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M. Marin
312-265-9211
mmarin@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

VIQ Solutions Inc.

(V.VQS: TSXV)

V.VQS: Expanding the Product Portfolio & Growing the Customer Base

As proof-of-concept that its tools enhance client productivity & efficiency, VIQ recently extended 2 important contracts: one with a Media client extends the contract to 2Q29 & represents ~US\$1.6m in annual revenue. The other with a UK government client extends it until 3Q28 & represents ~US\$800k in annual revenue. VIQ also extended other smaller contracts with U.S. courts, law & government customers.

Current Price (6/23/26) C\$0.09
Valuation C\$0.25

OUTLOOK

To support customer expansion & contract renewals, VIQ plans to expand and upgrade its product portfolio under its 'multi-year technology roadmap.' The company's strategy is to increase accuracy and strengthen the quality and consistency of its delivered solutions and customer service. Earlier this month VIQ announced the upcoming release of what it terms a new approach to audio capture to combine recording, streaming transcription and translation, and offer secure remote access. The product is designed to enable clients to capture, stream, and access live proceedings on-site or remotely and subsequently accelerate workflows.

SUMMARY DATA

52-Week High C\$0.25
52-Week Low C\$0.06
One-Year Return (%) -57
Beta 0.99
Average Daily Volume (sh) 22,307

Shares Outstanding (mil) 70
Market Capitalization (\$mil) C\$6
Short Interest Ratio (days) N/A
Institutional Ownership (%) N/A
Insider Ownership (%) N/A

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/A
P/E using 2025 N/A
P/E using 2026 Estimate N/A

Risk Level High
Type of Stock Small-Value
Industry Technology Services

ZACKS ESTIMATES

Revenue

(in millions of US\$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2023	10.1A	10.5 A	10.1 A	10.4 A	41.0 A
2024	9.9 A	11.6 A	11.1 A	10.6 A	43.2 A
2025	9.6 A	10.4 A	10.9 A	10.6 A	41.5 A
2026	4.9 A	5.1 E	5.8 E	5.9 E	21.6 E

EPS / Loss per share

(US\$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2023	-\$0.10 A	-\$0.10 A	-\$0.11 A	-\$0.07 A	-\$0.38 A
2024	-\$0.04 A	-\$0.01 A	-\$0.02 A	-\$0.07 A	-\$0.14 A
2025	-\$0.04 A	-\$0.02 A	-\$0.03 A	-\$0.14 A	-\$0.25 A
2026	\$0.00 A	-\$0.01 E	-\$0.00 E	-\$0.00 E	-\$0.01 E

Qs might not sum reflecting rounding 1Q26 revenue PF

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EXPANDING THE PRODUCT PORTFOLIO & GROWING THE CUSTOMER BASE

Ongoing initiatives to expand & upgrade the portfolio of tools and technology solutions

Toronto, Canada-based VIQ Solutions (VQS.V -TSXV) operates a technology platform that offers AI enabled video capture software and audio recording with voice-to-text capabilities. The company believes its clients attain significant benefits from adopting VIQ technology as it continues to innovate and expand and upgrade its portfolio of technology solutions.

Introducing new solutions has been a consistent element of VIQ's strategy to provide an end-to-end suite of transcription solutions, often in response to customer feedback or requests. For instance, VIQ unveiled FirstDraft in March of 2021. As the name implies, FirstDraft, powered by aiAssist, enables faster turnaround of transcripts for early first draft review, in advance of editing. FirstDraft converts audio files to text quickly, leveraging the VIQ speech recognition engine, enabling faster turnaround than under prior methods.

The company continues to introduce new solutions to expand the tools it offers existing and prospective clients. Near-term R&D investments will primarily focus on targeted automation, advanced diarization (i.e. separating and identifying voices of different speakers for accurate transcription either by name or label), formatting automation and standardizing quality assurance. VIQ's plans to expand and upgrade its product portfolio follow what it calls its multi-year technology roadmap. The company's strategy is to increase accuracy and strengthen the quality and consistency of its delivered solutions and customer service across its global footprint by leveraging its existing technology and extending and upgrading its offerings by introducing new solutions.

For example, earlier this month VIQ announced the upcoming release of what it terms a new approach to audio capture to combine recording, streaming transcription and translation and offer secure remote access. The product is designed to enable clients to capture, stream, and access live proceedings on-site or remotely and subsequently accelerate workflows.

