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VIQ Solutions Reports Record 2020 Revenue and Adjusted EBITDA with Strong Growth Outlook

Results Reflect Solid Execution During Pandemic
Organizational Consolidation in Q1 Drives Efficiencies and Cost Savings

REVENUES		GROSS MARGIN		ADJUSTED EBITDA	
4Q'20	FY'20	4Q'20	FY'20	4Q'20	FY'20
\$7.8M	\$31.7M	38.1%	50.9%	\$0.6M	\$5.0M
+28% YOY	+27% YOY	(-120bps) YOY	+780bps YOY	+292% YOY	+473% YOY

Q4 2020 FINANCIAL HIGHLIGHTS

"We are pleased with VIQ's execution and commitment to continued evolution and growth as we deliver record results to our shareholders and despite a challenging year, we are in a better position than a year ago. We delivered on financial goals, expanded our foundational AI, successfully executed global organizational realignment, and further refined our growth strategies to keep pace with market dynamics. Our significant investment in technology and infrastructure created a solid foundation to scale consistently, steadily becoming the global leader of secure, AI-driven, solutions and services with \$32 million in revenue, generating strong 2020 cash flow and Adjusted EBITDA.

Our 2020 transition to a cloud-based, machine supervised workflow increased operational excellence and created clear focus and accountability. Investments in innovation expanded our technology stack with the successful launch of FirstDraft, CapturePro™ Conference, CapturePro™ On-the-Go, and MobileMic™ Pro strengthening our market leadership.

We are excited as we entered 2021 to launch VIQ 3.0, the next step in our digital transformation focusing on AI-powered workflows to support monetization of the vast amount of digital content recorded annually in our markets. This new, value-added service creates actionable, on-demand documentation from a single data set to support a variety of use cases within our expanding global markets.

The large multi-industry data sets that VIQ creates, edits and annotates fuels our proprietary machine learning to drive improved productivity, new products, and business insights optimizing agency workflow around the world. This data is the foundation of our growth and commercial competitiveness."

Sebastien Paré, Chief Executive Officer

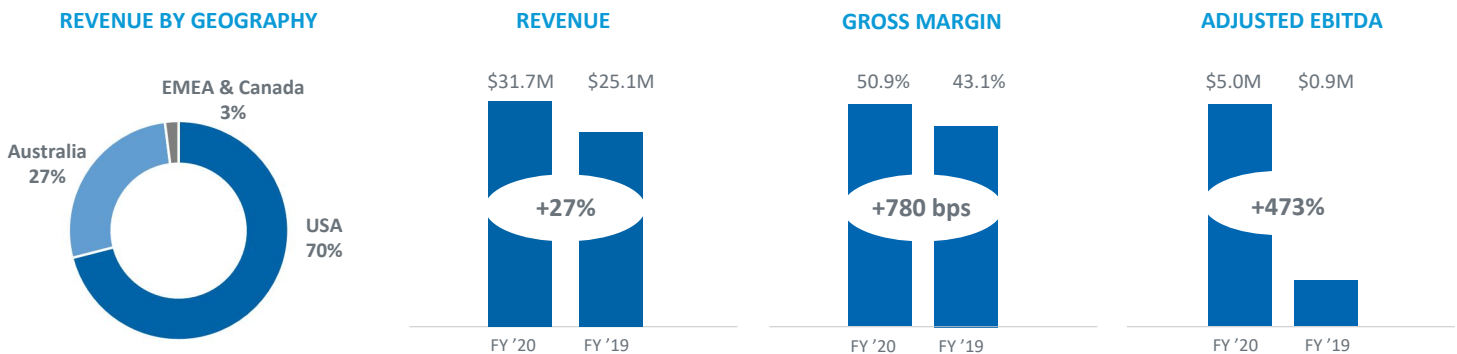
- Revenue of \$7.8 million increased 28% compared to \$6.1 million in the same quarter of 2019;
- Gross profit of \$3.0 million represented 38.1% of revenue compared to \$2.4 million, or 39.3% of revenue, in the same quarter of 2019. The decrease in gross margin for the three months ended December 31, 2020 was primarily due to the impacts of COVID-19 on volume while the Company maintained non-variable payroll, as well as the processing of post-migration backlog resulting in overtime costs and accelerated hiring costs across all segments to change workforce profile to editors;
- Adjusted EBITDA was \$0.6 million versus the prior year negative Adjusted EBITDA of \$0.3 million, representing an increase of approximately \$1.0 million. Partially offsetting higher revenues, and a gain on contingent consideration of \$0.9 million, the Adjusted EBITDA was negatively impacted by the gross margin impacts mentioned previously, as well as higher SG&A expense as the Company invested in scalability and innovation;
- Net loss was \$3.9 million versus \$2.5 million in 2019. For a reconciliation of Net loss to Adjusted EBITDA, please see the table on page 9 of this press release.

