VIQ Solutions Inc.

Q2 2025 Management's Discussion and Analysis of Financial Condition and Results of Operations

(Expressed in United States dollars)

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2025

The following Management's Discussion and Analysis ("MD&A") comments on the financial condition and results of operations of VIQ Solutions Inc. for the three and six months ended June 30, 2025. This MD&A should also be read in conjunction with our annual MD&A and audited financial statements for the years ended December 31, 2024, and 2023, which we prepared in accordance with IFRS and are available on SEDAR at www.sedar.com.

Certain information included herein is forward-looking and based upon assumptions and anticipated results that are subject to substantial risks and uncertainties. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Forward-Looking Statements" and "Risk Factors". The information in this MD&A is provided as of August 13, 2025, unless otherwise indicated.

Unless the context otherwise requires, all references to "VIQ", "Company", "VIQ Solutions", "our", "us", and "we" refer to VIQ Solutions Inc. and its subsidiaries.

All amounts herein are presented in United States dollars ("USD"), unless otherwise indicated.

Forward-Looking Statements

This MD&A contains forward-looking statements about our expected achievements, the timing of disclosure related to key performance indicators, the use of future cash and capital allocation, the remediation of material weaknesses in internal controls, the future adoption of technology, the future success of our business and technology strategies, performance, goals, and other future events. Management's assessment of future plans and operations, cash flows, methods of financing and the ability to fund financial liabilities and the timing of and impact of adoption of International Financial Reporting Standards "IFRS" and other accounting policies may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, the risks identified below.

Therefore, the Company's actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Although the Company currently believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because such statements are subject to substantial risks and uncertainties. The Company can give no assurance that such expectations will prove to be correct.

In addition to other factors and assumptions which may be identified in this document and other documents filed by the Company, assumptions have been made regarding, among other things: the expected impact of increasing competition; the general stability of the economic and political environment in which the Company operates, including significant changes in demand from the Company's clients as a result of the impact of a global economic crisis and capital markets weakness; the risk of potential non-performance by counterparties, including but not limited to, clients and suppliers, during uncertain economic conditions; the Company's dependence on a limited number of clients; the Company's dependence on industries affected by rapid technological change; the Company's ability to successfully manage its operations internationally including in the United Kingdom, Australia and the United States; the challenge of managing its financial exposures to foreign currency fluctuations; the Company's ability to obtain and retain qualified staff and services in a timely and cost-efficient manner; the Company's ability to obtain financing on acceptable terms when needed, including anticipated sources of funding of working capital and financial losses which may include securing credit facilities, accessing new equity, corporate acquisitions or business combinations or joint venture arrangements; the ability to secure new contracts on terms acceptable to the Company; the ability to successfully develop new products; the Company's ability to effectively register, for protection, its new and existing technologies and products in certain jurisdictions; the Company's ability to protect new and existing products from proprietary infringement by third parties and its ability to effectively enforce such proprietary infringements; taxes in the jurisdictions in which the Company operates, including Canada, the United Kingdom, Australia and the United States; and the Company's ability to successfully market its products. Readers are cautioned that the foregoing list of factors is not exhaustive.

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The purpose of the forward-looking statements is to provide the reader with a description of management's current expectations regarding the Company's 2025 outlook and may not be appropriate for other purposes. Readers are encouraged to read the section entitled "Risk Factors" in this MD&A and the section entitled "Risk Factors" in the Company's Annual information form filed with the Ontario Securities Commission for a broader discussion of the factors that could affect its future performance. Furthermore, the forward-looking statements contained in this document are made as at the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Trademarks

This MD&A includes trademarks, such as "CapturePro", "aiAssist" and "NetScribe", which are protected under applicable intellectual property laws and are the property of VIQ. Solely for convenience, our trademarks referred to in this MD&A may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks, trade names and services marks to the fullest extent under applicable law. Trademarks which may be used in this MD&A, other than those that belong to VIQ, are the property of their respective owners.

Non-IFRS Measures

The Company prepares its financial statements in accordance with IFRS. Non-IFRS measures are used by management to provide additional insight into our performance and financial condition. We believe non-IFRS measures are an important part of the financial reporting process and are useful in communicating information that complements and supplements the consolidated financial statements.

We use the following non-IFRS financial performance measures in our MD&A:

- Adjusted EBITDA
- EBITDA

For a detailed description of each of the non-IFRS measures and ratios used in this MD&A and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the "Key Operating Metrics – Non-IFRS Measures" section of this MD&A. The non-IFRS measures and ratios set out in this MD&A are intended to provide additional information to investors and do not have any standardized meaning under IFRS, and therefore may not be comparable to other issuers, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Overview

VIQ Solutions is a technology-enabled provider of multi-speaker capture and AI-powered transcription workflow automation, purpose-built for Courts, Legal, Insurance, Law Enforcement, and other regulated sectors. Our platform enables secure, scalable digitization and processing of high-value voice and video content, delivering precise, compliant verbatim documentation essential to evidentiary and regulatory workflows.

Our proprietary platform delivers an integrated, end-to-end workflow that captures, transforms, and distributes complex, multi-speaker digital recordings with precision, speed, and security. Serving over 4,000 active clients across sectors including criminal justice, legal, insurance, media, government, and financial services, VIQ operates across North America, Australia, and the United Kingdom.

Engineered for scalability and compliance, our platform ingests large volumes of evidentiary content and produces diarized,

high-accuracy transcripts that support mission-critical workflows. Unlike general-purpose AI tools, VIQ's proprietary models are trained on domain-specific datasets, continuously refined to meet the nuanced requirements of regulated, content-intensive environments.

By embedding vertical AI into transcription workflows, we enhance productivity, reduce unit production costs, shorten turnaround times, and improve gross margins. These structural advantages not only strengthen our service delivery and model accuracy but also reinforce VIQ's competitive positioning as a differentiated provider in a growing digital evidence and AI documentation market. As adoption deepens and platform leverage increases, VIQ is positioned for sustainable margin expansion, recurring revenue growth, and long-term value creation.

Revenue

The stability and predictability of our revenue base are key indicators of our financial performance. A significant portion of our revenue is derived from long-term contracts with government agencies and Fortune 500 companies, ensuring consistent cash flow and minimal credit risk. These contracts provide a strong foundation for sustained revenue generation, with an expectation of stability or growth over time.

While our revenue is largely recurring, it is subject to volume fluctuations driven by client demand, seasonality, and external market factors. Variability in case volumes, court proceedings, insurance claims, and media activity can impact transcription and technology service volumes, influencing short-term revenue trends. However, our diversified revenue streams and scalable technology solutions help mitigate these fluctuations.

