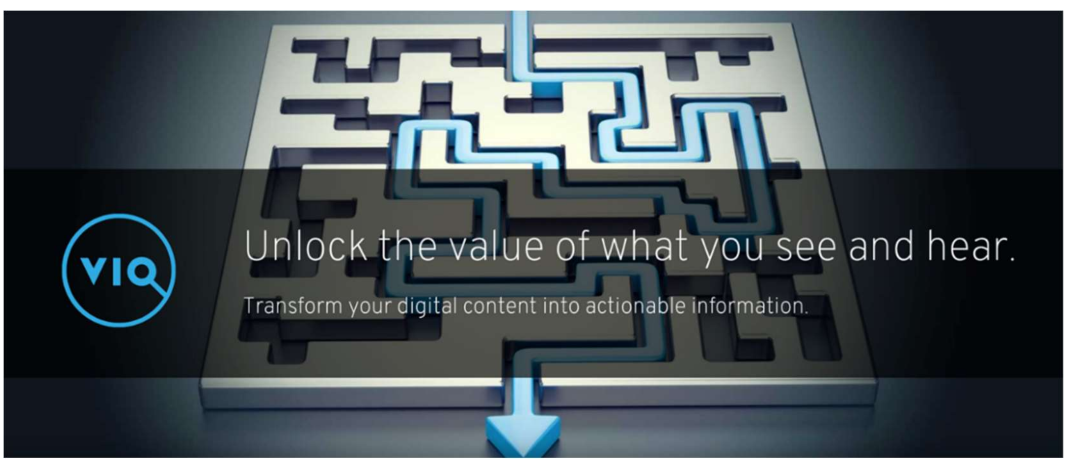
# VIQ Solutions Inc.

First Quarter 2020 Management's Discussion and Analysis of Financial Condition and Results of Operations

(Expressed in United States dollars)




https://viqsolutions.com/

# VIQ Solutions Inc.
# Management's Discussion and Analysis of Financial Condition and Results of Operations for Q1 2020

## Basis of Presentation

The following Management's Discussion and Analysis ("MD&A") comments on the financial condition and results of operations of VIQ Solutions Inc. ("VIQ" or the "Company") for first quarter of 2020. The information contained herein should be read in conjunction with the audited consolidated financial statements for December 31, 2019.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of consolidated financial statements.

The policies applied in the consolidated financial statements are based on IFRS policies effective as of May 7, 2020 the date the Board of Directors approved the consolidated financial statements for the year.

This document contains forward-looking statements, which are qualified by reference to, and should be read together with, the Forward-looking Statements section of this MD&A.

Unless the context otherwise requires, all references to "VIQ", "Company", "VIQ Solutions", "our", "us", and "we" refers to VIQ Solutions Inc. and its subsidiaries. Additional information regarding the Company is available on SEDAR at www.sedar.com. This MD&A is dated May 7, 2020. All amounts herein are presented in United States dollars, unless otherwise stated.

## Trends in Our Business

VIQ Solutions combines artificial intelligence (AI)-driven voice and video capture technology and services to securely manage digital content in the most rigid security environments including governments, courts, insurance, law enforcement, media content, news and conferencing.

We help our cybersecurity focused clients securely speed the capture, creation, and management of large volumes of information, preserve the unique value of the spoken word and video image, and deliver meaningful data our security focus customers can utilize.

Globally, the Company's 1,300+ clients are engaged in a profound digital transformation driven by an expansion in the amount of evidence captured from audio, video, sensors, body cameras, drones, and smartphones that need to be documented.

As volumes continue to increase, the operational pressure to transform digital evidence to documents and transcripts, particularly for multi recordings and multi speakers, in a faster, more secure and cost-effective manner, continues to drive the digital transformation for our clients. We enable our clients' digital transformation by implementing cybersecure capture solutions, driving the migration to Cloud solutions, enabling hybrid technology services with human to machine workflow, and employing Artificial Intelligence tools such as speech recognition, sentiment analysis, markets specific lexicon and algorithms. These trends will accelerate in the future.

VIQ is in full execution mode, driving our strategy through the next level of integration and acquisitions and continuing to create long-term enterprise value for shareholders.

Our acquisition of three leading transcription providers in the United States in Q418 expanded our transcription services business with the provision of secure, multi-speaker transcription services to law enforcement agencies, major insurance companies and criminal justice organizations. These acquisitions extend our total addressable market to an estimated $8.5 billion in the US Transcription market alone, comprising of $6.4 billion in Government related services and $2.1 billion in Insurance related services.

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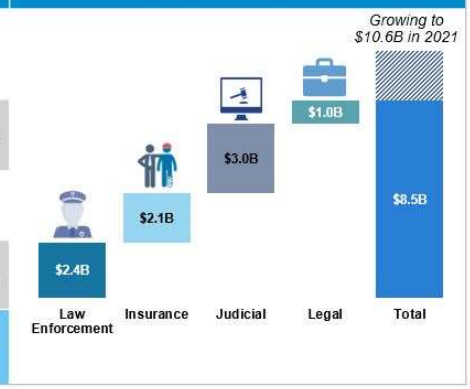
The total addressable market is expected to grow to $10.6 billion by the end of 2021 as the digitization of these markets accelerate.

## $8.5 Billion U.S. Total Addressable Market

Growing to $10.6 Billion in 2021: Explosion of highly regulated evidentiary content

| Industry Vertical | # of Audio Recordable Events | Average Length Per Recording | # of Transcribed Pages Per Year | # of Agencies U.S. |
|---|---|---|---|---|
| **Law Enforcement** Interrogation, narratives, statements | 31M | 27 mins. | 769M | 17,985 Agencies 689,100 Officers |
| **Insurance** Interviews, witness statements, claims | 26M | 12 mins. | 646M | 6,000 Companies |
| **Judicial** Court reporting | 4M | 4 hours | 923M | 44,000 Courts |
| **Legal** Lawyers' case notes | 150M | 10 mins. | 1.5B | 47,562 Law Firms |
| **Total U.S. Market** | **>200 Million Recordings** | **Average 72 Minutes per Recording** | **>3.8 Billion Pages** | **>100,000 Customers in Market** |

Total Addressable Market




Source: Calculations based on IBIS World, The Insurance Information Institute and management estimates.

Like the healthcare sector a decade ago, these markets are highly fragmented and at the early stage of a substantial digital transformation as machine learning and AI are better suited for multi speaker documentation and human to machine collaboration within a highly secured cloud environment.