"2020 was a critical year for VIQ to prove our assumptions related to productivity and efficiency gains, despite the challenges of COVID-19. We validated the productivity gains in migrating our clients to NetScribe™, powered by the aiAssist™ platform. Results show a 30% improvement by our highest volume editors. We migrated 80% of our US services operation to this technology and successfully built, what we believe, is the largest group of editors in the US in the segments we serve. We intentionally preserved staffing to ensure we can manage our expected volume recovery in mid 2021.

We also seeded the organization to accelerate our organic growth expanding our sales and marketing and preparing our technology to monetize the value of an audio file maximizing "options" for the content we deliver."

Susan Sumner, President & Chief Operating Officer

FULL YEAR 2020 FINANCIAL HIGHLIGHTS



- Record revenue of \$31.7 million increased 27% compared to \$25.1 million in revenue in 2019;
- Generated 70% of revenue in the United States, 27% in Australia, and 3% in EMEA and Canada;
- Gross profit of \$16.2 million represented 50.9% of revenue versus \$10.8 million or 43.1% in 2019. Gross profit for the year includes \$2.8 million in COVID-19 wage subsidies. Excluding the COVID-19 impacts to both revenue and expense, gross margin for the year was favorably impacted by higher revenue and increased productivity and was partially offset by the impact of integrations;
- Record Adjusted EBITDA of \$5.0 million increased 473% compared to \$0.9 million in 2019. The \$4.1 million increase in Adjusted EBITDA includes the negative impact of COVID-19 on revenues and the positive impact from the related wage subsidies and gain on contingent consideration of \$0.9 million. Excluding the estimated impacts of COVID-19, the increase in Adjusted EBITDA was primarily driven by higher revenues and productivity gains;
- Net loss was \$11.4 million versus \$4.5 million in 2019. For a reconciliation of Net loss to Adjusted EBITDA, please see the table on page 9 of this press release;
- Outstanding shares increased to 23.6 million at the end of 2020 from 10.9 million shares at the end of 2019. Share count increased primarily as a result of the conversion of the Company's convertible notes from debt to equity during the year, the issuance of new shares in November as part of the \$15 million capital raise, and the exercising of warrants.

"Our financial strategy this past year focused on providing sufficient capital to fund technology and AI, organic growth and acquisitions, improving our capitalization table and preparing to uplist to national exchanges in Canada and United States. We finalized the uplisting to the TSX in January 2021. We ended the year with \$16.8 million in cash, providing us with ample liquidity as we entered 2021."

Alexie Edwards, Chief Financial Officer

CASH BALANCE

\$16.8M

As of December 31, 2020

ORGANIZATIONAL CONSOLIDATION TO DRIVE EFFICIENCIES AND COST SAVINGS

The Company has completed the consolidation of its global operations to allow for improved operating efficiencies and the ability to service its vertical market sectors more effectively, resulting in an expected annual cost saving of \$1 million.

Organizational changes to ensure cross-functional efficiencies and support business group functions include:

- The consolidation of the management team designed to add focus to the vertical sectors the Company supports across the globe;
- The consolidation of global production operations to drive uniformity in all business processes;
- A newly formed innovation team focusing solely on the expansion of the proprietary AI and the extension of technology innovations that exist outside the Company's intellectual property;
- Realignment of all existing corporate functions to drive more effective operations across the three international geographies of operation.

