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VIQ Solutions Reports Strong First Quarter 2021 Results

Record \$8.3M Q1 Revenue and Gross Profits Increase 24% to \$4M

REVENUES		GROSS MARGIN		ADJUSTED EBITDA	
Q1'21	Q1'20	Q1'21	Q1'20	Q1'21	Q1'20
\$8.3M	\$7.5M	48.7%	42.8%	\$0.3M	\$0.6M
+9.4% YOY		+590bps YOY		NM	

Q1 2021 FINANCIAL HIGHLIGHTS

"VIQ Solutions delivered strong first-quarter results driven by substantial gross margin improvement, steady increase in our total revenue, and exponential growth in Australia. The positive response to our unique industry transforming approach to AI-powered solutions has been invigorating. Our product portfolio is gaining momentum and we're keenly focused on strategy and execution. This is a pivotal year for VIQ as we increase our investment in infrastructure to propel VIQ 3.0 to greater heights using our technology to broaden our portfolio and support the transformation and monetization of the vast amount of digital content recorded within our expanding global markets.

We continue to see tangible results from our comprehensive strategy flow through our financial statements. We have started to recapture and recognize the backlog revenue as we enter a post-pandemic environment. We experienced positive proof in Australia, where revenues increased 22.5% in the quarter to \$2.4 million versus the prior year."

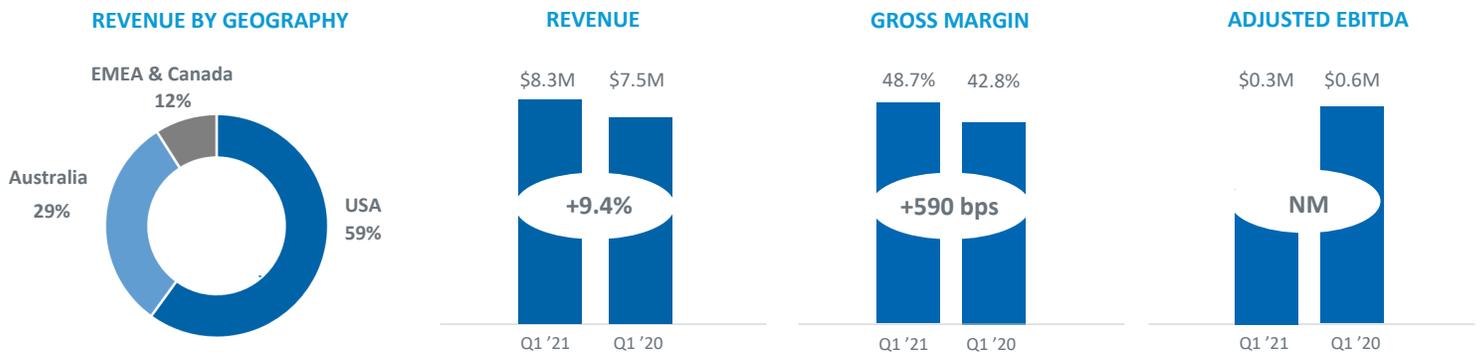
Sebastien Paré, Chief Executive Officer

- Revenue of \$8.3 million increased 9.4% compared to \$7.5 million in the same quarter of 2020. Revenues increased by 22.5% in Australia versus the prior year while U.S. revenues decreased 8.6% due to the impacts of the pandemic mainly in Insurance;
- SaaS, technology and related sales began influencing the gross margin profile with \$1.4 million in sales;
- Gross profit of \$4.0 million represented 48.7% of revenue compared to \$3.2 million, or 42.8% of revenue, in the same quarter of 2020. The increase in gross profit is primarily due to higher software license and support sales as well as productivity gains from the conversion of the Company's Technology Services clients to the NetScribe™, powered by aiAssist™, platform. This was partially offset by expensed R&D costs associated with the onboarding the Company's new and larger contract in Australia, which is expected to be operational in the second half of 2021;
- Adjusted EBITDA was \$0.3 million versus the same period of the prior year Adjusted EBITDA of \$0.6 million. The decrease in Adjusted EBITDA was driven primarily by professional service fees and TSX uplisting fees;

