



November 17, 2016

For Immediate Release
(TSX-VEN: VGL)

Vigil Reports Earnings, Revenue and Sales Bookings up in Second Quarter

November 17, 2016 (Victoria) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending September 30, 2016.

Business Highlights

- Net earnings up 617% to \$113 thousand compared to a \$22 thousand loss in the three months ended September 30, 2015.
- EBITDA up 476% to \$160 thousand compared to a \$43 thousand loss in the three months ended September 30, 2015.
- Revenue up 70% to \$1.58 million compared to \$929 thousand in the three months ended September 30, 2015.
- Sales bookings grew 17% to \$1.41 million from \$1.20 million in the three months ended September 30, 2015.

“Our revenue numbers were strong in the second quarter but it is the year-to-date numbers where we substantially outperformed all prior comparative periods. The 70% jump in revenue reflected a record number of project completions as well as continued growth in one-off sales and software maintenance. Our operations team did an outstanding job, commissioning several sales booked prior to fiscal 2015 in addition to current projects,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Revenue for the three months ended September 30, 2016 was \$1.58 million up 70% from \$929 thousand in the three months ended September 30, 2015. Project revenue made up 60% of total revenue compared to 40% in the prior year; the remaining revenue came from follow on sales to existing customers. These sales include software maintenance billings and replacement products including wireless devices and communication equipment. The sizable percentage increase in revenue relates to improved revenue in the current quarter and a slower second quarter in fiscal 2016.

Bookings for the quarter were \$1.41 million up 17% compared to \$1.20 million in the three months ended September 30, 2015.

At September 30, 2016, Vigil had a backlog of approximately \$3.03 million (including \$1.39 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) down from approximately \$3.50 million (including \$1.15 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) at September 30, 2015. At September 30, 2016, Vigil’s backlog included 42 projects at varying stages of installation and progress billing with an average project size of \$72 thousand compared to 38 projects with an average value of \$92 thousand at September 30, 2015.

The gross margin percentage for the three months ended September 30, 2016 was 45% compared to 54% for the three months ended September 30, 2015. Gross margin was within management’s usual expectations of margins of between 45% and 50%. The greater percentage of project sales compared to one-off sales contributed to the lower margin. Projects sales contain lower margin components including payroll, travel and contracting expenses.

Operating expenditures for the three months ended September 30, 2016 were \$572 thousand compared to \$568 thousand for the three months ended September 30, 2015.

Earnings before income taxes for the three months ended September 30, 2016 were \$152 thousand compared to a loss of \$22 thousand for the previous year. The increase in earnings reflects the improved revenue. Net earnings and comprehensive income was \$113 thousand or \$0.007 per share compared to a net loss of \$22 thousand, or \$0.001 per share 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 November 25, 2016, 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, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Revenue	\$ 1,576,789	929,440	3,234,084	2,212,618
Cost of sales	859,907	425,871	1,648,618	1,076,399
	716,882	503,569	1,585,466	1,136,219
Expenses	571,601	568,063	1,181,124	1,166,581
Earnings (loss) before the following items	145,281	(64,494)	404,342	(30,362)
Other income (expense)	6,996	42,702	13,182	41,538
Earnings (loss) before income taxes	152,277	(21,792)	417,524	11,176
Income taxes	(39,592)	-	(108,556)	-
Net earnings (loss) and comprehensive earnings (loss) for the period	\$ 112,685	(21,792)	308,968	11,176

Non-IFRS Measure

For the three months ended September 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		Six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Income (loss) for the period	\$ 112,685	(21,792)	308,968	11,176
Add / (deduct)				
Foreign exchange	(8,056)	(37,640)	(13,227)	(30,070)
Change in fair value of derivative	1,915	(4,995)	1,250	(11,370)
Interest	(855)	(67)	(1,371)	(557)
Tax	39,592	-	108,722	459
Stock based compensation	8,372	16,547	16,846	26,219
Amortization	6,491	5,346	13,258	10,315
	47,459	(20,809)	125,478	(5,004)
Adjusted EBITDA	\$ 160,144	(42,601)	434,446	6,172

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.

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

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