



# NOVA

## LEAPHEALTH

NLH - TSX V

INVESTOR PRESENTATION

# FORWARD LOOKING STATEMENTS

This Nova Leap Health Corp. (“**Nova Leap Health**” or the “**Company**”) presentation contains certain statements, which may constitute “forward- looking information” under Canadian securities law requirements and “forward looking statements” under applicable securities laws (“**forward-looking information**”). All statements other than statements of historical fact contained in this presentation, including, but not limited to, statements with respect to the future financial position and results of operations, strategy, plans, objectives, goals and targets, may constitute forward looking information. Forward-looking information can be identified by the use of words such as “could”, “expect”, “believe”, “will”, “may”, “intend”, “plan”, “estimate”, “anticipate”, “predict”, “project” and similar expressions and statements relating to matters that are not historical facts.

Forward-looking information involves known and unknown risks and uncertainties and other factors which may cause the actual results, performance or achievements of Nova Leap Health to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. These factors include, the ability of Nova Leap Health to operate as a going concern; development and operating risks; the Company’s limited operating history; the trading price and volatility of the Company’s common shares; global financial volatility; and reliance on key members of management.

Forward-looking information is based on assumptions that Nova Leap Health believes to be reasonable. Key assumptions upon which the Company’s forward-looking information is based include, but are not limited to: that the Company will have sufficient working capital and be able to secure additional funding necessary for continued operation of the Company’s business; and that key personnel will continue their employment with the Company.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward- looking information. The forward-looking information in this presentation is made as of June, 2018 and the Company undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than where a duty to update such information or provide further disclosure is imposed by applicable law.

# COMPANY PROFILE

- Began as a Capital Pool Corporation on the TSX Venture Exchange. Ticker symbol - NLH. \$10.076M raised from inception with 44% insider ownership.
- Home Care services company focused on growth through acquisitions and organically. Driven by demographics and a constant pipeline of opportunities.
- Assist clients remain in their homes through the provision of non-medical and skilled nursing services.
- Pursuing a private pay strategy in a highly fragmented industry.
- Company led by President & CEO with direct industry and transaction experience.
- Deliberate geographical acquisition and organic growth strategy with significant growth opportunities for years to come.
- Six acquisitions completed in 18 months. Operations in both Canada and the United States. Canadian operations in Nova Scotia and U.S operations in 4 different states: Vermont, New Hampshire, Massachusetts, and Rhode Island. Nova Leap has more than 480 employees and an annualized recurring revenue run rate of more than US\$11.0 million.
- Continuous pipeline of opportunities.



# REVENUE MODEL

- Nova Leap subsidiary companies charge approximately \$25-27/hour for non-medical and skilled home care services.
- Approximately 50% of workers provide 3-20 hours of service per week with the remaining working 20+ hours.
- On average, each new client results in at least two years of a recurring revenue stream.
- The Company has reported 35-36% gross margins.

