VIQ Solutions Inc.

Interim Condensed Consolidated Financial Statements
Three months ended March 31, 2026 and 2025
(unaudited)

(Expressed in United States dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

Signed "Larry Taylor"
Larry Taylor
Chief Executive Officer

Signed "Michael Wolfe"
Michael Wolfe
Chief Financial Officer

May 26, 2026

VIQ Solutions Inc.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in United States dollars, unaudited)

	March 31, 2026	December 31, 2025
Assets		
Current assets		
Cash	$ 2,810,601	$ 2,445,011
Trade and other receivables, net of allowance for doubtful accounts (note 4)	4,516,546	4,284,491
Inventories	27,136	31,088
Prepaid expenses and other deposits	675,500	797,778
	8,029,783	7,558,368
Non-current assets		
Restricted cash	278,279	271,134
Right-of-use assets, net	87,031	46,718
Intangible assets, net (note 5)	1,732,709	1,730,999
Goodwill (note 5)	7,074,891	7,089,897
Total assets	$ 17,202,693	$ 16,697,116
Liabilities		
Current liabilities		
Trade and other payables and accrued liabilities (notes 17, 18, and 19)	$ 6,341,058	$ 5,987,570
Income taxes payable	131,528	51,832
Derivative warrant liability (note 7)	–	1,297
Current portion of long-term debt (note 6)	19,313,061	18,806,332
Current portion of lease obligations (note 14)	498,683	417,619
Contract liabilities	1,298,255	1,211,312
	27,582,585	26,475,962
Non-current liabilities		
Long-term lease obligations (note 14)	656,188	757,597
Other long-term liabilities	691,146	810,381
Total liabilities	28,929,919	28,043,940
Shareholders' equity (deficiency)		
Capital stock (note 8)	79,048,819	78,979,646
Contributed surplus (note 9)	10,300,662	10,333,374
Accumulated other comprehensive loss	(2,326,022)	(1,771,595)
Deficit	(98,750,685)	(98,888,249)
Total shareholders' equity (deficiency)	(11,727,226)	(11,346,824)
Total liabilities and shareholders' equity (deficiency)	$ 17,202,693	$ 16,697,116

See accompanying notes to interim condensed consolidated financial statements including note 2 describing the basis of presentation and going concern uncertainty.

Approved by the Board of Directors

Signed "*Larry Taylor*"
Larry Taylor, Director

Signed "*Joseph Quarin*"
Joseph Quarin, Director

VIQ Solutions Inc.
Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Loss
(Expressed in United States dollars, unaudited)

	Three months ended March 31,	
	2026	2025
Revenue (note 13)	$ 9,770,748	$ 9,579,025
Cost of sales (note 17)	4,804,362	4,603,885
Gross profit	4,966,386	4,975,140
Expenses		
Selling and administrative expenses	3,530,517	3,810,642
Research and development expenses	174,782	140,519
Stock-based compensation (notes 8, 9)	53,004	(817)
(Gain) loss on revaluation of RSUs (note 8)	(375)	1,929
Gain on revaluation of the derivative warrant liability (note 7)	(1,274)	(7,022)
Foreign exchange gain	(528,985)	(84,032)
Depreciation	17,739	164,683
Amortization (note 5)	291,925	707,577
Interest expense (note 6)	493,693	488,622
Accretion and other financing costs (note 6)	543,801	419,030
Restructuring costs (recovery)	183,286	(1,284)
Strategic review costs	–	1,175,603
Other income	(5,798)	(6,207)
Total expenses	4,752,315	6,809,243
Current income tax expense	76,507	34,279
Income tax expense	76,507	34,279
Net income (loss) for the period	$ 137,564	$ (1,868,382)
Exchange loss on translation of foreign operations	(554,427)	(1,088)
Comprehensive loss for the period	$ (416,863)	$ (1,869,470)
Net income (loss) per share (note 10)		
Basic	0.00	(0.04)
Diluted	0.00	(0.04)
Weighted average number of common share outstanding – basic (note 10)	69,640,329	52,334,019
Weighted average number of common share outstanding – diluted (note 10)	69,640,329	52,334,019

See accompanying notes to interim condensed consolidated financial statements.

VIQ Solutions Inc.
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in United States dollars, unaudited)

	Capital stock		Contributed		Accumulated other comprehensive	Total shareholders'
	Number	Amount	surplus	Deficit	Income (loss)	equity (deficiency)
Balance as at December 31, 2025	69,344,852	$ 78,979,646	$ 10,333,374	$ (98,888,249)	$ (1,771,595)	$ (11,346,824)
Comprehensive income (loss) for the period	–	–	–	137,564	(554,427)	(416,863)
Shares issued due to exercise of restricted share units (note 8)	555,803	82,771	(82,771)	–	–	–
Shares issued due to exercise of performance share units (note 8)	20,000	3,183	(3,183)	–	–	–
Shares returned to treasury (note 8)	(117,500)	(16,781)	–	–	–	(16,781)
Stock-based compensation (note 9)	–	–	53,242	–	–	53,242
Balance as at March 31, 2026	69,803,155	$ 79,048,819	$ 10,300,662	$ (98,750,685)	$ (2,326,022)	$ (11,727,226)

	Capital stock		Contributed		Accumulated other comprehensive	Total shareholders'
	Number	Amount	surplus	Deficit	loss	equity
Balance as at December 31, 2024	52,334,019	$ 77,593,993	$ 9,145,162	$ (85,102,230)	$ (1,356,521)	$ 280,404
Comprehensive loss for the period	–	–	–	(1,868,382)	(1,088)	(1,869,470)
Options forfeited (note 8)	–	–	(1,955)	–	–	(1,955)
Stock-based compensation (notes 8 and 9)	–	–	1,138	–	–	1,138
Balance as at March 31, 2025	52,334,019	$ 77,593,993	$ 9,144,345	$ (86,970,612)	$ (1,357,609)	$ (1,589,883)

See accompanying notes to interim condensed consolidated financial statements.