Our revenue is generated from multiple streams:

- **Transcription Services** – Fees for manual and AI-assisted editing and documentation services, subject to fluctuations in caseloads, legal proceedings, and client workflows.
- **Software-as-a-Service (SaaS)** – SaaS-based access to our hosted proprietary software and services solutions, providing consistent recurring revenue with lower exposure to volume volatility.
- **Subscription** – Revenue from reselling third-party software and tools.
- **Software Licenses** – Revenue from perpetual proprietary software licensing agreements sales.
- **Support & Maintenance** – Recurring fees for post-delivery client support, system updates, and ongoing software enhancements, contributing to revenue stability.
- **Professional Services** – Revenue from implementation, integration, training, customization and consulting services, which may vary based on new client adoption and system upgrades.

Despite volume-driven fluctuations in certain revenue streams, our diversified mix of services, strong client relationships, and ongoing technology adoption position VIQ Solutions for long-term revenue growth and profitability.

Cost of Sales

Cost of sales consists primarily of staff costs, independent contractors, professional services, the cost of hardware and third-party licenses to fulfill client arrangements.

Selling and Administrative Expenses

Selling and administrative expenses consist of personnel and related costs for our sales and marketing functions, including salaries and benefits, contract acquisition costs including commissions earned by sales personnel, direct marketing campaigns, public relations, and other promotional activities. Selling and administrative expenses also consist primarily of personnel and related costs associated with the administrative functions of our business including corporate, finance, and internal information system support as well as legal, accounting, other professional fees, investor relations, occupancy costs and insurance.

We continue to invest globally in sales, marketing, and business development to continue to diversify across segments, industries and geographies building awareness of global brand to increase our future revenue growth opportunities.

Research and Development Expenses

Research and development expenses include personnel and related costs for ongoing research, development, and product management initiatives.

Business Overview of Q2 2025

VIQ entered 2025 with sustained momentum following a record fiscal 2024, during which the Company delivered a $6 million year-over-year improvement in Adjusted EBITDA and expanded gross margin. This trajectory continued through the first half of 2025, driven by disciplined execution of the Company's automation-first strategy, operational efficiencies, and growing adoption of its AI-powered SaaS solutions.

In Q2 2025, VIQ reported Adjusted EBITDA of approximately $1 million, a 24% increase year-over-year, marking the fifth consecutive quarter of positive Adjusted EBITDA. Gross margin expanded to 48% for the second quarter of 2025, up from 45.5% compared to same period in 2024. For the first half of 2025, gross margin improved to nearly 50% compared to 44.9% in the prior-year period. For the six months ended June 30, 2025, Adjusted EBITDA reached $1.84 million, up 164% for the 6 months ended June 30, 2025 versus the comparative period in 2024, demonstrating the scalability and operating leverage of the Company's AI-driven platform.

At this stage of transformation, Adjusted EBITDA provides a clearer and more relevant measure of recurring operating performance than Net Loss. For the three months ended June 30, 2025, net loss includes $1.1M in non-cash depreciation, amortization, and stock-based compensation. For the six months ended June 30, 2025, net loss includes $2 million in non-cash depreciation, amortization and stock based compensation. The Company also incurred interest and accretion and other financing costs of approximately $0.9M and $1.8M respectively for the three and six months ended June 30, 2025. These charges impact earnings per share but do not affect the Company's cashflow.

Strategically, Q2 2025 marked a significant milestone in SaaS adoption. In July 2025, VIQ signed its largest SaaS contract to date, covering 15 judicial districts and 57 counties across the U.S. Midwest. This system-wide rollout leverages NetScribe®, aiAssist™, and Advanced Formatter, enabling courts to automate jurisdiction-specific legal documentation while maintaining evidentiary-grade accuracy through Domain-Specific Language Models (DSLMs) and human verification.

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During the first half of 2025, VIQ has secured $1.85 million in net new bookings, including $280,000 in SaaS and software bookings. This growth strengthens VIQ's recurring revenue base and illustrates increasing market demand for vertical AI solutions purpose-built for justice, law enforcement, insurance, and government sectors. Unlike general-purpose AI tools, VIQ's solutions deliver differentiated capabilities in multi-speaker attribution, jurisdictional formatting, and compliance precision.

Operationally, Australia, which accounts for approximately half of VIQ's total revenue, achieved its highest levels of workforce flexibility and throughput efficiency to date. Adoption of NetScribe™ and FirstDraft™ continues to streamline production costs and turnaround times, contributing to sustained margin improvement.

Ongoing cost optimization initiatives launched in late 2024 are delivering measurable results. The Company further streamlined its operating structure while maintaining targeted R&D investments in automation. Enhancements in advanced diarization, formatting automation, and global quality assurance standardization are driving improved scalability and EBITDA performance.

The strategic review completed in Q1 2025 reaffirmed that pursuing automation-driven EBITDA growth remains the most effective strategy for maximizing shareholder value at this stage of transformation. While the Board and Special Committee thoroughly evaluated multiple proposals and strategic alternatives, the decision supports the Company's focus on strengthening operational fundamentals, expanding recurring revenue, and delivering consecutive quarters of positive EBITDA. VIQ remains open to evaluating partnerships, transactions, or capital market opportunities that may enhance long-term value for shareholders as market conditions evolve.

Key Operating Highlights during the three and six months ended June 30, 2025

- Total revenue for the three months ended June 30, 2025, was $10,445,488, a decrease of $1,130,126 or 10% from $11,575,614 recognized in the comparative period in 2024. Total revenue for the six months ended June 30, 2025, was $20,024,513, a decrease of $1,472,774 or 7% from $21,497,287 recognized in the comparative period in 2024.The decrease for the three and six months ended June 30, 2025 is primarily due to lower transcription volume from Australia and negative foreign exchange driven by a weakened Australian dollar vs the US dollar. Excluding the foreign exchange impact, revenue year over year would have been lower by 9% lower for the three months ended June 30, 2025 and 5% for the six months ended June 30, 2025.

- Gross profit for the three months ended June 30, 2025, decreased by $253,549 or 5%, to $5,009,268, from $5,262,817, for the comparative period in 2024. Despite the decline in dollar terms, gross profit percentage improved to 48% of revenue for the three months ended June 30 2025, up from 45.5% in the comparative period in 2024. Gross profit for the six months ended June 30, 2025, increased by $329,033 or 3%, to $9,984,408, from $9,655,375, for the comparative period in 2024. Gross profit percentages for the six months ended June 31, 2025, represented 49.9% of revenue versus 44.9% of revenue in the comparative period in 2024. The increase in Gross profit percentages for the three and six months ended June 30, 2025 is primarily due to improved operational efficiency and productivity tied to Netscribe implementations and improvement to certain customer contracts through price increases.