We now have more than 1,300 clients throughout the United States, Australia, Canada, and EMEA. Our clients capture several hundred million minutes of audio and video evidence per year, either through VIQ capture products and/or a range of third-party products. From that content, VIQ currently transcribes a significant portion of its recurring revenue charged per word, per page, and per minute.

Our growth opportunity for 2020-2021 comes from increasing our market share and improving operating margins through global adoption of VIQ industry leading, AI-based integration of human and machine workflow. The Company plans to increase its technology reach to existing clients resulting in a 50% increase in transcription volume and an increase in its baseline recurring revenue run rate to over $36M by end of 2020, before factoring in new sales or additional M&A. The technology and talent investments are made to scale.

We see significant positive trends in our client requirements that align with our product strategy, including:

I. A dramatic expansion of evidence captured from audio, video, sensors, and through a broader range of next generation microphone arrays, mobile cameras, drones and smartphones. In parallel, there is an increasing need to find better methods to access and analyze content;

II. A greater focus on captured and distributed content security and privacy of evidentiary documentation as cyberattacks become more sophisticated and state-sponsored;

III. A growing interest in and implementation of secure Cloud-based storage;

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IV. An increased rate of adoption of mobile and software-as-a-service capabilities and;

V. A greater demand for AI capabilities to assist people with workflow, data mining and data analytics.

### *Law Enforcement*

The industry continues to trend towards implementing technology for multi-channel evidence recording and leveraging various AI tools such as speech recognition for document generation.

Demand is increasing for our latest capture and processing products, such as MobileMicProTM and aiAssistTM. At their core, these are powerful new market-specific AI and workflow technologies have advanced cybersecurity and content protection.

Our Law Enforcement transcription services continue to see an ever-expanding need for securing content at all stages of the workflow. Early implementations stress how significant secure transactions are in purchase decisions.

### *Justice*

Many of our long-term clients and new prospects are looking outside the traditional on-premise, licensed solutions and are the importance of simple interfaces with sophisticated back-end capabilities. The lengthy storage requirements create massive amounts of captured content and documentation of audio/video files which can exceed what makes sense for on-premise storage. We are experiencing increasing interest in new secure Cloud offerings from long-term clients in order to increase security and drive operating costs via machine draft transcription. The provision of integrated services is also a significant opportunity as clients and prospects seek a single source provider that understands their needs.

### *Insurance*

Similar to Law Enforcement, many major insurance companies capture and manage recording content that must be maintained with veracity if required to support legal proceedings. The ability to efficiently and securely share an audio recording that results in an accurate verbatim transcript with exceptional turn-around time is critical. Current implementations of NetScribeTM offer simple, fast and yet powerful results that will result in meaningful gains in workflow efficiencies.

### *Mobility and Technology*

All our major markets and lines of business share common ground. Our critical areas of focus are:

I. Protection and security of content

II. Movement towards larger longer-term Cloud-based storage capabilities

III. Adoption of simple, easily operated capture products on familiar mobile platforms

IV. Providing the most appropriate AI to our markets

We continue to build proprietary, advanced AI technology to assist our clients optimize their content workflow, including market-specific speech recognition, data analytics, and transcript generation.

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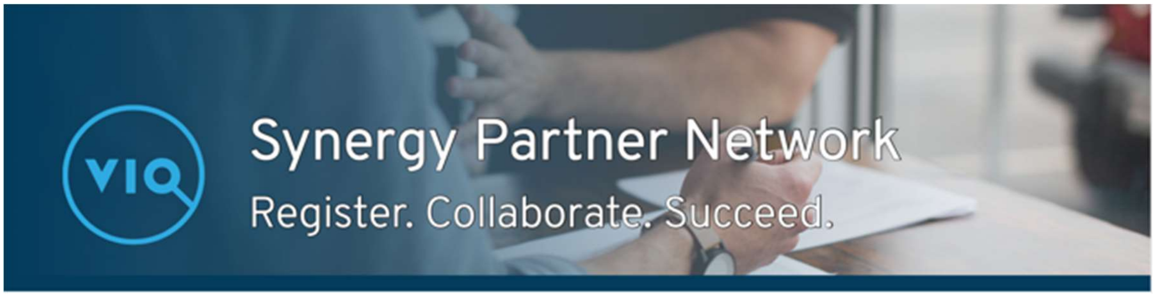


***International Partner Programs and Joint Ventures***

Identifying and utilizing the best-in-class partners is a critical aspect of our transformation and expansion of international reach. Our approach to selling our solutions and services through an expanded and highly qualified distribution network while fostering strong relationships with key partners is beginning to produce encouraging results.

The dramatic explosion in sources of evidence and the need to access, mine and analyze that content is driving the demand to generate outcomes more efficiently and effectively. We believe our solutions deliver to our clients more flexible and simplified capture, resulting in faster and more accurate documentation. Combined with sophisticated workflow tools, they deliver the power to generate new efficiencies and more effective analysis of evidentiary content. These solutions will transform the way our clients exploit these technologies to affect real business change and exploit new opportunities.

A few years back, we identified the need for providing the ability to generate new value from clients stored digital assets through the application of specialized artificial intelligence and analytics.

Applying our specialized service framework (aiAssist), our capture products (CaptureProTM and MobileMic Pro) and our transcription workflow product (NetScribe) enables our clients to leverage market proven artificial intelligence tools and methods that allow them to mine and process enormous volumes of disparate data in minutes versus traditional techniques that take far longer. This produces significant time and cost benefits and allows our industry professionals to review and assess the record in near real-time.

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### *Digital Transformation*

VIQ clients are engaged in a profound digital transformation that has been recently accelerated due to the COVID-19 pandemic. Trusted highly secured digital evidence is a significant component of such transformation both in terms of volume, security, and business outcomes needed to use evidence effectively.

Three years ago, we stated that the transformation of digital audio and video content would become the foundation for our future growth. Using that hypothesis, we defined our strategy to make the necessary investments in technology to drive the industry through a true digital transformation in our markets.

In fiscal years 2018/2019, we continued our innovation to develop significant new technologies to further the transformation, which included mobility, secure workflow, Cloud-based, and Software-as-a-Service (SaaS) offerings that reflect trends we continue to see in the market.

We appointed new and experienced operating and management executives and tapped into the wealth of knowledge gained through our acquisitions. These new leaders enabled us to expand and scale the business with a clear focus on becoming the leader in digital transformation in our specialized B2B markets. We amplified our focus on operating leverage, consolidated management, and resource allocation, combined with an accelerated and aggressive stance on accretive mergers and acquisitions to increase the quantity and quality of revenues.

We intend to aggressively pursue these growth opportunities by following through on critical elements of our strategy.

