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For Immediate Release
(TSX-VEN: VGL)

Vigil Reports Record Quarterly Revenue and Earnings

August 16, 2016 (Victoria) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending June 30, 2016.

Business Highlights

- Earnings before income taxes up 705% to \$265 thousand from \$33 thousand in the first quarter of fiscal 2016.
- EBITDA of \$274 thousand compared to \$49 thousand in the three months ended June 30, 2015.
- Revenue up 29% to \$1.66 million compared to \$1.28 million in the three-month period ended June 30, 2015.
- Sales bookings grew 11% to \$1.34 million from \$1.21 million in the first quarter of fiscal 2016.

“The Company posted record quarterly earnings and revenue reflecting our new project sales and our growing recurring revenue. Recurring revenue includes follow on sales of monitoring and wireless communications equipment. It also contains annual software maintenance, which the majority of our customers sign up for thanks to our exceptional customer service team,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Revenue for the three-months ended June 30, 2016 was \$1.66 million compared to \$1.28 million in the three-month period ended June 30, 2015, an increase of 29%. This related to higher project values year over year and growing follow on product, service and maintenance revenues. Project revenue from new and existing customers made up 58% 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.

Bookings for the quarter were \$1.34 million up 11% compared to the prior fiscal year’s bookings of \$1.21 million. The number of project sales closed increased to 15 in the quarter from 14 in the period ending June 30, 2015.

At June 30, 2016 Vigil had a backlog of approximately \$3.20 million (including \$1.53 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) compared to approximately \$2.95 million (including \$973 thousand in deposits and progress billings, recorded as deferred revenue on the balance sheet) at June 30, 2015. At June 30, 2016, Vigil’s backlog included 44 projects at varying stages of installation and progress billing with an average size of \$80 thousand. There were 33 projects with an average size of \$89 thousand in the three months ended June 30, 2015.

The gross margin percentage for the three months ended June 30, 2016 was 52% compared to 49% for the three months ended June 30, 2015. Favourable foreign exchange rates on US Dollar denominated revenue reported in Canadian Dollars increased margins beyond management’s expectations of between 45% and 50%. One-off sales grew by 21% or \$111 thousand; as these sales generally don’t include lower margin labour components this increase positively affects overall margin.

Operating expenditures for the three months ended June 30, 2016 were \$610 thousand compared to \$599 thousand for the period ended June 30, 2015.

Earnings before income taxes for the three-month period ended June 30, 2016 were \$265 thousand compared to \$33 thousand for the previous year. The increase in earnings reflects the improved revenue and margin. Net earnings and comprehensive income was \$196 thousand or \$0.016 per share compared to \$33 thousand or \$0.002 per share.

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 26, 2016, or, upon notice to the Company, entitled security holders may request a copy of financials in advance.

Summary Financial Information

	June 30, 2016 (unaudited)	June 30, 2015 (unaudited)
Revenue	\$ 1,657,295	\$ 1,283,178
Cost of sales	788,711	650,528
Gross profit	868,584	632,650
Expenses	609,523	598,518
Income before the following items	259,061	34,132
Other income (expense):	6,186	(1,164)
Earnings before income taxes	265,247	32,968
Income taxes	68,964	-
Comprehensive income for the period	\$ 196,283	\$ 32,968

Non-IFRS Measure

For the three months ended June 30, 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

	Three months ended	
	June 30, 2016	June 30, 2015
Income for the period	\$ 196,283	\$ 32,968
Add / (deduct)		
Foreign exchange	(5,172)	7,570
Derivative exchange	(664)	(6,375)
Interest	(515)	(490)
Tax	69,130	459
Stock based compensation	8,474	9,672
Amortization	6,767	4,970
	78,020	15,806
Adjusted EBITDA	\$ 274,303	\$ 48,774

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" segment of our fiscal 2016 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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