VIQ Solutions Inc.

Q1 2024 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 months ended March 31, 2024

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 months ended March 31, 2024. This MD&A should also be read in conjunction with our annual MD&A and audited financial statements for the years ended December 31, 2023, and 2022, 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 May 13, 2024, 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 recovery of the global economy, 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 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.

The purpose of the forward-looking statements is to provide the reader with a description of management's current expectations regarding the Company's 2024 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
- Bookings
- Gross Margin for Technology Services
- Gross Margin for Technology and related revenue

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 leading provider of capture software and cloud-based transcription workflow automation solutions that assist government agencies and commercial enterprises to securely digitize information-intensive voice and video content.

Our technology, which delivers a seamless, proprietary workflow and documentation platform securely captures, transforms, distributes, and manages complex digital voice and video content for over 4,000 active clients in the criminal justice, legal, insurance, media, government, and financial services verticals. We have operations in the United States (U.S.), Canada, Australia, and Europe.

Our scalable technology utilizes Artificial Intelligence ("AI") designed to ingest significant amounts of evidentiary content to produce accurate, verbatim, diarized transcripts for mission critical events that have lasting financial and social impacts. The Company's proprietary AI models and supervised learnings are built and trained on large set of specialized industry and client specific content not publicly available to large language models.

Our technology solutions are proven to deliver productivity enhancements, which drive down our overall production costs and speed of delivery, leading to meaningful gross margin improvements. Our automated workflow has enabled profitable growth while improving the overall service levels, strengthening our AI learning, and bolstering our competitive advantage.

Revenue

The recurring nature of our revenue base is a key indication of performance. Most of our revenue is tied to major contracts and is expected to remain generally the same or increase in terms of the overall contribution to the Company. Also, these contracts are tied to government entities and multinational Fortune 500 companies that provide little credit risk and accordingly provide a reliable revenue stream.

Our revenue comes from transcription services, software-as-a-service (SaaS), software license fees, support and maintenance and other recurring fees, professional service fees, and hardware sales. Transcription service revenue consists of fees charged for editing documentation services provided to our clients. Technology service revenue consists of fees charged for automated transcription services. Software-as-a-service (SaaS) allows customers to use hosted software over a term without taking possession of the software and is provided on a subscription basis. Software license revenue is comprised of license fees charged for the use of our software products generally licensed under perpetual arrangements and to a lesser extent sale of third-party software licenses. These license sales are larger contracts with longer sales cycles and are more variable in nature. Support and maintenance and other recurring revenue primarily consist of fees charged for client support on our software products post-delivery. Professional service revenue consists of fees charged for customization, implementation, integration, training, and ongoing services associated with our software products and technology services. Hardware revenue includes the resale of third-party hardware that forms part of our client solutions. Occasionally, our clients may purchase a combination of software, maintenance, professional services, and hardware, although the type, mix and quantity vary by client to create a solution for the client's unique requirements.

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.

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

Business Overview of Q1 2024

In Q1 2024, we continued the work that we spoke to in 2023. While remaining steadfast in our commitment to cost cutting, we were also focused on three key initiatives:

As of the end of March, we have migrated over 50% of our available work in Australia to the Netscribe platform. This process has already shown critical signs of success allowing us to gain margin improvements in 2024 in the areas of productivity enhancements, reduced administrative time, higher commitment to variable labor and migrations to editing through our independent contractor model. While we don't expect to see the greatest gains in this migration until the second half of the year, the adoption of the technology and the organizational commitment to the positive disruption of this technology is very exciting.

We continued to invest in our technology focusing on the expansion of our end-to-end solutions to solve the complex challenges around delivering usable content within our platform without the limitations of utilizing multiple tools to finalize these complex documents. Our goal is to help to make transcription more broadly available to courts at more affordable rates where today transcriptions are very expensive and highly limited in terms of their availability to serve the entire populous within a region. We will launch in Q2, our expanded version of Netscribe to meet this critical requirement.

Also, we saw the implementation of some of the larger bookings from 2022 begin to scale during the current quarter and this is largely impacting the insurance sector. We continue to see growth in the services we deliver to the insurance sector and this has been due to the adoption of our SaaS technologies which drives our pivot to technology enabled solutions.