The Company's key strategies remain on track:

- Improve revenue quality by transitioning toward recurring SaaS accounts;
- Grow VIQ's client and talent base through organic growth and strategic acquisitions;
- Cross sell a range of purpose-built software products and services to increase wallet share with our existing client base;
- Implementing country specific technology stacks enabling the migration of clients in the United States, Australia, EMEA and Canada to complete a revolutionary end to end workflow switch into a highly secured cloud computing infrastructure.

The Company's key financial strategies consist of:

- Migrating VIQ toward higher quality and higher recurring margin revenue;
- Supporting an operational and acquisition strategy with low cost liquidity;
- Expanding gross margin through VIQ's unique cybersecurity, AI and cloud workflow solutions that are applied to substantial volumes of voice and video data.

The Company has been consolidating operations into its core production facility in Phoenix, Arizona. It will consolidate six of the eight offices in the United States that were inherited with the acquisitions. Phoenix remains the Company's global operating location.

### *Continue to Innovate Technology*

VIQ has long been a global leader in the capture of sensitive digital evidence information. New technological trends, including the shift to secure transfer of media, the emergence of low-cost hardware that has enabled the interconnection of devices and the collection of vast amounts of audio and video data are driving new opportunities for VIQ. Our broad set of refreshed and new technologies, applications, intellectual property, and expanded service offerings provides our clients with the opportunity to generate measurable business improvements. We continue to aggressively strengthen our AI framework with a specific short-term focus on multi-speaker capabilities. This represents a critical need within our markets and clients will quickly reap the benefits with its rollout.

VIQ is focused on driving digital transformation of the full range of captured evidence by our clients. The strategy is to deliver an AI and human workflow platform where machines perform the bulk of high-volume work, including speech to text, while humans perform QA and improve machine results via machine training roles. Our patent-pending aiAssist framework focuses on delivering better results to our clients via market and client specific vocabulary and custom language models.

VIQ's products are delivered in both local and cloud formats using modern container-based technologies to scale and adapt to client processing patterns while maintaining privacy and confidentiality using advanced cybersecurity methods.

Cybersecurity is designed into all our products, from mobile to desktop, web, and cloud-based systems including all content movement between devices.

VIQ creates the most flexible and functional capture software for fixed rooms (courts, interview rooms), workplace and vehicle computers, telephony (SIP) and remote or mobile capture scenarios. Our AI-powered transcription platforms are designed to support audio and video that is captured on any system, from any vendor, to bring the value of Artificial Intelligence to our clients.

Cloud and SaaS offerings provide better security than private corporate or government data centers. VIQ products embrace Cloud and SaaS offerings using advanced microservice based architecture to securely bring the value and flexibility of Amazon and Azure cloud offerings to our clients.

VIQ's patented digital workflow in aiAssist combines AI tools in the optimum sequence to generate the best results for each audio and video processing problem.

Our workflow engine in NetScribe routes work to the transcriber with the best experience for the job and maximizes utilization of our large work pool located across the US, Australia and Canada.

### *Speech Recognition*

This is one of the foundations for the VIQ transcription platform and is mandatory to drive our patent pending innovation.

We plan to further develop our speaker recognition, which is designed to identify individual speakers in a recording to improve diarization. Our approach is to find the best methods from the many emerging methods and integrate those into our aiAssist framework.

The aiAssist framework processes audio and automatically routes to NetScribe for human review and formatting. Any edits are used to improve the AI tools, which are the foundation of VIQ Human and Machine Collaboration. It changes how work is defined and results in significant productivity gains and faster turnaround times for our clients. This demonstrates how VIQ is disrupting traditional transcription workflow and gaining productivity improvements.

VIQ is at the forefront of Human and Machine collaboration using the aiAssist framework and NetScribe workflow to disrupt the traditional transcription workflow. aiAssist speech to text tools perform the initial transcription in a fraction of human time but humans perform QA and train the AI to improve future results.

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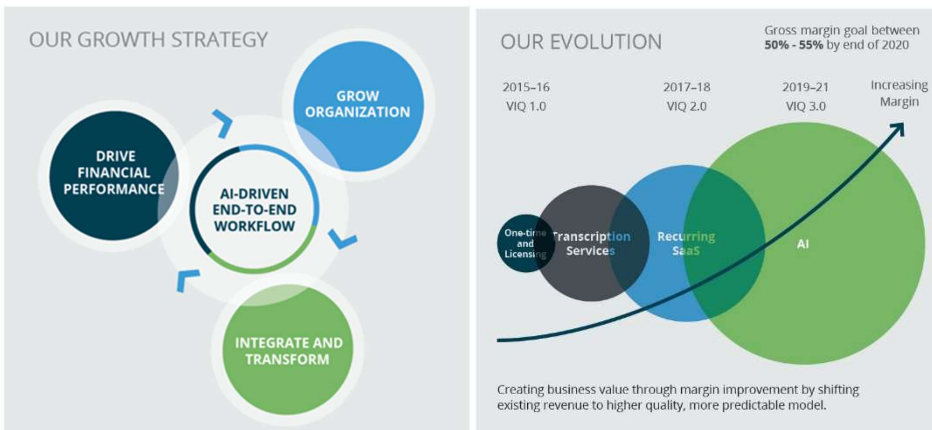
### *Markets Specific Vocabulary*

Each of our markets, i.e. Law Enforcement, Insurance, Courts and Government, have a set of specialized vocabulary and use of that vocabulary. VIQ generates value by building AI tools optimized for each client and their specific requirements, which is a major competitive differentiation separating VIQ's speech to text over other companies.

VIQ plans to continue building its market specific lexicon and find methods to expand on the limited lexicon capabilities in existing generic speech recognition engines provided by the market. VIQ is currently rolling out an API approach that abstracts the lexicon function and injects standardized results into any speech to text engine selected by clients. Our approach will reduce the lexicon integration to build a service that maps our standard lexicon to the method used by each speech engine, thus capitalizing on the big lexicon investment.




### *Grow Subscription and Recurring Revenue*

Through 2019, VIQ continued to invest in infrastructure, technology, products and people to transition toward a software as a service ("SaaS") revenue model providing the platform to clients for a recurring monthly fee. While faster with new clients, the transition from one-time traditional licensing to recurring subscription and SaaS is a multi-year incremental process that is driven by the renewal cycle with most of our clients. Given the size, nature and visibility of our sales pipeline, VIQ anticipates this SaaS option will continue to gain significant traction in multiple markets with security conscious clients as they seek secure, intelligent Cloud-based platforms.