Mr. Paré concluded:

"We will concentrate on refining our customer-focused strategy to increase same-store sales and will continue to invest in our offerings to meet client expectations. Our continued client migrations will increase productivity gains and gross margin through our tech-enabled workforce. We will also further expand our footprint through strategic acquisitions and organic sales growth. Now, more than ever, scale, globalization, and segmentation are critical to VIQ's ability to change the game in global documentation related solutions and services. Our ultimate goal is to be the number one provider of a digital data content repository that offers highly secure SaaS and AI-powered workflow solutions for clients across the globe."

Q1 AND FULL YEAR 2021 OUTLOOK

Due, in part, to the ongoing uncertainty surrounding the future impact of COVID-19, the Company is not providing specific financial guidance for 2021.

As a growth-oriented company disrupting a fast changing global industry, the Company plans on keeping its accelerated investments in the next generation of aiAssist, to scale sales and marketing and to continue to acquire strategic assets worldwide. The Company anticipates these growth-oriented investments may from time-to-time pressure gross margin and Adjusted EBITDA during 2021.

2020 full year results
conference call at
11:00AM ET April 8th, 2021

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Dial In
1-833-378-1030
#4689678

2021 PRIORITIES

The Company is focused on several initiatives in 2021 to drive growth in revenue and profitability, and defensibility, including:

- Driving organic revenue growth through stepped-up investments in infrastructure including sales, marketing, finance, operations, and technology;
- Integrating prior acquisitions and driving productivity gains through an enabled workforce;
- Migrating clients to the full tech stack;
- Further global expansion through net new clients, contracts, and acquisitions;
- Continued development of AI-driven solutions for clients;
- Mitigate the 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 full year 2020 results on Thursday, April 8 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 4689678. 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.

About this Earnings Release

This earnings release contains important information about our business and our performance for the three and twelve months ended December 31, 2020, as well as forward-looking information about future periods. This earnings release should be used as preparation for reading our forthcoming Management's Discussion and Analysis (MD&A) and Audited Consolidated Financial Statements for the year ended December 31, 2020, which we intend to file with securities regulators in Canada in the coming days. These documents will be made available at sedar.com or mailed upon request. The Consolidated Financial Statements and Management's Discussion and Analysis for the year will be posted on the Company's website at <https://viqsolutions.com/investors> and the SEDAR website at www.sedar.com.

The financial information contained in this earnings release is prepared using International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. This earnings release should be read in conjunction with our 2019 Annual MD&A, our 2019 Audited Consolidated Financial Statements, our 2020 First, Second, and Third Quarter MD&A and Interim Condensed Consolidated Financial Statements, and our other recent filings with Canadian securities regulatory authorities, which are available on SEDAR at sedar.com.

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 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; and the anticipated timing of the Company's filing of its Management's Discussion and Analysis and Audited Consolidated Financial Statements for the year ended December 31, 2020.

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 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, 2019, 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.
Consolidated Statements of Financial Position
(Expressed in United States dollars) (Unaudited)

	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash	\$ 16,835,671	\$ 1,707,654
Trade and other receivables, net of expected credit loss	4,475,751	3,169,545
Inventories	49,381	64,706
Prepaid expenses and deposits	254,230	184,207
	21,615,033	5,126,112
Non-current assets		
Restricted cash	42,835	37,536
Property and equipment	215,835	111,587
Right of use assets	309,566	647,046
Intangible assets	12,118,352	10,216,461
Goodwill	6,976,096	4,295,515
Deferred tax assets	1,441,942	599,935
Total assets	\$ 42,719,659	\$ 21,034,192
Liabilities		
Current liabilities		
Trade and other payables and accrued liabilities	\$ 5,305,600	\$ 3,515,028
Income tax payable	201,592	94,606
Share appreciation rights plan obligations	126,503	149,078
Current portion of long-term debt	1,486,136	1,103,438
Current portion of convertible note	-	2,336,804
Current portion of lease obligations	113,218	307,436
Current portion of contract liabilities	1,252,957	455,026
	8,846,006	7,961,416
Non-current liabilities		
Deferred tax liability	60,587	269,598
Long-term convertible note	-	3,601,182
Long-term debt	12,138,799	6,505,637
Long-term contingent consideration	1,575,528	-
Long-term lease obligations	240,981	382,208
Long-term contract liabilities	70,834	-
Other long-term liabilities	360,525	103,629
Total liabilities	22,933,260	18,823,670
Shareholders' equity		
Capital stock	50,234,551	21,987,937
Contributed surplus	4,970,945	4,552,528
Accumulated other comprehensive loss	(78,906)	(135,058)
Deficit	(35,340,191)	(24,194,885)
	19,786,399	2,210,522
Total liabilities and shareholders' equity	\$ 42,719,659	\$ 21,034,192