Our direction in Domain Specific Language Models in our AI is proving to make the quality of our near real time and real time solutions unique in this industry. While many focus on the accuracy of the content, we see this as a core competency of the base Speech to Text . We continue to focus and invest in the usability of the documentation we create. Access to the rich content in specific segments and geographies that VIQ operates in puts us in a unique position.

Q1 2024 results showed that we were close to achieving positive EBITDA in what is traditionally our lowest revenue quarter and close to realizing the long-awaited results to generating positive EBITDA. While there may be a negative impact to revenue growth in our focus on cost containment, the positioning of our technology lays the groundwork for critical improvements in the health of the company. We continue to stay focused on solid execution for our customers and delivering on our strategic priorities and financial targets.

VIQ Solutions Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

Key Operating Highlights during the three months ended March 31, 2024

- Total revenue for the three months ended March 31, 2024, was $9,921,673, a decrease of $130,898 or 1% from $10,052,571 recognized in the comparative period in 2023. The decrease is primarily due to lower transcription volumes from Australia, partially offset by higher technology sales. Excluding the impact of foreign exchange, we would have reported positive revenue growth over comparative period 2023 of 0.4%.
- Gross Profit for the three months ended March 31, 2024, decreased by $35,399 or 1%, to $4,392,558, from $4,427,957, for the comparative period in 2023. Gross Profit for the three months ended March 31, 2024, represented 44.3% of revenue versus 44.0% of revenue in the comparative period in 2023. The decrease in gross profit is primarily due to lower revenue than comparative period 2023.
- Net loss for the three months ended March 31, 2024, was $1,840,138, a decrease of $1,619,543, or 47% from a net loss of $3,459,681 recognized in the comparative period in 2023. The decrease in net loss for the three months ended March 31, 2024, was mainly attributed to lower selling and administrative expenses, stock-based compensation, and amortization.
- Adjusted EBITDA[1], for the three months ended March 31, 2024, was a deficit of $83,326, an improvement of $984,438, from an Adjusted EBITDA deficit of $1,067,764 recognized in the comparative period in 2023. The improvement in Adjusted EBITDA deficit for the three months ended March 31, 2024, is primarily due to reduced selling and administrative expenses mainly due to reduction in IT related costs as a result of system integrations, lower professional service fees and lower headcount related costs due to organizational restructuring.

[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, and current and deferred income tax expense (recovery), is a non-IFRS measure. Please refer to the section entitled "Non-IFRS Measures."

[2] Bookings is a non-IFRS measure. Please refer to the section entitled "Non-IFRS Measures."

VIQ Solutions Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

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, net income (loss) and Adjusted EBITDA. We evaluate our performance on these metrics by comparing our actual results to management budgets, forecasts, and prior period performance.

The following table sets forth a summary of our results of operations for the three months ended March 31, 2024, and 2023:

Unaudited

	Three months ended March 31		Period over Period Change	
	2024	2023	$	%
Revenue	9,921,673	10,052,571	(130,898)	(1)
Cost of sales	5,529,115	5,624,614	(95,499)	(2)
Gross profit	4,392,558	4,427,957	(35,399)	(1)
Gross profit %	44.3%	44.0%		
Expenses				
Selling and administrative expenses	4,310,774	5,361,301	(1,050,527)	(20)
Research and development expenses	165,110	144,809	20,301	14
Gain on contingent consideration	-	(10,389)	10,389	100
Stock-based compensation	28,533	333,292	(304,759)	(91)
Depreciation	194,984	226,159	(31,175)	(14)
Amortization	806,457	1,130,303	(323,846)	(29)
Interest expense	388,924	333,836	55,088	17
Accretion and other financing costs	326,878	163,716	163,162	100
Gain on revaluation of RSUs	(28,777)	(56,946)	28,169	(49)
Loss (Gain) on revaluation of the derivative warrant liability	(57,165)	158,752	(215,917)	(136)
Restructuring Costs	(9,694)	27,412	(37,106)	(135)
Impairment of intangible assets	-	157,464	(157,464)	(100)
Other income	(11,205)	(5,094)	(6,111)	(120)
Foreign exchange loss	102,833	237,018	(134,185)	(57)
Loss before income taxes	(1,825,094)	(3,773,676)	1,948,582	52
Current income tax expense	(15,044)	(7,362)	(7,682)	(104)
Deferred income tax recovery	-	321,357	(321,357)	(100)
Income tax recovery (expense)	(15,044)	313,995	(329,039)	(105)
Net Loss	**(1,840,138)**	**(3,459,681)**	**1,619,543**	**47**
Adjusted EBITDA (1)	**(83,326)**	**(1,067,764)**	**984,438**	**92**
Weighted average number of common shares outstanding				
Basic	44,782,398	34,649,697		
Diluted	44,782,398	34,649,697		
Net income (loss) per share				
Basic	**(0.04)**	**(0.10)**		
Diluted	**(0.04)**	**(0.10)**		