- Net loss in the first quarter was \$1.7 million, or loss of \$0.07 per diluted share. These results were versus a net loss of \$6.7 million, or loss of \$0.44 per diluted share, in the same quarter of 2020. Note the prior year period included \$5.7 million in one-time, non-cash expenses related to the conversion of Notes to equity during the quarter. The approximate impact on net earnings per share was \$0.38. Excluding the impact of this one-time non-cash interest charge, inducement charge and notes revaluation expense related to the convertible note, the net loss per share in the first quarter of 2020 was approximately \$0.06;
- Generated 59% of revenue in the United States, 29% in Australia, and 12% in EMEA and Canada;
- During the quarter, the Company graduated to TSX Exchange from the TSX Venture Exchange.

"As we emerge from the Covid-19 slumber, and experience the U.S. become fully operational, we expect U.S. revenues to return to growth. In Q1 we saw US revenues decline 8.6% versus the prior year. However, we saw volumes begin to increase in March, and we expect steady expansion through Q2 as our clients return to pre-pandemic operational levels. By witnessing the reopening improvements in Australia first, we're confident we'll also see it in the U.S. Our clients clearly see the value in our ability to implement our integrated solutions and services offerings – powered by cloud and AI - to transform and analyze digital content and securely generate accurate, actionable information. Our FirstDraft™ launch, following the completion of our Beta test with a number of strategic clients in the first half of the year will provide efficient, cost-effective digitizing of billions of recordings captured each year and significantly expand our total addressable market."

Susan Sumner, President & Chief Operating Officer



"This quarter's results indicate we are following through with our strategy. We continue improving revenue quality by moving towards recurring SaaS accounts, supporting acquisitions through lowest cost liquidity, and improving productivity by migrating our clients onto our NetScribe platform, powered by aiAssist. Additionally, we continue improving our balance sheet and capitalization as we progress towards an uplisting to a senior exchange in the United States."

Alexie Edwards, Chief Financial Officer

Mr. Paré concluded:

"We are incredibly pleased that the shareholders overwhelmingly approved the Company's Omnibus compensation plan, which modernizes our employee compensation structure, makes VIQ competitive for acquiring and retaining talent and enables rewarding performance for key employees. This is increasingly important as we scale the Company globally."

Q1 2021 results
conference call at
11:00AM ET May 14th, 2021

Dial In
1-833-378-1030
#9416367

2021 PRIORITIES

The Company reiterates its focus on several 2021 initiatives to drive growth in revenue, profitability, and defensibility, including:

- Driving organic revenue growth through stepped-up investments in infrastructure including AI, sales, marketing, finance and operations;
- Integrating prior acquisitions and driving productivity gains through a technology enabled workforce;
- Migrating clients to the full AI-powered tech stack;
- Further global expansion through net new clients, contracts, and acquisitions;
- Continued development of AI-driven solutions for clients;
- Mitigating impact of COVID-19 on results and process customer backlog;
- Complete and begin to integrate at least two acquisitions.

A core aspect of the Company's plan is doubling down on AI Machine Learning investments, operational infrastructure, and organic growth driving capabilities. Over time, this is expected to result in high top-line and bottom-line growth driving continued increases in shareholder value.

Conference Call Details

VIQ will host a conference call to discuss its first quarter 2021 results on Friday, May 14 at 11:00 AM Eastern Time. The call will consist of a brief update by VIQ's CEO, Sebastien Paré, Alexie Edwards, VIQ's CFO, and Susan Sumner, VIQ's President and 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 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 9416367. Participants should dial in at least 10 minutes prior to the start of the call. A replay of the webcast will be available on the Company's website through the same link approximately one hour after the conference call concludes.