- Net loss for the three months ended June 30, 2025, was $899,358, an increase of $327,527, or 57% from a net loss of $571,731 recognized in the comparative period in 2024. Net loss for the six months ended June 30, 2025, was $2,767,740, an increase of $355,771, or 15% from a net loss of $2,411,969 recognized in the comparative period in 2024. The increase in net loss for the three months ended June 30, 2025 was due to lower gross profit and recognition of strategic review costs that were partially offset by reduced selling and administrative expenses mainly driven by

reduction in marketing costs and lower headcount related costs due to organizational restructuring. The increase in net loss for the six months ended June 31, 2025 was due to mainly to recognition of strategic review costs that were partially offset by higher gross profit and reduced selling and administrative expenses mainly driven by reduction in marketing costs and lower headcount related costs due to organizational restructuring.

- Adjusted EBITDA[1], for the three months ended June 30, 2025, was $963,201, an improvement of $184,487 or 24%, from an Adjusted EBITDA of $778,714 recognized in the comparative period in 2024. Adjusted EBITDA[1], for the six months ended June 30, 2025, was $1,835,320, an improvement of $1,139,932 or 164%, from an Adjusted EBITDA of $695,388 recognized in the comparative period in 2024. The improvement in Adjusted EBITDA for the three months ended June 30, 2025 is primarily due reduced selling and administrative expenses mainly driven by reduction in marketing costs and lower headcount related costs due to organizational restructuring. The improvement in Adjusted EBITDA for the six months ended June 30, 2025 is primarily due to improved gross profit tied to operational efficiency and productivity from Netscribe, improvement to certain customer contracts through price increases and reduced selling and administrative expenses mainly driven by reduction in marketing costs and lower headcount related costs due to organizational restructuring.

- Adjusted operating[2] loss for the three months ended June 30, 2025 of $780,235, an increase of $208,404 from Adjusted operating loss[2] of $571,831 in the comparative period in 2024. Adjusted operating[2] loss for the six months ended June 30, 2025 of $1,473,014, an improvement of $938,955 from Adjusted operating loss[2] of $2,411,969 in the comparative period in 2024.

[1] Adjusted EBITDA is earnings before stock-based compensation, depreciation, amortization, interest expense, accretion and other financing costs, loss or gain on revaluation RSUs, loss or gain on revaluation of derivative warrant liability, restructuring costs, other income, foreign exchange (gain) loss, strategic review costs, and current and deferred income tax expense (recovery), is a non-IFRS measure. Please refer to the section entitled "Non-IFRS Measures."

[2] Adjusted operating loss is net loss excluding strategic review costs. Please refer to the section entitled "Non-IFRS Measures"

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Results of Operations

Key financial performance indicators that we use to manage our business and evaluate our financial results and operating performance include revenue, expenses, gross profit, gross profit percentage net income (loss), Adjusted EBITDA and Adjusted operating loss. We evaluate our performance on these metrics by comparing our actual results to management forecasts and prior period performance.

The following table sets forth a summary of our results of operations for the three and six months ended June 30, 2025, and 2024:

	Three months ended June 30		Period over Period Change		Six months June 30		Period over Period Change	
	2025	**2024**	**$**	**%**	**2025**	**2024**	**$**	**%**
Revenue	10,445,488	11,575,614	(1,130,126)	(10)	20,024,513	21,497,287	(1,472,774)	(7)
Cost of sales	5,436,220	6,312,797	(876,577)	(14)	10,040,105	11,841,912	(1,801,807)	(15)
Gross profit	5,009,268	5,262,817	(253,549)	(5)	9,984,408	9,655,375	329,033	3
Gross profit %	48.0%	45.5%			49.9%	44.9%		
Expenses								
Selling and administrative expenses	3,866,110	4,328,687	(462,576)	(11)	7,676,752	8,639,461	(962,708)	(11)
Research and development expenses	179,957	155,416	24,541	16	320,476	320,526	(50)	(0)
Stock-based compensation	292,682	111,283	181,399	163	291,865	139,816	152,049	109
Depreciation	175,864	194,237	(18,373)	(9)	340,547	389,221	(48,674)	(13)
Amortization	658,581	813,889	(155,308)	(19)	1,366,158	1,620,346	(254,188)	(16)
Interest expense	439,704	405,965	33,739	8	928,326	794,889	133,437	17
Accretion and other financing costs	456,029	425,216	30,813	7	875,059	752,094	122,965	16
Gain on revaluation of RSUs	(21,482)	(18,534)	(2,948)	(16)	(19,553)	(47,311)	27,758	59
Loss (Gain) on revaluation of the derivative warrant liability	8,260	7,479	781	10	1,238	(49,686)	50,924	102
Restructuring Costs	37,349	5,874	31,475	536	36,066	(3,820)	39,885	1,044
Strategic Review Costs	119,123	-	119,123	100	1,294,726	-	1,294,726	100
Other income	(1,911)	(10,208)	8,297	81	(8,118)	(21,413)	13,295	62
Foreign exchange gain	(354,295)	(590,719)	236,424	40	(438,327)	(487,886)	49,559	10
Loss before income taxes	(846,704)	(565,768)	(280,936)	(50)	(2,680,807)	(2,390,862)	(289,945)	(12)
Current income tax expense	(52,654)	(6,063)	(46,591)	(768)	(86,933)	(21,107)	(65,826)	(312)
Income tax expense	(52,654)	(6,063)	(46,591)	(768)	(86,933)	(21,107)	(65,826)	(312)
Net Loss	**(899,358)**	**(571,831)**	**(327,527)**	**(57)**	**(2,767,740)**	**(2,411,969)**	**(355,771)**	**(15)**
Adjusted EBITDA (1)	**963,201**	**778,714**	**184,486**	**24**	**1,835,320**	**695,388**	**1,139,931**	**164**
Adjusted operating loss (2)	**(780,235)**	**(571,831)**	**(208,404)**	**(36)**	**(1,473,014)**	**(2,411,969)**	**938,955**	**39**
Weighted average number of common shares outstanding								
Basic	52,563,142	51,348,578			52,449,214	48,065,488		
Diluted	52,563,142	51,348,578			52,449,214	48,065,488		
Net income (loss) per share								
Basic	**(0.02)**	**(0.01)**			**(0.05)**	**(0.05)**		
Diluted	**(0.02)**	**(0.01)**			**(0.05)**	**(0.05)**		

[1] Adjusted EBITDA is earnings before stock-based compensation, depreciation, amortization, interest expense, accretion and other financing costs,, loss or gain on revaluation RSUs, loss or gain on revaluation of derivative warrant liability, restructuring costs, other income, foreign exchange loss, strategic review costs, gain on contingent consideration, impairment of intangibles, and current and deferred income tax expense (recovery), is a non-IFRS measure. Please refer to the section entitled "Non-IFRS Measures."
[2] Adjusted Operating Loss is net income excluding strategic review costs. Please refer to the section entitled "Non-IFRS Measures"

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Comparison of the three and six months ended June 30, 2025, and 2024

Revenue

Total revenue for the three months ended June 30, 2025, was $10,445,488, a decrease of $1,130,126, or 10%, from $11,575,614 recognized in the comparative period in 2024. Total revenue for the six months ended June 30, 2025, was $20,024,513, a decrease of $1,472,774, or 7%, from $21,497,287 recognized in the comparative period in 2024. The decrease for the three and six months ended June 30, 2025 is primarily due to lower transcription volume from the Australia business and negative foreign exchange driven by a weakened Australian dollar vs the US dollar. Excluding the foreign exchange impact, revenue year over year would have been lower by 9% lower for the three months ended June 30, 2025 and 5% for the six months ended June 30, 2025.