VIQ Solutions Inc.
Interim Condensed Consolidated Statements of Cash Flows
(Expressed in United States dollars, unaudited)

	Three months ended March 31,	
	2026	**2025**
Operating activities		
Net income (loss) for the period	$ 137,564	$ (1,868,382)
Items not affecting cash:		
Depreciation	17,739	164,683
Amortization	291,925	707,577
Stock-based compensation (note 9)	53,004	(817)
Accretion and other financing costs (note 6)	543,801	419,030
Interest expense (note 6)	493,693	488,621
Income tax expense	76,507	34,279
Gain on revaluation of options, restricted share units, and derivative warrant liability (notes 7 and 8)	(1,649)	(5,093)
Foreign exchange gain (note 15)	(528,985)	(84,032)
Unrealized foreign exchange loss	6,097	2,980
Net changes in non-cash operating working capital (note 10)	190,035	792,973
Cash provided by operating activities	1,279,731	651,819
Investing activities		
Purchase of property and equipment	–	(3,375)
Development costs related to internally generated intangible assets (note 5)	(319,424)	(331,892)
Cash used in investing activities	(319,424)	(335,267)
Financing activities		
Proceeds from debt, net of issuance costs (note 6)	–	250,000
Repurchase common shares (note 8)	(16,781)	–
Repayment of lease obligations (note 14)	(111,995)	(111,087)
Payment of interest on debt (note 6)	(464,784)	(410,484)
Payment of interest on lease obligations (note 14)	(27,571)	(6,702)
Cash used in financing activities	(621,131)	(278,273)
Net increase in cash for the period	339,176	38,279
Cash, beginning of period	2,445,011	1,573,341
Effect of exchange rate changes on cash	26,414	9,401
Cash, end of period	$ 2,810,601	$ 1,621,021

See accompanying notes to consolidated financial statements.

1. Nature of operations

VIQ Solutions Inc. ("VIQ" or the "Company") is a technology and service platform provider for digital evidence capture, retrieval and content management. VIQ's modular software allows customers to easily integrate the platform at any stage of their organization's digitization, from the capture of digital content from video and audio devices through to online collaboration, mobility, data analytics and integration with sensors, facial recognition, speech recognition and case management or patient record systems. VIQ operates worldwide with a network of partners including security integrators, audio-video specialists, and hardware and data storage suppliers.

The Company also provides recording and transcription services directly to a variety of clients, including medical, courtrooms, legislative assemblies, hearing rooms, inquiries and quasi-judicial clients in numerous countries including Canada, the United Kingdom, the United States and Australia.

VIQ was incorporated by Articles of Incorporation in the province of Alberta in November 2004. On June 21, 2017, the Company continued under Articles of Continuance in the province of Ontario. The Company's head office is located at 13-35 West Pearce Street, Richmond Hill, Ontario, L4B 3A9. VIQ is a public company, and the Company graduated from the Toronto Venture Exchange to the Toronto Stock Exchange ("TSX") in 2021. The Company's common shares began trading on the TSX and Nasdaq, under trading symbol VQS, at the market open on January 21, 2021 and August 12, 2021, respectively. The Company's common shares were delisted from trading on Nasdaq on October 5, 2023. The Company delisted its common shares from the TSX on October 20, 2025 and listed its common shares on the TSX Venture Exchange on October 21, 2025.

2. Basis of preparation and going concern

(a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), International Accounting Standards 34 ("IAS"), *Interim Financial Reporting* ("IAS 34"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), as issued by the International Accounting Standards Board ("IASB"); and using the same accounting policies as described in the Company's December 31, 2025 consolidated financial statements. The preparation of the interim condensed consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial statements, are disclosed in notes 2d and 3.

These interim condensed consolidated financial statements have been authorized for issue in accordance with a resolution from the Board of Directors on May 26, 2026.

(b) Basis of preparation

The notes presented in these interim condensed consolidated financial statements include only significant changes and transactions occurring since the Company's last year-end and are not fully inclusive of all disclosures required by IFRS. These interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2025 and 2024. The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value as noted below.

Going concern uncertainty

The Company's interim condensed consolidated financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The interim condensed consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. As at March 31, 2026, the Company has cash of $2,810,601 and negative working capital. The Company has incurred recurring losses and has not yet achieved profitable operations. As a result of non-compliance with financial covenants contained in the Note

Payable, the Company and its lender agreed to a period of forbearance extending to April 30, 2026. Subsequent to March 31, 2026, the lender has agreed to extend the period of forbearance to June 30, 2026 (refer to Note 20). On March 14, 2026, VIQ's Australian division, consisting of VIQ Australia Pty Ltd, VIQ Solutions Pty Ltd, VIQ Solutions Australia Pty Ltd, VIQ Pty Ltd and VIQ Australia Services Pty Ltd ("VIQ Australia") was placed into voluntary administration pursuant to Part 5.3A of the Corporations Act 2001 (Australia) (the "Administration") to allow VIQ to refocus its management and capital resources on the Company's existing operations in North America and the United Kingdom. The Administration is expected to have a material impact on revenue for the fiscal year ending December 31, 2026 since VIQ Australia represented approximately 54% of VIQ's revenue for the year ended December 31, 2025. This constituted an event of default under the Note Payable, and such event of default has not been waived as of the date hereof. These matters, when considered in the aggregate, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern for at least 12 months from March 31, 2026.

The Company is evaluating several different strategies and intends to pursue actions that are expected to increase its liquidity position, including, but not limited to, pursuing additional actions under the Company's cost-savings plan and seeking additional financing from both the public and private markets through the issuance of equity and/or debt securities. The Company's management cannot provide assurances that the Company will be successful in accomplishing any of its proposed financing plans. Management also cannot provide any assurance as to unforeseen circumstances that could occur within the next 12 months which, could increase the Company's need to raise additional capital on an immediate basis, which may not be available to the Company.

(c) Functional currency, presentation currency and foreign currency translation

The financial results of each subsidiary consolidated in the Company's consolidated financial statements are measured using the subsidiary's functional currency, which is the currency of the primary economic environment in which the entity operates for each of the Company's wholly owned subsidiaries. The following are the functional currencies of each of the subsidiaries:

Company/subsidiary	**Functional currency**
VIQ Solutions Inc.	CAD
Dataworxs Systems Limited	CAD
VIQ Solutions, Inc.	USD
VIQ Australia PTY Ltd.	AUD
Dataworxs Systems Australia Ltd.	AUD
VIQ Solutions PTY Ltd.	AUD
VIQ Solutions Australia PTY Ltd.	AUD
VIQ PTY Ltd.	AUD
VIQ Australia Services PTY Ltd.	AUD
VIQ Services Inc.	USD
Net Transcripts, Inc.	USD
HomeTech, Inc.	USD
Transcription Express, Inc.	USD
VIQ Media Transcription Inc.	USD
wordZexpressed, Inc.	USD
VIQ Solutions (UK) Limited	GBP
VIQ Services (UK) Limited	GBP
The Transcription Agency LLP	GBP

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statements of loss and comprehensive loss.

