



June 20, 2017

For Immediate Release
(TSX-VEN: VGL)

Vigil Health Solutions Reports Record Earnings and Revenue for Fiscal 2017

June 20, 2017 (Victoria) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the fiscal year and the fourth quarter, ending March 31, 2017.

Highlights

- Earnings before income taxes were up 447% to \$970 thousand.
- Net earnings and comprehensive income of \$2.08 million, including an income tax recovery of \$1.11 million.
- Revenue increased 40% to \$6.77 million.
- Adjusted EBITDA improved 368% to \$1.03 million.
- Sales bookings up 16% to \$6.02 million.
- Introduced new features and products including:
 - Creation of the Vigil Connect for Google Home and Amazon Echo to support voice driven senior’s assistance.
 - Integration with the GTX GPS SmartSole™ shoe insert to monitor senior living residents at risk of wandering.
 - Enhancements to the Vigil Mobile App (for iOS and Android) to identify specific staff responding to each call.
 - An automated remote monitoring tool for more proactive customer support.

“Fiscal 2017 has been a record year for Vigil reflecting continued growth in new sales bookings, the results of prior periods’ sales activity and an unprecedented number of successful implementations completed by our team. While we expect to continue to see fluctuations in revenue, due to construction schedules and other variables, the outlook for the industry remains positive as growth of the aging population is expected to outpace senior living construction,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Sales bookings for the year ended March 31, 2017 were \$6.02 million compared to \$5.20 million in the year ended March 31, 2016. Approximately 60% of sales were new projects; the remainder were one off sales or service and maintenance contracts. There were 61 project sales made in the year with an average value of \$59 thousand. Sales bookings are recorded when a contract is signed; revenue is recognized upon completion and acceptance of the project installation.

At March 31, 2017 Vigil had a backlog of approximately \$2.44 million (including \$1.16 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) compared to \$3.28 million (including \$1.40 million in deposits and progress billings, recorded as deferred revenue on the balance sheet) at March 31, 2016. The decline in backlog reflects recognition of approximately \$1.05 million in long

running projects signed prior to fiscal 2016. In fiscal 2017 the average value of each sale was \$72 thousand compared to \$82 thousand in the prior year. 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, 2017 was \$6.77 million compared to \$4.84 million in the year ended March 31, 2016, an increase of 40%. The growth in revenue reflects a substantial increase in the number of projects completed. There were 60 projects completed in fiscal 2017 with an average value of \$72 thousand compared to 42 with an average value of \$65 thousand in fiscal 2016. The record revenues also reflects some large sales to corporate customers and some unusually long running projects booked prior to fiscal 2016 and completed the fiscal 2017.

Project revenue from new and existing customers made up 62% 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 12%, or \$251 thousand, over fiscal 2016.

The gross margin percentage for the year ended March 31, 2017 was 51% compared to 52% for the year ended March 31, 2016. As a result of the appreciating US dollar management has increased expectations of gross margins to between 47% and 52%.

Operating expenditures for the year ended March 31, 2017 were \$2.50 million up 6% from \$2.36 million for the same period ended March 31, 2016. The increase primarily reflects higher wage expense.

Earnings before income taxes for the year ended March 31, 2017 were \$970 thousand, or \$0.12 per share, compared to \$177 thousand, or \$0.02 per share per share, for the previous year. The increase in earnings reflects the improved revenue. 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 \$1.24 million resulting in an income tax recovery of \$1.11 million and net earnings and comprehensive income for the year of \$2.08 million. In fiscal 2016 the Company recognized a deferred income tax asset of \$128 thousand resulting in net earnings and comprehensive income for the year of \$305 thousand. 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, 2017 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. Financial information will be mailed to entitled security holders on June 30, 2017. 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, 2017	Twelve months ended March 31, 2016
Revenue	\$ 6,773,289	\$ 4,842,371
Cost of sales	3,330,488	2,337,766
Gross profit	3,442,801	2,504,605
Expenses	2,499,931	2,356,851
Income before the following items	942,870	147,754
Other Income	26,814	29,529
Earnings before income taxes	969,684	177,283
Income tax recovery	1,108,663	127,704
Net earnings and comprehensive income for the year	\$ 2,078,347	\$ 304,987

Non-IFRS Measure

For the year ended March 31, 2017, 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

	Twelve months ended March 31, 2017	Twelve months ended March 31, 2016
Net earnings for the year	\$ 2,078,347	\$ 304,987
Add / (deduct)		
Foreign exchange	(40,420)	(5,903)
Derivative exchange	9,319	(23,904)
Interest	(3,872)	(831)
Income Tax	(1,108,663)	(127,704)
Share based payments	67,624	50,639
Amortization	28,713	23,149
	(1,047,299)	(84,554)
Adjusted EBITDA	\$ 1,031,048	\$ 220,433

About Vigil Health Solutions Inc.

Vigil offers a 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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