Cost of Sales

Cost of Sales for the three months ended June 30, 2025, decreased by $876,577, or 14%, to $5,436,220, from $6,312,797 for the comparative period in 2024. Cost of Sales for the six months ended June 30, 2025, decreased by $1,801,807, or 15%, to $10,040,105, from $11,841,912 for the comparative period in 2024. The decrease for the three and six months ended June 30, 2025 is due to decrease in transcription services revenue and from productivity gains in Australia from the maturity of the NetScribe migration and higher contractor utilization and higher utilization of 3rd party vendors in the U.S at a lower cost base. Also, included in Cost of Sales for the six months ended June 30, 2025 was a reversal of onerous loss on a vendor contract of $151,860 as a result of amending the terms of the agreement on March 11, 2025.

Gross Profit

Gross Profit for the three months ended June 30, 2025, decreased by $253,549 or 5%, to $5,009,268, from $5,262,817, for the comparative period in 2024. Despite the decline in dollar terms, Gross Profit percentage improved to 48% of revenue for the three months ended June 30, 2025, up from 45.5% in the comparative period in 2024. Gross Profit for the six months ended June 30, 2025, increased by $329,033 or 3%, to $9,984,408, from $9,655,375, for the comparative period in 2024. Gross Profit for the six months ended June 30, 2025, represented 49.9% of revenue versus 44.9% of revenue in the comparative period in 2024. The increase in Gross Profit percentage for the three and six months ended June 30, 2025 is primarily due to improved operational efficiency and productivity tied to Netscribe implementations and improvement to certain customer contracts through price increases. Also, included in Gross Profit for the six months ended June 30, 2025 was a reversal of onerous loss on a vendor contract of $151,860 as a result of amending the terms of the agreement on March 11, 2025.

Selling and Administrative Expenses

Selling and Administrative Expenses for the three months ended June 30, 2025, decreased by $462,576, or 11%, to $3,866,110, from $4,328,687, for the comparative period in 2024. Selling and Administrative Expenses for the six months ended June 30, 2025, decreased by $962,708, or 11%, to $7,676,752, from $8,639,461, for the comparative period in 2024. The decrease for the three and six months ended June 30, 2025, is primarily due to headcount cost savings due to organizational restructuring and lower marketing costs than comparative period 2024.

Research and Development Expenses

For the three and six months ended June 30 2025, research and development expenses incurred were relatively consistent with the comparative periods in 2024.

Stock-Based Compensation

For the three months ended June 30, 2025, Stock-based Compensation increased by $181,399 to $292,682 from $111,283,

recognized in the same period of 2024. For the six months ended June 30, 2025, Stock-based Compensation increased by $152,049 to $291,865 from $139,816, recognized in the same period of 2024. The increase is due to a higher number of RSU's issued and at a higher share price in comparison to the comparative periods in 2024.

Depreciation

For the three ended June 30, 2025, Depreciation decreased $18,373 to $175,864 from $194,237 recognized in the same period of 2024. For the six ended June 30, 2025, Depreciation decreased $48,674 to $340,547 from $389,221 recognized in the same period of 2024. The decrease in deprecation is due to foreign exchange translation on Australian denominated fixed assets which were lower for the three and six months ended June 30, 2025 due to weaking Australia dollar in comparison to US dollar.

Amortization

For the three months ended June 30, 2025, Amortization decreased by $155,308, to $658,581, from $813,889 recognized in the comparative period in 2024. For the six months ended June 30, 2025, Amortization decreased by $254,188, to $1,366,158, from $1,620,346 recognized in the comparative period in 2024. The decrease in amortization for the three and six months ended June 30, 2025, is attributable to certain Customer Relationship Intangible Assets which were fully amortized in Q4 2024 resulting in no amortization in 2025.

Interest Expense

For the three months ended June 30, 2025, Interest Expense increased by $33,739 to $439,704, from $405,965 recognized in the comparative period in 2024. For the six months ended June 30, 2025, Interest Expense increased by $133,437 to $928,326, from $794,889 recognized in the comparative period in 2024. The increase in interest expense for the three months ended June 30, 2025, is due to higher debt outstanding and at higher interest rate paid on the Company's secured debt facility. The increase in interest expense for the six months ended June 30, 2025, is due to higher debt outstanding and at higher interest rate paid on the Company's secured debt facility and interest paid to Australian Tax Office on overdue employee payroll taxes.

Accretion and Other Financing Costs

For the three months ended June 30, 2025, Accretion and Other Financing Costs increased by $33,739 to $456,029 from $425,216 recognized in the comparative period in 2024. For the six months ended June 30, 2025, Accretion and Other Financing Costs increased by $122,965 to $875,059 from $752,094 recognized in the comparative period in 2024. The increase in accretion and other financing costs for the three and six months ended June 30, 2025, is due mainly to higher transactions costs and amendment fees associated with the debt facility.

Gain on Revaluation of RSUs

For the three months ended June 30, 2025, Gain on Revaluation of RSUs increased by $2,948 to a gain of $21,482 from a gain of $18,534 recognized in the comparative period in 2024. For the six months ended June 30 2025, Gain on Revaluation of RSUs decreased by $27,758 to a gain of $19,553 from a gain of $47,311 recognized in the comparative period in 2024.

The decrease in gain on revaluation of RSUs for the three months ended June 30, 2024 is due to a lower percentage increase on the Company's stock price compared to the comparable period. The increase in gain on revaluation of RSUs for the six months ended June 30, 2024, is due to a higher percentage increase on the Company's stock price compared to the comparable period.

Loss (Gain) on Revaluation of Derivative Warrant Liability

For the three months ended June 30, 2025, Loss on Revaluation of Derivative Warrant Liability increased by $781 to $8,260 from $7,479, recognized in the comparative period. For the six months ended June 30, 2025, Loss on Revaluation of Derivative Warrant Liability increased by $50,924 to $1,238 from a Gain on Revaluation of Derivative Warrant Liability of $49,686, recognized in the comparative period. The lower gain for the three and six months ended June 30, 2025 was due to 2.9 million of warrants expiring during Q2 2024 and slight increase in stock price for the three and six months ended June 30, 2025 compared to the same prior period.

