



August 18, 2021

For Immediate Release
(TSX-VEN: VGL)

Vigil Reports Profitable First Quarter

August 18, 2021 (Victoria, British Columbia) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending June 30, 2021.

Developments in the Quarter

- Revenue of \$1.70 million up 36% from \$1.25 million in the three month period ended June 30, 2020.
- Earnings before income taxes were \$281 thousand up 64% from \$172 thousand in the three month period ended June 30, 2020.
- Sales bookings for the quarter were \$1.71 million up 41% from \$1.21 million in the three month period ended June 30, 2020.
- Adjusted EBITDA of \$320 thousand up 43% from \$224 thousand in the three months ended June 30, 2020.

“We were pleased to see strong sales bookings and revenue in the quarter. We saw the completion of several projects signed in 2019 and early 2020 that were delayed due to the pandemic. While on a macroeconomic level there remains uncertainty, demand for senior living units was up in the three months ended June 30, 2021. Occupancy remained low reflecting greater supply rather than lower demand as construction projects started prior to the pandemic were completed. Capitalizing on our strong corporate partnerships we also closed \$1.71 million in new sales bookings in the quarter.” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Revenue for the three months ended June 30, 2021, was \$1.70 million up 36% from \$1.25 million in the three month period ended June 30, 2020. Project revenue from new and existing customers made up 58% of total revenue, compared to 45% in the three month period ended June 30, 2020. Revenue included the completion of some longer running projects signed prior to the pandemic.

Sales bookings for the quarter were \$1.71 million up 41% from \$1.21 million in the three month period ended June 30, 2020. There were 18 project sales with an average value of \$57 thousand compared to 9 project sales with an average value of \$62 thousand in the period ending June 30, 2020. The majority of sales reflected repeat business from established corporate clients.

At June 30, 2021, Vigil had a backlog of approximately \$3.12 million (including \$1.68 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) compared to approximately \$3.81 million (including \$1.69 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) at June 30, 2020. Vigil’s backlog included 43 projects at varying stages of installation and progress billing with an average size of \$73 thousand compared to 36 projects with an average size of \$106 thousand at June 30, 2020. The Company’s backlog includes all contracts signed including those in progress but not completed.

The gross margin percentage for the three months ended June 30, 2021, was 51% compared to 54% for the three months ended June 30, 2020. The lower margins reflect the product mix. Project installations include lower margin components such as travel. One-off follow on sales to existing customers are generally higher margin, these include service and maintenance billings and replacement products including wireless devices

and communication equipment. There were a greater number of project installations relative to follow on sales in the current period reducing gross margin.

Operating expenditures for the three months ended June 30, 2021, were \$580 thousand up 26% from \$462 thousand for the period ended June 30, 2020. The increase reflects the decline in Canada Emergency Wage Subsidy payments, recorded as a reduction in payroll expense, from \$194 thousand in the three month period ended June 30, 2020, to \$44 thousand in the current period.

Earnings before income taxes were \$281 thousand compared to \$172 thousand in the three month period ended June 30, 2020. The earnings reflect the increased revenue and the \$44 thousand CEWS subsidy and \$36 thousand in research and development funding. Net earnings and comprehensive income were \$258 thousand or \$0.014 per share compared to \$121 thousand, or \$0.007 per share for the three month period ended June 30, 2020.

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 31, 2021, or, upon notice to the Company, entitled security holders may request a copy of financials in advance.

Summary Financial Information

	June 30, 2021 (unaudited)	June 30, 2020 (unaudited)
Revenue	\$ 1,701,992	\$ 1,251,861
Cost of sales	829,676	581,934
Gross profit	872,316	669,927
Expenses	580,332	461,850
Income before the following items	291,984	208,077
Other income (expense):	(10,832)	(36,462)
Earnings before income taxes	281,152	171,615
Income taxes	(23,300)	(50,861)
Net earnings and comprehensive income for the period	\$ 257,852	\$ 120,754

Non-IFRS Measure

For the three months ended June 30, 2021, 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 excluding interest relating to right of use asset for lease on the Company's head office, 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, 2021	June 30, 2020
Income for the period	\$ 257,852	\$ 120,754
Add / (deduct)		
Foreign exchange	15,322	42,894
Change in fair value of derivative	6,014	(7,961)
Interest	(1,823)	(6,002)
Tax	23,300	50,861
Stock based compensation	12,448	12,712
Amortization	7,537	11,235
	62,798	103,739
Adjusted EBITDA	\$ 320,650	\$ 224,493

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 2021 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.