Q1 2022. This increase was from the 37.5% spin-out partial sale of the Company's B2B Marketplace, which generated $6,000,000 for the Company in its investing activities. The Company also generated $656,000 from the sale of property, plant, and equipment.

### *Cash Flows generated from Financing Activities*

Cash used in financing activities was $883,200 for the Q1 2023, as compared to $6,391,165 generated for Q1 2022. The change was solely from the Company's change in corporate strategy. In Q1 2023, the Company focused on improving its working capital ratio and operations, and used $883,000 to pay lease liabilities principle. In Q1 2022, the Company focused on raising capital, which led to issuing shares that generated $6,927,300 for its financing activities.

At present, the Company has insufficient earnings to fund its operations. As such, the primary source of cash flows for the Company has been equity financings and sale of investments. The primary uses of cash are operating expenses. The Company intends to finance its future cash requirements through ordinary course revenue generation, together with a combination of debt and/or equity financings. While the Company has historically been successful in raising capital from equity financings, there can be no assurance that the Company will be able to obtain debt and/or such financings on favourable terms, or at all, in the future.

## SHARE INFORMATION

The Company is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. As of the date of this MD&A, there are 132,944,615 Shares and Nil preferred shares issued and outstanding.

## RELATED PARTY TRANSACTIONS

The related party transactions below are in the normal course of operations and have been valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. 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 Q1 2023 and Q1 2022, the compensation awarded to key management personnel is as follows:

| | | For the three months ended March 31, 2023 | | For the three months ended March 31, 2022 |
|---|---|---|---|---|
| Salaries, service fees and short-term benefits | $ | 117,115 | $ | 263,331 |
| Share based compensations | | 224,174 | | 336,328 |
| | **$** | **341,289** | **$** | **599,659** |

**Related party transactions**

During the Three months ended March 31, 2023 and 2022, the Company incurred office space, operational support, consulting, and product development expenses for services provided by the following related entities controlled by key officers or directors;

| | | For the three months ended March 31, 2023 | | For the three months ended March 31, 2022 |
|---|---|---|---|---|
| Connex Telecommunications Inc. ("**Connex**")[3] | $ | 15,263 | $ | 15,994 |
| | **$** | **15,263** | **$** | **15,994** |

**Due to related parties:**

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

| | | For the three months ended March 31, 2023 | | For the three months ended March 31, 2022 |
|---|---|---|---|---|
| Directors | $ | 5,000 | $ | 90,000 |
| Founders | | 195,559 | | 195,559 |
| Entities controlled by key officers or directors | | 88,287 | | 595,077 |
| | **$** | **288,846** | **$** | **880,636** |

Amounts due to Directors and entities controlled by key Officers or Directors are included in accounts payable and accrued liabilities (per Note 22 of the Company's accompany Q1 2023 Interim Financial Statements). 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.

[3] This entity is beneficially owned and controlled by Sayan Navaratnam, the Company's largest shareholder and former Chief Executive Officer.

## 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 March 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 March 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 $24,905 in the Company's consolidated statements of loss and comprehensive loss.

### 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 March 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 March 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 March 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 such as those created by the global pandemic COVID-19. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company continuously reviews both actual and forecasted cash flows in order to ensure that the Company has appropriate capital capacity.

| **As at March 31, 2023** | **Carrying Amount** | **Undiscounted Contractual Cash Flows** | | |
|---|---|---|---|---|
| | | **< 1 year** | **1 – 5 years** | **Total** |
| Accounts payables and accrued liabilities | $ 6,611,363 | 6,611,363 | $ - | $ 6,611,363 |
| Due to related party | 195,559 | 195,559 | - | 195,559 |
| Loans | 110,000 | 110,000 | - | 110,000 |
| Lease liabilities | 17,611,949 | 3,039,892 | 17,240,945 | 20,280,837 |
| | **$ 24,528,871** | **$ 9,956,814** | **$ 17,240,945** | **$ 27,197,759** |
| **As at December 31, 2022** | | | | |
| Accounts payables and accrued liabilities | $ 9,714,894 | $ 9,714,894 | $ - | $ 9,714,894 |
| Due to related party | 195,559 | 195,559 | - | 195,559 |
| Loans | 110,000 | 110,000 | - | 110,000 |
| Lease liabilities | 20,623,953 | 5,235,679 | 18,322,090 | 23,557,769 |
| | **$ 30,644,406** | **$ 15,256,132** | **$ 18,322,090** | **$ 33,578,222** |

**Capital management**

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

There have been no changes in the Company’s approach to capital management during the three months period ended March 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 three months period ended March 31, 2023. The Company will continually assess the adequacy of its capital structure and capacity and make adjustments within the context of the Company’s strategy, economic conditions, and the risk characteristics of the business.

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

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

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.