[1] Adjusted EBITDA is earnings before stock-based compensation, depreciation, amortization, interest expense, accretion and other financing costs, loss on extinguishment of debt, loss on modification of debt, gain on revaluation of options, RSUs, and derivative warrant liability, restructuring costs, impairment of property and equipment, impairment of intangibles assets, business acquisition costs, other income, foreign exchange loss, and current and deferred income tax expense (recovery), is a non-IFRS measure. Please refer to the section entitled "Non-IFRS Measures."

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

Comparison of the three months ended March 31, 2024, and 2023

Revenue

Total revenue for the three months ended March 31, 2024, was $9,921,673, a decrease of $130,898, or 1%, from $10,052,571 recognized in the comparative period in 2023. The decrease in revenue for the three months ended March 31, 2024, was primarily due to lower transcription volume from Australia, partially offset by higher technology sales. Excluding the impact of foreign exchange, we would have reported positive revenue growth of 0.4% over comparative period 2023.

Cost of Sales

Cost of Sales for the three months ended March 31, 2024, decreased by $95,499, or 2%, to $5,529,115, from $5,624,614 for the comparative period in 2023. The decrease in Cost of Sales for the three months ended March 31, 2024, is primarily due to lower transcription volume in Australia than comparative period 2023.

Gross Profit

Gross Profit for the three months ended March 31, 2024, decreased by $35,399 or 1%, to $4,392,558, from $4,427,957, for the comparative period in 2023. Gross Profit for the three months ended March 31, 2024, represented 44.3% of revenue versus 44.0% of revenue in the comparative period in 2023. The decrease in gross profit is primarily due to lower revenue than comparative period 2023.

Selling and Administrative Expenses

Selling and Administrative Expenses for the three months ended March 31, 2024, decreased by $1,050,527, or 20%, to $4,310,774, from $5,361,301, for the comparative period in 2023. The decrease for the three months ended March 31, 2024, is primarily due to a decrease in headcount related costs due to organizational restructuring, lower professional service fees and reduction in IT related costs as a result of system integrations.

Research and Development Expenses

Research and Development Expenses for the three months ended March 31, 2024, increased by $20,301, or 14%, to $165,110, from $144,809, for the comparative period in 2023. The increase in Research and Development Expenses for the three months ended March 31, 2024, is primarily due to higher development cost on Netscribe which did not meet the criteria for capitalization than the comparative period in 2023.

Gain on Contingent Consideration

For the three months ended March 31, 2024, Contingent Consideration was nil compared to a gain of $10,389 recognized in the comparative period in 2023. The earnout period ended in Q2 2023 resulting in no adjustment being required in Q1 2024.

Stock-Based Compensation

For the three months ended March 31, 2024, Stock-based Compensation decreased by $304,759 to $28,533 from $333,292, recognized in the same period of 2023. The decrease is due to lower amortization of vested RSUs for current quarter compared to prior year same quarter. In addition, Q1 2023 included approximately $150,000 of stock-based compensation related to cancellation of options by certain employees and directors of the Company during the three months ending March 31, 2023.

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

Depreciation

For the three months ended March 31, 2024, Depreciation decreased by $31,175, to $194,984 from $226,159 recognized in the comparative period in 2023. The decrease in deprecation were due to foreign exchange translation on Australian denominated fixed assets which was lower due to weakening Australian dollar in comparison to US dollar..