VIQ SmartAudit is an advanced verification and quality-assurance technology designed to improve transcription accuracy and multi-speaker content by leveraging a data-driven process of reviewing and validating digital recorded content. VIQ also recently introduced NetScribe Advanced Formatter, an advanced automation enhancement designed to streamline court documentation workflows. With its expanding product portfolio – including FirstDraft – the company believes it can address a greater portion of the TAM.

... Supports customer expansion & contract extensions, as tools contribute to up to 30% improvements in efficiency

Among the benefits VIQ sees when clients use its technology tools are streamlining their production costs and shortening turnaround times. VIQ cites regular daily use of NetScribe as contributing to up to 30% improvements in efficiency. Moreover, with a growing portfolio of tools and solutions, VIQ is optimistic that it can continue to expand its customer base and boost stickiness with existing customers. VIQ is also optimistic about its prospects to expand the Software-as-a-Service (SaaS) model, which gives clients access to VIQ software and services solutions, while generating consistent recurring revenue for the company. Importantly, the SaaS model generates recurring and predictable monthly revenue and also helps offset revenue fluctuations that arise from fluctuations in volumes.

As proof-of-concept that its tools enhance clients' productivity and efficiency, VIQ recently extended two multi-year, multi-million-dollar contracts in its key U.S. and U.K. business units. The first extension is with a client in the Media space. The agreement extends the contract through 2Q 2029. It represents about US \$1.6 million in annual revenue.

The second extension is with a UK government client. The agreement extends the contract until 3Q 2028 and represents about US \$800k in annual revenue. VIQ has also renewed multiple client contracts in courts, law enforcement and other government agencies in the U.S.

Recent contract extensions

- Represents ~US\$1.6m in annual revenue with Media client
- Represents ~US\$800k in annual revenue with UK Government client
- Other extensions with U.S. courts, law enforcement, government agencies

These follow some notable contract signings or extensions in 2025, including \$280k in SaaS and software agreements signed in 2H as part of \$1.85 million in net new bookings in the period. In June 2025, VIQ signed the largest SaaS contract it had ever closed, which entails deploying the NetScribe platform across multiple districts following a successful pilot earlier. The company believes this deployment offers proof of concept of the benefits and scalability of NetScribe. In 4Q25, VIQ signed a software license deal with an existing customer for \$304k.

Much of the company's revenue comes from long-term contracts with government agencies and Fortune 500 companies, according to VIQ, and the company believes its long-term relationships with clients form a strong foundation for future growth and market penetration. High profile companies that have been or are clients of VIQ's media business unit include Bloomberg, Fox News and CNN, among others. The company continues to grow its customer base in its key verticals organically and via strategic acquisitions.

FOCUS ON EFFICIENCIES - COST OPTIMIZATIONS, STREAMLINING & TARGETED R&D

Focus on efficiencies - cost optimizations, streamlining & targeting R&D investments

Over the past several quarters, VIQ has focused on boosting its operating and financial metrics to improve efficiencies. The company expects to achieve further improvements, reflecting the scalability of the AI-driven platform and operating leverage in the business model. Moreover, as the revenue mix continues to skew towards SaaS adoption, margins are expected to benefit.

VIQ has implemented several measures, including management restructuring and balance sheet strengthening initiatives, to maximize the execution of its growth strategy. The company also placed VIQ Solutions Australia Pty Ltd into voluntary administration. VIQ believes that placing VIQ Solutions Australia into voluntary administration will enable the consolidated company to focus its management team and capital resources on existing operations in the North America and U.K. markets, which are its best performing business units. VIQ Solutions Australia, which the company acquired in 2021, remained challenging. One key factor that makes managing and integrating VIQ Solutions Australia challenging is the resistance of customers to using global contractors, which would have enabled VIQ to optimize costs and boost efficiencies and profitability. This is among the multiple measures that have proven successful in VIQ's North American and UK units to contain costs and improve on-time delivery to customers.

Australia's margins lagged consolidated margins significantly, muting expected impact on adjusted EBITDA ex Australia

Exiting Australia arguably means revenue will be much lower, but because Australia lagged VIQ's North American and UK operations on margins and other key metrics, margins are expected to be consistently higher. The company's U.K. and North American operations consistently exceed 60% gross margins, according to VIQ, which attributes this to the scalability of its platform.

