



November 14, 2018

For Immediate Release
(TSX-VEN: VGL)

Vigil Reports Revenue and Earnings Up in Second Quarter

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

Business Highlights

- Revenue \$1.71 million up 6% from \$1.61 million in the three-month period ended September 30, 2017.
- Earnings before income taxes \$118 thousand up 210% from \$38 thousand in the three-month period ended September 30, 2017.
- Adjusted EBITDA of \$188 thousand up 22% from \$154 thousand in the three months ended September 30, 2017.

“Reflecting our record sales last fiscal we maintained strong revenue, earnings and adjusted EBITDA. The Company’s backlog remains high with approximately \$3.51 million in contracts signed and in progress. We are also investing in research and development as well customer service programs to continue growing sales bookings by offering innovative products and industry leading customer support,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Sales bookings for the quarter were \$1.51 million down 22% compared to \$1.93 million in the three months ended September 30, 2017. Vigil had a backlog of approximately \$3.51 million (including \$974 thousand in deposits and progress billings, recorded as deferred revenue on the balance sheet) up from approximately \$3.23 million (including \$1.37 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) at September 30, 2017. The lower deferred revenue relative to backlog in the current year reflects an unusual number of projects in the very early stages of installation and billing.

Revenue for the three months ended September 30, 2018 was \$1.71 million compared to \$1.61 million for the three months ended September 30, 2017. Project revenue made up 59% of total revenue compared to 64% in the prior year; the remaining revenue came from follow on sales to existing customers. These sales include software maintenance billings and replacement products including wireless devices and communication equipment.

The gross margin percentage for the three months ended September 30, 2018 and 2017 was 49%.

Operating expenditures for the three months ended September 30, 2018 were \$717 thousand comparable to expenses of \$699 thousand for the three months ended September 30, 2017.

Earnings before income taxes for the three months ended September 30, 2018 were \$118 thousand compared to \$38 thousand for the previous year. The increase in earnings reflects the increased revenue and decreased foreign exchange loss. Net earnings and comprehensive income was \$70 thousand or \$0.004 per share compared to \$10 thousand or \$0.001 per share 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 November 30, 2018, or, upon notice to the Company, entitled security holders may request a copy of financials in advance.

Summary Financial Information

	Three months ended		Six months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Revenue	\$ 1,710,803	1,612,309	3,354,384	3,104,969
Cost of sales	868,174	830,148	1,597,877	1,505,079
	842,629	782,161	1,756,507	1,599,890
Expenses	717,427	698,862	1,456,964	1,402,095
Earnings before the following items	125,202	83,299	299,543	197,795
Other income (expense)	(7,304)	(45,252)	12,827	(79,074)
Earnings before income taxes	117,898	38,047	312,370	118,721
Income taxes	(47,776)	(27,974)	(112,000)	(60,642)
Net earnings and comprehensive earnings for the period	\$ 70,122	10,073	200,370	58,079

Non-IFRS Measure

For the three months ended September 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		Six months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Income for the period	\$ 70,122	10,073	200,370	58,079
Add / (deduct)				
Foreign exchange	18,454	(44,528)	4,460	82,873
Change in fair value of derivative	(4,270)	2,541	(4,100)	(494)
Interest	(6,880)	(1,817)	(13,187)	(3,507)
Tax	47,776	27,974	112,000	60,642
Stock based compensation	52,799	61,145	90,165	83,847
Amortization	10,334	9,313	20,658	18,806
	118,213	143,684	209,666	242,167
Adjusted EBITDA	\$ 188,335	153,757	410,366	300,246

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 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.

For further information please contact:
Troy Griffiths, President and CEO
Tel: (250) 383-6900
Fax: (250) 383-6999
Email: information@vigil.com

Vigil Health Solutions Inc.
2102-4464 Markham Street
Victoria, BC
V8Z 7X8
Website: www.vigil.com

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