



August 15, 2017

For Immediate Release
(TSX-VEN: VGL)

Vigil Reports Record Sales Bookings in First Quarter

August 15, 2017 (Victoria) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending June 30, 2017.

Business Highlights

- Sales bookings for the quarter were \$1.85 million up 38% compared to the prior fiscal quarter’s bookings of \$1.34 million.
- Revenue \$1.49 million compared to \$1.66 million in the three-month period ended June 30, 2016.
- Earnings before income taxes \$81 thousand compared to \$265 thousand in the first quarter of fiscal 2017.
- EBITDA of \$146 thousand compared to \$274 thousand in the three months ended June 30, 2016.

“We were pleased to see another quarter of record sales bookings. Revenue and earnings were down reflecting fewer installations completed in the quarter. Construction schedules can cause fluctuations in revenue in the short term however the continued growth in sales bookings is encouraging in the long term,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Revenue for the three-months ended June 30, 2017 was \$1.49 million compared to \$1.66 million in the three-month period ended June 30, 2016, a decrease of 10%. Project revenue from new and existing customers made up 53% of total revenue; the remaining revenue came from follow on sales to existing customers. These sales include service and maintenance billings and replacement products including wireless devices and communication equipment.

Sales bookings for the quarter were \$1.85 million up 38% compared to the prior fiscal quarter’s bookings of \$1.34 million. At June 30, 2017 Vigil had a backlog of approximately \$2.92 million (including \$1.36 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) compared to approximately \$3.20 million (including \$1.53 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) at June 30, 2016.

The gross margin percentage for the three months ended June 30, 2017 was 55% compared to 52% for the three months ended June 30, 2016.

Operating expenditures for the three months ended June 30, 2017 were \$703 thousand compared to \$610 thousand for the period ended June 30, 2016. The majority of the increase was in sales and marketing expense.

Earnings before income taxes for the three month period ended June 30, 2017 were \$81 thousand compared to \$265 thousand for the previous year. The decline in earnings reflects the 10% decrease in revenue and an increase in expenses including foreign exchange losses. Net earnings and comprehensive income was \$48 thousand or \$0.003 per share compared to \$196 thousand or \$0.016 per share. In the fourth quarter of fiscal 2017, as a result of continued profitability and the availability of tax operating losses, the Company recognized a deferred income tax asset of \$1.24 million. During the three month period ended June 30, 2017,

the Company incurred income tax expense of \$33 thousand and utilized a portion of the deferred income tax asset.

Detailed financial statements along with Management Discussion and Analysis have been filed with SEDAR (www.sedar.com).

Financial information will be mailed to entitled security holders on August 25, 2017, or, upon notice to the Company, entitled security holders may request a copy of financials in advance.

Summary Financial Information

	June 30, 2017	June 30, 2016
	(unaudited)	(unaudited)
Revenue	\$ 1,492,660	\$ 1,657,295
Cost of sales	674,931	788,711
Gross profit	817,729	868,584
Expenses	703,233	609,523
Income before the following items	114,496	259,061
Other income (expense):	(33,822)	6,186
Earnings before income taxes	80,674	265,247
Income taxes	(32,668)	(68,964)
Comprehensive income for the period	\$ 48,006	\$ 196,283

Non-IFRS Measure

For the three months ended June 30, 2017, we are disclosing Adjusted EBITDA, a non-IFRS financial measure, as a supplementary indicator of operating performance. We define Adjusted EBITDA as net income before, interest, income taxes, amortization, stock based compensation and currency gains or losses including derivative foreign exchange differences. We are presenting the non-IFRS financial measure in our filings because we use it internally to make strategic decisions, forecast future results and to evaluate our performance and because we believe that our current and potential investors and analysts use the measure to assess current and future operating results and to make investment decisions. It is a non-IFRS measure, may not be comparable to other companies and it is not intended as a substitute for IFRS measures.

Adjusted EBITDA Reconciliation

	Three months ended	
	June 30, 2017	June 30, 2016
Income for the period	\$ 48,006	\$ 196,283
Add / (deduct)		
Foreign exchange	38,345	(5,172)
Change in fair value of derivative	(3,035)	(664)
Interest	(1,690)	(515)
Tax	32,668	68,964
Stock based compensation	22,702	8,474
Amortization	9,493	6,767
	98,483	77,854
Adjusted EBITDA	\$ 146,489	\$ 274,137

About Vigil Health Solutions Inc.

Vigil offers a proprietary technology platform combining software and hardware to provide comprehensive solutions to the expanding seniors' housing market. Vigil has established a growing presence in North America and an international reputation for being on the leading edge of systems design and integration. Vigil's objective is to offer solutions for the full continuum of care. Vigil's product range includes the innovative wireless Vitality Care System™ featuring discreet 'mini pendants', a nurse call system, mobile fall, incontinence monitoring, resident check in and the award-winning Vigil Memory Care System.

Certain statements contained in this news release that are not based on historical facts may constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). These forward-looking statements are not promises or guarantees of future performance but are only predictions that relate to future events, conditions or circumstances or our future results, performance, achievements or developments and are subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause our actual results, performance, achievements or developments in our business or in our industry to differ materially from those expressed, anticipated or implied by such forward-looking statements.

Forward-looking statements include all financial guidance, disclosure regarding possible events, conditions, circumstances or results of operations that are based on assumptions about future economic conditions, courses of action and other future events. We caution you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. These forward-looking statements appear in a number of different places in this presentation and can be identified by words such as "may", "estimates", "projects", "expects", "intends", "believes", "plans", "anticipates", or their negatives or other comparable words. Forward-looking statements include statements regarding the outlook for our future operations, plans and timing for the introduction or enhancement of our services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, the outcome of legal proceedings, and other expectations, intentions and plans that are not historical fact.

The risk factors and uncertainties that may affect our actual results, performance, achievements or developments are many and include, amongst others, our ability to develop our sales force and generate revenue, the length of the sales cycle, management of the Company's growth, ability to recruit and retain staff, fluctuations in demand for current and future products, our ability to develop, manufacture, supply and market existing and new products that meet the needs of customers, volatility in the exchange rate, ability to secure financing, ability to secure product liability insurance, the continuous commitment of our customers, increased competition, changes in regulation and reliance on third party suppliers. These risk factors and others are discussed in the Risks and Uncertainties section of our "Management Discussion and Analysis" segment of our fiscal 2017 Annual Report. Many of these factors and uncertainties are beyond the control of the Company. Consequently, all forward-looking statements in this news release are qualified by this cautionary statement and there can be no assurance that actual results, performance, achievements or developments anticipated by the Company will be realized.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and, except as required by law, the Company does not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change.

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