Moreover, VIQ launched a substantial cost containment plan during the Voluntary Administration process, which it expects to continue to implement, including expenses associated with supporting VIQ Australia, IT, finance and other administrative and customer support functions.

DIGITALIZATION OF TRANSCRIPTION MARKET SUPPORTS SOLID PROSPECTS

The transcription market is expected to continue to undergo further automation, which we believe creates a positive tailwind for the company. According to the [World Economic Forum](#), “Data volumes have grown substantially with the ongoing digital transformation of the economy...” The ongoing increase in the capture of audio and video data from mobile devices such as smartphones, as well as sensors, body and home protection cameras and drones, among other devices, are among the many factors that are driving the rapid growth in the volume of data. Management believes that as this trend continues, pressure to transform data to documents and transcripts digitally leveraging AI technology will climb.

Management believes its platform is disrupting legacy manual transcription service models that cannot match VIQ technology in terms of speed, accuracy and security, underscoring the need for ongoing automation in the transcription space, we believe. As the company continues to expand its portfolio of AI and Machine Learning (ML) solutions, VIQ expects to generate strong revenue and cash flow growth by pursuing both organic initiatives and accretive M&A to benefit from the large total addressable market (TAM) opportunity, which extends across multiple industries.

The rise in the sources and types of data that need to be converted to content, combined with growing demand to access and analyze that content, are factors fueling demand to transcribe and convert data more efficiently, in our view. Management believes that demand for digital conversion solutions will continue to rise in multiple sectors as the volume of data continues to increase. The company is focused on key sectors where demand for technology to perform high-volume speech to text conversion digitally is high and growing. VIQ’s strategy is to leverage AI to do the ‘heavy lifting’ transcription and manual review to enhance quality and accuracy.

BALANCE SHEET

The company obtained a loan from Beedie Investment in 2023 and amended their loan agreement in August 2025, in conjunction with broader operating and restructuring measures. Beedie agreed to a period of forbearance until April 30, 2026 and subsequently extended this. Specifically, the voluntary administration results in a default under the terms of the credit agreement with Beedie, but Beedie agreed to extend the forbearance period to June 30, 2026. It would not surprise us if the two agreed to further extend the forbearance, as VIQ seeks opportunities to restructure and eventually replace the debt. VIQ intends to reduce the debt. In 1Q26, VIQ had cash of \$2.8 million as of March 31, 2026, having generated a net increase in cash of \$339k during the quarter.

While the company expects to complete strategic M&A tuck-ins of accretive acquisition targets over time, we would expect VIQ to prioritize debt restructuring and reduction in the near-term. In the past, the company had pursued an M&A rollup strategy within the digital transcription space and has completed multiple transactions. For example, VIQ acquired three companies in 2018 that expanded its customer base by about 450 customers.

RECENT RESULTS

Remaining business expected to be stronger foundation from which to grow...

Pro forma for the exclusion of VIQ Australia, 1Q26 consolidated revenue was approximately \$4.9 million. This compares to reported consolidated revenue of approximately \$9.8 million. On the same pro forma basis, adjusted EBITDA ex VIQ Australia was approximately \$0.8 million, marking the eighth consecutive quarter of positive Adjusted EBITDA.

With its two remaining key operating units continuing to perform well and grow, the company expects VIQ to be a stronger operating foundation from which to expand the consolidated business. Moreover, VIQ Solutions expects to streamline operations in its North America and the U.K. business to improve adjusted EBITDA going forward and is in the process of streamlining operations in its North America and the U.K. units and expects to produce further improvements in adjusted EBITDA during the remainder of 2026.

The company reported a net profit for 1Q26 of \$138k million compared to a net loss of \$1.9 million in 1Q25. Last year's 1Q included \$1.2 million of costs associated with the strategic review of the business operations.

VIQ had cash of \$2.8 million as of March 31, 2026. VIQ generated cash from operating activities of \$1.3 million and used \$319k and \$621k, respectively for investing and financing activities, for overall net increase in cash of \$339k in 1Q26, as noted. Separately, In 4Q25, VIQ closed a private placement of 13.9 million units at a price per unit of \$0.13 for aggregate gross proceeds of about \$1.8 million. Management participated in the private placement, which we view positively. As noted, VIQ entered into an amendment to the credit agreement with Beedie Capital and Beedie agreed to extend the period of forbearance to June 30, 2026.

