



February 13, 2018

For Immediate Release
(TSX-VEN: VGL)

Vigil Reports Record Sales Bookings in Third Quarter

February 13, 2018 (Victoria) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending December 31, 2017.

Business Highlights

- Sales bookings were \$1.94 million up 26% compared to \$1.54 million in the three months ended December 31, 2016.
- Revenue was \$1.79 million up 5% from \$1.70 million in the three months ended December 31, 2016.
- Earnings before income taxes were \$210 thousand compared to \$279 thousand in the three months ended December 31, 2016.
- EBITDA of \$257 thousand compared to \$270 thousand in the three months ended December 31, 2016.

“I am delighted to see three consecutive quarters of record bookings, a positive indication for future quarters’ revenues. We had record revenue in fiscal 2017 following the recognition of over \$700 thousand in long running projects that supplemented sales closed in the fiscal. I am therefore pleased that our growing bookings meant that new sales alone resulted in Vigil achieving revenue in line with last fiscal’s record,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Sales bookings for the quarter were \$1.94 million up 26% compared to \$1.54 million in the three month period ended December 31, 2016. At December 31, 2017 Vigil had a backlog of approximately \$3.37 million (including \$1.27 million in deposits and progress billings, recorded as deferred revenue on the balance sheet), a 21% increase compared to approximately \$2.78 million (including \$1.45 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) at December 31, 2016.

Revenue for the three months ended December 31, 2017 was \$1.79 million compared to \$1.70 million in the three month period ended December 31, 2016, an increase of 5%. Project revenue made up 64% 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.

The gross margin percentage was 52% for the three months ended December 31, 2016 and 2017.

Operating expenditures for the three months ended December 31, 2017 were \$717 thousand compared to \$652 thousand for the three months ended December 31, 2016. The majority of the increase was research and development contracting costs followed by increased staffing and stock option expense.

Earnings before income taxes for the three months ended December 31, 2017 were \$210 thousand compared to \$279 thousand for the three months ended December 31, 2016. The decline in earnings reflected higher research and development expenses and a \$42 thousand drop in foreign exchange gain. Net earnings and comprehensive earnings were \$141 thousand or \$0.008 per share compared to \$260 thousand or \$0.015 per share.

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 February 23 2017, or, upon notice to the Company, entitled security holders may request a copy of financials in advance.

Summary Financial Information

	Three months ended		Nine months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Revenue	\$ 1,792,658	1,700,837	4,897,627	4,934,921
Cost of sales	868,565	812,577	2,373,644	2,461,196
	924,093	888,260	2,523,983	2,473,725
Expenses	717,169	652,067	2,119,264	1,833,190
Earnings before the following items	206,924	236,193	404,719	640,535
Other income (expense)	2,766	42,955	(76,308)	56,137
Earnings before income taxes	209,690	279,148	328,411	696,672
Income taxes	(69,130)	(19,148)	(129,772)	(127,704)
Net earnings and comprehensive earnings for the period	\$ 140,560	260,000	198,639	568,968

Non-IFRS Measure

For the three months ended December 31, 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		Nine months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Income for the period	\$ 140,560	260,000	198,639	568,968
Add / (deduct)				
Foreign exchange	519	(44,114)	83,393	(57,341)
Derivative exchange	(700)	2,318	(1,195)	3,569
Interest	(2,585)	(1,160)	(6,093)	(2,531)
Income Tax	69,130	19,148	129,772	127,704
Share based payments	40,230	26,513	124,077	43,359
Amortization	9,457	7,103	28,263	20,361
	116,051	(9,808)	358,217	135,121
Adjusted EBITDA	\$ 256,611	269,808	556,856	704,089

About Vigil Health Solutions Inc.

Vigil offers a 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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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.