Restructuring Costs

For the three months ended June 30, 2025, Restructuring Costs increased by $31,475, to $37,349 from $5,874 recognized in the comparative period in 2024. For the six months ended June 30, 2025, Restructuring Costs increased by $39,885, to $36,066 from negative $3,820 recognized in the comparative period in 2024. The Company incurred additional severance costs relating to employee termination for the three and six months ended June 30, 2025. There were no significant restructuring costs incurred by the Company for the three and six months ended June 30, 2024.

Strategic Review Costs

For the three and six months ended June 30, 2025, Strategic Review costs were $119,123 and $1,294,726, respectively, compared to nil recognized in the comparative period in 2024. Strategic Review costs incurred related to professional service costs incurred by the Company to explore strategic alternatives. The Strategic Review was announced on February 3, 2025, and concluded on March 20, 2025. On January 31, 2025 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 only payable on the earlier of: (i) early repayment of the 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. As at June 30, 2025, the Company was not in compliance with certain financial covenants on the Note Payable, as a result, the Company has recorded $900,000 as a strategic review costs for the three and six months ended June 30, 2025.

Other Income

For the three months ended June 30, 2025, Other Income decreased by $8,297, to $1,911 from $10,208 recognized in the comparative period in 2024. For the six months ended June 30, 2025, Other Income decreased by $13,295, to $8,118 from $21,413 recognized in the comparative period in 2024. The decrease in Other Income for the three and six months ended June 30, 2025, is due lower cash held on term deposits.

Foreign Exchange Gain

Foreign exchange gain and losses are primarily related to the unrealized foreign translation gains and losses of certain US Dollar "USD", Australia Dollar "AUD" and British Pound Sterling "GBP" denominated working capital balances to Canadian Dollar "CAD" and USD denominated working capital balances to AUD.

For the three months ended June 30, 2025, Foreign Exchange Gain decreased by $236,424, to a gain of $354,295, from a foreign exchange gain of $590,719 recognized in the comparative period in 2024. For the six months ended June 30, 2025, Foreign Exchange Gain decreased by $49,559, to a gain of $438,327, from a foreign exchange gain of $487,886 recognized in the comparative period in 2024.

The gain/loss on foreign exchange for the three and six months ended June 30, 2025, is due to mainly to fluctuations in the USD to CDN and USD to AUD exchange rates.

Our businesses are organized geographically so many of our expenses are incurred in the same currency as our revenues,

which mitigates some of our exposure to currency fluctuations. Foreign exchange gain and losses are primarily related to the unrealized foreign translation gains and losses of certain USD, AUD and GBP denominated working capital balances to CAD and USD denominated working capital balances to AUD.

Income Tax Expense

We operate globally and we calculate our tax provision in each of the jurisdictions in which we conduct business. Our effective tax rate on a consolidated basis is, therefore, affected by the realization and anticipated relative profitability of our operations in those various jurisdictions, as well as different tax rates that apply and our ability to utilize tax losses and other credits.

For the three months ended June 30, 2025, Income Tax Expense increased by $46,591, to $52,654 from an Income Tax Expense of $6,063 in the comparative period in 2024. For the six months ended June 30, 2025, Income Tax Expense increased by $65,826, to $86,933 from an Income Tax Expense of $21,107 in the comparative period in 2024. The increase for the three and six months ended June 30, 2025, is due mainly to higher taxable income for US business due to improved results during the respective periods.

Net Loss and Earnings Per Share

Net loss for the three months ended June 30, 2025, was $899,358 compared to net loss of $571,831 for the same period in 2024. On a per weighted average share basis, this translated into a net loss per weighted average per share of $0.02 in the three months ended June 30, 2025, compared to a net loss per weighted average share of $0.01 for the comparative period in 2024.

Net loss for the six months ended June 30, 2025, was $2,767,740 compared to net loss of $2,411,969 for the same period in 2024. On a per weighted average share basis, this translated into a net loss per weighted average per share of $0.05 in the six months ended June 30, 2025, compared to a net loss per weighted average share of $0.05 for the comparative period in 2024.

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and
Results of Operations for the three and six months ended June 30, 2025

Quarterly Results of Operations

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended June 30, 2025. Our quarterly operating results have historically fluctuated significantly and may continue to fluctuate significantly in the future. Therefore, we believe that past operating results and period to period comparisons should not be relied upon as an indication of the Company's future performance.

	(unaudited)							
	Jun-25	**Mar-25**	**Dec-24**	**Sep-24**	**Jun-24**	**Mar-24**	**Dec-23**	**Sep-23**
Revenue	10,445,488	9,579,025	10,550,575	11,116,345	11,575,614	9,921,673	10,349,733	10,102,827
Net income (loss)	(899,358)	(1,868,382)	(3,556,601)	(1,077,509)	(571,831)	(1,840,138)	(2,934,336)	(4,379,016)
Adjusted EBITDA [(1)]	963,201	872,119	493,608	785,699	778,714	(83,326)	(655,138)	(1,350,032)
Weighted average number of shares outstanding:								
Basic	52,563,142	52,334,019	52,286,522	51,812,252	51,348,578	44,782,398	40,882,770	38,804,967
Diluted	52,563,142	52,334,019	52,286,522	51,812,252	51,348,578	44,782,398	40,882,770	38,804,967
Net income (loss) per share:								
Basic	(0.02)	(0.04)	(0.07)	(0.02)	(0.01)	(0.04)	(0.07)	(0.11)
Diluted	(0.02)	(0.04)	(0.07)	(0.02)	(0.01)	(0.04)	(0.07)	(0.11)

[1] Adjusted EBITDA is earnings before stock-based compensation, depreciation, amortization, interest expense, accretion and other financing costs, loss or gain on revaluation RSUs, loss or gain on revaluation of derivative warrant liability, restructuring costs, other income, foreign exchange (gain) loss, strategic review costs, and current and deferred income tax expense (recovery), is a non-IFRS measure. Please refer to the section entitled "Non-IFRS Measures."

Key factors that account for the fluctuation in quarterly results include the variability in the Company's revenue due to seasonality of revenue. Seasonality impacts the transcription services industry in some cases by summer holiday seasons, such as court closings in January in Australia, and the Thanksgiving and December holidays in the U.S., Canada, and the UK. It also has a slight impact in the U.S. summer period. Our quarterly results may also fluctuate as a result of foreign exchange especially as it relates to Australian dollar to US dollar currency exchange fluctuation. We may experience variations in our net income(loss) on a quarterly basis depending upon the timing of certain expenses or gains, which may include changes in provisions and acquired contract liabilities.

