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# VIQ Solutions Reports Third Quarter Results Solidifies Growth Platform for Next Level

REVENUES		GROSS MARGIN		ADJUSTED EBITDA	
3Q'20	9M'20	3Q'20	9M'20	3Q'20	9M'20
\$8.2M	\$24.0M	60.4%	55.1%	\$1.9M	\$4.2M
+27% YOY	+26% YOY	+1,540bps YOY	+1,100 YOY	+305% YOY	+251% YOY

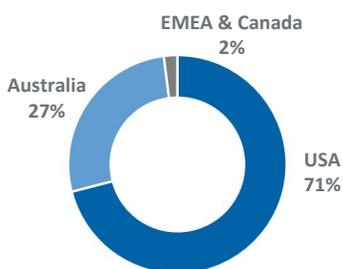
## KEY Q3 2020 HIGHLIGHTS

"This year has been both rewarding and challenging for our team who has shown resilience and agility during a global pandemic while accelerating digitization and redefining our addressable growth markets. We significantly increased productivity, added new clients, expanded existing client volume, and launched new products to support a remote workforce. All of which contributed to a strong financial performance, including gross margin expansion. This success positions us well for 2021 when we expect to generate significant top-line growth, and positive net income and earnings per share."

**Sebastien Paré**  
CEO and President

- Revenue of \$8.2 million increased 27% versus the third quarter 2019 revenue of \$6.5 million. The increase of \$1.7 million included \$2.7 million from acquisitions and was partially offset by \$1.0 million downward exposure from temporary COVID-19 shutdowns during the second and third quarter 2020 on net organic growth;
- Generated 71% of revenue in the United States, 27% in Australia, and 2% in EMEA and Canada;
- Gross profit of \$4.9 million represented 60.4% of revenue versus \$2.9 million or 45.0% of revenue in the third quarter of 2019. Gross profit in 2020 was favorably impacted by \$1.4 million in COVID-19 wage subsidies;
- Adjusted EBITDA of \$1.9 million increased 305% compared to the third quarter 2019 Adjusted EBITDA of \$0.5 million. The increase in Adjusted EBITDA was driven by higher revenues due to acquisitions, and productivity gains in transcription services as well as COVID-19 wage subsidies received in 2020, and was partially offset by higher SG&A expenses as the Company continues to invest in scalability and innovations.

REVENUE BY GEOGRAPHY



REVENUE



GROSS MARGIN



ADJUSTED EBITDA



## KEY NINE MONTH 2020 HIGHLIGHTS

- Revenue of \$24.0 million increased 26% compared to \$19.0 million in revenue during the same period in the prior year. The increase in revenue of \$5.0 million included \$7.3 million related to acquisitions and was partially offset by a \$2.3 million downward exposure from temporary COVID-19 shutdowns during the second and third quarter 2020 on net organic growth;
- Generated 72% of revenue in the United States, 26% in Australia, and 2% in EMEA and Canada;
- Gross profit of \$13.2 million represented 55.1% of revenue versus \$8.4 million, or 44.1% of revenue, in the comparable prior year period. Gross profit in 2020 was favorably impacted by \$2.8 million in COVID-19 wage subsidies;
- Adjusted EBITDA of \$4.2 million increased 251% versus Adjusted EBITDA of \$1.2 million the prior year. The \$3.0 million increase in Adjusted EBITDA was driven by higher revenues, and productivity gains in transcription services as well as COVID-19 wage subsidies received during the second and third quarter 2020 and was partially offset by higher SG&A expenses.

Earlier COVID-19 restrictions, mainly in courts, law enforcement and insurance verticals, temporarily caused delays in customer migrations and new rollouts. Ongoing rollouts have restarted as COVID-19 restrictions are incrementally lifted particularly in Australia and the UK. The Company estimates approximately \$2.5 to \$3.4 million of previously planned 2020 revenues are delayed to 2021.

### DRIVES PRODUCTIVITY GAINS

As the Company completes the first phase of its migrations to NetScribe, powered by aiAssist, by December 31, the Company has pivoted to enhancing technologies driving deeper improvements to industry-specific AI. The learnings from these migrations, combined with the rich depth of content gained in key sectors, provide the foundation to accelerate productivity enhancements to our transcription workflows and improve the end product delivered to customers where the drive for faster and more accurate draft content is essential to competitive positioning.



NetScribe™

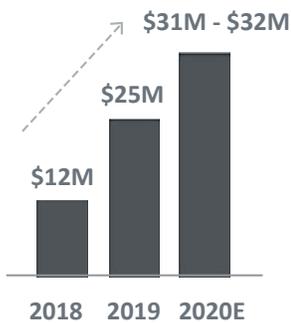
aiAssist™

“We have operationalized the integration of our first three acquisitions and the operational gains will be maximized in Q1, 2021. This successful migration has proven to our client base that the migration to our new technologies and our new ownership structure is a positive change. To that end, we invested in acquisitions that helped to support the marquis standards we established for VIQ. In 2021 we will invest further in supporting the awareness of both the brand and attributes associated with VIQ solutions in our overall expansion strategy.”

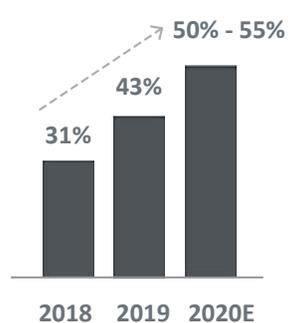
**Susan Sumner, Chief Operating Officer**

## 2020 OUTLOOK

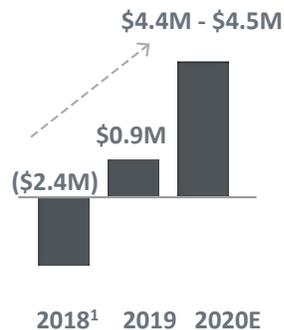
### TOTAL REVENUE



### GROSS MARGIN



### ADJUSTED EBITDA



### CASH BALANCE

# \$17M

As of November 30, 2020

- The Company expects to complete phase 1 migration of customers, revenue, and editors to NetScribe™ aiAssist platform by year end;
- VIQ maintains an active M&A pipeline, which is expected to result in future acquisitions.