USD/CAD exchange rate	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
Closing at the reporting date	0.7172	0.7294	0.6967
Average rate for the period	0.7290	0.7156	0.6965

USD/AUD exchange rate	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
Closing at the reporting date	0.6855	0.6679	0.6251
Average rate for the period	0.6945	0.6445	0.6271

USD/GBP exchange rate	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
Closing at the reporting date	1.3214	1.3438	1.2928
Average rate for the period	1.3476	1.3180	1.2587

The financial results of each subsidiary consolidated in the Company's interim condensed consolidated financial statements are measured using the subsidiary's functional currency, which is the currency of the primary economic environment in which the entity operates for each of the Company's wholly owned subsidiaries.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the interim condensed consolidated statements of loss and comprehensive loss.

The financial statements of entities that have a functional currency different from the presentation currency of USD are translated into USD as follows: assets and liabilities at the closing rate at the date of the interim condensed consolidated statements of financial position, and income and expenses at the average rate of the period, as this is considered a reasonable approximation to actual rates. All resulting changes are recognized in other comprehensive income (loss) as translation adjustments.

The Company has monetary items that are receivable from foreign operations. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the parent company's net investment in that foreign operation. Such exchange differences are recognized initially in other comprehensive income (loss) and reclassified from equity to net loss on disposal of the net investment in that foreign operation.

(d) Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements in accordance with IAS 34 requires management to make estimates and assumptions that affect the application of the Company's accounting policies and the amounts reported in the interim condensed consolidated financial statements and the related notes. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. These estimates have been applied in a manner consistent with that in prior periods and there are no known trends, commitments, events or uncertainties that the Company believes will materially affect the assumptions utilized in these interim condensed consolidated financial statements.

3. Material accounting policy information

(a) Material accounting policies

The preparation of the interim condensed consolidated financial statements in accordance with IAS 34 requires management to make estimates and assumptions that affect the amounts reported in the interim condensed consolidated financial statements and notes to the interim condensed consolidated financial statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates.

Other significant estimates and judgments made by the Company include the following:

- Going concern
- Stock-based compensation
- Warrants
- Internally generated development costs
- Functional currency
- Income taxes
- Allocation of the transaction price to multiple performance obligations in contracts with customers
- Allowance for doubtful accounts
- Goodwill impairment testing and recoverability of assets
- Consideration
- Incremental borrowing rate used to discount leases
- Property and equipment and definite-life intangible assets

(b) Recent accounting pronouncements not yet adopted

The IASB has issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18") (replacing IAS 1, *Presentation of Financial Statements*) effective on January 1, 2027, with an aim to improve how information is communicated in the financial statements, with a focus on information in the statement of income. The Company is assessing the impacts IFRS 18 will have on its consolidated financial statements.

4. Trade and other receivables

	March 31, 2026	December 31, 2025
Trade accounts receivable	$ 4,076,036	$ 4,374,322
Other receivables	1,405,860	925,345
Less allowance for doubtful accounts	(965,350)	(1,015,176)
	$ 4,516,546	$ 4,284,491

As at March 31, 2026, other receivables comprise of unbilled revenue of $1,321,612 (December 31, 2025 - $828,251) and sales tax receivable and other receivables of $84,248 (December 31, 2025 - $97,094).

5. Intangible assets and goodwill

Changes in the Company's intangible assets as at March 31, 2026 are listed as follows:

	December 31, 2025	Additions	Foreign exchange	March 31, 2026
Cost				
Customer relationships	$ 12,885,972	$ –	$ (17,920)	$ 12,868,052
Technology	470,000	–	–	470,000
Non-compete	65,789	–	–	65,789
Brands	1,678,206	–	(1,792)	1,676,414
Patents	13,929	–	(232)	13,697
Internally generated intangible assets	11,820,920	319,424	(202,193)	11,938,151
	$ 26,934,816	319,424	(222,137)	$ 27,032,103
Accumulated amortization				
Customer relationships	12,497,392	82,319	(16,280)	12,563,431
Technology	470,000	–	–	470,000
Non-compete	65,789	–	–	65,789
Brands	1,678,206	–	(1,792)	1,676,414
Patents	4,179	348	(75)	4,452
Internally generated intangible assets	10,488,251	209,258	(178,201)	10,519,308
	25,203,817	$ 291,925	$ (196,348)	25,299,394
Net book value	$ 1,730,999			$ 1,732,709

Changes in the Company's goodwill during the three months ended March 31, 2026 are listed as follows:

	December 31, 2025	Foreign exchange	March 31, 2026
Dataworxs Systems Limited	$ 131,079	(2,185)	128,894
VIQ Solutions, Inc.	3,570,275	–	3,570,275
VIQ Media Transcription Inc.	2,614,802	–	2,614,802
VIQ Solutions (UK) Limited	773,741	(12,821)	760,920
	$ 7,089,897	$ (15,006)	$ 7,074,891

Impairment testing for cash-generating unit containing goodwill

In the fourth quarter of fiscal 2025, the Company had data privacy incidents involving unauthorized access to data by members of the Company's global service provider in the performance of Australian-based transcription services. While the full scope of the impact is still under review, the Company for purposes of VIQ Solution Pty Ltd, CGU annual impairment test has assumed reduced estimated revenue growth rates due to the data privacy incidents and an impairment of goodwill of the full balance was taken for VIQ Solutions PTY Ltd.

6. Long-term debt

		March 31, 2026		December 31, 2025
Beedie Investments Ltd. Note Payable	$	19,313,061	$	18,806,332
Less current portion of long-term debt		(19,313,061)		(18,806,332)
	$	–	$	–

Amendments

On January 31, 2025, the Company entered into an amendment to the Note Payable with Beedie. Pursuant to the terms of the amendment, the Company agreed to amend certain financial covenants under the Credit Agreement in exchange for an amendment fee equal to $250,000 payable on the earlier of: (i) early repayment of the Note Payable (ii) early repayment of the Note Payable due to breach of financial covenants or (iii) at maturity date of the Note Payable. The occurrence of the amendment fee of $250,000 did not result in the terms of the original agreement being substantially modified; as such, the transaction is accounted for as an adjustment to accretion and other financing costs.