Key Operating Metrics – Non-IFRS Measures

Adjusted EBITDA

Measure Definition:

To evaluate the Company's operating performance as a complement to results provided in accordance with IFRS, the term "Adjusted EBITDA", as defined by management, refers to net income (loss) before stock-based compensation, depreciation, amortization, interest expense, accretion and other financing costs, loss on extinguishment /modification of debt, gain on revaluation of options, gain on revaluation of RSUs, gain on revaluation of derivative warrant liability, restructuring costs, impairment of intangibles, strategic review costs, other expense (income), foreign exchange (gain) loss, current and deferred income tax expense (recovery). We believe that the items excluded from Adjusted EBITDA are not connected to and do not represent the recurring operating performance of the Company. "EBITDA" is a non-IFRS financial measure and is not a standardized financial measure under the financial reporting framework used to prepare the financial statements of the Company and accordingly might not be comparable to similar financial measures disclosed by other issuers. To evaluate the Company's operating performance as a complement to results provided in accordance with IFRS, the term "EBITDA", as defined by management, refers to earnings before depreciation, amortization, interest expense, current and deferred income tax expense (recovery).

The Corporation believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate its operating performance. We believe that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed, taxed and expenses related to stock-based compensation, depreciation, amortization, restructuring costs, strategic review costs, loss or gain on revaluation RSUs, loss or gain on revaluation of derivative warrant liability, other income, and foreign exchange (gain) loss. Accordingly, we believe that this measure may also be useful to investors in enhancing their understanding of the Company's operating performance.

The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to net income (loss) as determined in accordance with IFRS. These non-IFRS measures should be read in conjunction with the financial statements of the Company.

The following is a reconciliation of Net Loss the most directly comparable IFRS measure to Adjusted EBITDA, for the three months ended June 30, 2025 and 2024:

	Three months ended June 30		Six months June 30	
(Unaudited)	**2025**	**2024**	**2025**	**2024**
Net Loss	**(899,358)**	**(571,831)**	**(2,767,740)**	**(2,411,969)**
Add:				
Depreciation	175,864	194,237	340,547	389,221
Amortization	658,581	813,889	1,366,158	1,620,346
Interest expense	439,704	405,965	928,326	794,889
Current income tax (recovery) expense	52,654	6,063	86,933	21,107
EBITDA	**427,445**	**848,323**	**(45,776)**	**413,594**
Accretion and other financing costs	456,029	425,216	875,059	752,094
Gain on revaluation of RSUs	(21,482)	(18,534)	(19,553)	(47,311)
Loss (Gain) on revaluation of the derivative warrant liability	8,260	7,479	1,238	(49,686)
Restructuring costs	37,349	5,874	36,066	(3,820)
Strategic Review Costs	119,123	-	1,294,726	-
Other income	(1,911)	(10,208)	(159,978)	(21,413)
Stock-based compensation	292,682	111,283	291,865	139,816
Foreign exchange gain	(354,295)	(590,719)	(438,327)	(487,886)
Adjusted EBITDA	**963,201**	**778,714**	**1,835,320**	**695,388**

Adjusted Operating Loss

Measure Definition:

The term "Adjusted operating loss" refers to net income (loss) excluding the impact of strategic review costs. Management believes it is appropriate to adjust for this item because strategic review costs do not relate to operating activities of the Company and is useful supplemental information as it provides an indication of the results generated by the Company's main business activities. The presentation of this measure enables investors and analysts to better understand the underlying performance of our business activities.

	Three months ended June 30		Six months June 30	
(Unaudited)	**2025**	**2024**	**2025**	**2024**
Net Loss	**(899,358)**	**(571,831)**	**(2,767,740)**	**(2,411,969)**
Add:				
Strategic Review Costs	119,123	-	1,294,726	-
Adjusted operating loss	**(780,235)**	**(571,831)**	**(1,473,014)**	**(2,411,969)**

Liquidity

In 2023, the Company entered into a secured debt facility ("Note Payable") with Beedie Investments Ltd. ("Beedie"), the Note Payable outstanding is $15,000,000 at June 30, 2025. The Note Payable is subject to 9.5% cash interest payable monthly plus 3% paid in kind interest accrued monthly and added to the outstanding principal amount of the Note Payable and to be repaid on January 16, 2027

On November 10, 2023, an amendment was made to the loan agreement and the paid-in-kind interest rate increased to 5% from 3%. The Note Payable is now subject to 9.5% interest payable monthly and the paid-in-kind interest rate of 5% per annum (previously 3%) compounded monthly and added to the outstanding amount of the Note Payable.

On February 23, 2024, the Company signed a waiver agreement which resulted in the cash interest being deferred in the amount of $243,491. The amount was based on the fixed 9.5% per annum calculated on the outstanding principal amount of the loan owing for the months of January 2024 and February 2024 and was added to the principal amount as paid in kind interest to the Note Payable and was subject to 9.5% interest payable and 5% paid in kind interest per annum.. The amount is to be repaid on January 13, 2027.

On June 5, 2024, the Company's shareholders approved the issuance of 2,175,142 common share purchase warrants, as part of a credit agreement with Beedie. These warrants were issued on June 19, 2024, and replaced the $375,000 amendment fee that was originally due upon the maturity or repayment of the Note Payable.

On November 1, 2024, in connection with the Company's Note Payable, the Company entered into a bridge loan agreement "Bridge Loan" with Beedie in the amount of $1,500,000. An amount of $1,250,000 has been advanced to the Company under the Term Loan, with the remaining $250,000 being available to be drawn by the Company subject to Beedie's approval. The Term 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. Any undrawn amounts under the Term Loan is subject to a standby fee of 1.5% per annum. The prepayment fee on the Term Loan is equal to the accrued and unpaid interest on the prepayment amount up to the date of prepayment plus the interest that would have accrued on the principal amount of the Term Loan to the Term Loan maturity date. The Company used the amounts advanced pursuant to the Term Loan for general corporate and working capital purposes.

On November 1, 2024, the Company also entered into an amendment to the Note Payable with Beedie. Pursuant to the terms of the amendment, the interest rate on the Note Payable was increased from 14.5% to 15.75%, comprised of cash interest of 9.5% per annum and paid-in-kind interest charged at a rate of 6.25% per annum, compounded monthly and will be added to the outstanding principal amount of the Note Payable. Additionally, the Company amended the prepayment fee under the Note Payable such that the prepayment fee equal to the accrued and unpaid interest on the prepayment amount up to the date of prepayment plus the greater of: (i) 3% of the prepayment amount, and (ii) the accrued and unpaid interest on the prepayment amount from the date of prepayment to March 13, 2026, applies to any voluntary prepayment of the Original Loan occurring on or before March 13, 2026.

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 and a reimbursement of expenses incurred by Beedie up to a maximum of $900,000 in connection with Beedie's participation in a strategic review. The expense reimbursement amount is only payable on the earlier of: (i) early repayment of the of the Note Payable, (ii) the occurrence of a change of control of the Company or (iii) acceleration of the obligations.

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.