### *Improve Margins to Drive Business Value*

The cornerstone of our strategy is exploiting the market-specific AI technologies that enhance our clients human resource capabilities and documentation workflow. We expect that a major revolution in how audio/video evidence is translated to documented evidence is about to occur. As we implement advances such as our NetScribeTM and aiAssistTM products and realize efficiency gains, margins will improve.

We will offer our clients significant advantages over competitive workflow solutions. As outlined below, we expect that the price and cost of transcription will drop over time as human labor is assisted by machine capabilities. In a subscription-based SaaS revenue model, the human component of transcription decreases from 100% to 20% over time, powered by the AI component increasing from 0% to 80%.

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VIQ is poised to benefit from this margin improvement through continued reinvestment in the business and integrated value-add services and solutions for clients. Our future enterprise value creation lies in this digital market transformation now in its infancy.

### *Continue Strategic Acquisitions*

In Q1 FY20, we announced the completion of the fourth and fifth strategic acquisitions that significantly grew our presence in key US-based markets, including Content Media, News and Conferencing. These value-added acquisitions were immediately accretive to our business and added a significant amount of long-term contracted clients which increased the opportunity to leverage our technologies and cross sell our products.

These acquisitions also enable us to directly offer business workflow improvements, scalability and a wide range of new benefits to our clients by leveraging our innovative technologies and the ability to develop our AI algorithms through an increased volume of audio and video data. The Company has built a disciplined approach to identifying and closing key acquisitions and we continue to look for additional value-add opportunities.


### *Drive Client Value-add Through Enhancing the End-to-End Value Chain*

With the introduction of our Cloud and subscription-based AI-driven offerings, we have vertical integration in our markets from the capture through mining of content. The end-to-end solutions provide clients a single source for their capture, manage and mine needs as they relate to digital evidence.

These full-spectrum offerings drive further efficiencies in our clients' business and provide solutions and upgrades that create measurable outcomes. Our emphasis on cybersecurity enables us to target high profile, highly data-sensitive growth markets in regulated government institutions. The integration of products across our solutions and services provides an essential feedback loop where product improvements lead to enhanced services that generate innovations in products.

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***Pursue Strategic Partnerships and International Joint Ventures***

Continuing into 2020, we will engage selected opportunities for collaboration, innovation, and marketing relationships to accelerate our growth and expand our presence globally. We are actively pursuing opportunities to leverage new technologies, execute on new business opportunities, and grow our client base while providing new business value to our clients.

A full set of R&D initiatives anticipated to generate revenue is in development and aimed at driving new services and products for our clients and partners.

Over the last three years, we gained valuable experience in acquiring and integrating businesses and technologies. This knowledge will continue to deliver exponential value to all our clients and stakeholders.

## Operating Performance: Insights on 2020 Results

In 2019, we began the commercialization of the investments made in 2018 and before to enhance our technology platform capabilities and readiness for scalability ahead of our first three acquisitions. While these investments did reduce EBITDA significantly in the short-term, they are now driving efficiencies, improving gross and operating margins, broadening offerings, and enabling the technology to support a multiple of the current volume. The investments we made in 2016 on cybersecurity, plus the continued investments in workflow, cloud, AI and mobility, have become the foundation for 2020-2021 growth.

We anticipate that technology improvement synergies will increase acquisition targets' gross margin by 15-20% in the first 18 months of consolidated operations, while cost savings will reduce acquisition targets' G&A costs (as a proportion to revenue) by up to 20% in the first 18 months of consolidated operations.

During 2019, VIQ generated revenue from approximately 1,300 clients across 47 states in the United States and 15 countries.

Client revenue segmentation by Dec 31, 2019, was approximately 40% Law Enforcement, 25% Insurance, and 35% Justice & Legal with clients including major law enforcement, courts, and government agencies as well the top four Fortune 500 Insurance companies in the United States.

Subsequently, in Q1 FY2020, acquisitions of wordZXpressed and ASC Services added new verticals, Media, News, and Conferencing, along with some strategic Fortune 500 clients.

We have implemented four operational cloud instances to support the localization of NetScribe, MobileMic Pro, and aiAssist platforms in the United States, Australia, Europe and Canada using AWS and Azure clouds designed specifically for government solutions. The Company plans to deploy new cloud-based infrastructure in two more regions globally by end of 2020 in order to support sales and new clients.

The recurring revenues consist of a combination of new long term (3-5+ years) technology and services contracts being delivered annually, quarterly and monthly via various forms of subscriptions in addition to existing long-term technology and service contracts already in place with our clients and partners.

Non-recurring revenues (mainly one-time software and hardware sales) reflected our direction to continue our efforts to migrate our clients to new products while we leave hardware to our partners and integrators.

The Company announced the migration of the first client groups onto the NetScribe and aiAssist platform in Q1 2019, as other clients continued to migrate onto the platform throughout 2019. As operational leverage improves with scale and VIQ realizes its anticipated margin improvements, the Company will continue to report operational milestones.

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During 2019, we initiated plans for a substantial percent of our clients to be migrated to NetScribe using one of the Company's four cloud-based infrastructures that are now operational around the world.

Overall, the Company is on a path to recurring revenue run rate to over $36M by end of 2020, before factoring in new sales or additional M&A.

Financial guidance including revenues and EBITDA projections for 2020 taking into consideration these new sales, targeted new acquisitions and new partnerships are not disclosed by the Company at this time.

## Enterprise Value Creation

Due to the size and magnitude of the transformation throughout 2019, management believes it will take some time for markets and shareholders to appreciate the short-term and medium-term impacts of the transformation on the Company's enterprise value. The Company continues to increase its investor and public relations efforts in order to disseminate and communicate broadly its strengths, strategy and the opportunities ahead for existing shareholders and new investors.

Despite COVID-19 and associated equity market's correction in the past month, the Company's total enterprise value of USD $55.4 million is approximately 50% higher than one year ago. VIQ's enterprise value is comprised of the Company's market capitalization at March 31, 2020, of $43.8 million, and net debt of $11.6 million. This compares favorably to VIQ's enterprise value of a year ago at March 31, 2019, of approximately $37 million comprised of a market capitalization of $25 million plus net debt of $12 million.

**GENERATING SHAREHOLDER VALUE**

**Enterprise Value Increase of 50% YOY**


## Enterprise Assets

The Company views its enterprise value as being built upon three classes of revenue: VIQ Transcription Services, VIQ SaaS Software and VIQ aiAssist artificial intelligence.

According to external EV assessments, we believe that each class of revenue comes with different estimated EV multipliers. Once blended, long-term EV creation can be estimated, and is a tool that VIQ management looks at in order to pursue long term value creation for the Company.