VALUATION

The shares have been under pressure reflecting, we believe, concerns about Australia and risk that further impairments or write-downs could occur, negotiations with Beedie and potential success of additional restructuring measures, among other factors. It would not surprise us to see investors wait for upcoming milestones in the near-term. Nevertheless, VIQ is optimistic about its growth plans and strategy as it expands its product line and potentially completes tuck-ins. If the company can deliver on its growth initiatives, in success we would anticipate share price appreciation over time. However, given concerns outlined above, pressure on the shares could persist until/unless there is evidence of resumed growth and profit expansion.

We also believe it is difficult to compare VIQ shares to those of other companies, as there does not seem to be a direct publicly traded comprehensive competitor for its technology platform. Companies that offer digital transcription, speech-to-text and / or AI-enabled voice recognition services generally are privately-held or subsidiaries of larger conglomerates, particularly of substantially larger tech companies. For instance, Microsoft offers Azure speech-to-text services, Alphabet offers Google Cloud speech-to-text powered by Gemini and Amazon offers Amazon Transcribe, to name a few.

In contrast, VIQ is a pure play AI-powered digital transcription company with a focus on organizations that can benefit from its hybrid model leveraging AI to do the early 'heavy lifting' and layering on manual review to enhance quality and accuracy. We therefore believe that the company's platform could prove beneficial to a broad range of sectors over time and potential market share gains within its focus sectors in the near- to medium-term. We believe the market opportunity is large and growing, as noted.

We continue to value VIQ shares on a price-to-sales (P/S) basis, as we believe other traditional valuation metrics such as P/E or EV/EBITDA are not appropriate at this stage. Based on our 2026 revenue forecast, which we believe could prove conservative, VIQ shares trade at a significant discount to peers in the cloud based technology space. While we noted there are no apparent direct publicly traded peers, using the overall cloud based technology sector as a general benchmark, on a price-to-sales (P/S) basis, these players trade at a wide range of multiples that range from under 2x to more than 5x or even 10x revenue for some.

We also point to takeout interest in the space. Nuance Communications, was a publicly traded player that helped consolidate the medical transcription market through a series of M&A transactions and organic measures much as VIQ intends to do in its core silos. On a multiple of forward revenue basis, Nuance shares commanded a multiple at the higher end of the industry average, according to consensus data at the time. Microsoft acquired Nuance at a valuation that implied a roughly 23% premium to where they had been trading prior to the announced offer. We believe this underscores the importance of the sector and also potentially could imply a higher valuation for VIQ shares *over time*.

Perhaps more germane to VIQ's business and more timely, Tyler Technologies, which supplies technology solutions to the public sector, has announced its pending [acquisition](#) of For the Record. Tyler expects it will boost its transcription capabilities for courts. For the Record focuses on the audio portion of court proceedings with solutions including AI-powered transcriptions and has a nationwide footprint. It is private so the multiple implied by the reported \$212.5 million imputed EV transaction value has not been disclosed. However, we believe it underscores interest in the space based on the industry outlook. Tyler Technologies trades at about 6x on a P/Sales basis, based on Yahoo Finance data.

We expect the multiple gap on VQS shares to narrow compared to peers, as the company continues to make strides in its organic and acquisition-driven growth strategy and we anticipate multiple expansion. We apply a 2x multiple to our 2026E revenue projection, the lower end of the above noted range. We note that our projection does not take into consideration possible M&A transactions in 2026. We lower our confidence metric to 45% from 50% before to account for potential timeline delays in anticipated operating improvements and expansion. On this basis we derive a valuation of about US\$0.18 or C\$0.25.

In successful execution of growth measures, we would anticipate multiple expansion on VIQ shares and we also might modify our confidence adjustment factor. Although we believe uncertainty could continue to overhang the shares in the near-term, as noted, the risk / reward could be attractive for investors with a longer time horizon, in our view.

