

Focused on the 90 billion dollar home care industry, Nova Leap Health makes 11th acquisition

As the baby boomers grow older the need for home care is accelerating. Since COVID-19 began, more and more people are considering in-home services for aged or incapacitated care, including dementia. The benefits of home care include independence, less exposure to others that might be infectious and surprisingly, often results in lower cost to everyone involved. With almost 80,000 Americans turning 65 years old each week, it is not surprising that the home care industry is one of the fastest-growing industries in the U.S. with a US\$89.2 billion market size.

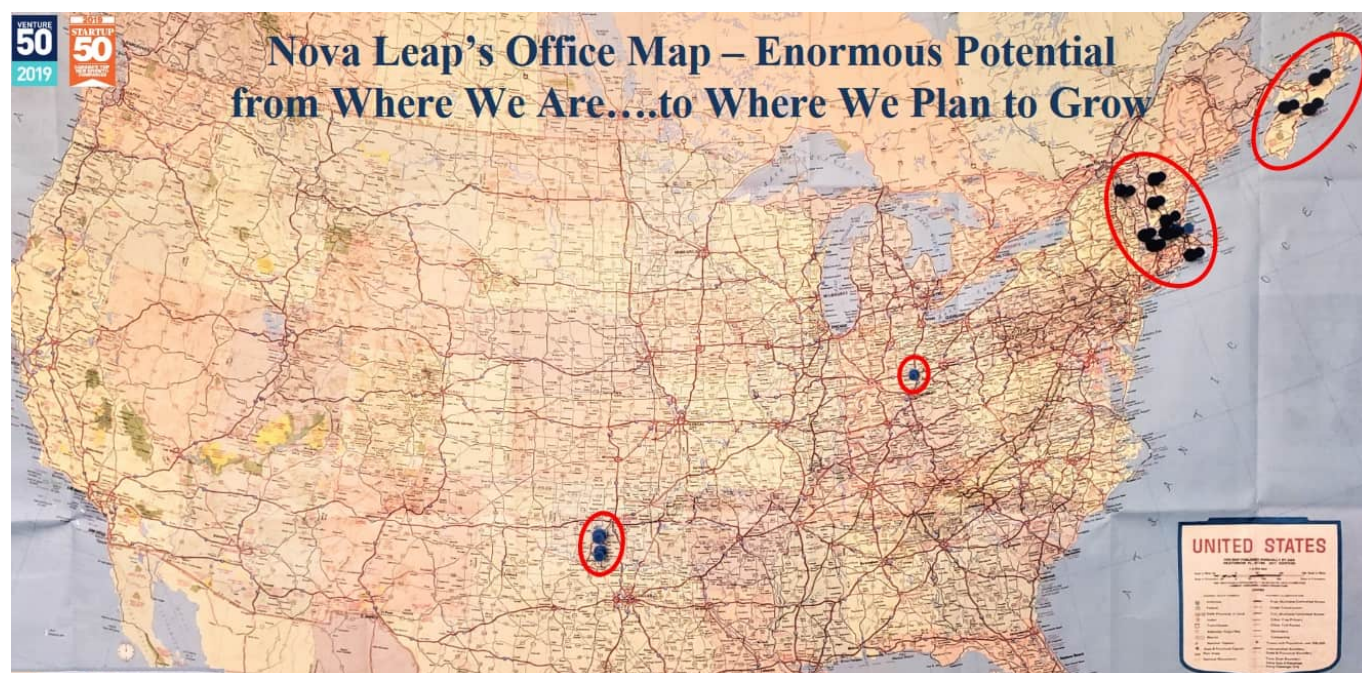
Nova Leap Health Corp. (TSXV: NLH) (“Nova Leap”) is a home health care services company operating in North America. Nova Leap acquires, manages, and builds home care service companies that provide support to clients and their families at home. Some of the home care services include dementia care, companionship, personal and respite care, cooking and meal preparation, light housekeeping, transportation, medication reminders, and medication administration by nursing staff. Nova Leap’s focus is to give their clients independence and quality of life in their own homes.

Currently Nova Leap has home health care services operating in 6 different U.S. states: Vermont, New Hampshire, Massachusetts, Rhode Island, Oklahoma, Ohio as well as Nova Scotia, Canada. In all, Nova Leap has acquired ten home health care businesses across the U.S. and Canada.

This month Nova Leap announced another acquisition in New

England to be made for total consideration of US\$660,000. The target company had unaudited revenues of approximately US\$1.697 million and EBITDA of approximately US\$155,000, for the year ended September 30, 2019. Regarding the new acquisition Nova Leap's CEO Chris Dobbin said: "Nova Leap is well positioned to capitalize on the demand for private pay in-home care and we expect further growth from the region."

Location of Nova Leap's current ten home health care businesses



Source: company presentation

Despite lower revenues impacted by COVID-19, Nova Leap achieved record operating cash flows

As reported in early October 2020, Nova Leap achieved a solid Q2 result despite slightly lower revenues and a small adjusted net loss of US\$159,337 for Q2 2020. Investors should recall that Q2 2019 felt the worst impact from COVID-19 due to lockdowns. Nova Leap's Q2 2020 revenue was US\$3,983,402, 6.3% lower than Q2 2019 revenues of US\$4,249,781 and 13.6% lower than Q1 2020 revenues of US\$4,611,140. At the same time, Nova Leap achieved record operating cash flows of US\$596,936 for Q2

2020 and Nova Leap's cash balance hit a record company level of US\$2,754,087 as of June 30, 2020. Gross margins improved slightly from 33.41% in Q1 2020 to 35.10% in Q2 2020 and Nova Leap paid off 21.9% of its combined schedule 1 bank debt and promissory notes relating to prior acquisitions.

Nova Leap Health has been steadily growing revenues (with a recent COVID-19 dip) with a strategy of acquisitions and organic growth



Source: company presentation

Approval received for Paycheck Protection Program loans from the CARES ACT in response to the COVID-19 pandemic

In August 2020, the Company was approved for Paycheck Protection Program loans at the low rate of just 1% for a total loan amount of US\$1.976 million. The loans are repayable monthly over a five-year period beginning in 2021. If certain conditions are met, the loans may be partially or fully

forgiven.

Nova Leap's President and CEO's view

“The home care industry has been an expanding industry for several years driven by an aging population,” said Chris Dobbin, President & CEO of Nova Leap. “Our company, like many in our industry, is preparing for an even greater anticipated demand for in-home care that we expect will last for several years. For investors following world events, it is evident that the pandemic has taken an unfortunate toll on many living in senior facilities. As a result, we expect many older adults and their families to opt for in-home care.”

COVID-19 has accelerated interest in at-home health care services, with many not willing to risk visiting a hospital or an assisted-living care facility. Nova Leap is well positioned to supply this increasing need with a growing network of ten home health care businesses. Currently NLH trades on the TSX Venture and has a market cap of approximately C\$22m (~US\$ 17.6m), which is about the same as their 2019 sales of US\$17.4m.