For additional information:

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For more information about VIQ, please visit 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, including without limitation, all statements in the "2021 Outlook" and "2021 Priorities" section of this news release. 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, which are considered reasonable by management. 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 ability to scale consistently, accelerate its organic

growth, expand its global footprint and strengthen its market leadership in the industries in which it operates; the Company's ability to complete future strategic acquisitions; expectations regarding the Company's development and launch of future product and service offerings, including without limitation, VIQ 3.0 and the benefits that customers will realize as a result of such offerings; the anticipated benefits of the Company's consolidation of its global operations and expectations regarding cost savings related thereto; the benefits that the Company anticipates will be realized as a result of its continued migration of clients, including, without limitation, the effect that the continued migration of clients will have on productivity and gross margin; the strategic initiatives that the Company intends to focus on in 2021, the effect that such initiatives will have on the Company's revenue, profitability, defensibility, top-line and bottom-line growth and shareholder value; the Company's intention to continue investing in its AI-driven solutions, to scale sales and marketing and to continue acquiring strategic assets globally, and the effect that such actions will have on gross margin and Adjusted EBITDA.

These forward-looking statements or information are 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 targets; the accuracy of the Company's financial projections; 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 identify or acquire suitable acquisition targets; 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, 2020, filed with the Canadian securities regulatory authorities under VIQ's SEDAR profile at 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.

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

	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash	\$ 16,020,297	\$ 16,835,671
Trade and other receivables, net of allowance for doubtful accounts	5,717,315	4,475,751
Inventories	58,732	49,381
Prepaid expenses and deposits	442,761	254,230
	22,239,105	21,615,033
Non-current assets		
Restricted cash	93,672	42,835
Property and equipment	208,283	215,835
Right of use assets	268,611	309,566
Intangible assets	11,508,816	12,118,352
Goodwill	6,969,329	6,976,096
Deferred tax assets	1,657,957	1,441,942
Total assets	\$ 42,945,773	\$ 42,719,659
Liabilities		
Current liabilities		
Trade and other payables and accrued liabilities	\$ 5,236,134	\$ 5,305,600
Income tax payable	157,486	201,592
Share appreciation rights plan obligations	36,836	126,503
Current portion of long-term debt	1,320,313	1,486,136
Current portion of lease obligations	81,483	113,218
Current portion of contract liabilities	1,367,006	1,252,957
	8,199,258	8,486,006
Non-current liabilities		
Deferred tax liability	60,183	60,587
Long-term debt	12,199,414	12,138,799
Long-term contingent consideration	1,247,351	1,575,528
Long-term lease obligations	228,009	240,981
Long-term contract liabilities	10,012	70,834
Other long-term liabilities	334,743	360,525
Total liabilities	22,278,970	22,933,260
Shareholders' equity		
Capital stock	53,305,477	50,234,551
Contributed surplus	4,282,820	4,970,945
Accumulated other comprehensive income (loss)	85,486	(78,906)
Deficit	(37,006,980)	(35,340,191)
Total liabilities and shareholders' equity	\$ 42,945,773	\$ 42,719,659

VIQ Solutions Inc.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss (Expressed in United States dollars, unaudited)

	Three months ended March 31,	
	2021	2020
Revenue	\$ 8,254,222	\$ 7,548,204
Cost of sales	4,236,387	4,318,312
Gross profit	4,017,835	3,229,892
Expenses		
Selling and administrative expenses	3,661,326	2,377,154
Research and development expenses	239,663	252,321
Stock-based compensation	85,995	47,725
Foreign exchange (gain) loss	215,325	(252,249)
Depreciation	73,555	107,854
Amortization	1,174,808	990,697
	5,450,672	3,523,502
Loss before undernoted items	(1,432,837)	(293,610)
Interest expense	(331,419)	(3,695,952)
Accretion and other financing expense	(264,949)	(230,548)
Loss on revaluation of conversion feature liability	–	(1,118,761)
Loss on repayment of long-term debt	–	(1,290,147)
Gain on contingent consideration	95,994	–
Other income	3,453	204
	(1,929,758)	(6,628,814)
Current income tax expense	41,990	(53,444)
Deferred income tax recovery	220,979	–
Income tax (expense) recovery	262,969	(53,444)
Net loss for the period	\$ (1,666,789)	\$ (6,682,258)
Exchange gain (loss) on translating foreign operations	164,392	15,939
Comprehensive loss for the period	\$ (1,502,397)	\$ (6,666,319)
Net loss per share		
Basic	\$ (0.07)	\$ (0.44)
Diluted	\$ (0.07)	\$ (0.44)
Weighted average number of common shares outstanding – basic	24,467,151	15,092,939
Weighted average number of common shares outstanding – diluted	24,467,151	15,092,939

