

VirtualArmour Reports Preliminary Q4-18 Revenue up 136% to Record \$4.4 Million, Full Year up 49% to Record \$15.6 Million

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CENTENNIAL, Colo., March 14, 2019 (GLOBE NEWSWIRE) -- VirtualArmour International Inc. (CSE:VAI) (F:3V3) (OTCQB:VTLR), a premier cybersecurity managed services provider, reported preliminary results for the fourth quarter and full year ended December 31, 2018.

	Q4 2018	Q4 2017	Δ%
Managed & Professional Services	\$1.4	\$0.9	55%
Product Sales and Support Services	\$3.0	\$1.0	213%
Total Revenue	\$4.4	\$1.9	136%

	FY 2018	FY 2017	
Managed & Professional Services	\$5.0	\$2.8	79%
Product Sales and Support Services	\$10.6	\$7.7	38%
Total Revenue	\$15.6	\$10.5	49%

For the fourth quarter of 2018, VirtualArmour expects record total revenue of \$4.4 million, an increase of 136% compared to the fourth quarter of 2017. Managed and professional services revenue are expected to total \$1.4 million or 32% of total revenue, up 55% from \$0.9 million or 49% of total revenue in the same year-ago quarter.

For the full year 2018, VirtualArmour expects total revenue to increase 49% to \$15.6 million. Managed and professional services revenue in 2018 is expected to increase 79% to \$5.0 million or 32% of total revenue, as compared to \$2.8 million or 27% of total revenue in 2017.

“Our preliminary results indicate strong top-line growth across the board in 2018,” said VirtualArmour CEO Russ Armbrust. “Managed and professional services were up 55% for the quarter and up 79% for the year, demonstrating tremendous growth in this higher margin segment of our business that has continued to be our primary focus.”

“We achieved these results by signing several new multi-year engagements that generate recurring revenue, as well as by increasing the premium level of services utilized by our existing customers,” continued Armbrust. “We also maintained a 100% customer retention rate through the year, which reflects our ongoing commitment to prevention, proactive communication, and investment in the best technology and most talented engineers. Favorable industry dynamics have also supported our growth, with more companies seeking the benefits of our managed cybersecurity services as high-profile data and security breaches continue to be reported in the media.

“As we begin 2019, we anticipate achieving another year of record financial and operational performance, with steady growth in our higher-margin managed services segment. The enhancements we have made to our proprietary managed services platform, along with the industry partnerships we have formed over the last year, have significantly increased our value proposition for new and existing customers, with this supporting our positive outlook for the quarters ahead.”

These preliminary results are subject to change with the completion of our audited consolidated financial statements for the year ended December 31, 2018. VirtualArmour plans to issue its full annual results and file with SEDAR before the end of April 2019 as required by Canadian reporting companies.

About VirtualArmour

VirtualArmour International is a global cybersecurity and managed services provider that delivers customized solutions to help businesses build, monitor, maintain and secure their networks.

The company maintains 24/7 client monitoring and service management with specialist teams located in its U.S. and UK-based security operation centers. Through partnerships with best-in-class technology providers, VirtualArmour delivers leading hardware and software solutions for customers that are both sophisticated and scalable, and backed by industry-leading customer service and experience. The company's proprietary CloudCastr client portal and prevention platform provides clients with unparalleled access to real-time reporting on threat levels, breach prevention and overall network security.

VirtualArmour services a wide range of clients, which include Fortune 500 companies and several industry sectors in over 30 countries across five continents. For further information, visit www.virtualarmour.com.

Important Cautions Regarding Forward Looking Statements

This press release may include forward-looking information within the meaning of Canadian securities legislation and U.S. securities laws. This press release includes certain forward-looking statements concerning a service contract VirtualArmour has entered into with a current client, VirtualArmour's continued relationship with various suppliers, the future performance of our business, its operations and its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. 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.

Forward-looking statements are frequently identified by such words as “may”, “will”, “plan”, “expect”, “anticipate”, “estimate”, “intend” and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-

looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the success of the Company in performing the IT implementation and migration, performance under the contract by all parties, the ability of VirtualArmour to meet timelines, the continued availability of necessary hardware, the absence of any trade war or tariffs affecting VirtualArmour's ability to perform, competitive risks and the availability of financing. 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.

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