In addition, the Company agreed to a reimbursement of expenses incurred by Beedie up to a maximum of $900,000 in connection with Beedie's participation in a strategic review as part of the amendment. The expense reimbursement amount is payable on the earlier of: (i) early repayment of the Note Payable, (ii) the occurrence of a change of control of the Company or (iii) repayment of the Note Payable due to breach of financial covenants.

On March 20, 2025, in connection with the Company's Bridge Loan, $250,000 was advanced to the Company. The Bridge Loan is subject to 7% interest payable monthly and paid-in-kind interest of 7% per annum and has a maturity date of January 13, 2027. The Bridge Loan outstanding at March 31, 2026 was $1,250,000 (December 31, 2025 - $1,250,000).

On March 14, 2025 and April 25, 2025, the Company entered into an amendment to the Note Payable with Beedie. Pursuant to the terms of the amendment, the Company agreed to amend certain financial covenants under the Credit Agreement.

On August 8, 2025, the Company entered into an amendment to the Note Payable ("August 2025 Beedie Amendment") with Beedie. Pursuant to the terms of the amendment, for non-compliance with certain financial covenants from July 2024 to June 2025 and to amend certain financial covenants under the Credit Agreement from July 2025 to January 2027, the Company has acknowledged that default interest in the amount of $740,016 has become due and payable. Such amount shall be added to the outstanding principal amount of the Note Payable effective July 31, 2025, with the interest accruing and payable thereon as part of the Note Payable owing for the period July 1, 2024 to July 31, 2025. The default interest in the amount of $740,016 did not result in the terms of the original agreement being substantially modified; as such, the transaction is accounted for as a modification of the existing debt. As a result, the Company recorded a loss on modification of debt of $730,877.

The Company also agreed to a reduced reimbursement of expenses to Beedie of $600,000 from $900,000 in connection with Beedie's participation in the Company's strategic review. At March 31, 2026, the expense reimbursement amount of $600,000 was payable on the earlier of: (i) the prepayment of the Note Payable and Bridge Loan in full (ii) the occurrence of a change of control, (iii) acceleration of the obligations and (iv) the maturity date.

Prior to the 8th amendment, the Company was not in compliance with certain financial covenants on the Note Payable, as a result, the Company has recorded the $600,000 as payable to Beedie and recorded to the amount in strategic review costs and the corresponding liability in Trade and other payables and accrued liabilities as at December 31 , 2025, and the strategic review costs was reduced by $300,000 due to the agreed reduction of reimbursement of expenses to Beedie.

Waivers

The Company was not in compliance with the minimum monthly adjusted EBITDA covenant for the period of July 2024 to December 2024 and maximum total secured debt leverage covenant for the months of July 2024 to September 30, 2025. As a result of non-compliance with these historical periods financial covenants, the Beedie Investments Ltd. note payable, the Company and its lender agreed to a period of forbearance extending to April 30, 2026. Subsequent to March 31, 2026, the lender has agreed to extend the period of forbearance to June 30, 2026 (refer to Note 20). During the forbearance, revised debt covenants related to the period from July 1, 2025 onwards will continue to be applicable and tested. As a result, the Company's Note Payable and Bridge

Loan are classified as current. The Company was in compliance with the revised minimum monthly adjusted EBITDA, maximum total secured debt leverage and cash covenant for the period January 1, 2026 to March 31, 2026.

During the period ended March 31, 2026, the Company placed VIQ Australia into Administration, which constituted an event of default under the Note Payable, and such event of default has not been waived as of the date hereof.

Interest

During the three months ended March 31, 2026, the Company recorded interest expense of $465,161 (2025 – $414,103) and $506,645 (2025 – $419,030) as accretion and other financing costs related to the Note Payable in the consolidated statements of loss and comprehensive loss.

The remaining principal repayments of debt to Beedie Investment Ltd. is $16,250,000 and paid in kind interest and amendment fee of $5,167,436, these amounts are due January 2027.

7. Derivative warrant liability

On July 21, 2022, the Company completed a private placement offering to institutional investors ("PIPE"). Under the PIPE, the Company sold 3,551,852 Units at a price of $1.35 per Unit for gross proceeds to the Company of approximately $4,800,000 before the deduction of any fees and other PIPE expenses. Each Unit consists of one common share of the Company and one warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $1.39 per share. The warrants will be exercisable beginning on January 21, 2023 and will expire on July 21, 2027.

On September 15, 2021, the Company closed its direct offering with institutional investors (the "2021 Offering"). Under the Offering, the Company sold 4,235,294 Units at a price of $4.25 per Unit for gross proceeds to the Company of approximately $18,000,000 before the deduction of any fees and other estimated 2021 Offering expenses. Each Unit consists of one and one-half of one warrant (each whole common share purchase warrant). A total of 2,117,647 warrants were issued. Each warrant entitles the shareholder thereof to purchase one common share at an exercise price of $5.00. The warrants were exercisable as at March 15, 2022 and will expire five years from the issuance date on September 14, 2026.

In accordance with IFRS, a contract for the issuance of equity instruments that fails to meet the fixed-for-fixed criteria, i.e., issues a fixed number of shares for a fixed amount of cash or another financial asset, fails to meet the definition of equity. The exercise prices for the warrants issued under the PIPE and 2021 Offerings are denominated in US currency, which differs from the CAD functional currency of the issuing entity. As a result, the warrants are recorded as a derivative warrant liability since the Company will be receiving cash in a currency other than the issuing entity's functional currency and therefore, exchange currency is deemed to be variable.

The derivative warrant liability is measured at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss at each period end. The derivative warrant liability will ultimately be converted into the Company's equity (Common Shares) when the warrants are exercised or will be extinguished on the expiry of the outstanding warrants and will not result in the outlay of any cash by the Company.

The Company uses the Black-Scholes option pricing model to estimate fair value at initial recognition and at each reporting date. The Company considers the expected volatility of its common shares in estimating its future stock price volatility. The risk-free interest rate for the life of the warrants was based on the yield available on government benchmark bonds with an approximate equivalent remaining term at the time of issue and at the time of revaluation. The lives of Warrants are based on an estimated exercise term.