In addition, Beedie agreed to a 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, up to April 30, 2026. During the 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.

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. The expense reimbursement amount of $600,000 is payable on the earlier of: (i) the repayment of the Note Payable in full (ii) the occurrence of a change of control and (iii) acceleration of the obligations.

As of June 30, 2025, we held cash of $1,117,164 as compared to $2,101,716 as of June 30, 2024.

Below is a summary of our cash provided by (used in) operating, investing, and financing activities for the periods indicated:

(Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cash provided by operating activities	324,431	732,869	976,250	846,263
Cash used in investing activities	(302,725)	(362,849)	(637,992)	(701,680)
Cash provided by (used in) financing activities	(566,890)	(519,129)	(845,163)	369,756
Net increase (decrease) in cash for the year	(545,184)	(149,109)	(506,905)	514,339
Cash, beginning of period	1,621,021	2,221,509	1,573,341	1,621,778
Effect of foreign exchange	41,327	29,316	50,728	(34,401)
Cash, end of period	**1,117,164**	**2,101,716**	**1,117,164**	**2,101,716**

Cash used/provided by operating activities

Cash provided by operating activities for the three months ended June 30, 2025, was $324,431. This resulted from $899,358 in net loss plus $1,535,377 of non-cash adjustments and minus $311,588 attributable to movements in non-cash working capital.

Cash provided by operating activities for the six months ended June 30, 2025, was $976,250. This resulted from $2,767,740 in net loss plus $3,262,605 of non-cash adjustments and plus $481,385 attributable to movements in non-cash working capital.

Cash used in investing activities

Cash used in investing activities for the three months ended June 30, 2025, was $302,725 which consisted of development costs related to internally generated intangible assets of $296,357 and purchase of property and equipment of $6,368.

Cash used in investing activities for the six months ended June 30, 2025, was $637,992 which consisted of development costs related to internally generated intangible assets of $628,249 and purchase of property and equipment of $9,743.

Cash used in financing activities

Cash used in Financing Activities for the three months ended June 30, 2025, was $566,890, which consisted of repayment of lease obligations of $117,981, payment of interest on lease obligations of $12,486 and payment of interest on debt of $436,423.

Cash used in Financing Activities for the six months ended June 30, 2025, was $845,163, which consisted of repayment of lease obligations of $229,068, payment of interest on lease obligations of $19,188 and payment of interest on debt of $846,907 which was offset by $250,000 proceeds from debt financing.

Going concern uncertainty

The Company's 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 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 June 30, 2025, the Company held cash of $1,117,164 and had negative working capital. The Company has incurred recurring losses, has not yet achieved profitable operations and has a deficit of $87,869,970 since its inception. As a result of non-compliance with financial covenants, the Beedie Investments Ltd. Note Payable the Company and its lender have agreed to a period of forbearance extending to April 30, 2026. 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 June 30, 2025. In view of these matters, continuation as a going concern is dependent upon the continued operations of the Company, which will be determined by the Company's ability to meet its financial requirements, including obtaining relief from its' financial covenants within its debt agreements, obtaining alternative financing and its ability to raise additional capital to fund its ongoing operations.

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, refinancing of its obligations under the Company's Note Payable and Bridge Loan 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.

Debt Covenants

Under the secured debt facility with Beedie, the Company is required to comply with financial covenants regarding (i) a minimum balance of unrestricted cash and cash equivalents (ii) minimum adjusted monthly EBITDA starting May 2023 and (iii) maximum total secured debt leverage ratio.

The Company was not in compliance with the minimum monthly adjusted EBITDA covenant for the months of July 2024, August 2024, September 2024, November 2024 and December 2024 and maximum total secured debt leverage covenant

for the months of July 2024 to June 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 have agreed to a period of forbearance extending to April 30, 2026. During the forbearance, debt covenants related to the period from July 1, 2025 onwards will continue to be applicable and tested.

Contractual Obligations

The following table summarizes our undiscounted contractual obligations as at June 30, 2025, including commitments relating to leasing contracts:

	2025	2026	2027	2028	Total
Trade and other payables	$ 6,846,250	$ -		$ -	$ 6,846,250
Lease obligations	131,526	107,260	109,829	18,384	366,999
Beedie Investments Ltd. *	–	–	20,581,896	–	20,581,896
Income taxes payable	61,890	–		–	61,890
Total	$ 7,039,666	$ 107,260	$ 20,691,725	$ 18,384	$ 27,857,035

*The Company was not in compliance with financial covenants as at June 30, 2025. On August 8, 2025, an amendment to the Beedie Note Payable and Bridge Loan under which Beedie agreed to forebear the debt related to the non compliance with the historical financial covenants up to April 30, 2026 and provides Beedie the option to require full repayment of the debt facility on April 30, 2026. The amount noted is based on the original term of the Note Payable and assumes Beedie does not call the debt at the end of the forbearance period.

Capital Resources

Our objective in managing capital is to ensure sufficient liquidity to pursue our growth strategy, fund research and development to enhance existing product offerings as well as to develop new product offerings to maintain our competitive advantage, pursue accretive acquisitions and provide sufficient resources to meet day-to-day operating requirements, while managing financial risk. We intend to use our operating income and funds on hand to meet funding requirements for the development and commercialization of our technology products and services based on anticipated market demand and working capital purposes. Our actual funding requirements will vary depending on a variety of factors, including our success in executing our business plan, the progress of our research and development efforts, our commercial sales, and our ability to manage our working capital requirements.

Our officers and senior management are responsible for managing the capital and do so through monthly meetings and regular review of financial information. Our Board of Directors is responsible for overseeing this process. We manage capital to ensure that there are adequate capital resources while maximizing the return to shareholders through the optimization of the cash flows from operations and capital transactions.

Capital Allocation

A significant component of our strategy is to effectively and efficiently allocate capital between opportunities that generate the highest return on our capital with the goal over time to maximize shareholder equity.

The Company's capital allocation is centered on generating organic growth, investment in technologies, mergers and acquisitions, and balance sheet deleveraging. VIQ's focus is on closing and integrating strategic and accretive acquisitions,

continuing to grow and drive market share and achieve consolidation efficiencies while maturing its AI engines through technology service volumes.

Paying out dividends, or buying back stock, are not anticipated as being part of our capital allocation strategy for the immediate future. Our goal with capital allocation is to increase the earning power of the Company and reinvest the free cash flow of the business to generate more cash.

Other Commitments

Other commitments include operating leases for facilities. The Company has no other commitments.

Contingent Off-Balance Sheet Arrangements

As a general practice, we have not entered into off-balance sheet financing arrangements.

Transactions Between Related Parties

There were no transactions between related parties for the three months ended June 30, 2025.

Material Accounting Policy Information and Estimates

General

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates and assumptions are affected by management's application of accounting policies and historical experience and are believed by management to be reasonable under the circumstances. Such estimates and assumptions are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ significantly from these estimates.

