



June 16, 2016

For Immediate Release  
(TSX-VEN: VGL)

## Vigil Health Solutions Reports Annual Results

**June 16, 2016 (Victoria) – Vigil Health Solutions Inc.** (“Vigil”) announces the results of operations for the fiscal year and the fourth quarter, ending March 31, 2016.

### *Highlights*

- Sales bookings grew by 12% to \$5.20 million.
- Revenue was up 5% to \$4.84 million.
- Earnings before income taxes were up 16% to \$177 thousand.
- Income and comprehensive income was \$305 thousand, including a provision to recognize deferred tax assets of \$128 thousand.
- Adjusted EBITDA improved 31% to \$222 thousand.
- Introduced new features and products including:
  - enhancing enterprise reporting module to provide detailed analytics around levels of care,
  - introducing a tool to automatically identify potential system issues and decrease downtime,
  - upgrading Vigil Mobile App (for IOS and Android), and
  - integrating with the Amazon Echo to support voice driven senior’s assistance.

“We continued to see more construction in standalone assisted living and memory care in fiscal 2016. While these deals are smaller than Continuing Care Retirement Community (CCRC) projects, we are pleased to have sales bookings of \$5.2 million reflecting an increase in the number of projects booked. To achieve these numbers we continue to focus on corporate clients with multiple facilities,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

### *Financial Results*

Sales bookings for the year ended March 31, 2016 were \$5.20 million compared to \$4.64 million in the year ended March 31, 2015. Approximately 58% of sales were new projects the remainder were one off sales or service and maintenance contracts. There were 47 project sales made in the year with an average value of \$64 thousand.

At March 31, 2016 Vigil had a backlog of approximately \$3.28 million (including \$1.40 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) compared to \$3.00 million (including \$918 thousand in deposits and progress billings, recorded as deferred revenue on the balance sheet) at March 31, 2015. In fiscal 2016 the average value of each sale was \$82 thousand compared to \$97 thousand in the prior year. In fiscal 2016 the majority of installations were smaller assisted living and stand alone memory care. The Company’s backlog is the total estimated contract revenue for contracts which are signed, and have not been completed (and may not have commenced).

Revenue for the year ended March 31, 2016 was \$4.84 million compared to \$4.62 million in the year ended March 31, 2015, an increase of 5%. Project revenue from new and existing customers made up 52% 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 and were up 13% over fiscal 2015. There were 42 projects completed in fiscal 2016 with an average value of \$65 thousand compared to 43 with an average value of \$70 thousand in fiscal 2015.

The gross margin percentage for the year ended March 31, 2016 was 52% compared to 50% for the year ended March 31, 2015. The appreciating US dollar increased gross margins past management expectations of between 45% and 50%.

Operating expenditures for the year ended March 31, 2016 were \$2.36 million compared to \$2.21 million for the same period ended March 31, 2015.

Earnings before income taxes for the year ended March 31, 2016 were \$177 thousand, or \$0.02 per share, compared to \$152 thousand, or \$0.01 per share per share, for the previous year. The increase in earnings reflects the improved revenue and margin. Net earnings and comprehensive income for fiscal 2016 was \$305 thousand. During the current year, due to continued profitability and the timing of the expiry of the Company's tax operating losses, the Company recognized a deferred income tax asset of \$128 thousand. There was no deferred income tax recognized in prior periods. The Company's estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying tax deductions before they expire against future taxable income. To the extent estimates of future taxable income differ from actual, earnings would be affected in a subsequent period.

A summary of our financial performance for the quarter and year ended March 31, 2016 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 30, 2016. Or, upon notice to the Company, entitled security holders may request a copy of financials in advance.

### ***Summary Financial Information***

	Twelve months ended March 31,	
	2016	2015
Revenue	\$ 4,842,371	\$ 4,620,423
Cost of sales	2,337,766	2,326,299
Gross profit	2,504,605	2,294,124
Expenses	2,356,851	2,209,162
Income before the following items	147,754	84,962
Other income (expense)	29,529	67,268
Earnings before income taxes	177,283	152,230
Income tax recovery	127,704	-
Comprehensive income for the period	\$ 304,987	\$ 152,230

### ***Non-IFRS Measure***

For the year ended March 31, 2016, 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***

	March 31, 2016	March 31, 2015
Earnings before income taxes	\$ 177,283	\$ 152,230
Add / (deduct)		
Foreign exchange	(5,903)	(79,967)
Derivative exchange	(23,904)	11,840
Interest	(831)	(1,813)
State Tax	1,109	2,672
Stock based compensation	50,639	65,205
Amortization	23,149	19,365
	44,259	17,302
Adjusted EBITDA	\$ 221,542	\$ 169,532

***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 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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