The following are assumptions used by the Company to determine fair value for the three months ended March 31, 2026:

PIPE - July 21, 2022

	Three months ended March 31, 2026	Year ended December 31, 2025
Fair value (CAD)	$0.00	$0.00
Share price (CAD)	$0.06	$0.20
Exercise price (USD)	$1.39	$1.39
Expected volatility	82.2%	86.1%
Risk-free rate	2.68%	2.29%
Expected life (years)	1.30	1.55
Expected dividends	0%	0%

Offering - September 15, 2021

	Three months ended March 31, 2026	Year ended December 31, 2025
Fair value (CAD)	$0.00	$0.00
Share price (CAD)	$0.06	$0.20
Exercise price (USD)	$5.00	$5.00
Expected volatility	89.2%	61.0%
Risk-free rate	2.59%	2.12%
Expected life (years)	.46	.70
Expected dividends	0%	0%

For the three months ended March 31, 2026, gain on revaluation of derivative warrant liabilities was recorded in the amount of $1,274 (2025 - $7,022).

As at March 31, 2026, there are 5,669,499 warrants outstanding associated with the PIPE and Offering from 2021 and nil exercised (2025 - 5,669,499 and nil exercised).

8. Capital Stock

Omnibus Equity Incentive Plan

On April 29, 2021, the Company adopted a new omnibus equity incentive plan (the "Omnibus Equity Incentive Plan") by way of a shareholder resolution. The Omnibus Equity Incentive Plan is a "rolling" plan that, subject to certain adjustment provisions, provides that the aggregate maximum number of common shares that may be issued upon the exercise or settlement of awards granted under the Omnibus Equity Incentive Plan shall not exceed 10% of the Company's issued and outstanding common shares from time to time. The Omnibus Equity Incentive Plan is considered an "evergreen" plan, since the common shares covered by awards that have been exercised, settled or terminated shall be available for subsequent grants under the Omnibus Equity Incentive Plan, and the number of awards available to grant increases as the number of issued and outstanding common shares increases. As such, the Omnibus Equity Incentive Plan must be approved by the majority of the Company's Board of Directors and its shareholders every three years following its adoption pursuant to the requirements of the TSX.

Under the Omnibus Equity Incentive Plan, the Company is able to grant equity-based incentive awards in the form of stock options, Restricted Share Units ("RSUs"), Performance Share Units ("PSUs"), and Deferred Share Units ("DSUs"). All future grants of equity-based awards will be made pursuant to the Omnibus Equity Incentive Plan, and no further equity-based awards will be made pursuant to the Company's stock option plan, DSU plan, and stock appreciation rights plan (collectively, the "Legacy Plan"). The Legacy Plan will continue to be authorized for the sole purpose of facilitating the vesting and exercise of existing awards previously granted under the Legacy Plans. Once the existing awards granted under the Legacy Plan are exercised or terminated, the Legacy Plan will terminate and be of no further force or effect.

Common Shares

On August 26, 2025, the Company closed an insider non-brokered private placement. Under the offering, the Company sold 2,640,290 common shares at a price per common share of $0.15 for gross proceeds of $408,076. Unit issuances comprising of one common share and one common warrant share are segregated between the capital stock and warrant value components at the date of issue. The fair value of the capital stock component is calculated using the share price at the date of the issuance.

On October 27 and November 5, 2025, the Company closed an insider non-brokered private placement. Under the offering, the Company sold 13,898,748 common shares at a price per common share of $0.13 for gross proceeds of $1,844,280. Unit issuances comprising of one common share and one common warrant share are segregated between the capital stock and warrant value components at the date of issue. The fair value of the capital stock component is calculated using the share price at the date of the issuance.

During the three months ended March 31, 2026, the Company repurchased 117,500 of common shares which were returned to treasury. The repurchased shares were acquired for $16,781 at an average cost of $0.14/share.

The Company's authorized capital consists of an unlimited number of common shares with no par value.

As at March 31, 2026, common shares of the Company are reserved as follows:

	Exercise price (CAD)	Expiry dates	Number outstanding
Options - Omnibus Equity Incentive Plan	$2.99	January 2031 to December 2031	10,000
	$1.35	January 2032 to December 2032	50,959
	$0.19	January 2035 to December 2035	1,070,000
Deferred share units - Legacy plan	$1.20 - $2.10	N/A	33,333
Restricted share units - Omnibus Equity Incentive plan	N/A	January 2026 to December 2026	395,000
	N/A	January 2027 to December 2027	418,266
	N/A	January 2028 to December 2028	2,440,000
	N/A	January 2031 to December 2031	3,678
	N/A	January 2035 to December 2035	250,000
Performance share units – Omnibus Equity Incentive Plan	N/A	N/A	25,000

Warrants

On August 26, 2025, 2,640,290 warrants were issued under the offering of the insider private placement. Each warrant will entitle the holder to one Common Share at an exercise price of CAD$0.214 per Common Share until August 26, 2032.

On October 27, 2025, 10,752,685 warrants were issued under the offering of the insider private placement. Each warrant will entitle the holder to one Common Share at an exercise price of CAD$0.186 per Common Share until October 27, 2030.

On November 5, 2025, 3,146,063 warrants were issued under the offering of the insider private placement. Each warrant will entitle the holder to one Common Share at an exercise price of CAD$0.190 per Common Share until November 5, 2030.

As at March 31, 2026, there are 10,764,680 Warrants outstanding associated with the Beedie financing with an exercise price of CAD $0.20 per common share (December 31, 2025 - 10,764,680).

As at March 31, 2026, there are 32,973,217 total Warrants outstanding (December 31, 2025 - 32,973,217).

Stock option plan

The Company has an incentive stock option plan for its directors, officers, employees and contractors. The Company's legacy stock option plan allows for the granting of options (and DSUs as described below) up to an aggregate amount equal to 10% of the aggregate number of common shares of the Company outstanding. The options, which have a term not exceeding five years when issued, generally vest as follows:

- 1/3 at time of issue
- 1/3 after one year
- 1/3 after two years

Under the Omnibus Equity Incentive Plan, the stock options that are granted have a term not exceeding 10 years when granted and can be fully vested on date of grant or vest as follows:

- 1/3 after one year
- 1/3 after two years
- 1/3 after three years

During the year ended December 31, 2021, certain stock options granted included cash settlement alternatives at the discretion of the stock option holder, subject to the approval of the Company's Plan Administrator. The option holder could elect to perform the following on the settlement date:

- Acquire common shares of the Company on a 1:1 basis to vested options
- Receive cash payment, net of withholding taxes, equal to vested options multiplied by the market price of common shares of the Company
- Acquire and receive a combination of common shares and cash payment, respectively, as noted above

As at March 31, 2026, 60,959 options are vested related to the Omnibus Equity Incentive Plan (December 31, 2025 – 60,959) with a weighted average exercise price of CAD $1.62 per share (December 31, 2025 – CAD $1.62).