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To this end, the Company continues to execute its growth plan focusing on quantity and quality of revenues and an increasing volume of audio and video evidence being captured and transformed from analog and manual to digital and machine learning throughout 2020. In parallel, the Company plans to increase its public reporting and make available client success stories in leading the digital transformation in a large and highly fragmented US market.

During 2020, the Company expects to enter full implementation mode driving our strategy through the next level of execution to create long-term enterprise value for shareholders. We plan value-add accretive acquisitions, rolling out our new technologies and providing broader, enhanced offerings to our clients. We are proud of our global presence and look to a short-term goal of further enhancing our US-based business.

Looking forward, we plan to integrate all our services and solutions to provide our clients with a single source for the most advanced seamless workflow from capture through management to mining their digital assets. This will continue to improve the measurable value-add that our business can offer our clients.

## SaaS and Hybrid Recurring Revenue

One of the Company's key growth strategies is to improve the revenue quality by transitioning to recurring SaaS and AI accounts. This is a multi-year incremental transition. As the Company continues its transition to recurring revenue through a combination of hybrid long-term services and subscription technology contracts, traditional one-time software and hardware sales should decline modestly as it did in 2019. This will be driven by the improvement in the size and quality of our three recurring revenue streams: VIQ transcription services, VIQ SaaS software and VIQ aiAssist, focused on the design, development and deployment of AI services to our operating brands, clients and partners globally.

## Intellectual Properties and Patents

In 2019, the Company continued to expand its IP portfolio. A new issued patent pending status protects ten unique aspects of VIQ's innovative aiAssist technology including, but not limited to processing designs and the proprietary Parallel Processing Framework for Voice-to-Text Digital Media. Combined with AI-driven digital voice and video capture technology, VIQ's NetScribe powered by aiAssist, it provides organizations an end-to-end platform to transform large volumes of audio and video recordings, securely in the cloud at very high speeds. The platform enables verbatim transcription leveraging AI technology, to quickly and accurately create documentation for our target markets. VIQ is committed to protect the veracity of collected evidence through extensive metadata for auditing. This is another milestone in VIQ's innovation, research and development of our products and services.

This patent combined with our previously granted Patent for Digital Evidence-Based Training is an essential part of VIQ's intellectual property (IP) portfolio and builds on our investment to develop and implement technology-based solutions to solve complex business challenges. The commercialization of our transformative IP is shaping the transcription industry and reflected in the Company's 2019 Operating Highlights with a charge of more than $3.5M as past investments have started to be amortized in 2019.

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## Key Operating Highlights during Q1 2020


- $7.5M revenue increased 19% quarter-over-quarter,
- Recurring revenue increased 31% from $5.5 million to $7.2 million, or 96% of total revenue,
- Generated 72% of revenue in the United States, 26% in Australia and 2% in EMEA and Canada,
- Gross profit of $3.2 million represented 42.8% of revenue versus 47.8% of revenue in the prior year. Lower gross margin was due to the impact COVID-19 on our Courts vertical which usually produces higher gross margins plus the impact of FX. Additionally, Q1 2019 gross margin of 47.8% included hardware sales that were not repeated in Q1,2020. As previously stated, VIQ is not pursuing hardware sales, instead is working with its partners to fulfill hardware orders in the future,
- EBITDA and Adjusted EBITDA were $0.6 million, representing an increase of 86% year over year,
- Serving 1,300 clients across insurance, law enforcement, judicial and teleconferencing, media and political,
- Issued 6.4 million shares related to the accelerated exercise of the Conversion Option with respect to Notes having an aggregate principal amount of approximately $6.4 million,
- VIQ recognized a $5.1 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 $0.39. 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 $0.06 as compared to nil in the first quarter of 2019,
- The $5.1 million is made up of $3.4 million in accelerated interest expense, $1.3 million in inducement expense and $.4 million in revaluation expense,
- Issued 1.0 million shares in the first quarter of 2020 due the exercise of warrants for approximately $1.6 million bringing the total outstanding share count at the end of the quarter to 18,263,139 shares,
- Stock market liquidity volume of approximately 1.2 million shares for the period of January 1 to March 31, 2020 increased approximately 118% over the same period in 2019. Second quarter 2020 volume run rate is on course for annual record volume, tradable on more than thirteen North American exchanges.
- Year-to-date stock market liquidity (through May 6th) volume and price increased significantly. Traded volume, across all markets, grew to 3.2 million shares, up 450% versus the prior year. The Company's volume weighted average price (VWAP) was CAD$3.43 (US$2.44), up 35% versus the prior year. Equity dollar volume increased to CAD$11.0 million (US$7.8 million), up by 600% versus the prior year.

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## Operating Results

To better reflect the evolving profile of the Company's revenue, sales pipeline and cash flows, VIQ's financial results started to be reported in U.S. dollars ("USD") in 2017. The change in reporting currency provides shareholders with a more accurate reflection of the Company's financial performance and revenue, which is increasingly generated in USD. VIQ's USD transactions include sales to U.S. clients and other international clients who transact with VIQ in USD.

***Financial Highlights - Quarter End 2020,***

(In thousands of dollars, except per share amounts)

| **Consolidated Statement of Operations** | **Q1 2020** | **Q1 2019** | ***Change*** |
|---|---|---|---|
| Recurring | $ 7,215 | $ 5,489 | 31% |
| Non-recurring | 333 | 870 | (62%) |
| Total revenue | 7,548 | 6,359 | 19% |
| Gross profit | 3,230 | 3,037 | 6% |
| % of revenue | 43% | 48% | |
| Selling and administrative expenses | 2,377 | 2,513 | 5% |
| Research & development | 252 | 201 | (25%) |
| Stock based compensation | 48 | 24 | (100%) |
| EBITDA (1) | 553 | 298 | 86% |
| Adjusted EBITDA (2) | 600 | 323 | 86% |
| Net loss (3) | $ (6,005) | $ (771) | (679%) |
| Net loss per share | (0.45) | (0.08) | (463%) |

(1) EBITDA (Earnings before Interest, Taxes, Depreciation & amortization)

(2) Adjusted EBITDA (Earnings before Stock-based compensation, Interest, Taxes, Depreciation & amortization) are non-IFRS measures. Please refer to the section entitled "Reconciliation and Definition of Non-IFRS Measures."

(3) Net loss includes $5.1M in non-cash and one time expenses relating to the conversion feature, interest and inducement costs for the conversion of the convertible debenture to equity : $1.2M in non-cash depreciation and amortization from the successful commercial deployments of NetScribe, aiAssist and MobileMic Pro.

