



August 14, 2018

For Immediate Release  
(TSX-VEN: VGL)

## Vigil Reports Increased Revenue and Earnings in First Quarter

August 14, 2018 (Victoria) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending June 30, 2018.

### *Business Highlights*

- Revenue of \$1.64 million up 10% from \$1.49 million in the three month period ended June 30, 2017.
- Sales bookings for the quarter were \$1.20 million compared to \$1.85 million in three month period ended June 30, 2017.
- Earnings before income taxes were \$194 thousand compared to \$81 thousand in the three month period ended June 30, 2017.
- Adjusted EBITDA of \$222 thousand compared to \$146 thousand in the three months ended June 30, 2017.

“We closed fiscal 2018 with record bookings and over \$3.85 million in backlog. This contributed to strong revenues in the first quarter reflecting completion of 16 projects. After recognizing these projects our backlog remains high with an estimated \$3.44 million in projects signed but not completed. We remain focused on product innovation to grow future sales bookings,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

### *Financial Results*

Bookings for the quarter were \$1.20 million compared to \$1.85 million in the three month period ended June 30, 2017. There were 9 project sales with an average value of \$59 thousand compared to 14 project sales with an average value of \$85 thousand in the period ending June 30, 2017.

At June 30, 2018 Vigil had a backlog of approximately \$3.44 million (including \$1.37 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) compared to approximately \$2.92 million (including \$1.36 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) at June 30, 2017. At June 30, 2018, Vigil’s backlog included 33 projects at varying stages of installation and progress billing with an average size of \$104 thousand. There were 40 projects with an average size of \$73 thousand in the three months ended June 30, 2017. The Company’s backlog is the total estimated revenue for contracts which are signed, and have not been completed (and may not have commenced).

Revenue for the three months ended June 30, 2018 was up 10% to \$1.64 million from \$1.49 million in the three month period ended June 30, 2017. There were 16 projects completed in the quarter compared to 11 in the three month period ended June 30, 2017. Project revenue from new and existing customers made up 58% 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 for the three months ended June 30, 2018 was 56% compared to 55% for the three months ended June 30, 2017.

Operating expenditures for the three months ended June 30, 2018 were up 5% to \$740 thousand from \$703 thousand for the period ended June 30, 2017. The increase primarily relates to higher payroll.

Earnings before income taxes for the three month period ended June 30, 2018 were \$194 thousand compared to \$81 thousand for the previous year. The higher earnings reflect the increase in revenue and foreign exchange gain. Net earnings and comprehensive income was \$130 thousand or \$0.007 per share compared to \$48 thousand or \$0.003 per share. During the three month period ended June 30, 2018, the Company incurred income tax expense of \$64 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](http://www.sedar.com)).

*Financial information will be mailed to entitled security holders on August 31, 2018, or, upon notice to the Company, entitled security holders may request a copy of financials in advance.*

### **Summary Financial Information**

	June 30, 2018 (unaudited)	June 30, 2017 (unaudited)
Revenue	\$ 1,643,581	\$ 1,492,660
Cost of sales	729,703	674,931
Gross profit	913,878	817,729
Expenses	739,537	703,233
Income before the following items	174,341	114,496
Other income (expense):	20,131	(33,822)
Earnings before income taxes	194,472	80,674
Income taxes	(64,224)	(32,668)
Net earnings and comprehensive income for the period	\$ 130,248	\$ 48,006

### **Non-IFRS Measure**

For the three months ended June 30, 2018, 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, 2018	June 30, 2017
Income for the period	\$ 130,248	\$ 48,006
Add / (deduct)		
Foreign exchange	(13,994)	38,345
Change in fair value of derivative	170	(3,035)
Interest	(6,307)	(1,690)
Tax	64,224	32,668
Stock based compensation	37,366	22,702
Amortization	10,324	9,493
	91,783	98,483
Adjusted EBITDA	\$ 222,031	\$ 146,489

### 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 2018 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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