During the three months ended March 31, 2026, there were no stock options granted to directors, officers, employees and contractors (2025 – nil).

During the three months ended March 31, 2026, nil options were exercised (2025 - nil), 30,000 stock options were forfeited (2025 - 5,291), and nil stock options expired (2025 – nil).

The following information applies to stock options outstanding per the Omnibus Equity Incentive Plan as at March 31, 2026, along with their respective exercise prices and related weighted average remaining contractual life:

Range of exercise prices (CAD)	Options outstanding	Weighted average remaining contractual life	Weighted average exercise price (CAD)	Options exercisable	Weighted average exercise price (CAD)
$2.99	10,000	5.71 years	$2.99	10,000	$2.99
$1.35	50,959	6.11 years	$1.35	50,959	$1.35
$0.19	1,070,000	9.54 years	$0.19	–	–
	1,130,959	9.36 years	$0.27	60,959	$1.62

Deferred share units plan

The Company established a DSU plan to allow non-employee directors to participate in the long-term success of the Company. DSUs are fully vested upon being granted.

The Board of Directors may grant DSUs (and the number of options to purchase shares described above) up to a maximum of 10% of common shares outstanding and up to a maximum of 100,000 units.

Maximum allowable grants under the option and DSU plans in aggregate as at March 31, 2026 were 6,980,316 (December 31, 2025 - 6,934,485) of which 1,130,959 (December 31, 2025 – 1,160,959) were outstanding stock options, 33,333 (December 31, 2025 - 33,333) were outstanding DSUs, 3,506,944 (December 31, 2025 - 4,412,747) were outstanding RSUs and 25,000 (December 31, 2025 - 45,000) were outstanding PSUs for a total of 4,696,236 (December 31, 2025 – 5,652,039).

The Company did not grant any DSUs to directors of the Company during the three months ended March 31, 2026 (December 31, 2025 – nil).

Restricted share units plan

Under the Omnibus Equity Incentive Plan, the Company established an RSU plan. RSUs have a term not exceeding 10 years to indefinite expiry when granted and can fully vest immediately, after one year, vest each month or vest as follows:

- 1/3 after one year
- 1/3 after two years
- 1/3 after three years

During the year ended December 31, 2021, certain RSUs granted included cash settlement alternatives at the discretion of the RSU holder, subject to the approval of the Company's Plan Administrator. The RSU holder could elect to perform the following on the settlement date:

- Acquire common shares of the Company on a 1:1 basis to vested RSUs
- Receive cash payment, net of withholding taxes, equal to vested RSUs multiplied by the market price of common shares of the Company
- Acquire and receive a combination of common shares and cash payment, respectively, as noted above

Certain RSUs issued by the Company included the choice of settlement method with the RSU holder, which includes a cash settlement option; the Company has recorded the associated RSU grants as a cash-settled share-based payment and recorded a share-based payment liability. As at March 31, 2026, there are 3,678 RSUs outstanding that are classified as cash-settled share-based payments (December 31, 2025 – 3,678).

As a result of revaluing the RSUs classified as cash-settled share-based payment related to the Omnibus Equity Incentive Plan at fair value, the Company recorded a gain of $375, for the three months ended March 31, 2026 (2025 - loss of $1,929). The RSUs are valued at the following fair values:

	March 31, 2026	December 31, 2025
Fair value and share price (CAD)	$0.06	$0.20

During the three months ended March 31, 2026, nil (2025 - nil) RSUs were granted to directors, officers, employees and contractors, which are accounted on an equity basis. During the three months ended March 31, 2026, nil RSUs were vested (2025 - nil), 350,000 RSUs were forfeited (2025 - 46,426), nil RSUs were expired (2025 – nil) and 555,803 RSUs were exercised (2025 - nil).

The 940,000 of the 4,040,000 RSUs granted for the year ended December 31, 2025 have a 3 year or 10-year exercise period and vest if certain performance vesting conditions are met relating to gross margins targets or triggered by the Company's 30-day volume-weighted average price ("VWAP") reaching certain thresholds. The Company has determined the fair value of these RSUs at CAD$0.08 and CAD$0.17 per stock option based on Monte Carlo simulation valuation. The Company then recorded the stock-based compensation by estimating the vesting period to be between 1 to 3 years and recorded based on the probability of achieving the performance vesting conditions of meeting certain gross margin targets.

Performance share units plan

Under the Omnibus Equity Incentive Plan, the Company established a PSU Plan. The PSUs have an indefinite term when granted and vest 100% after one year if the performance vesting conditions are met.

On May 16, 2022, 195,000 PSUs were granted to employees. Total outstanding PSUs as at March 31, 2026 are 25,000 (December 31, 2025 - 45,000). During the three months ended March 31, 2026, there were nil PSUs granted (2025 - nil), 20,000 exercised (2025 - nil), and nil PSUs forfeited (2025 – nil).

9. Stock-based compensation

The total compensation expense relating to the value assigned to the stock options, RSUs and PSUs granted to directors, officers, employees and contractors for the three months ended March 31, 2026 was $53,004 (2025 – expense recovery of $817), which was included in the stock-based compensation expense with a corresponding charge to contributed surplus of $53,242 (2025 - $817) and share-based payment recovery of $238 (2025 - $nil).

10. Net income/(loss) per share

	Three months ended March 31, 2026	2025
Numerator for basic and diluted net income (loss) per share:		
Net income/(loss) for the period	$ 137,564	$ (1,868,382)
Denominator for basic net income (loss) per share:		
Weighted average number of common shares outstanding	69,640,329	52,334,019
Effect of potential dilutive securities	–	–
Adjusted denominator for diluted net income (loss) per share	69,640,329	52,334,019
Basic net income (loss) per share	$ 0.00	$ (0.04)
Diluted net income (loss) per share	$ 0.00	$ (0.04)

For the three months ended March 31, 2026, 37,669,453 of potentially dilutive common shares (2025 - 19,732,112) issuable upon the exercise of warrants, DSUs, RSUs, PSUs and options were not included in the computation of loss per share because their effect was anti-dilutive.