**Other Business Risks and Uncertainties**

The Company's future results may be affected by a number of factors over many of which the Company has little or no control. In addition to the risks set out herein, please see the Company's annual Management and Discussion of Financial Condition and Results of Operations for the years ended 2021 and 2022, as well as the Company's annual financial statements for the year ended December 2022 and 2021, each of which has been filed under the Company's profile on SEDAR at www.sedar.com.

*Climate Change*

The impact of climate change is already widespread across both human populations and natural ecosystems. Addressing climate change, and recognizing the urgent need to address greenhouse gas ("**GHG**") emissions because of the role they play in climate change, a real and rapidly growing threat to society and the planet, requires action and long-term commitments by every segment of society, including the business community. Strategies to reduce and mitigate GHG emissions, such as modifying how people and businesses conduct themselves and operate, can be effective in reducing and mitigating GHG and its impact on climate change.

The Company believes that businesses that can demonstrate how their product offerings and services can help mitigate the effects of climate change, for example by reducing or mitigating GHG, can be successful in creating new product offerings and new markets at the same time. STEER believes it is creating a unique niche in not only the Subscription-based and On-Demand services that it offers to assist with the offsetting and/or reduction of carbon emissions, but also in its analytics and reporting engine, EcoCRED, to assist its customers with better tracking, measuring and reporting the same.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet financing transactions.

## PROPOSED TRANSACTIONS

The Company is actively pursuing its plans for continued growth and future profitability through: (i) increases in revenues and profit margins from the Company's existing lines of business; (ii) transitioning the Company's current pre-revenue projects into revenue-generating products and services; and (iii) additional strategic acquisitions to enhance and/or further diversify the Company's lines of business and its products and services. As at the date of this MD&A, there are no prospective merger and/or acquisition transactions that are currently under negotiation nor proposed to be entered into that have reached the threshold of being a "material change" for the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual events may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in net loss and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. Significant assumptions regarding the future and other sources of estimation uncertainty that management has made at the financial position reporting date could result in a material adjustment to the carrying amounts of assets and liabilities. All significant estimates and critical judgments, estimates, and assumptions are described in Note 3 of the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2023 and Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2022.

## CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

There were no changes to the Company's significant accounting policies for the three months ended March 31, 2023. The Company has enhanced disclosure of the descriptions on reclassification of the Company's revenue recognition policies to provide a better disclosure to enable the readers to clearly understand the policies and the rationale for the revenue recognition models and how the Company accounts for things like inventive programs that had been offered to users and prospective users including discounts, refunds, sales discounts and other promotions as applicable, should be read in conjunction with our audited consolidated financial statements, including the related notes thereto, for the fiscal years ended December 31, 2022.

### Commentary about Accounting Treatment for the Steer's Sale of FoodsUp Inc.

•On March 30, 2023, the Company announced it has closed its previously announced sale of approximately 37.5% of the Company's B2B Marketplace to a group of investors at a post-money valuation of approximately $47.14 million. The B2B Marketplace business line was incorporated into a new company named "FoodsUp Inc.". The Company received $6,000,000 in cash as a result of the spin-off and maintains a 62.5% equity ownership stake in FoodsUp Inc.

In general, the consolidation of financial statements requires a company to integrate and combine the financial activities and information all of subsidiaries together in order to create consolidated financial statements that shows results in standard balance sheet, income statement, and cash flow statement for the parent company on a consolidated basis. The criteria for preparing a consolidated financial statement with subsidiaries is primarily based on the amount of ownership the parent company has in the subsidiary. Generally, 50% or more ownership in another company usually defines it as a subsidiary and gives the parent company the opportunity to include the subsidiary in a consolidated financial statement. However, in some cases, less than 50% ownership may be allowed if the parent company shows that the subsidiary's management is heavily aligned with the decision-making processes of the parent company. In other cases, greater than 50% ownership may not result in a parent company's consolidation of a subsidiary if the parent's ownership interest does not represent a controlling interest.

If a parent company controls a subsidiary, then the parent company will typically consolidate the subsidiary's information and include the income and expenses of the subsidiary in the consolidated financial statements of the parent company from the date the parent gains control until the date when the parent company ceases to control the subsidiary. If a company owns less than 20% of another company's stock, it will usually use the cost method or "fair value through profit or loss" or "fair value through other comprehensive income." of financial reporting depends on the investor's intention and ability to hold the investment for the long term. If a company owns (or has control) of more than 20% but less than 50%, a company will usually use the equity method.

Under the cost method, the parent company's holdings of the shares of the subsidiary are recorded on the parent's balance sheet as a non-current asset at their historical purchase price or cost, and is not modified unless the shares are sold, or additional shares are purchased. Any dividends the parent receives are recorded as income. For example, if a company buys a 5% stake in another company for $1 million, that is how the shares are valued on the investor's balance sheet regardless of their current price. If the investment pays $10,000 in quarterly dividends, that amount is added to the investor's income.

