C:  Audrey Liu; Corporate Finance Controller; VIQ Solutions, Inc.
C:  Sebastien Paré; Chief Executive Officer; VIQ Solutions, Inc.
C:  Alexie Edwards; Chief Financial Officer; VIQ Solutions, Inc.

+++presentation

Operator^  Good day, ladies and gentlemen, and welcome to VIQ Solutions' Fourth Quarter and Full Year 2024 Earnings Conference Call.

Currently, all participants are in a listen only mode. (Operator Instructions).

For questions and answers regarding recent disclosures or any other matter, please reach out directly to the company using the contact details on the company website.

Your host for today is Audrey Liu, Corporate Finance Controller for VIQ. Please go ahead.

Audrey Liu^  Thank you. Before we begin, please note that certain statements made on today's call are forward-looking within the meaning of applicable securities law. These statements involve risks and uncertainties that may cause actual results to differ materially. Please refer to the forward-looking statement section in our press release and the company's filings on sedar+.ca.

As a reminder, all dollar amounts are in U.S. dollars unless otherwise stated.

With us today are Sebastien Paré, CEO of VIQ; and Alexie Edwards, CFO.

With that, I will now turn the call over to Sebastien. Sebastien?

Sebastien Paré^  Thank you, Audrey. And good morning, everyone.

2024 was a transformative year for VIQ, defined by measurable progress towards scalable and recurring profitability. We moved decisively beyond post-pandemic stabilization, executing a company-wide operational reset that embedded automation and AI into the core of our workflows across all regions.

Today, our editors operate in increasingly specialized, high-value roles augmented by AI-driven tools and structured content systems, all within a highly secure, compliance-focused infrastructure. This evolution is accelerating output, improving consistency, reducing costs, and enhancing the scalability of our platform as we continue to strengthen our financial and operational foundation.

These innovative advancements are not only driving client value, but they're also delivering financial results. And 2024 marked a key inflection point for the company.

We delivered a full year of positive adjusted EBITDA, materially narrowing our net loss, and improved throughputs with automation and platform-driven efficiencies. This [performance] validates the strength of our revised operating model and our ability to generate recurring value in a tech-enabled services environment.

While Q4 included typical seasonal softness and some one-time costs related to restructuring and strategic reviews, our full-year results reflect tangible progress towards sustained profitability and long-term growth.

We're executing against a clear plan, prioritizing cost control, margin expansion, and the continued evolution of our platform to drive value creation for shareholders.

Our strategy in 2024 was anchored around four key priorities. Number one, completing global tech platform migrations in all regions.

Number two, driving measurable productivity and regional margin expansion.

Number three, optimizing EBITDA performance within our existing recurring revenue base.

And number four, advancing towards a free cash flow generating operating model.

These efforts resulted in a $6 million year-over-year improvement in adjusted EBITDA, reaching $2 million for the year ended December 31st, 2024. This turnaround was underpinned by strategic investments in automation, rigorous cost control, and optimized workflows across our operations.

We successfully navigated shift in industry dynamics as transcription moved further from labor-intensive models to our hybrid AI-augmented best-cost resources for production approach.

Our six-step automation blueprint, now fully deployed across all regions, positioned VIQ to scale securely while maintaining high standards and compliance, and sector-specific accuracy. With this foundation in place, the company is well-positioned to drive further EBITDA growth, margin expansion, and free cash flow generation in 2025 and beyond.

We're already seeing meaningful returns from our strategic investments with clear progress in both gross margin expansion and EBITDA trajectory. Our focus on cost discipline is reflected in improvement across both COGS and OPEX.

In recent quarter, VIQ has begun tracking towards a full-year positive EBITDA and is well-positioned to generate the free cash flow driven by a stable top line and strengthened operating leverage.

Notably, our gross margin expansion, particularly in the second half, was being fueled by the growing maturity of our platform and the operational efficiencies realized following the NetScribe migration.

Now, I'm going to ask Alexie to walk over the financial results for 2024.

Alexie?

Alexie Edwards^  Thank you, Sebastien. Good day, everyone.

Let me recap our full-year 2024 financial highlights.

Revenue increased by 5% year-over-year to $43.2 million, supported by consistent customer volumes and a growing base of SaaS clients.

Gross profit rose to $19.2 million, up 6%, with gross margin improvement to 44.5% driven by cost optimization and automation gains.

Adjusted EBITDA reached $2 million, a material improvement from negative $4 million in 2023, positioning the company for sustained financial health and long-term value creation.

Selling and administrative expenses declined 22% year-over-year with a 24% reduction in Q4, reflecting disciplined execution and early returns from workforce optimization.

Net loss of $7 million, a decrease of $7.3 million or 51% from the same period in the prior year, a meaningful step towards achieving profitability.

Earnings per share improved materially year-over-year, even in the context of share dilution, highlighting stronger underlying financial health on a per share basis.

With that, I'll turn over to Sebastien.

Sebastien Paré^  Thank you, Alexie.

Our continued strategic focus on AI-driven automation and platform modernization is translating into measurable commercial and financial outcomes. The key accomplishment for 2024 included, number one, securing several enterprise contracts, amounting to $38.9 million in multi-year bookings, significantly strengthening our recurring revenue base.

Several of these contracts began ramping in 2024 with full run rate expected in 2025.