11. Supplemental cash flow information

Components of the net change in non-cash working capital are as follows:

	Three months ended March 31, 2026	2025
Trade and other receivables	$ (196,105)	$ (445,025)
Inventories	3,952	(51)
Prepaid expenses and other deposits	131,420	439,146
Trade and other payables and accrued liabilities	163,825	985,359
Contract liabilities	86,943	(186,456)
Total	$ 190,035	$ 792,973

Other supplemental cash flow information as follows:

	Three months ended March 31, 2026	2025
Cash received for interest	$ 5,798	$ 6,207
Cash paid for interest	492,355	481,920

12. Segmented financial information

The Company has determined it has two reportable business segments, namely technology and related revenue and technology services. The technology and related revenue segment develops, distributes licenses computer-based digital solutions based on the Company's proprietary technology, and the technology services segment provides recording and transcription services.

The Company's reportable segments are strategic business segments that offer different products and/or services. These business segments work on different business models and operate autonomously. The Company does not segregate sales and associated costs by individual technology products. Accordingly, segmented information on revenue and associated costs is

only provided for the transcription services and computer-based digital solutions currently offered by the Company.

The Chief Executive Officer, Global Head of Operations and Chief Financial Officer ("CODMs") are the operating decision makers and regularly review the Company's operations and performance by segment. The CODMs review segment adjusted EBITDA as the key measure of profit for the purpose of assessing performance of each segment and to make decisions about the allocation of resources. Prior to this, the CODMs reviewed segment income (loss) as the key measure of profit for the purpose of assessing performance of each segment and to make decisions about the allocation of resources.

Financial information by reportable business segment is as follows:

	Three months ended March 31, 2026			
	Technology and related revenue	**Technology services**	**Corporate**	**Total**
Revenue	$ 1,020,893	$ 8,749,855	$ –	$ 9,770,748
Gross profit	727,600	4,238,786	–	4,966,386
Selling and administrative expenses	351,639	3,013,823	165,055	3,530,517
Research and development expenses	18,262	156,520	–	174,782
Stock-based compensation				53,004
Depreciation and amortization				309,664
Foreign exchange gain				(528,985)
Interest, accretion and other financing costs				1,037,494
Gain on revaluation of restrictive share units				(375)
Gain on revaluation of derivative warrant liability				(1,274)
Restructuring costs				183,286
Other income				(5,798)
Current income tax expense				76,507
Net income				$ 137,564

	Three months ended March 31, 2025			
	Technology and related revenue	**Technology services**	**Corporate**	**Total**
Revenue	$ 896,565	$ 8,682,460	$ –	$ 9,579,025
Gross profit	828,649	4,146,491	–	4,975,140
Selling and administrative expenses	327,886	3,175,291	307,465	3,810,642
Research and development expenses	13,152	127,367	–	140,519
Stock-based compensation				(817)
Depreciation and amortization				872,260
Foreign exchange gain				(84,032)
Interest, accretion and other financing costs				907,652
Loss on revaluation of restrictive share units				1,929
Gain on revaluation of derivative warrant liability				(7,022)
Restructuring recovery				(1,284)
Strategic review costs				1,175,603
Other income				(6,207)
Current income tax expense				34,279
Net loss				$ (1,868,382)

13. Revenue

The Company generates revenue primarily from the delivery of technology and transcription services to its customers. Revenue from contracts with customers is disaggregated by primary geographical market, major products and services and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments (note 13).

	Three months ended March 31,	
Primary geographical markets	**2026**	**2025**
Australia	$ 5,142,376	$ 4,940,059
United States	3,905,612	4,031,931
United Kingdom	651,453	535,788
Canada	42,536	63,861
Other	28,771	7,386
Total	$ 9,770,748	$ 9,579,025

	Three months ended March 31,	
Major products/service lines	**2026**	**2025**
Technology services	$ 8,749,855	$ 8,682,460
Software licenses	69,511	78,202
Support and maintenance	463,928	455,437
SaaS	101,417	67,747
Subscriptions	147,376	145,257
Professional services	96,201	116,009
Hardware and other	142,460	33,913
Total	$ 9,770,748	$ 9,579,025

Technology services revenue is reported in the technology services segment, and all other remaining products/services revenues are reported in the technology and related revenue segment.

The Company had one customer who contributed greater than 10% of consolidated total revenues during the year ended March 31, 2026, comprising 16.8% (2025 - 14.4%).

Technology services, software licenses, hardware and other revenue are recognized at a point in time, except for revenue for select customers, which is recognized over time. Professional services, support and maintenance, SaaS and subscription revenue are recognized over time.

14. Lease obligations

Below is a summary of the activity related to the Company's lease liabilities for the three months ended March 31, 2026:

	Three months ended March 31,	
	2026	**2025**
Lease obligations, beginning of period	$ 1,175,216	$ 204,802
Additions	64,217	357,202
Interest on lease liabilities	27,571	(6,702)
Interest payments on lease liabilities	(27,571)	6,702
Principal payments of lease liabilities	(111,995)	(111,087)
Foreign exchange translation	27,433	10,097
Total	$ 1,154,871	$ 461,014

The Company and its subsidiaries have entered into agreements to lease office premises until 2028. The annual rent expenses for premises of minimum rent and do not include variable costs. The minimum payments under all agreements are as follows:

2026	$	527,540
2027		710,491
2028		333,176
	$	1,571,207

15. Risk management for financial instruments

The estimated fair values of cash, trade and other receivables, restricted cash, and trade and other payables and accrued liabilities approximate their carrying values due to the relatively short-term nature of the instruments. The estimated fair values of current and long-term debt and current and long-term lease obligations also approximate their carrying values due to the fact that effective interest rates are not significantly different from market.

Fair value measurements recognized in the interim condensed consolidated statements of financial position must be categorized in accordance with the following levels:

a. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
b. Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
c. Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments carried at fair value on the interim condensed consolidated statements of financial position consist of cash and restricted cash. Cash and restricted cash are valued using quoted market prices (Level 1). Share-based payment liability, and derivative warrant liability are categorized using observable market inputs (Level 2). The Company has not valued any financial instruments using valuation techniques based on non-observable market inputs (Level 3) as at March 31, 2026.