Going concern - In the preparation of consolidated financial statements, management is required to identify when events or conditions indicate that material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern exists. Material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern would exist when relevant conditions and events, considered in the aggregate, indicate that the Company will not be able to meet its obligations as they become due for a period of at least, but not limited to, 12 months from the consolidated statement of financial position. When the Company identifies conditions or events that raise potential for material uncertainty that may cast significant doubt about its ability to continue as a going concern, the Company considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt.

Our other material accounting policy information are fully described in Note 3 to our financial statements for the years ended December 31, 2024, and 2023 which are available on SEDAR (www.sedar.com). Certain accounting policies are particularly important to the reporting of our financial position and results of operations and require the application of significant judgment by our management. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different, estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could have a material impact on the financial statements. We believe that there have been no significant changes in our critical accounting estimates for the three and six months ended June 30, 2025, from those presented in our annual financial statements for the years ended December 31, 2024, and 2023.

New Accounting Pronouncements

We adopted the following accounting amendments that were effective for our annual consolidated financial statements commencing January 1, 2025.

- IAS 21 The Effects of Changes in Foreign Exchange Rates

The adoption of this standard did not have a material impact to our financial results and are not expected to have a material impact in the future.

Internal Controls over Financial Reporting and Disclosure Controls and Procedures

Disclosure Controls & Procedures

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company is gathered and reported to senior management, including the CEO and the CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure, including to ensure that information required to be disclosed by the Company in reports that the Company files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. Management, under the oversight of the CEO and CFO, has evaluated the design and effectiveness of the Company's disclosure controls and procedures as of June 30, 2025. Based on this evaluation, the CEO and the CFO concluded that, as of June 30, 2025, the Company's disclosure controls and procedures (as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings were ineffective as a result of material weaknesses identified in the Company's internal control over financial reporting, which is further described below.

The Company is no longer subject to these Exchange Act requirements effective January 5, 2024, a Form 15 "Certification and Notice of Termination of Registration Under Section 12(g) of the Securities Exchange Act of 1934 or Suspension of Duty to File Reports Under Sections 13 and 15(d) of the Securities Exchange Act of 1934.

The Company's disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Company is made known to us by others, particularly during the period in which the annual filings are being prepared and of achieving their objectives, and the CEO and CFO do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Notwithstanding the material weaknesses, management has concluded that the Company's consolidated financial statements for the three and six months ended June 30, 2025, present fairly, in all material respects, the Company's financial position, statement of loss and comprehensive loss, changes in shareholders' equity and cash flows in accordance with IFRS.

Internal Controls over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and overriding of controls. Consequently, an effective internal control system can only provide reasonable, not absolute assurance, with respect to reporting financial information. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

An evaluation of the design and effectiveness of the Company's internal controls over financial reporting was carried out by management, under the supervision of the CEO and CFO. In making this evaluation, the CEO and CFO used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated

Framework (2013). Based on this evaluation, the CEO and CFO have concluded that the Company's internal control over financial reporting was ineffective as of June 30, 2025 and June 30, 2024, due to the material weaknesses described below. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses that our management identified related to the following:

- the Company did not have sufficient resources, including contractors, in place throughout the reporting period with the appropriate training and knowledge of internal controls to monitor the design, implementation and operating effectiveness of internal control over financial reporting;
- the Company's review controls in various financial reporting processes did not operate with sufficient precision, particularly with respect to the determination of the appropriate period in which to recognize revenue and expenses;
- the Company did not maintain adequate review controls to ensure that complex accounting areas such as business combinations, impairment of non-financial assets, financial instruments, revenue recognition and accounting for income tax provisions were appropriately recorded in accordance with IFRS; and
- the Company did not effectively design and maintain appropriate segregation of duties and controls over the effective preparation, review and approval, and associated documentation of journal entries.

These material weaknesses resulted in material misstatements, which were corrected prior to the release of the interim consolidated financial statements for the year ended June 30, 2025.

Remediation

We intend to implement a remediation plan that involves a third-party software solution to formalize the documentation and evidence of our review and approval of subjective and higher risk journal entries in our financial reporting system including implementing improved process over cut-off of transactions. We will implement more formalized documentation and evidence of review over complex accounting transactions. The plan will include the involvement of management and sufficient training of all relevant personnel. We will take the measures necessary to address the material weaknesses, which may require significant management attention, and our efforts may not prove to be successful in remediating the material weaknesses and do not guarantee that we will not suffer additional material weaknesses and/or significant deficiencies in the future.

The CEO and CFO do not expect that internal controls over financial reporting will prevent all misstatements. The design of a system of internal controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that the design will succeed in achieving the stated goals under all potential future conditions.

Except for the material weaknesses described above, there were no changes in the Company's Internal Control over Financial Reporting that occurred during the period ended June 30, 2025, that has materially affected or reasonably likely to materially affect the Company's Internal Control over Financial Reporting.

Risk Factors

A complete description of the risks and uncertainties affecting the Company is included in the most recently filed Annual Information Form. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of our common shares (the "Common Shares") to decline. If any of the noted risks actually occur, our business may be harmed, and the financial condition and results of operation may suffer significantly. In that event, the trading price of the Common Shares could decline, and shareholders may lose all or part of their investment.

Disclosure of Outstanding Share Data

The Common Share trade on the Toronto Stock Exchange under the symbol "VQS." The Company is authorized to issue an unlimited number of Common Shares. As at August 13, 2025 there were:

(i) 52,805,814 Common Shares issued and outstanding

(ii) 95,959 stock options outstanding with a weighted average exercise price per Common Share of $2.05 CAD expiring 2031 and 2032 under the Omnibus Equity Incentive Plan

(iii) 33,333 deferred share units outstanding with an average exercise price per Common Share of $1.29 CAD with no expiry date

(iv) 3,719,756 RSUs outstanding expiring 2026, 2027, 2028, and 2031 and selective units with no expiry dates under the Omnibus Equity Incentive Plan.

(v) 75,000 PSUs with no expiry dates.

(vi) Warrants to purchase 2,117,647 Common Shares at an exercise price of $5.00 USD expiring September 15, 2026.

(vii) Warrants to purchase 3,551,852 Common Shares at an exercise price of $1.35 USD expiring July 21, 2027.

(viii) 7,968,750 warrants to purchase Common Shares at an exercise price of $0.20 CAD expiring January 16, 2030.

(ix) 497,423 warrants to purchase Common Shares at an exercise price of $0.20 CAD expiring July 25, 2030.

(x) 123,365 warrants to purchase Common Shares at an exercise price of $0.20 CAD expiring November 10, 2030.

(xi) 2,175,142 warrants to purchase Common Shares at an exercise price of $0.20 CAD expiring June 19, 2031.