We onboarded 59 new SaaS clients, accelerating our shift to a subscription-based model with improved revenue predictability. Achieving 100% year-over-year revenue growth in our AI-powered FirstDraft solution, underscoring strong product market fit and adoption across customer segments.

We also enhanced our core AI platform to continue optimization of our domain-specific language models, advanced post-processing tools, and diarization technology, delivering improvement in transcription speed, accuracy and scalability. These milestones validate the strength of our platform and reinforce our competitive differentiation in complex, regulated, multi-speaker environment.

In parallel, following the successes in the United States and the United Kingdom, Australia continues to be a cornerstone of our transformation in 2024. The Australia team delivers substantial progress by migrating all eligible production volume to the NetScribe platform. And now we're starting to see a clear shift in market dynamics.

Recent RFP activity highlights growing demand for faster turnaround times, greater cost efficiency, and end-security protocols, and scalable self-servicing capabilities.

We're well positioned to meet these needs by accelerating the adoption of AI-powered transcription and tailoring NetScribe capabilities to evolve the client requirements. Customer engagement trends to continue to validate the strength of our platform with growing demand for compliance-driven AI-augmented cloud workloads. This momentum is unlocking new levels of operational flexibility, reinforcing VIQ leadership position, and laying a strong foundation for future growth.

Innovations such as NetScribe Advanced Formatter, Outsource Management, and our aiAssist engine, featuring domain-specific language model and an end-speaker recognition, have elevated our capability to deliver faster, more accurate, and scalable compliance-based documentation solutions.

Additionally, we achieved SOC 2 Type 1 and 2 compliance in 2024, reinforcing our commitment to the highest level of data security and regulatory compliance.

We remain deeply invested in several high-impact AI and R&D initiatives that will be introduced throughout 2025. These innovations are expected to drive further gains in automation, documentation accuracy, and overall productivity, supporting our long-term growth and profitable target.

Now, I'm going to ask Alexie to walk you over the Q4 results. Alexie?

Alexie Edwards^ Thanks, Sebastien. I'll recap a few of our fourth-quarter financial highlights.

In Q4 2024, we delivered revenue of $10.5 million, a 2% increase over Q4 2023. Growth profit of $4.4 million, a decrease of 6% from the same period in the prior year, due to certain non-recurring one-time cost related to retro pay adjustment and an onerous contract loss recorded in Q4 2024. The onerous contract loss will be reversed in Q1 2025.

Adjusted EBITDA of $0.5 million, which is a 175% improvement over the same period in the prior year. Despite seasonality in late December, due to the annual court recess, this improved performance demonstrates a major inflection point, reflecting disciplined cost control and automation benefits.

Net loss of $3.6 million, an increase of $0.6 million from the same period in the prior year, due primarily to foreign exchange loss and restructuring costs.

While Q4 presented the typical seasonal softness and a temporary gross margin dip, the full-year performance demonstrates clear progress towards sustainable profitability.

2025 outlook and priorities.

Looking towards 2025, we remain laser-focused on execution and margin growth. Our key priorities include, one, sustained margin expansion through automation, dynamic pricing, and revenue diversification.

Two, deeper client integration, combining multimodal AI, workflow automation, and secure compliance frameworks.

Three, accelerated SaaS adoption to meet demand for scalable AI-powered transcription solutions in high-stakes environments.

Fourthly, AI platform innovation with continued enhancement to domain-specific language models, post-processing, and productivity agents.

And fifthly, enhancing VIQ's adjusted EBITDA performance. Improving VIQ EBITDA performance continues to be a top priority, and we are encouraged by our 2024 results and the start of 2025.

With a leaner cost base, proven automation blueprint, and a stabilized revenue foundation, VIQ is positioned to expand margins, scale profitably, and generate free cash flow in 2025.

I will now hand over to Sebastien to provide closing remarks.

Sebastien Paré^  Thank you, Alexie.

In closing, the transcription landscape is undergoing a profound transformation fueled by the rise of vertical AI, enhanced diarization, and secure self-serve technologies.

What was once a manual, time-intensive process has evolved into an intelligent AI-powered workflow delivering faster, more accurate, and highly scalable results.

Purpose-built language models tailored to sectors like insurance, courts, law enforcement, and media are significantly improving contextual accuracy, while advanced diarization ensures clear, more reliable attribution in complex, multi-speaker environment.

Concurrently, market demand continues to accelerate for secure, cloud-based platform with built-in compliance and flexible self-serve capabilities, empowering both our clients and our editors to manage workflow with greater control, efficiency, and transparency.

This transformation is not just technological - it's financial.

In 2024, VIQ delivered a $6 million turnaround, reaching a $2 million EBITDA. This significant financial turnaround underscores our commitment to sustainable profitability and positions the company for continued margin expansion and positive free cash flow generation in 2025.

AI is no longer just a productivity tool. It's changing the dynamics of the transcription industry. By enabling our human experts to take on more specialized, high-value roles, VIQ is building a stronger, leaner, and more scalable business aligned with long-term value creation.

On behalf of the leadership team, I would like to extend our sincere thanks to our employees for their dedication, to our customers for their continued trust, and to our investors for their ongoing support.

Feel free to contact the company directly with any follow-up questions using the contact details on the company's website. We answer every one of those inquiries.

We look forward to sharing our Q1 results in the next five to six weeks.

And I'll turn it over to the operator for closure.

Operator^  Thank you for joining our call today. This now concludes our conference call. You may now disconnect.