Amortization

For the three months ended March 31, 2024, Amortization decreased by $323,846, to $806,457, from $1,130,303 recognized in the comparative period in 2023. The decrease in amortization for the three months ended March 31, 2024, is mainly attributable to lower amortization of intangible assets than comparative period 2023 due to accelerated amortization of intangible brand assets which were no longer in use. Also, certain Customer Relationship Intangible Assets were fully amortized in Q4 2023 resulting in no amortization in Q1 2024.

Interest Expense

For the three months ended March 31, 2024, Interest Expense increased by $55,088, to $388,924, from $333,836 recognized in the comparative period in 2023. The increase in interest expense for the three months ended March 31, 2024, is primarily due to higher debt outstanding and at higher interest rate paid on the Company's secured debt facility.

Accretion and Other Financing Costs

For the three months ended March 31, 2024, Accretion and Other Financing Costs increased by $163,162, to $326,878, from $163,716 recognized in the comparative period in 2023. The increase in accretion and other financing costs for the three months ended March 31, 2024, is due to higher debt outstanding and accrued interest on the Company's secured debt facility.

Gain on Revaluation of RSUs

For the three months ended March 31, 2024, Gain on Revaluation of RSUs decreased by $28,169 to $28,777, from $56,946 recognized in the comparative period in 2023. The decrease in gain on revaluation of RSUs is due to a lower percentage drop on the Company's stock price compared to the comparable period.

Loss (Gain) on Revaluation of Derivative Warrant Liability

For the three months ended March 31, 2024, Gain of Revaluation of Derivative Warrant Liability increased by $215,917, Revaluation of Derivative Warrant Liability was a gain of $57,165 compared to a loss of $158,752 for the three months ended March 31, 2023, the gain was due to a decrease in share price for the three months ended March 31, 2024 compared to a significant increase in share price for the three months ended March 31, 2023.

Restructuring Costs

For the three months ended March 31, 2024, Restructuring Costs decreased by $37,106, to negative $9,694, from $27,412 recognized in the comparative period in 2023. The decrease in Restructuring Costs for the three months ended March 31, 2024, is due lower severance from the Company's restructuring plan.

Impairment of Intangible Assets

For the three months ended March 31, 2024, Impairment of Intangible Assets decreased by $157,464, to nil, from $157,464 recognized in the comparative period in 2023. The impairment of intangible assets related to a project that has been discontinued in order to focus resources on other development projects such as NetScribe for Australia court customers.

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

Other Income

For the three months ended March 31, 2024, Other Income increased by $6,111, to $11,205, from $5,094 recognized in the comparative period in 2023. The increase in Other Income for the three months ended March 31, 2024, is due to higher interest earned on term deposits.

Foreign Exchange (Gain) Loss

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 March 31, 2024, Foreign Exchange Loss decreased by $134,185, to $102,833, from a loss of $237,018 recognized in the comparative period in 2023. The gain/loss on foreign exchange is due to fluctuations in the foreign 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.

Income Tax Recovery (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 March 31, 2024, Income Tax Recovery decreased by $329,039, to a tax expense of $15,044, from a tax recovery of $313,995 in the comparative period in 2023. The decrease for the three months ended March 31, 2024, is due to recognition of deferred tax assets in Q1 2023.

Net Loss and Earnings Per Share

Net loss for the three months ended March 31, 2024, was $1,840,138 compared to net loss of $3,459,681, for the same period in 2023. On a per weighted average share basis, this translated into a net loss per weighted average per share of $0.04 in the three months ended March 31, 2024, compared to a net loss per weighted average share of $0.10 for the comparative period in 2023.

VIQ Solutions Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

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 March 31, 2024. 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)

	Mar-24	Dec-23	Sep-23	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	9,921,673	10,349,733	10,102,827	10,518,893	10,052,571	10,181,580	11,785,713	12,351,655
Net Loss	(1,840,138)	(2,934,336)	(4,379,016)	(3,558,163)	(3,459,681)	(2,168,022)	(1,329,940)	(3,198,138)
Weighted average number of shares outstanding:								
Basic	44,782,398	40,882,770	38,804,967	34,804,004	34,649,697	34,003,334	32,749,800	28,653,056
Diluted	44,782,398	40,882,770	38,804,967	34,804,004	34,649,697	34,003,334	32,749,800	28,653,056
Net Loss per share:								
Basic	(0.04)	(0.07)	(0.11)	(0.10)	(0.10)	(0.06)	(0.04)	(0.11)
Diluted	(0.04)	(0.07)	(0.11)	(0.10)	(0.10)	(0.06)	(0.04)	(0.11)

Key factors that account for the fluctuation in quarterly results include the variability in the Company's revenue due to timing of acquisitions and 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 the various acquisitions which may be completed by the Company in any given quarter. 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.