As the Company continues to transition to subscription-based revenue particularly with aiAssist and Mobile apps, it is anticipated that the non-recurring revenue will continue to decrease and will be incrementally replaced with subscription recurring revenue.

Our gross margins for the quarter were $3.2M, a 6% increase compared to the previous year. Gross margin % decreased by 5% over prior year. The first quarter 2020 gross margin was negatively impacted by a COVID related delay in revenue generation due to partial shutdown of Australian courts in March. Additionally, the prior year quarter gross margin of 47.8% included higher margin hardware sales that were not repeated in Q1' 2020.

Selling and administrative expenses for the quarter ended March 31, 2020 were $2,377,154, a decrease of $136,711 or 5% from $2,513,865 during the same period in 2019.

Stock based compensation for the quarter ended March 31, 2020 was $47,725 compared to $24,301 in the same period in 2019.

Research and development expenses for the quarter ended March 31, 2020 were $252,321, an increase of $51,710 (25%) from $200,611 in 2019. Our research and development efforts are focused on developing new products for our markets and clients. We capitalize our development efforts, (i) when there is a technical feasibility of completing the product, (ii) our intention is to complete the product and use or sell it, (iii) we have the ability to use or sell the product, (iv) we know or understand how we will generate probable future economic benefits, (v) we have adequate technical, financial and other resources to complete the development, and (vi) our ability to measure reliably the expenditures attributable to developing the product. Costs associated with maintaining our existing products are expensed as they are incurred.

During the quarter, we amortized previously capitalized development costs as some of our development projects attained market viability. $1,103,420 has been recorded during the three months March 31, 2020.

## Financial Condition, Liquidity and Capital Resources

As at March 31, 2020, we had $2,485,341 of cash as compared to $1,707,654 as at December 2019 for a net increase in cash of $777,687. As of March 31, 2020, the outstanding account receivables were approximatively $4.4M.

Cash used in investing activities was $4,772,177 for the quarter ended March 31, 2020 as compared to a cash usage of $412,514 in 2019. $4.4M of cash was used for the acquisition of ASC Services LLC and wordZXpressed Inc. The remainder of the cash usage was used for R&D. We will continue to invest in R&D activities to ensure our product offerings remain leading edge in our industry.

Net Cash from financing activities was $5,665,988 for the period ended March 31, 2020 primarily due to debt advancement for the purchase of ASC Services LLC and wordZXpressed Inc. and payment from investors for the exercise warrants and offset from loan repayment, interest payment, and payment of lease obligation.

At March 31, 2020, we had a negative change in working capital of $74,374 compared to a negative change in working capital of $246,153 at March 31, 2019.

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.

## Contingent Off-Balance Sheet Arrangements

We have entered into indemnification agreements with our current directors and officers to indemnify them, to the extent permitted by law, against any and all charges, costs, expenses, and amounts paid in settlement and damages incurred as a result of any lawsuit or any other judicial, administrative or

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investigative proceeding in which they are sued as a result of their services. The nature of the indemnification agreements prevents us from making a reasonable estimate of the maximum potential amount we could be required to pay to counterparties. We have purchased directors' and officers' liability insurance. No amount has been recorded in the consolidated financial statements with respect to these indemnification agreements nor are we aware of any pending matter against the Company.

## Critical Accounting Policies and Estimates

For a complete description of the Company's Critical Accounting Policies and Estimates, including *Use of Estimates, and Accounting Standards Issued but Not Yet Applied*, please see the accompanying Notes to the Audited Consolidated Financial Statements for December 31, 2019 and 2018.

## Reconciliation and Definition of Non-IFRS Measures

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA which excludes Stock-Based Compensation, are non-IFRS measures used by management to provide additional insight into our performance and financial condition. We believe these 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. Accordingly, we are presenting EBITDA and Adjusted EBITDA in this MD&A to enhance the usefulness of our MD&A. We have provided a reconciliation of EBITDA and Adjusted EBITDA to the most directly comparable IFRS number, the purpose of the non-IFRS measures and how the non-IFRS measures are used in managing the business.

We report EBITDA and Adjusted EBITDA because it is a key measure for management to evaluate performance of our business and business segments. The Company believes EBITDA and Adjusted EBITDA assists investors in comparing our performance on a consistent basis without regard to depreciation and amortization, changes in stock-based compensation and one-time non-recurring costs, which can vary significantly dependent on accounting methods or non-operating factors such as historical cost.

EBITDA and Adjusted EBITDA are not calculations based on IFRS and should not be considered as an alternative to net income (loss) in measuring the Company's performance. Investors should carefully consider the specific items included in our computation of EBITDA and Adjusted EBITDA.

The following is a reconciliation of EBITDA with Loss before interest, accretion, business acquisitions and financing costs, and income taxes, the most directly comparable IFRS measure for the year ended December 31, 2019.

| | March 31 | |
|---|---|---|
| | **2020** | **2019** |
| Loss before interest, accretion, business acquisitions and financing costs, and income taxes | $ (2,092,318) | $ (155,988) |
| Add: | | |
| Loss(Gain) on revaluation of conversion feature liability | 418,020 | (357,930) |
| Inducement of conversion of shares | 1,290,147 | - |
| Foreign exchange (gain)/loss | (252,249) | 19,750 |

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| | | |
|---|---|---|
| Depreciation & amortization | 1,189,092 | 792,529 |
| EBITDA | $ 552,692 | $ 298,361 |

The following is a reconciliation of Adjusted EBITDA with Loss before interest, accretion, business acquisitions and financing costs, and income taxes, the most directly comparable IFRS measure for the year ended March 31, 2020.

| | March 31 | |
|---|---|---|
| | 2020 | 2019 |
| Loss before interest, accretion, business acquisitions and financing costs, and income taxes | $ (2,092,318) | $ (155,988) |
| Add: | | |
| Stock based compensation | 47,725 | 24,301 |
| Loss(Gain) on revaluation of conversion feature liability | 418,020 | (357,930) |
| Inducement of conversion of shares | 1,290,147 | - |
| Foreign exchange (gain)/loss | (252,249) | 19,750 |
| Depreciation & amortization | 1,189,092 | 792,529 |
| Adjusted EBITDA | $ 600,417 | $ 322,662 |

The
following is a reconciliation of Adjusted EBITDA to the net income (loss) reported for March 31, 2020.

| | Q1-20 | Q1-19 |
|---|---|---|
| **Adjusted EBITDA** | **$ 600,417** | **$ 322,662** |
| Stock Base Compensation expense | 47,725 | 24,301 |
| **EBITDA** | **$ 552,692** | **$ 298,361** |
| Depreciation & Amortization | 1,189,092 | 792,529 |