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

	Three months ended March 31,	
	2021	2020
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (1,666,789)	\$ (6,682,258)
Items not affecting cash:		
Depreciation	73,555	107,854
Amortization	1,174,808	990,697
Stock-based compensation	85,995	47,725
Loss on revaluation of conversion feature liability	–	1,118,761
Loss on repayment of long-term debt	–	1,290,147
Accretion and other financing expense	264,949	230,548
Interest expense	331,419	3,695,952
Income tax expense (recovery)	(262,969)	53,444
Gain on contingent consideration	(95,994)	–
Other expense (income)	(3,453)	(204)
Foreign exchange (gain) loss	215,325	(252,249)
Unrealized foreign exchange loss (gain)	3,094	200,098
Changes in non-cash operating working capital	(1,027,370)	(732,387)
Cash provided by (used in) operating activities	(907,430)	68,128
Investing activities		
Purchase of property and equipment	(7,540)	(26,988)
Business acquisitions	–	(4,411,500)
Earn out payment	(386,827)	–
Development costs related to internally generated intangible assets	(532,298)	(338,362)
Employee loan advancement	(518,431)	–
Change in restricted cash	(50,837)	4,877
Cash used in investing activities	(1,495,933)	(4,771,973)
Financing activities		
Issuance costs reimbursement	1,673	–
Proceeds from debt, net of issuance costs	–	4,566,945
Proceeds from exercise of stock options	202,857	–
Proceeds from exercise of warrants	2,092,276	1,561,039
Repayment of debt	(381,157)	(254,382)
Repayment of lease obligations	(45,268)	(79,842)
Payment of interest on debt	(311,909)	(188,330)
Payment of interest on lease obligations	(7,777)	(15,680)
Cash provided by financing activities	1,550,695	5,589,750
Net increase (decrease) in cash for the period	(852,668)	885,905
Cash, beginning of period	16,835,671	1,707,654
Effect of exchange rate changes on cash	37,294	(108,218)
Cash, end of period	\$ 16,020,297	\$ 2,485,341

VIQ Solutions Inc.

Reconciliation of Non-IFRS Measures

(Expressed in United States dollars, unaudited)

We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of performance. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess our ability to meet our capital expenditure and working capital requirements.

The following is a reconciliation of Net Loss to Adjusted EBITDA, the most directly comparable IFRS measure for the three months ended March 31, 2021 and 2020:

	Three months ended March 31	
	2021	2020
Net Loss	(1,666,789)	(6,682,258)
Add:		
Depreciation	73,555	107,854
Amortization	1,174,808	990,697
Interest expense	331,419	3,695,952
Current income tax expense	(41,990)	53,444
Deferred income tax recovery	(220,979)	-
EBITDA	(349,976)	(1,834,311)
Accretion and other financing expense	264,949	230,548
(Gain) loss on revaluation of conversion feature liability	-	1,118,761
Loss on repayment of long-term debt	-	1,290,147
Restructuring Costs	122,216	-
Other expense (income)	(3,453)	(204)
Stock-based compensation	85,995	47,725
Foreign exchange (gain) loss	215,325	(252,249)
Adjusted EBITDA	335,056	600,417

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. This MD&A also includes certain measures which have not been prepared in accordance with IFRS such as Adjusted EBITDA. 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 adjusting earnings for stock-based compensation, depreciation, amortization, interest expense, accretion and other financing expense, (gain) loss on revaluation of conversion feature liability,

loss on repayment of long-term debt, business acquisition costs, impairment of goodwill and intangibles, other expense (income), foreign exchange (gain) loss, current and deferred income tax expense. We believe that the items excluded from Adjusted EBITDA are not connected to and do not represent the operating performance of the Company.

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 and taxed as well as expenses related to stock-based compensation, depreciation, amortization, impairment of goodwill and intangibles, 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.

Adjusted EBITDA is not a measure which has any standardized meaning under IFRS and therefore, may not be comparable to similar measures presented by other issuers. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to net income (loss) as determined in accordance with IFRS.