<sup>1</sup> Proforma Adjusted EBITDA was \$0.8M. Proforma financials reflect the impact of the Net Transcripts, Transcription Express and HomeTech acquisitions as though they were completed on January 1, 2018.

## ACCELERATES GROWTH PLAN WITH COMPLETION OF \$15 MILLION BOUGHT DEAL EQUITY OFFERING

- On November 26, 2020, the Company closed an upsized \$15.3 million equity offering on a bought deal basis of 4,705,900 million common shares at a price of CAD\$4.25 (USD\$3.24) per share;
- Following the offering, and as of November 30, 2020, the Company has approximately \$17 million in cash;
- As noted in the Company's Prospectus, it intends to use the net proceeds of the Offering to invest in its sales infrastructure, to fund potential future acquisitions and to fund development of product and service offering by advancing research and development projects.

"Last week, we successfully closed on an equity raise, adding additional high quality, long-term investors to our shareholder base, and growing our cash balance to approximately \$17 million."

**Alexie Edwards**  
Chief Financial Officer

Third-quarter results  
conference call at  
**11:00 a.m. ET**  
**December 1st**

.....  
**Dial In**  
**1-833-378-1030**  
**#9928549**

The foregoing expectations regarding full year revenue, gross margin and Adjusted EBITDA constitute forward-looking information and readers are cautioned that the Company's actual results may vary.

The Consolidated Financial Statements and Management's Discussion and Analysis for the quarter will be posted on the Company's website at <https://viqsolutions.com/investors> and the SEDAR website at [www.sedar.com](http://www.sedar.com).

The financial information included in this news release should be read together with the consolidated financial statements and Management's Discussion and Analysis for the quarter ended September 30, 2020, including the notes thereto.

## Conference Call Details

VIQ will hold a conference call to discuss its third quarter 2020 results on Tuesday, December 1st at 11:00 a.m. ET. The call will consist of a brief update by VIQ President and CEO, Sebastien Paré, Alexie Edwards, VIQ's CFO, and Susan Sumner, VIQ's COO, followed by a question and answer period.

Investors may access a live webcast of the call on the Company's website at [www.viqsolutions.com/investors](http://www.viqsolutions.com/investors) or by dialing 1-833-378-1030 (North America toll-free) or 1-236-712-2544 (international) to be connected to the call by an operator using conference ID number 9928549. Participants are asked to dial in 10 minutes prior to the start of the call.

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For more information about VIQ, please visit [viqsolutions.com](http://viqsolutions.com).

## About VIQ Solutions Inc.

VIQ Solutions is a global provider of secure, AI-driven, digital voice and video capture technology and transcription services. VIQ offers a seamless, comprehensive solution suite that delivers intelligent automation, enhanced with human review, to drive transformation in the way content is captured, secured, and repurposed into actionable information. The cyber-secure, AI technology and services platform are implemented in the most rigid security environments including criminal justice, legal, insurance, media, government, corporate finance, media, and transcription service provider markets, enabling them to improve the quality and accessibility of evidence, to easily identify predictive insights and to achieve digital transformation faster and at a lower cost.

## Forward-looking Statements

Certain statements included in this news release constitute forward-looking statements or forward-looking information under applicable securities legislation. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this news release include, but are not limited to, the Company's plans to accelerate growth in future financial periods, the Company's anticipated significant increase in top-line growth, net income and earnings per share,

the quantum of the Company's planned 2020 revenues delayed to 2021, the Company's ability to complete the first phase of migrations to NetScribe aiAssist by December 31, 2020; the expected effect that migrations to NetScribe aiAssist will have on the Company's financial results; the Company's anticipated expansion strategy and the elements thereof; the Company's intention to continue its acquisition strategy; the expected uses of the net proceeds of the Company's bought deal equity offering; the Company's expectations regarding its future performance including expectations with respect to revenue growth, gross margin, Adjusted EBITDA, the migration of customers to the NetScribe platform and future acquisitions.

Forward-looking statements or information is based on several factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Although VIQ 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 VIQ 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 news release, assumptions have been made regarding, among other things, the Company's ability to execute its business plan as currently contemplated, the Company's ability to migrate its customers to the NetScribe platform in accordance with projected timelines, the Company's ability to maintain its existing customer contracts in good standing, the Company's ability to successfully recover revenues delayed to 2021, the Company's ability to identify and acquire suitable acquisition and the Company's ability to continue to grow its customer base in accordance with current projections. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that have been used.

Forward-looking statements or information is based on current expectations, estimates and projections that involve several risks and uncertainties which could cause actual results to differ materially from those anticipated by VIQ, including but not limited to, the risk that delayed revenues will be unrecoverable, the risk that Company will be unable to successfully migrate its customers to its NetScribe platform as anticipated or at all, the risk that certain of the Company's customer contracts will be terminated, the risk that the Company's projections are not accurate, the risk that the Company will be unable to integrate future acquisitions into its existing operations and the risks and uncertainties described under the heading "Risk Factors" in VIQ's Annual Information Form for the year ended December 31, 2019, filed with the Canadian securities regulatory authorities under VIQ's SEDAR profile at [www.sedar.com](http://www.sedar.com). These risks and uncertainties may cause actual results to differ materially from the forward-looking statements or information. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties. The forward-looking statements contained in this release are made as of the date of this release and, except as required by applicable law, VIQ undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.