Under the equity method, the parent company's investment is initially recorded in the same way as the cost method. However, the amount is subsequently adjusted to account for the parent company's share of the non-controlled subsidiary's profits and losses. Dividends are not treated as income under this method. Rather, they are considered a return of investment. As an example, assume a parent company acquires a non-controlling stake in another company for $20 million, and the parent company is given a seat on the board of the subsidiary (resulting in influence, but not control). The parent company would record the purchase at the $20 million purchase price in the same way described under the cost method. However, if the subsidiary company produces net income of $5 million during the next year, the parent company would take 40% of that amount, or $2 million, which the parent company would add to its listed value for the investment and record as income.

As disclosed in the Company's press release dated March 24, 2023, Foods Up Inc. has a unanimous shareholders agreement (the "FoodsUp USA") that addresses certain corporate governance matters and contains other terms that are customarily found in this type of agreement. In addition to such matters, the FoodsUp USA includes certain provisions whereby: (i) Di Han will be appointed proxyholder for the FoodsUp shares owned by the Company for a period of three years from the date of formation of FoodsUp, other than in respect of any proposed change or amendment to the FoodsUp USA; and (ii) Di Han will have certain rights as a founder of FoodsUp entitling him to have a veto on certain matters requiring the approval of FoodsUp's Board of Directors, in accordance with applicable laws (collectively, the "Voting Provisions"). The three-year term of the Voting Provisions is subject to Di Han remaining a direct or indirect shareholder of FoodsUp and the Restaurant Supply Business achieving certain revenue milestones, as more particularly described in the FoodsUp USA. Following the initial three-year term, the Voting Provisions shall be renewed for an additional three-year term so long as Di Han remains a direct or indirect shareholder of FoodsUp during such time.

Although the Company retains a 62.5% equity ownership stake in FoodsUp, the Company has currently accounted for the sale of 37.5% of FoodsUp on March 30, 2023 as a loss of control of FoodsUp on that date and therefore the Company expects to account for the activities and performance of FoodsUp using the equity method from that date forward (as opposed to the consolidation method), as reflected in the Company's Q1 2023 financial statements. However, the Company is working with its accounting advisors and is reviewing IFRS 10 "Consolidated Financial Statements" which outlines the requirements for the preparation and presentation of consolidated financial statements, requiring entities to consolidate entities it controls. Control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee. The Company may provide another update about these accounting determinations as they apply to the facts involving the Company and FoodsUp if an alternate agreement is made.

## SUBSEQUENT EVENTS

### Update on Settlement Agreement

On May 19, 2023, Steer Technologies Inc. participated in a Hearing by the Capital Markets Tribunal regarding Steer's Settlement Agreement (the "**Settlement Agreement**") with Ontario Securities Commission related to: (i) the six news releases issued by the Company between April 2020 and January 2021 that did not contain adequate disclosure regarding the capabilities and consumer readiness of its COVID-19 digital contact-tracing platform, TraceSCAN, (ii) the Company failing to correct forward-looking information contained in a news release after it had become clear that the information was inaccurate, (iii) the Company's corrective news release prepared on OSC's request as part of Continuous Disclosure Review in April 2021 did not achieve the intended effect of clarifying the development stages of TraceSCAN throughout 2020; and (iv) the Company did not explain the change in the anticipated TraceSCAN V2 release in its Management Discussion and Analysis ("MD&A") for the three months ended March 31, 2021.

Steer Technologies Inc. acknowledges that engaging in the conduct described above resulted in non-compliance with Ontario Securities Law and conduct contrary to the public interest. Pursuant to the Agreement, STEER has agreed to pay an administrative penalty in the amount of $300,000, institute a number of requirements of its Disclosure Committee, submit its disclosure policies, governance framework and quarterly reviews of disclosure practices to a review by a consultant acceptable to the OSC, and pay the costs of the OSC investigation in the amount of $40,000.

A copy of the Statement of Allegations, the Settlement Agreement and the Order are available on the Capital Markets Tribunal's website at: https://www.capitalmarketstribunal.ca/en/proceedings/steer-technologies-re.

### Alcohol and Gaming Commission of Ontario License

On May 9, 2023, Steer Technologies Inc announced its subsidiary Food HWY Canada Inc. has been issued a licence to operate liquor delivery services by the Alcohol and Gaming Commission of Ontario ("AGCO"). Steer's customers are now able to place liquor orders with their favorite restaurants and vendors via the Steer mobile app.

### Settlement Agreement

On May 3, 2023, Steer Technologies Inc. entered into the Settlement Agreement with Staff of the Ontario Securities Commission primarily relating to the Company's past continuous disclosure.

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**ADDITIONAL INFORMATION**

Additional information relating to the Company, including the Company's other public filings, are available on SEDAR at www.sedar.com. The Company's Shares are listed for trading on the TSX Venture Exchange under the symbol "STER".