

## For Immediate Release



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### VIRTUALARMOUR REPORTS Q1 FINANCIAL RESULTS

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#### **-88% Period over Period Growth-**

**Vancouver, B.C. – (May 30, 2017)** Premier Managed Services Provider, VirtualArmour International Inc. (the “**Company**”) (CSE:VAI), today announced first quarter (Q1) financial results for the three-month period ended March 31, 2017.

*“With the managed services market experiencing continued growth, VirtualArmour increased its period-over-period revenue by 88%. This was achieved through a combination of signing a host of new contracts as well as increasing our levels of engagement with several existing clients,”* said Christopher Blisard, Co-Founder and Chairman of VirtualArmour.

*“The outlook for the remainder of 2017 is positive as the global spending on cybersecurity products and services is expected to exceed \$1 trillion cumulatively over the next five years, from 2017 to 2021<sup>(1)</sup> supporting the service provider business,”* said Christopher Blisard. *“The mass exposure of the vulnerability of enterprise systems from the “WannaCry” attack has increased focus and spend with enterprise businesses which supports our continued growth and shortens the current buying cycle.”*

#### **2016 Financial Highlights**

- During the three months ended March 31, 2017, the Company recorded revenues of \$3,157,982 (2016 - \$1,677,492) driven by an increase in new clients and existing client expansion.
- Hardware and software sales and product support services increased revenues during the three months ended March 31, 2017 at \$2,700,899 (2016 - \$1,256,640).
- Managed and professional services revenues were \$457,083 (2016 - \$415,624) up 10% period over period driven by an increase in internal focus and market adoption.
- The gross profit as a percentage of revenue was 17.1% in the 2017 period compared to 27.5% in the 2016 period driven by an increase in product support and hardware software sales that suppressed the margin in the short term.

The table below details certain non-cash and other transactions that for the purposes of this discussion have been adjusted out of the reported loss to produce an adjusted loss that forms a better basis for comparing the period over period operating results of the Company.

	2017 \$	2016 \$
Loss for the period as reported	(489,830)	(2,632,616)
Add (deduct):		
Gain on debt settlement, net of legal fees	-	(167,375)
Change in fair value of warrant derivative liabilities	(28,671)	2,532,005
G&A expense – share-based payments	74,727	42,336
Adjusted loss for the period <sup>(1)</sup>	(443,774)	(225,650)

<sup>(1)</sup>Adjusted loss for the period is not a term recognized under IFRS. Non-IFRS measures do not have standardized meaning. Accordingly, non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

### **Operational Highlights:**

- During the 1st quarter, the Company:
  - Completed three new Proof of Concepts within the Healthcare and Education industries
  - On boarded two new technology partners to increase competitiveness
  - Continued deployment of our proprietary CloudCastr portal to our Managed Services clients
  - Contracted five new enterprise business customers and retained 100% of current clients

### **About VirtualArmour**

VirtualArmour is a premier Managed Services Provider (MSP) delivering customizable management of advanced network and security services to global businesses across numerous industry sectors. It is a trusted partner of several Fortune 500 organizations and uses only best-in-breed technology to protect and secure its clients.

VirtualArmour's services operate around the clock through its Security Operations Centers ("SOC") located in Middlesbrough, U.K. and Salt Lake City, Utah. Further information about the Company is available under its profile on the SEDAR website, [www.sedar.com](http://www.sedar.com), on the CSE website, [www.thecse.com](http://www.thecse.com), and on its website [www.virtualarmour.com](http://www.virtualarmour.com)

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### **Forward-Looking Information:**

This press release may include forward-looking information within the meaning of Canadian securities legislation. The forward-looking information is based on certain key expectations and assumptions made by the management of VirtualArmour. Although VirtualArmour believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information as VirtualArmour cannot provide any assurance that it will prove to be correct. These forward-looking statements are made as of the date of this press release and VirtualArmour disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.