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

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, business acquisition 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, acquisition, other expense (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.

VIQ Solutions Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

The following is a reconciliation of Net Loss the most directly comparable IFRS measure to Adjusted EBITDA, for the three months ended March 31, 2024, and 2023:

	Three months ended March 31	
(Unaudited)	**2024**	**2023**
Net Loss	**(1,840,138)**	**(3,459,681)**
Add:		
Depreciation	194,984	226,159
Amortization	806,457	1,130,303
Interest expense	388,924	333,836
Current income tax expense	15,044	7,362
Deferred income tax recovery	-	(321,357)
EBITDA	**(434,729)**	**(2,083,378)**
Accretion and other financing costs	326,878	163,716
Gain on revaluation of RSUs	(28,777)	(56,946)
Loss (Gain) on revaluation of the derivative warrant liability	(57,165)	158,752
Impairment of intangible assets	-	157,464
Restructuring Costs	(9,694)	27,412
Other Income	(11,205)	(5,094)
Stock-based compensation	28,533	333,292
Foreign exchange loss	102,833	237,018
Adjusted EBITDA	**(83,326)**	**(1,067,764)**

Bookings

Measure Definition: We calculate "Bookings" for a given period as the estimated contract value (for services tied to volume) of our recurring client contracts entered into during the period from (i) new clients and (ii) net upgrades by existing clients within the same workload, plus the actual (not annualized) estimated value of professional services consulting, advisory or project-based orders received, software licenses, subscriptions, SaaS, and hardware during the period.

Recurring client contracts are any contracts entered into on a multi-year or month-to-month basis, but excluding any professional services contracts for consulting, advisory or project-based work, software license and hardware.

We use Bookings to measure the amount of new business generated in a period, which we believe is an important indicator of new client acquisition and our ability to cross-sell new services to existing clients. Bookings are also used by management as a factor in determining performance-based compensation for our sales force. While we believe Bookings, in combination with other metrics, are an indicator of our near-term future revenue opportunity, it is not intended to be used as a projection of future revenue. Booking information is a non-IFRS measure, which involves judgments, estimates and assumptions, which does not have a standard industry definition. Our calculation of Bookings may differ from similarly titled metrics presented by other companies.

While we continue to acquire new clients, we also aim to deepen relationships with these clients through high-margin technology services and software bookings. In addition, we are investing in initiatives to drive sales productivity improvements.

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

(unaudited)

	Q1 2024	Q1 2023	Q4 2023
Bookings	$810,908	$2,808,017	$1,026,957

Q1 2024 Bookings were lower in comparison to Q1 2023 and Q4 2023 due to greater focus on contract renewals, price increases and implementations of prior bookings.

Gross Margin for Technology Services

Measure Definition: Gross Margin for Technology Services as reported.

(unaudited)

	Q1 2024	Q1 2023	Q4 2023
Technology Services Revenue	$8,914,632	$9,159,183	$9,377,557
Cost of Sales	$5,318,889	$5,358,788	$5,394,763
Gross Margin	$3,595,743	$3,800,395	$3,982,794
Gross Margin %	**40.3%**	**41.5%**	**42.5%**

Technology Services Gross margin % has decreased in Q1 2024 compared to Q4 2023 and Q1 2023 due predicted impacts of migrations in Australia which leads to additional training costs to ramp up to new technology in workflow and production resulting from Netscribe.

Gross Margin for Technology and related revenue

Measure Definition: Gross margin for technology and related revenue as reported.