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 in managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, by continuously monitoring actual and budgeted cash flows.

Credit risk

Credit risk arises from the potential that a customer or counterparty will fail to perform its obligations. The Company is exposed to credit risk from its customers; however, the Company has a significant number of customers, minimizing the concentration of credit risk. Further, a large majority of the Company's customers are economically stable organizations such as government agencies or departments with whom the Company transacts on a regular basis, further reducing the overall credit risk. Historically, the Company has suffered losses under trade receivables. In order to minimize the risk of loss from trade receivables, the Company's extension of credit to customers involves review and approval by senior management and conservative credit limits for new or higher risk accounts.

The Company reviews its trade receivable accounts regularly and writes down these accounts to their expected realizable values, by making an allowance for Expected Credit Losses ("ECLs") based on aging and historic collection of receivables. The allowance is recorded as an expense in the interim condensed consolidated statements of loss and comprehensive loss. Shortfalls in collections are applied against this provision. Estimates for allowance for ECLs are determined by a customer-by-customer evaluation of collectability as at each interim condensed statement of financial position reporting date, taking into account the amounts that are past due and any available relevant information on the customers' liquidity and going concern issues. Normal credit terms for amounts due from customers call for payment within 30 to 60 days.

The Company's exposure to credit risk for trade receivables by geographic area is as follows:

	March 31, 2026	December 31, 2025
United States	55%	51%
Australia	18%	27%
United Kingdom	18%	15%
Rest of world	9%	7%
	100%	100%

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk is primarily related to the Company's interest-bearing debts on its consolidated statements of financial position. The Company does not have a material amount of long-term debt with variable interest rates, thereby minimizing the Company's exposure to cash flow interest rate risk.

Foreign currency risk

Foreign currency risk arises because of fluctuations in exchange rates. The Company conducts a significant portion of its business activities in foreign currencies, primarily the US and Australian dollars and Great Britain pounds with a large portion of the Company's sales and operating costs being realized in these foreign currencies. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in pounds sterling, Canadian, US and Australian dollars.

The financial assets and liabilities that are denominated in foreign currencies will be affected by changes in the exchange rate between the United States dollar and these foreign currencies. This primarily includes cash, restricted cash, trade and other receivables, trade and other payables, provisions and obligations under finance lease which were denominated in foreign currencies.

The Company's Australian subsidiaries have a majority of revenue and expenses being transacted in Australian dollars. As at March 31, 2026, fluctuations of the Australian dollar relative to the US dollar of 5% would result in an exchange gain or loss on the net financial assets, impacting the Company's comprehensive income by approximately $566,043 (2025 - $608,736).

The Company's Canadian operations are exposed to exchange rate changes in the U.S. dollar relative to the Canadian dollar since a substantial portion of this business unit's sales are denominated in US dollars with most of the related expenses in Canadian dollars. A 5% fluctuation of the U.S. dollar would result in an exchange gain or loss on the net financial assets of approximately $702,194 (2025 - $889,868) as at March 31, 2026.

The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not significant at this point in time. The Company recognized a foreign exchange gain from operations of $528,985 (2025 - $84,032) for the three months ended March 31, 2026.

Capital management

The Company considers its capital structure to consist of shareholders' equity and long-term debt. The Company's objective in managing capital is to ensure sufficient liquidity to pursue its organic growth strategy, fund research and development and undertake selective acquisitions, while at the same time taking a conservative approach toward financial leverage and management of financial risk.

16. Seasonality

Interim period revenues, gross profit and net income or loss are not necessarily indicative of the results of operations for the full fiscal year. Within the Company's technology services segment, the Company has identified that the first and fourth quarter revenues are generally lower than revenues generated during other interim periods, specifically due to decreased historic revenues in the months of December and January related to annual holidays.

17. Onerous contract

The Company, during the year ended December 31, 2024, entered into a vendor contract that was determined to be an onerous loss of $151,860 was recognized in cost of sales and a liability was recorded in trade and other payables and accrued liabilities. On March 11, 2025, the Company entered into an agreement to terminate the contract, the liability for onerous loss of $151,860 was reversed and the same amount was reduced from cost of sales.

18. Restructuring costs

During the period ended March 31, 2026, the Company approved a restructuring plan to optimize the Company's workforce and restructuring costs of $183,286 (2025 – recovery of $1,284) was recorded for severance and associated legal fees.

19. Contingent liabilities

The Company is involved in various claims and legal proceedings arising in the ordinary course of business. In the opinion of management, based on consultation with external legal counsel, the outcome of these matters is not expected to result in a material adverse effect on the Company's financial position. Accordingly, no provision has been recognized in respect of such matters where an outflow of economic benefits is not considered probable or cannot be reliably estimated. Due to the inherent uncertainties associated with legal proceedings, the ultimate outcome of these matters may differ from management's current assessment.

20. Subsequent events

As of April 1, 2026, the Company will be classifying its Australia operations as "held for sale" following management's approval of a plan to dispose of the business and the initiation of an active sales process. The disposal represents a strategic decision to focus on the Company's core markets. The assets and liabilities of the Australia operations met the criteria for classification as held for sale, as they were available for immediate sale in their present condition and the sale is considered highly probable. Management expects the disposal to be completed within twelve months of the classification date.

On May 25, 2026, the Company entered into an amendment to the Note Payable with Beedie. Beedie agreed to extend the period of forbearance, where it will not enforce its right to demand or accelerate the repayment of the amounts under the Note Payable or Bridge Loan, resulting from the non-compliance of the previous financial covenants, from April 30, 2026 to June 30, 2026. Pursuant to the terms of the amendment, Beedie agreed to amend certain financial covenants under the Credit Agreement. During the forbearance period, the revised covenants under the agreement will be applicable and tested. On completion of the forbearance period or upon further non-compliance events, Beedie will have the right to demand or accelerate the repayment of the indebtedness under the Note Payable or Bridge Loan. Pursuant to the amendment, the reimbursement of expenses due to Beedie of $600,000 is payable on the earlier of: (i) early repayment of the Note Payable; (ii) early repayment of the Note Payable due to breach of financial covenants; or, (iii) at maturity date of the Note Payable.