



February 19, 2019

For Immediate Release
(TSX-VEN: VGL)

Vigil Reports Third Quarter Results

February 19, 2019 (Victoria) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending December 31, 2018.

Developments in the Quarter

- Sales bookings were \$1.58 million compared to \$1.94 million in the three months ended December 31, 2017.
- Revenue was \$1.49 million compared to \$1.79 million in the three months ended December 31, 2017.
- Earnings before income taxes were \$109 thousand compared to \$210 thousand in the three months ended December 31, 2017.
- EBITDA of \$100 thousand compared to \$257 thousand in the three months ended December 31, 2017.

“After record sales to our corporate clients in fiscal 2018 we had a slower third quarter this year. Year to date revenue, gross profit and expenses remained stable while earnings increased 35%. Long term fundamentals remain strong for senior living and we are focused on continuing to develop sales as some regions see lower levels of construction driven by current economic and industry demand factors,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Sales bookings for the quarter were \$1.58 million compared to \$1.94 million in the three month period ended December 31, 2017. The new construction development cycle of large senior living corporations takes place over a number of years. The significant number of corporate clients in the purchasing phase for new construction provided record sales in fiscal 2018 but has led to slower bookings in the current fiscal. At December 31, 2018 Vigil had a backlog of approximately \$2.96 million (including \$868 thousand in deposits and progress billings, recorded as deferred revenue on the balance sheet), a 12% decrease compared to approximately \$3.37 million (including \$1.27 million in deposits and progress billings, recorded as deferred revenue on the balance sheet), at December 31, 2017.

Revenue for the three months ended December 31, 2018 was \$1.49 million compared to \$1.79 million in the three month period ended December 31, 2017, a decrease of 17%. This was due in part to lower bookings and also a longer lag between receipt of contract and revenue recognition for sales booked in the fiscal 2019 compared to fiscal 2018. Project revenue made up 57% 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, 2017 and 2018.

Operating expenditures for the three months ended December 31, 2018 were \$731 thousand compared to \$717 thousand for the three months ended December 31, 2017.

Earnings before income taxes for the three months ended December 31, 2018 were \$109 thousand compared to \$210 thousand for the three months ended December 31, 2017. The decline in earnings reflected lower revenue. Net earnings and comprehensive earnings for the three months ended December 31, 2018 were \$67

thousand or \$0.004 per share compared to \$141 thousand or \$0.008 per share per share in the three months ended December 31, 2017.

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 28, 2019, 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, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Revenue	\$ 1,492,636	1,792,658	4,847,020	4,897,627
Cost of sales	712,878	868,565	2,310,755	2,373,644
	779,758	924,093	2,536,265	2,523,983
Expenses	731,360	717,169	2,188,324	2,119,264
Earnings before the following items	48,398	206,924	347,941	404,719
Other income (expense)	61,051	2,766	73,878	(76,308)
Earnings before income taxes	109,449	209,690	421,819	328,411
Income taxes	(42,286)	(69,130)	(154,286)	(129,772)
Net earnings and comprehensive earnings for the period	\$ 67,163	140,560	267,533	198,639

Non-IFRS Measure

For the three months ended December 31, 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		Nine months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Income for the period	\$ 67,163	140,560	267,533	198,639
Add / (deduct)				
Foreign exchange	(57,722)	519	(53,262)	83,393
Derivative exchange	4,640	(700)	540	(1,195)
Interest	(7,969)	(2,585)	(21,156)	(6,093)
Income Tax	42,286	69,130	154,286	129,772
Share based payments	41,098	40,230	131,263	124,077
Amortization	10,412	9,457	31,070	28,263
	32,745	116,051	242,741	358,217
Adjusted EBITDA	\$ 99,908	256,611	510,274	556,856

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.