(unaudited)

	Q1 2024	Q1 2023	Q4 2023
Technology Revenue	$1,007,041	$893,388	$972,176
Cost of Sales	$210,226	$265,826	$237,820
Gross Margin	$796,815	$627,562	$734,356
Gross Margin %	**79.1%**	**70.2%**	**75.5%**

Q1 2024 Technology and related revenue gross margin percentage increased compared to Q1 2023 and Q4 2023 primarily due to higher one-time sales of VIQ developed software which historically have higher margins than third party software sales.

Liquidity

As of March 31, 2024, we held cash of $2,221,509 as compared to $1,621,778 as of December 31, 2023.

On February 27, 2024, the Company closed a non-brokered private placement. Under the offering, the Company sold 10,239,000 common shares of the Company at a price per common share of $0.117 for gross proceeds of $1,197,278. The Company intends to use the net proceeds from the offering for working capital and general corporate purposes.

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 March 31, 2024. The Note Payable is subject to 9.5% cash interest payable monthly plus 5% 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, in connection with the Company's Note Payable. Beedie was granted a participation right in certain future equity financing of the Company in order to maintain its pro rata equity interest in the Company. Additionally, the

Company is to pay an amendment fee of $375,000 on the earlier of (i) prepayment of the loan; (ii) acceleration of the Obligations; and (iii) the maturity date. The amendment fee is subject to waiver in the event that the shareholders of the Company approve an increase to the number of common share purchase warrants issuable to the Lender under the Credit Agreement.

In connection with the Subsequent Advances, the Company has issued 497,423 common share purchase warrants to Beedie on July 25, 2023, and issued 123,365 common share purchase warrants on November 10, 2023. On November 10, 2023, the Company also repriced all existing warrants held by Beedie totaling 8,466,173 to an exercise price of CDN$0.20 per warrant share from CDN$0.35 and CDN$0.45 per warrant share. The completion of the repriced existing warrants was approved by the TSX on November 8, 2023.

7,968,750 warrants expire on January 16, 2030, 497,423 warrants expire on July 25, 2030, and 123,365 warrants expire November 10, 2030.

On November 10, 2023, and December 22, 2023, the Company also amended the Note Payable agreement which amended the minimum balance of unrestricted cash and cash equivalents, minimum monthly adjusted EBITDA and maximum total leverage covenants. Minimum balance of unrestricted cash and cash equivalents covenant was amended up to December 31, 2024. The minimum monthly adjusted EBITDA and maximum total leverage covenants were amended up to December 31, 2026.

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 will be subject to 14.5% interest per annum. The amount is to be repaid on January 13, 2027. The Company also amended the Note Payable agreement which amended the minimum balance of unrestricted cash and cash equivalents covenant up to March 31, 2024.

The Company for the month of March 2024 was not in compliance with the maximum total leverage covenant. On April 30, 2024, the Company obtained a waiver from Beedie for the non compliance of the Maximum Total Secured Debt Leverage financial covenant for the month of March 2024. As a result, the principal amount of Note Payable and paid in kind interest owing remains due to be repaid in January 2027.

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

(Unaudited)	**Three months ended March 31,**	
	2024	**2023**
Cash provided by (used in) operating activities	113,394	(862,194)
Cash used in investing activities	(338,830)	(597,930)
Cash provided by financing activities	888,885	2,327,705
Net increase in cash for the period	663,449	867,581
Cash, beginning of period	1,621,778	1,657,571
Effect of foreign exchange	(63,718)	(11,623)
Cash, end of period	**2,221,509**	**2,513,529**

Cash provided by/used in operating activities

Cash provided by operating activities for the three months ended March 31, 2024, was $113,394. This resulted from $1,840,138 in net loss less $1,879,113 of non-cash adjustments and $74,419 attributable to movements in non-cash working capital.

Cash used by operating activities for the three months ended March 31, 2023, was $862,194. This resulted from $3,459,681 in net loss less $2,466,585 of non-cash adjustments and $130,902 attributable to movements in non-cash working capital.

Cash used in investing activities

Cash used in investing activities for the three months ended March 31, 2024, was $338,830 which consisted of development costs related to internally generated intangible assets of $338,830.

For the three months ended March 31, 2023, cash used in investing activities was $597,930 which consisted of purchase of property and equipment of $7,328, development costs related to internally generated intangible assets of $503,869 and an earnout payout for WordZ of $86,733.