VIQ Solutions Inc.
 Consolidated Statements of Loss and Comprehensive Loss
 (Expressed in United States dollars) (Unaudited)

	Year ended December 31,	
	2020	2019
Revenue	\$ 31,749,693	\$ 25,096,308
Cost of sales	15,599,437	14,276,321
Gross profit	16,150,256	10,819,987
Expenses		
Selling and administrative expenses	11,034,902	8,954,512
Research and development expenses	1,074,178	994,640
Stock-based compensation	725,316	195,113
Foreign exchange (gain) loss	(132,306)	217,040
Depreciation	445,995	528,484
Amortization	4,813,248	2,973,945
	17,961,333	13,863,734
Loss before undernoted items and income taxes	(1,811,077)	(3,043,747)
Interest expense	(4,934,517)	(1,549,904)
Accretion and other financing expense	(1,216,949)	(916,734)
Gain (loss) on revaluation of conversion feature liability	(1,308,440)	2,330,964
Loss on repayment of long-term debt	(1,497,804)	–
Business acquisition costs	(19,058)	(484,387)
Gain on contingent consideration	946,503	–
Impairment of goodwill and intangibles	(2,258,369)	–
Other income (expense)	10,373	(761,235)
	(12,089,338)	(4,425,043)
Current income tax expense	(106,986)	(93,580)
Deferred income tax recovery (expense)	1,051,018	(5,575)
Income tax recovery (expense)	944,032	(99,155)
Net loss for the year	\$ (11,145,306)	\$ (4,524,198)
Exchange gain (loss) on translating foreign operations	56,152	(262,811)
Comprehensive loss for the year	\$ (11,089,154)	\$ (4,787,009)
Net loss per share		
Basic	\$ (0.62)	\$ (0.46)
Diluted	\$ (0.62)	\$ (0.46)
Weighted average number of common shares outstanding – basic	18,080,533	9,752,131
Weighted average number of common shares outstanding – diluted	18,080,533	9,752,131

Reconciliation of Non-IFRS Measures

The following is a reconciliation of Net Loss to Adjusted EBITDA, the most directly comparable IFRS measure for the year ended December 31, 2020 and 2019:

Unaudited

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Net income (loss)	(3,857,540)	(2,525,682)	(11,145,306)	(4,524,198)
Add:				
Depreciation	98,632	122,753	445,995	528,484
Amortization	1,431,855	807,852	4,813,248	2,973,945
Interest expense	491,848	403,153	4,934,517	1,549,904
Current income tax expense	(565,707)	93,580	106,986	93,580
Deferred income tax (recovery) expense	(968,126)	5,575	(1,051,018)	5,575
EBITDA	(3,369,038)	(1,092,769)	(1,895,578)	627,290
Accretion and other financing expense	482,849	219,751	1,216,949	916,734
(Gain) loss on revaluation of conversion feature liability	834,036	(735,743)	1,308,440	(2,330,964)
Loss on repayment of long-term debt	207,657	-	1,497,804	-
Impairment of goodwill and intangibles	2,258,369	-	2,258,369	-
Other expense (income)	(7,886)	762,345	(10,373)	761,235
Business acquisition costs	-	484,387	19,058	484,387
Stock-based compensation	87,802	(28,740)	725,316	195,113
Foreign exchange (gain) loss	152,885	54,170	(132,306)	217,040
Adjusted EBITDA	646,674	(336,599)	4,987,679	870,835

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" 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 recognized by IFRS and do not have standardized meanings prescribed by IFRS. Therefore, Adjusted EBITDA 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.