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| | | |
|---|---|---|
| Interest expense | 3,695,748 | 404,683 |
| Accretion expense | 163,863 | 210,484 |
| Income tax | 53,444 | - |
| Inducement on conversion of shares | 1,290,147 | - |
| (Gain)/loss on revaluation of conversion feature | 418,020 | (357,930) |
| FX (gain)/loss | (252,249) | 19,750 |
| | 5,267,918 | 1,069,516 |
| **Net loss** | **$ (6,005,373)** | **$ (771,155)** |

## Outlook FY 2020

- 2020 Considering known Covid-19 impacts from Q1, VIQ announced a 2020 revenue goal range of between $35 and $38 million of which 85%-90% is in core recurring technology and services revenue from existing clients. This goal excludes acquisitions. As economies start reopening, organic growth from net new customers will be added back to the revenue goal,
- VIQ's Australian courts businesses are expected to generate 8%-12% lower than previously expected revenues due to the impact of the Covid-19 pandemic. However, this is offset at present by higher than previously expected US revenues driven by increased demand from global broadcast and political clients, law enforcement as a result of the pandemic, while insurance remains steady,
- By end of Q1, approximately 30% of transcription volume is on the VIQ's new NetScribe aiAssist platform. The Company expects all 1,300 customers, excluding the two recent acquisitions, to migrate to NetScribe by the end of June, 2020 resulting in an expected range of 50% and 55% in gross margins for the year,
- In April, VIQ received a loan under the US Paycheck Protection Program of $2.1 million and qualified for wage subsidies of $1.1 million in Australia over 6 months. The company is currently awaiting results of additional pandemic related wage subsidies in Canada,
- Adjusted EBITDA is expected to range between 10% and 15% of revenue at $4-$6 million,
- Earnings per share for the year will include the $0.41 per share impact in the first quarter related to the non-cash charges on the Notes conversion (as described above),
- The current backlog of booked orders but not yet delivered is approximately $3 million, primarily consisting of long-term SaaS technology and services contracts awarded to VIQ, is expected to generate incremental recurring revenue and will be fully realized throughout 2021,
- VIQ maintains an active M&A pipeline, which may result in additional acquisitions completed in 2020 and 2021.

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## Internal Controls over Financial Reporting and Disclosure Controls and Procedures

In accordance with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

As part of our corporate governance practices, internal controls over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") have been designed. There has been no formal evaluation of the operation of these controls. The Company has designed its ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management works to mitigate the risk of a material misstatement in financial reporting; however, 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.

The Company's DC&P have been designed to ensure that information required to be disclosed by VIQ Solutions is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. It should be noted that while the Company's CEO and CFO believe that the Company's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the DC&P or ICFR will prevent all errors or fraud. There have been no material changes to the internal controls of the Company for the year ended December 31, 2019.

## Risk Factors

***COVID-19:*** Details about COVID-19 risks and impacts on the company available in the subsequent events section.

***Cash-flow:*** VIQ Solutions' business operations are subject to all of the risks inherent in the establishment and maintenance of a developing business enterprise, such as competition and viable operations management. The future earnings and cash flow from operations of the Company are dependent, in part, on its ability to further develop and market its products. There can be no assurances that the Company will grow and achieve profitability. The operations of VIQ Solutions have been funded to date by external financing and if sufficient cash flow from operations or earnings is not generated in the future, additional financing might be required.

***Transition to SaaS Revenue:*** The Company is in the process of transitioning its software product offerings from one-time license sales to a SaaS offering. This may cause revenue levels to decline compared to prior periods. One-time license sales allow the Company to recognize revenue upon the initial sale of the software to a client. Revenues from SaaS are earned over a period of time contracted with the client and their use of the software. Initial SaaS revenue will be lower but over the course of the contract will generally be cumulatively higher compared to one-time license sales.

***Fluctuations in Periodic Results:*** The Company's operating results can vary substantially from period to period. Planned operating expenses are normally targeted to planned revenue levels for the period and are incurred equally throughout the period. If expenses remain relatively fixed, but the Company's revenues are less than planned in any quarter, the Company's operating results would be adversely

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affected for that quarter. In addition, incurring unplanned expenses could adversely affect operating results for the period in which such expenses are incurred. Failure to achieve periodic revenue, earnings and other operating and financial results could result in an immediate and adverse effect on the market price of the Company's common shares. The Company may not discover, or be able to confirm, revenue or earnings shortfalls until the end of a quarter, which could result in a greater immediate and adverse effect on the price of the common shares.

***Additional Financing and Access to Capital:*** The Company may need to raise additional funds to bring its potential products to market, enhance our marketing capabilities and pursue potential future acquisitions. The Company's future capital requirements will depend on many factors, including continued progress in its research and development programs, competing technological and market developments, the cost of production scale-up, effective commercialization activities and arrangements and other factors not within the Company's control. The Company may seek additional funding through public or private financings.

***Identify and Acquire Suitable Acquisitions:*** The Company may not be able to identify suitable new acquisitions that are available to purchase at a reasonable value. Even if a suitable acquisition can be identified the acquisition may not proceed if suitable terms cannot be negotiated. When conducting due diligence on a potential acquisition it cannot be assured that all the risks and costs inherent in the business being acquired will be identified. If an acquisition of an identified business were to proceed in which a portion or all of the consideration consisted of cash additional funding maybe required through public or private financings if internally generated cash resources are not sufficient.

***Successfully Integrate Acquired Businesses:*** Integration of completed business acquisitions and any future acquisitions involves a number of special risks, including the following:

- Failure to integrate successfully the personnel, information systems, technology and operations of the acquired business;
- Failure to maximize the potential financial and strategic benefits of the acquisition;
- Failure to realize the expected synergies of the acquired business;
- Possible impairment of relationships with employees and clients as a result of any integration of new businesses and management personnel;
- Impairment of goodwill; and
- Reductions in future operating results from amortization of intangible assets.

Future acquisitions are accompanied by the risk that obligations and liabilities of an acquired business may not be adequately reflected in the historical financial statements of the business and the risk that historical financial statements may be based on assumptions, which are incorrect or inconsistent with the Company's assumptions or approach to accounting policies. The acquisition and integration of businesses may not be managed effectively and any failure to do so could lead to disruptions in the overall activities of the Company, a loss of clients and revenue, and increased expenses. The Company may acquire contingent liabilities in connection with the acquisitions of business, which maybe material. Best efforts are used to identify and estimate these contingent liabilities and the likelihood that they will materialize but these estimates could differ materially from the liabilities actually incurred.