Cash provided by (used in) financing activities

Cash provided by Financing Activities for the three months ended March 31, 2024, was $888,885, which consisted of $1,173,330 of cash provided by issuance of common shares net of issuance costs, repayment of lease obligations of $118,275, repayment of debt of $20,000, payment of interest on lease obligations of $17,492, and payment of interest on debt of $128,678.

Cash used by Financing Activities for the three months ended March 31, 2023, was $2,327,705, which consisted of $11,018,885 of cash provided by proceeds from debt net of issuance costs, cash used in repayment of debt of $8,083,582, repayment of lease obligations of $79,628, payment of interest on lease obligations of $28,985, and payment of interest on debt of $498,985.

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 of March 31, 2024, the Company has cash and cash equivalents of $2,221,509. The Company has incurred recurring losses has not yet achieved profitable operations, has a deficit of $79,896,289 since its inception. Financial waivers were obtained in relation to Beedie Note Payable for the three months ended March 31, 2024 and was obtained on April 30, 2024. 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, 2024. 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 financial covenants within its debt agreements and its ability to raise additional capital.

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.

In assessing whether the going concern assumption was appropriate, management identified when events or conditions indicate that material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. Material uncertainty 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, twelve months from the balance sheet date. When the Company identifies conditions or events that raise potential for material uncertainty 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 material uncertainty.

The Company's ability to continue as a going concern for the next twelve months involves significant judgment and is dependent on its ability to improve its sales and generate positive cash flow from operations and successful cost reduction from workforce optimization.

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.

On February 23, 2024, The Company amended the Note Payable agreement which amended the minimum balance of unrestricted cash and cash equivalents covenant up to March 31, 2024. In addition, the Company obtained a waiver for the maximum total secured debt leverage ratio for the month of March 2024. The Company was in compliance with the cash and cash equivalents and minimum monthly adjusted EBITDA at March 31, 2024.

April 30, 2024, the Company obtained a waiver from Beedie for the non compliance of the Maximum Total Secured Debt Leverage financial covenant for the month of March 2024. As a result, the principal amount of Note Payable and paid in kind interest owing remains due to be repaid in January 2027.

Contractual Obligations

The following table summarizes our contractual obligations as at March 31, 2024, including commitments relating to leasing contracts:

	2024	2025	2026	2027	Total
Trade and other payables	$ 6,537,747	$ -	$ -	$ -	**$ 6,537,747**
Lease obligations	410,324	229,832	-	-	**640,156**
Beedie Investments Ltd. *	-	-	-	18,326,168	**18,326,168**
Income taxes payable	72,049	-	-	-	**72,049**
Total	**$ 7,020,120**	**$ 229,832**	**$ -**	**$ 18,326,168**	**$ 25,576,120**

* The Company obtained a waiver on April 30, 2024 from Beedie for the non compliance of the Maximum Total Secured Debt Leverage financial covenant for the month of March 2024. As a result, the principal amount of Note Payable and paid in kind interest owing remains due to be repaid in January 2027.

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

On February 27, 2024, the Company closed a non-brokered private placement. Under the offering, the Company sold 10,239,000 common shares of the Company at a price per common share of $0.117 for gross proceeds of $1,197,278 which was recorded in Capital stock. $23,948 in transaction costs was recognized and recorded as an offset to Capital stock. The issuance included 3,000,000 common shares made to Beedie, a significant shareholder and constitutes a related party transaction.

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, 2023, and 2022 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 months ended March 31, 2024, from those presented in our annual financial statements for the years ended December 31, 2023, and 2022.

New Accounting Pronouncements

We adopted the following accounting amendments that were effective for our annual consolidated financial statements commencing January 1, 2024.

- IAS 1 and IFRS 18 - Presentation of Financial Statements
- IFRS 16 Leases – Lease Liability in a Sale and Leaseback
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instrument Supplier Finance Arrangements

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

The International Accounting Standards Boards has issued IFRS 18, Presentation and Disclosure in Financial Statements (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.

