



November 18, 2015

For Immediate Release  
(TSX-VEN: VGL)

## Vigil Health Solutions Reports Second Quarter

November 18, 2015 (Victoria) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending September 30, 2015.

### *Business Highlights*

- Bookings for the quarter were \$1.20 million up from \$1.02 million in the three-month period ended September 30, 2014.
- Revenue of \$929 thousand compared to \$1.04 million in the three-month period ended September 30, 2014.
- Vigil had a backlog of approximately \$3.50 million comprising of 38 projects up from approximately \$3.02 million or 34 projects at September 30, 2014.
- Net loss of \$22 thousand compared to net income of \$10 thousand in the three month period ended September 30, 2014.

“We are disappointed at the first quarterly loss in several years. Unfortunately construction schedules resulted in fewer projects being commissioned and recognised in the quarter. This type of movement in project completion dates is not unusual and over the six-month period our performance is in line with the prior year. As management we are focused on growing sales to allow fluctuations in revenue without jeopardizing short-term profitability,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

### *Financial Results*

Revenue for the three-months ended September 30, 2015 was \$929 thousand compared to \$1.04 million in the three-month period ended September 30, 2014, a decrease of 11%. Project revenue made up 40% 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. Project construction schedules resulted in the completion of fewer installations in the period and a related decline in revenue.

Bookings for the quarter were \$1.20 million up 18% compared to \$1.02 million in the three-month period ended September 30, 2014.

At September 30, 2015, Vigil had a backlog of approximately \$3.50 million (including \$1.15 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) up from approximately \$3.02 million (including \$1.29 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) at September 30, 2014. At September 30, 2015, Vigil’s backlog included 38 projects at varying stages of installation and progress billing with an average project size of \$92 thousand compared to 34 projects with an average value of \$89 thousand at September 30, 2014.

The gross margin percentage for the three months ended September 30, 2015 was 54% compared to 49% for the three months ended September 30, 2014. Gross margin was slightly higher than management’s usual expectations of margins of between 45% and 50%. The greater percentage of one off sales compared to project sales contributed to the higher margin. The positive effect of the increase in the US dollar on project margins is mitigated by the high percentage of US denominated cost of goods including payroll and expenses for US based staff. This effect is not as material in one-off sales.

Expenditures for the three months ended September 30, 2015 were \$568 thousand, up 7% from \$532 thousand for the period ended September 30, 2014. Expenses were higher because of increased travel, advertising and promotion costs and the impact of the higher US dollar on US denominated payroll and expenses.

The net loss for the three month period ended September 30, 2015 was \$22 thousand, or \$0.001 per share compared to net income of \$10 thousand, or \$0.001 per share for the previous year. The loss relates to the 11% decrease in revenue year over year.

Detailed financial statements along with Management Discussion and Analysis have been filed with SEDAR ([www.sedar.com](http://www.sedar.com)).

*Financial information will be mailed to entitled security holders on November 27, 2015. 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, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue	\$ 929,440	1,044,703	2,212,618	2,235,328
Cost of sales	425,871	530,806	1,076,399	1,104,123
	503,569	513,897	1,136,219	1,131,205
Expenses	568,063	531,990	1,166,581	1,094,628
Income (loss) before the following items	(64,494)	(18,093)	(30,362)	36,577
Other income (expense)	42,702	28,515	41,538	5,351
Income (loss) for the period	\$ (21,792)	10,422	11,176	41,928

### **Non-IFRS Measure**

For the three and six month periods ended September 30, 2015, 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.

	Three months ended		Six months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Income / (loss) for the period	\$ (21,792)	10,422	11,176	41,928
Add / (deduct)				
Foreign exchange	(37,640)	(37,269)	(30,070)	(6,885)
Derivative exchange	(4,995)	9,040	(11,370)	1,560
Interest	(67)	(286)	(557)	(898)
Tax	-	-	459	872
Stock based compensation	16,547	22,186	26,219	34,091
Amortization	5,346	4,789	10,315	9,383
	(20,809)	(1,540)	(5,004)	38,123
Adjusted EBITDA	\$ (42,601)	8,882	6,172	80,051

### ***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/incontinence monitoring, resident check-in and the award-winning Vigil Dementia 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 2015 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.*

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