



August 18, 2020

For Immediate Release
(TSX-VEN: VGL)

Vigil Reports First Quarter Results

August 18, 2020 (Victoria, British Columbia) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending June 30, 2020.

Developments in the Quarter

- Revenue of \$1.25 million compared to \$1.32 million in the three month period ended June 30, 2019.
- Earnings before income taxes were \$172 thousand compared to losses of \$62 thousand in the three month period ended June 30, 2019.
- Sales bookings for the quarter were \$1.21 million compared to \$1.47 million in the three month period ended June 30, 2019.
- Adjusted EBITDA of \$232 thousand compared to negative Adjusted EBITDA of \$18 thousand in the three months ended June 30, 2019.

“When we reported our Q1 results a year ago, senior housing construction was experiencing what was expected to be a temporary slowdown and the challenges that the pandemic would present were unimaginable. In the three months ended June 30, 2020, senior housing occupancy and new construction fell to historically low levels. However, with approximately a quarter of worldwide COVID-19 cases in the United States, delivering reliable technology to the senior living industry has never been more important.

Vigil’s priority continues to be the health and wellbeing of our staff, our customers, and the seniors they serve. Capitalizing on our strong corporate partnerships and customer service we have worked closely with our clients to best manage new installations and service existing sites in this new environment. In addition to completing eight new nurse call installations in the quarter we closed \$1.21 million in new sales bookings.

Our customers can access our teams as effortlessly as when they were located in our head office, we have upgraded our online training and remote commissioning and continue to develop products that will provide long term value to our customers. While we expect delays in project commissioning and slower construction for some time, we believe the long term fundamentals of senior housing remain strong and that we are positioned well for the future,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Revenue for the three months ended June 30, 2020 was \$1.25 million compared to \$1.32 million in the three month period ended June 30, 2019. Project revenue from new and existing customers made up 45% of total revenue, compared to 43% in the three month period ended June 30, 2019. The small decline related to a decrease in follow on sales to existing customers, these include service and maintenance billings and replacement products including wireless devices and communication equipment.

Sales bookings for the quarter were \$1.21 million down 18% from \$1.47 million in the three month period ended June 30, 2019. There were 9 project sales with an average value of \$62 thousand compared to 12 project sales with an average value of \$62 thousand in the period ending June 30, 2019.

At June 30, 2020 Vigil had a backlog of approximately \$3.81 million (including \$1.69 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) compared to approximately \$3.08 million (including \$866 thousand in deposits and progress billings, recorded as deferred revenue on the

balance sheet) at June 30, 2019. Vigil's backlog included 36 projects at varying stages of installation and progress billing with an average size of \$106 thousand compared to 31 projects with an average size of \$99 thousand at June 30, 2019. The Company's backlog is the total estimated revenue for contracts which are signed, and have not been completed (and may not have commenced).

The gross margin percentage was 54% for the three months ended June 30, 2020 and 2019.

Operating expenditures for the three months ended June 30, 2020 were \$462 thousand down 41% from \$776 thousand for the period ended June 30, 2019. The decrease reflected the Canada Emergency Wage Subsidy (CEWS) payments, recorded as a reduction in payroll expense. There were also large declines in sales and marketing expenses following reduced travel and tradeshow cancelations due to COVID-19 restrictions.

Earnings before income taxes were \$172 thousand compared to losses of \$62 thousand in the three month period ended June 30, 2019. The earnings reflect the \$193 thousand CEWS subsidy. Net earnings and comprehensive income were \$121 thousand or \$0.007 per share compared to a net loss of \$62 thousand, or \$0.003 per share for the three month period ended June 30, 2019.

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 August 30, 2020, or, upon notice to the Company, entitled security holders may request a copy of financials in advance.

Summary Financial Information

	June 30, 2020	June 30, 2019
	(unaudited)	(unaudited)
Revenue	\$ 1,251,861	\$ 1,322,584
Cost of sales	581,934	603,970
Gross profit	669,927	718,614
Expenses	461,850	776,291
Income (loss) before the following items	208,077	(57,677)
Other income (expense):	(36,462)	(3,934)
Earnings (loss) before income taxes	171,615	(61,611)
Income taxes	(50,861)	-
Net earnings (loss) and comprehensive income (loss) for the period	\$ 120,754	\$ (61,611)

Non-IFRS Measure

For the three months ended June 30, 2020, 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 excluding amortization of right of use asset for the lease on the Company's head office, 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, 2020	June 30, 2019
Income for the period	\$ 120,754	\$ (61,611)
Add / (deduct)		
Foreign exchange	42,894	15,074
Change in fair value of derivative	(7,961)	(2,770)
Interest	1,529	(8,571)
Tax	50,861	-
Stock based compensation	12,712	28,059
Amortization	11,235	12,181
	111,270	43,973
Adjusted EBITDA	\$ 232,024	\$ (17,638)

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 and 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, including the updated risks related to the COVID-19 pandemic, are discussed in the Risks and Uncertainties section of our "Management Discussion and Analysis" segment of our fiscal 2020 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.

We caution readers that the risks described are not the only ones that could impact the Company. We cannot accurately predict the full impact that COVID-19 will have on our business, results of operations, financial condition or the demand for our services, due in part to the uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, the steps our customers and suppliers may take in current circumstances, including slowing or halting operations, the duration of travel and quarantine restrictions imposed by governments of affected countries and other steps that may be taken by such governments to respond to the pandemic. Additional risks

and uncertainties not currently known to us or that are currently deemed to be immaterial may also have a material adverse effect on our business, financial condition, or results of operations.

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.