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 March 31, 2024. Based on this evaluation, the CEO and the CFO concluded that, as of March 31, 2024, the Company's disclosure controls and procedures (as defined in National Instrument

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and
Results of Operations for the three months ended March 31, 2024

52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings and in Rule 13a-15I and Rule 15d-15(e) under the U.S. Exchange Act) 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 because it filed with the SEC in January 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 months ended March 31, 2024, 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 March 31, 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 reviews 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 consolidated financial statements for the year ended December 31, 2023.

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and
Results of Operations for the three months ended March 31, 2024

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 March 31, 2024, 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 May 13, 2024 there were (i) 51,195,838 Common Shares issued and outstanding, (ii) 12,500 stock options outstanding with a weighted average exercise price per Common Share of $2.20 CAD expiring in September 2024 under the Company's legacy stock option plan (iii) 684,829 stock options outstanding with a weighted average exercise price per Common Share of $1.02 CAD expiring 2031 and 2032 under the Omnibus Equity Incentive Plan, (iv) 33,333 deferred share units outstanding with an average exercise price per Common Share of $1.29 CAD with no expiry date (v) 1,737,351 RSUs outstanding expiring 2024 and 2031 and selective units with no expiry dates under the Omnibus Equity Incentive Plan (vi) 100,000 PSUs with no expiry dates (vii) warrants to purchase 2,117,647 Common Shares at an exercise price of $5.00 USD expiring 2026(viii) warrants to purchase 3,551,852 Common Shares at an exercise price of $1.39 USD expiring July 21, 2027, (ix) 7,968,750 warrants to purchase Common Shares at an exercise price of $0.20 CAD expiring January 16, 2030, (x) 497,423 warrants to purchase Common Shares at an exercise price of $0.20 CAD expiring July 25, 2030 (xi) 2,900,000 warrants to purchase Common Shares at an exercise price of $0.31 USD expiring June 30, 2024 (xii) 123,365 warrants to purchase Common Shares at an exercise price of $0.20 CAD expiring November 10, 2030.

VIQ Solutions Inc.
Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2024

Diversity

Our success as a company continues to be made possible by our global workforce. We aim to attract, develop, and retain exceptional talent to meet the needs of our clients and create value for our shareholders. We understand that we have more to do to increase our overall representation to better reflect the world we live in. We believe that when people come from diverse backgrounds and have a variety of life experiences, they bring unique perspectives to the table. These perspectives increase innovation, creativity, and overall corporate performance.

In order to continue to produce our innovative technologies and technology services, it is crucial that we continue to attract and retain top talent. To facilitate talent attraction and retention, we strive to make VIQ a diverse and safe workplace, with opportunities for our employees in each region and functional area to grow and develop in their careers, supported by advancements and programs that build connections between our employees and their communities.

We believe that a diverse workforce is critical to our success, and we continue to focus on the hiring, retention and advancement of women and underrepresented populations. Our recent efforts have been focused in three areas: inspiring innovation through a diverse culture; expanding our efforts to recruit and hire world-class diverse talent; and identifying strategic partners to accelerate our diversity, equity and in the coming years inclusion ("DE&I") programs.

Under the leadership of the current management team and the Board of Directors, VIQ has worked to create an environment and culture that enables all employees to participate and thrive. We know that onboarding people with diverse backgrounds and skillsets is a key ingredient for innovation, which is why our recruitment processes are built around improving our ability to identify the best, most diverse candidate pools. We use gender-neutral language in job descriptions and commit to bringing a diverse slate of candidates to a diverse interview panel at all levels of the Company. VIQ has a variety of diversity-related data points that exemplify how our workforce looks like the world around us and thrives as a result of it.

As of March 31, 2024, VIQ Diversity Metrics were as follows:

- Global Employee Gender Diversification for all roles: 55% Women, 41% Men, 4% Non-binary
- Global Employee Gender Diversification for leadership roles: 54% Women, 46% Men
- Global Race and Ethnicity Representation for all roles: 73% White, 23% Asian, 2% Black and 2% Latino
- Geography where we work: 80% Australia, 8% United States, 2% Canada, 5% India, 1% Mexico, 2% United Kingdom and Philippines 2%
- Brick & Mortar: Five physical Offices in three Countries

Due to its global footprint, VIQ has come to appreciate that amazing perspectives are grown all around the world and that DE&I programs can be most powerful when they are localized to the individual experiences that resonate with people in the countries, cities, and communities where they live.