***Competition:*** The Company competes with a number of firms in various business segments. Competitors in Courts for example are different from the ones we are competing against in public safety, medical and legal. Some of these companies have greater financial, technological and personnel resources than those of the Company.

***International Operations:*** The Company's operations are currently located in Canada, the United States and Australia and its products and services are sold internationally. There are certain risks inherent in international operations including, but not limited to, remote management, unexpected changes in regulatory requirements, export restrictions, tariffs and other trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, fluctuations in currency exchange rates, and potential adverse tax consequences, which could have a materially adverse effect on the Company's business, operating results, and financial condition.

***Proprietary Intellectual Property:*** The Company relies on protecting its proprietary intellectual property in part through confidentiality agreements with its corporate resellers, strategic partners, employees, consultants and certain contractors. There can be no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach, or that the Company's trade secrets will not otherwise become known or independently discovered by its competitors. It is possible that the Company's products or processes will infringe, or will be found to infringe, on patents not owned or controlled by the Company. If any relevant claims of third-party patents are upheld as valid and enforceable, the Company could be prevented from practising the subject matter claimed in such patents or would be required to obtain licenses or redesign its products and processes to avoid infringement. There can be no assurance that such licenses would be available at all or on terms commercially reasonable to the Company or that the Company could redesign its products or processes to avoid infringement. Litigation may be necessary to defend against claims of infringement or to protect trade secrets. Such litigation could result in substantial costs and diversion of management efforts regardless of the results of such litigation and an adverse result could subject the Company to significant liabilities to third parties, require disputed rights to be licensed or require the Company to cease using such technology.

***Product Liability Exposure:*** The Company faces an inherent business risk of exposure to product liability and other claims in the event that the development or use of its technology or prospective products is alleged to have resulted in adverse effects. While the Company has taken, and will continue to take, what it believes are appropriate precautions, there can be no assurance that it will avoid significant liability exposure. Although the Company currently carries product liability insurance, there can be no assurance that the Company has sufficient coverage or can obtain sufficient coverage at a reasonable cost. An inability to obtain product liability insurance at acceptable cost or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of products developed by the Company. A product liability claim could have a material adverse effect on the Company's business financial condition and results of operations.

***Volatility of Stock Price and Absence of Dividends:*** The market price of the Company's common shares, like that of the common shares of many other software companies, has been and is likely to be somewhat volatile. Factors such as the Company's strategic alliances or its competitors', announcements of technological innovations or new products by the Company or its competitors, governmental regulatory actions, developments with the Company's collaborators, developments concerning patent or other proprietary rights of the Company or its competitors (including litigation), period-to-period fluctuation of the Company's operating results, changes in estimates of the Company's performance by securities analysts, market conditions for shares of software companies in general and other factors not within the control of the Company could have a significant adverse impact on the market price of the Company's common shares. The Company has never paid cash dividends on its common shares and does not anticipate paying any cash dividends in the foreseeable future.

***Foreign Currency Fluctuations:*** Our monetary assets and liabilities denominated in currencies other than the Canadian dollar will give rise to a foreign currency gain or loss reflected in our comprehensive earnings. To the extent the United States dollar or Australian dollar weakens against the Canadian dollar, we may incur foreign exchange losses. Such losses would be included in our financial results and, consequently, may have an adverse effect on our share price. As we currently have a global client base, a significant portion of our income is in US dollars and Great Britain pounds. However, a significant part of our expenses are currently generated in Canadian dollars, and we expect this will continue for the foreseeable future. The exchange rates between the Canadian dollar, the US dollar and the Great Britain pound are subject to daily fluctuations in the currency markets and these fluctuations in market exchange rates are expected to continue in the future. Such fluctuations affect both our consolidated revenues as well as our consolidated costs. Also, changes in foreign exchange rates may affect the relative costs of operations and prices at which we and our foreign competitors sell products in the same market. We do not currently have any currency hedging through financial instruments.

## Forward-looking Statements

This MD&A contains forward-looking statements about our achievements, 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 above including COVID-19 pandemic globally. The subsequent event outlines in details COVID-19 impacts and risks.

As a consequence, 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 VIQ Solutions 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 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 impact of increasing competition; the general stability of the economic and political environment in which VIQ Solutions operates, including significant changes in demand from our 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; our dependence on a limited number of clients; our dependence on industries affected by rapid technological change; our ability to successfully manage our operations internationally including in the United Kingdom, Australia and the United States; the challenge of managing our financial exposures to foreign currency fluctuations; our ability to obtain qualified staff and services in a timely and cost-efficient manner; our ability to obtain financing on acceptable terms 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 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 VIQ Solutions' 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 expectations regarding the Company's fiscal 2019 financial performance and may not be appropriate for other purposes. Readers are encouraged to read the section entitled "Risk Factors" in this MD&A for a broader discussion of the factors that could affect our 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.

## Subsequent Events

***COVID-19***

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in the World Health Organization declaring this virus a global pandemic in March 2020. Governments around the world have enacted emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods and social distancing and closure of businesses have caused material disruption to businesses resulting in an economic slowdown. Governments and central banks have responded with significant monetary and fiscal interventions designed to stabilize the financial markets. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the duration and severity of these developments.

VIQ Solutions has taken what it believes to be the appropriate measures to ensure continuity of its business during the COVID-19 health crisis:

- VIQ remains on highly solid footing with diversified revenue sources across multiple markets and regions. Load balancing enables the Company to mitigate any market declines from some markets with significant surges in others;
- While some markets and regions are more directly impacted, others such as Conferencing, Media and Law Enforcement are experiencing significant demand surge;
- More than 95% of VIQ global workforce is working remotely with high productivity levels, up from our VIQ steady state level of approximatively 80%;
- Migration from office to online work and ever-increasing demand for high-quality turnaround time on documentation is now more essential than ever to enable crucial business continuity during COVID-19 for our clients;
- VIQ is seeing an uptick in three of its five major markets, though it is too early to speak to longer term impacts.
- The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company;

## Disclosure of Outstanding Share Data

VIQ Solutions Inc. common shares trade on the TSX Venture Exchange under the symbol "VQS" and VQSLF on the OTCQX in the United States. The Company is authorized to issue an unlimited number of common

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shares without par value. On March 31, 2020 there were 18,263,139 common shares issued and outstanding, 816,933 stock options outstanding with a weighted average exercise price of $2.56 CAD expiring between 2020 and 2024, 1,504,726 warrants outstanding with a weighted average exercise price of $2.54 CAD expiring between 2020 and 2023 and 66,667 deferred share units outstanding with an average exercise price of $1.28 CAD with no expiry date.