



June 18, 2019

For Immediate Release  
(TSX-VEN: VGL)

## Vigil Health Solutions Reports Profitable Fiscal 2019

**June 18, 2019 (Victoria) – Vigil Health Solutions Inc.** (“Vigil”) announces the results of operations for the fiscal year and the fourth quarter, ending March 31, 2019.

### *Highlights*

- Revenue of \$6.19 million compared to \$6.34 million in fiscal 2018.
- Sales bookings \$5.60 million compared to \$7.58 million.
- Earnings before income taxes \$437 thousand compared to \$399 thousand in fiscal 2018.
- Net earnings and comprehensive income of \$268 thousand compared to \$301 thousand in fiscal 2018.
- Adjusted EBITDA was \$583 thousand compared to \$648 thousand in fiscal 2018.
- In fiscal 2019, several research and development projects were completed including:
  - Improvements to the Vitality Mini Pendant assisting with ease of operation for both end users and caregivers while increasing product life and minimizing waste.
  - Improvements to the Vitality Receivers reducing plastic used and shipping volumes. Further enhancements included easier installation and commissioning with lower cost of ownership.
  - Development of Vigil Connect, a Smartphone app for residents, allows residents to contact facility staff at the push of a button.
  - The addition of voice to voice communication to the Vigil Mobile smart phone used as an alternative to caregiver pagers and short range enterprise telephony systems.

“After record sales to our corporate clients in fiscal 2018 the cyclical activity of these clients brought lower bookings in the current year. Revenue, gross profit, expenses and earnings remained stable year over year and we are focused on building sales particularly to new and existing corporate clients. While construction starts are showing signs of some slowdown, the long term fundamentals for senior living are strong. We believe our industry leading customer service and robust innovative product will continue to win us long term clients and we are strategically growing our team to provide greater regional sales coverage in the United States,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

### *Fourth Quarter Financial Results*

Revenue for the three-months ended March 31, 2019 was \$1.34 million down 8% from \$1.45 million in the three-months ended March 31, 2018. Project revenue made up 50% 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 \$1.31 million compared to \$1.87 million in the three month period ended March 31, 2018. The new construction development cycle of large senior living corporations rolls out over a number of years. The significant number of corporate clients in the purchasing phase for new construction provided record sales bookings in fiscal 2018 but has led to slower bookings in the current fiscal.

At March 31, 2019 Vigil had a backlog of approximately \$2.87 million (including \$958 thousand in deposits and progress billings, recorded as contract liability on the statement of financial position compared to \$3.85 million (including \$1.56 million in deposits and progress billings, recorded as contract liability on the statement of financial position) at March 31, 2018. At March 31, 2019 there were 29 contracts in backlog with an average value of \$99 thousand compared to 42 contracts with an average value of \$92 thousand at March 31, 2018.

Again the cyclical activity of corporate customers is reflected in backlog. At March 31, 2018, four major corporate clients accounted for more than \$2 million in sales booked but not recognized. At March 31, 2019 the same clients accounted for less than a million dollars in unrecognized sales bookings in backlog. Another corporate client contributed \$400 thousand to backlog at March 31, 2019 but had no contracts in backlog at March 31, 2018.

The gross margin percentage for the three months ended March 31, 2019 was 53% compared to 51% for the three months ended March 31, 2018.

Operating expenditures were \$688 thousand in the three months ended March 31, 2019, compared to \$705 thousand in the three months ended March 31, 2018.

Earnings before income taxes were \$15 thousand for the three months ended March 31, 2019 compared to \$71 thousand in the three months ended March 31, 2018. The decrease relates to the decline in revenue and foreign exchange loss. After adjustments to expected annual income taxes completed in the fourth quarter, earnings for the three months ended March 31, 2019 was \$554 compared to earnings of \$103 thousand in the three months ended March 31, 2018.

### ***Fiscal 2019 Financial Results***

Revenue for the year ended March 31, 2019 was \$6.19 million compared to \$6.34 million in the year ended March 31, 2018, a decrease of 3%.

Sales bookings for the year ended March 31, 2019 were \$5.60 million compared to \$7.58 million in the year ended March 31, 2018. The decline in bookings primarily reflects the cyclical nature of large corporate clients particularly relating to new construction. A spate of purchasing one year will be followed by slower periods when clients are completing construction and commissioning of new facilities. With some corporate clients having annual purchasing power of over a million dollars, positive and negative fluctuations in Vigil's sales bookings and revenue can occur depending on the stage of construction and buying.

Approximately 53% of sales were new projects; the remainder were one off sales or service and maintenance contracts. There were 45 project sales bookings made in the year with an average value of \$66 thousand. When a contract is signed we consider it a sales booking however, revenue is not recognized until the performance obligation is met as evidenced by completion of the project and acceptance from the customer.

The gross margin percentage for the year ended March 31, 2019 was 53% compared to 52% for the year ended March 31, 2018.

Operating expenditures for the year ended March 31, 2019 were \$2.88 million compared to \$2.82 million for the year ended March 31, 2018.

Earnings before income taxes for the year ended March 31, 2019 were \$437 thousand, compared to \$399 thousand for the previous year. The increase in earnings reflects increased interest income and a foreign exchange gain.

Net earnings and comprehensive income for the year ended March 31, 2019 was \$268 thousand, or \$0.01 per share compared to \$301 thousand or \$0.02 per share for the year ended March 31, 2018.

A summary of our financial performance for the quarter and year ended March 31, 2019 follows below. For further information relating to the financial results of the Company, please refer to the Company's financial statements and MD&A filed on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information will be mailed to entitled

security holders on June 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		Twelve months ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	\$ 1,338,296	1,447,369	6,185,316	6,344,996
Cost of sales	622,985	702,606	2,933,740	3,076,250
	715,311	744,763	3,251,576	3,268,746
Expenses	688,043	705,365	2,876,367	2,824,629
Earnings before the following items	27,268	39,398	375,209	444,117
Other income (expense)	(11,906)	31,430	61,972	(44,878)
Earnings before income taxes	15,362	70,828	437,181	399,239
Income tax recovery (expense)	(14,808)	31,707	(169,094)	(98,065)
Net earnings and comprehensive income	\$ 554	102,535	268,087	301,174

**Non-IFRS Measure**

For the year ended March 31, 2019, 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		Twelve months ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Income for the period	\$ 554	102,535	268,087	301,174
Add / (deduct)				
Foreign exchange	20,778	(29,532)	(32,485)	53,860
Derivative exchange	(250)	2,590	290	1,395
Interest	(8,622)	(4,778)	(29,777)	(10,870)
Income Tax	14,808	(31,707)	169,094	98,065
Share based payments	34,466	42,015	165,729	166,092
Amortization	10,811	9,636	41,881	37,898
	71,991	(11,776)	314,732	346,440
Adjusted EBITDA	\$ 72,545	90,759	582,819	647,614

## ***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. 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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