RECENT NEWS

- On June 15, 2026, VIQ announced client contract extensions and upcoming product release.
- VIQ provided an update on the Voluntary Administration process in Australia on June 4, 2026.
- VIQ reported 1Q26 results on May 26, 2026.
- VIQ announced Voluntary Administration of its Australian subsidiaries on March 15, 2026.
- VIQ identified data incidents in Australia on February 20, 2026.
- VIQ announced that it filed for share repurchases on December 17, 2025.
- On December 10, 2025, the company announced the appointment of Larry Taylor as CEO.
- The company introduced its development of VIQ SmartAudit advanced verification technology designed to enhance accuracy and consistency across all verticals on December 2, 2025.
- On November 18, 2025, VIQ introduced advanced automation to transform court documentation workflows.

RISKS

Risks to VIQ achieving its objectives, and to our valuation, include the following.

- Beedie might not agree to another extension before VIQ is able to restructure and/or replace the debt.
- VIQ might need to raise additional capital earlier than or at a more dilutive valuation than expected.
- There might be delays in the company's timelines.
- The new product launches might not produce the results that management anticipates.
- Traction with prospective customers might take longer than expected or might not come at all.
- The company might not be able to advance its tuck-in strategy if M&A transactions take longer than expected to close or are too expensive to acquire.
- Other competing technologies might advance faster than the company's.
- VIQ might not gain market share or wallet share as quickly as it expects.
- The company could incur unanticipated costs associated with its growth strategy and for marketing to promote its platform.

FINANCIAL MODEL

VIQSolutions Inc. (US\$m)

	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26E	3Q26E	4Q26E	2026E
Revenue	\$9.6	\$10.4	\$10.9	\$10.6	\$41.5	\$9.8	\$5.1	\$5.8	\$5.9	\$26.6
Cost of sales	4.6	5.4	5.7	5.4	21.1	4.8	2.0	2.3	2.4	11.5
Gross profit	5.0	5.0	5.2	5.2	20.4	5.0	3.1	3.5	3.5	15.0
Gross margin	51.9%	48.0%	47.8%	49.0%	49.1%	50.8%	60.0%	60.0%	60.0%	56.6%
Selling & admin expenses	3.8	3.9	3.6	3.2	14.5	3.5	2.5	2.5	2.5	10.9
R&D	0.1	0.2	0.2	0.2	0.7	0.2	0.2	0.2	0.2	0.8
Stock-based comp	(0.0)	0.3	0.0	0.0	0.4	0.1	0.0	0.0	0.0	0.1
Gain / (loss) on revaluatic	(0.0)	(0.0)	(0.0)	-	(0.0)	(0.0)	-	-	-	(0.0)
FX	(0.1)	(0.4)	(0.3)	(0.3)	(1.0)	(0.5)	(0.1)	(0.1)	(0.1)	(1.0)
D&A	0.9	0.8	0.8	0.8	3.3	0.3	0.4	0.4	0.4	1.6
Interest expense	0.5	0.4	0.4	0.5	1.9	0.5	0.2	0.2	0.2	1.2
Accretion & other	0.4	0.5	0.6	0.5	2.0	0.5	0.3	0.3	0.3	1.3
Loss on debt modificator	-	-	0.7	-	0.7	-	-	-	-	-
Restructuring costs	(0.0)	0.0	1.0	0.1	1.2	0.2	-	-	-	0.2
Strategic review costs	1.2	0.1	(0.3)	-	1.0	-	-	-	-	-
Impairments				9.1	9.1	-	-	-	-	
Other	(0.0)	(0.0)	(0.0)	0.2	0.2	(0.0)	0.1	0.1	0.1	0.3
Total expenses	6.8	5.9	6.9	14.4	33.9	4.8	3.6	3.6	3.6	15.4
Pretax income	(1.8)	(0.8)	(1.7)	(9.2)	(13.6)	0.2	(0.5)	(0.1)	(0.0)	(0.4)
Tax expense	0.0	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.4
Net loss / income	(1.9)	(0.9)	(1.7)	(9.3)	(13.8)	0.1	(0.6)	(0.2)	(0.1)	(0.7)
EPS or LPS	(\$0.04)	(\$0.02)	(\$0.03)	(\$0.14)	(\$0.25)	\$0.00	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.01)
Avg shares outstanding	52.3	52.6	53.8	65.1	56.0	69.6	69.8	70.0	70.2	69.9

Source: Company reports, Zacks estimates 2025 PF estimates, except where A is indicated, which = company disclosed approximate

HISTORICAL STOCK PRICE



Source: Yahoo Finance

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