## Historical & Projected Revenue (Approx.)

Q2 2017 LTM  
**\$79,967**

Q3 2017 LTM  
**\$168,649**

Actual FY2017  
**\$1,059,000**

Q1 2018 Run-Rate  
**\$4,000,000**

Q2 2018 Projected  
Run-Rate  
**\$11,400,000**

2018 Year End  
Projected Run-  
Rate  
**>\$14,000,000**

# CORPORATE & CAPITAL STRUCTURE

## Summary of Capital Structure

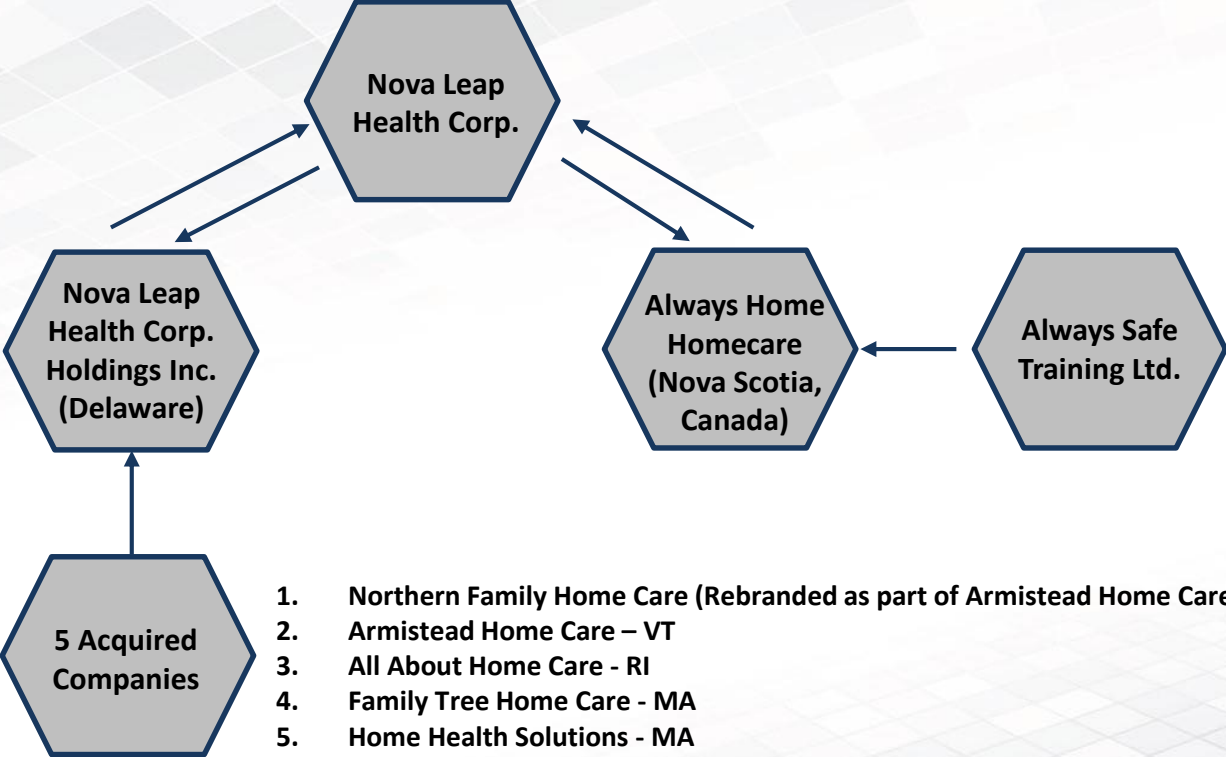
As of June 5<sup>th</sup>, 2018

Shares Outstanding	53,580,796
Options Outstanding	2,835,000
Warrants Outstanding	12,467,469
Fully Diluted	68,883,265
Remaining Portion of Shares Held in Escrow until 2019 (released in tranches every 6 months)	<b>4,500,000</b>
Insider Ownership (non-diluted):	<b>44%</b>
BMO Debt: 5 year amort. @ 6.75%	\$1,258,205 USD
BMO Debt: 7 year amort. @ 6.75%	\$1,312,236 USD
BMO Debt: 5 year amort. @ 5.45%	\$1,000,000 CAD

## Warrants/Options Outstanding

Number	Strike Price	Maturity Date
1,350,000 Options	\$0.10	April, 2026
1,485,000 Options	\$0.25	January, 2028
1,750,000 Warrants	\$0.35	March, 2019
2,631,250 Warrants	\$0.35	July, 2019
2,475,000 Warrants	\$0.35	October, 2019
1,223,800 Warrants	\$0.35	January, 2020
3,422,500 Warrants	\$0.375	February, 2020
324,800 Warrants	\$0.25	February, 2020
221,879 Warrants	\$0.30	March, 2020
418,240 Warrants	\$0.30	June, 2020

# CORPORATE STRUCTURE



1. Northern Family Home Care (Rebranded as part of Armistead Home Care) - NH
2. Armistead Home Care – VT
3. All About Home Care - RI
4. Family Tree Home Care - MA
5. Home Health Solutions - MA



# MANAGEMENT TEAM

## Chris Dobbin, CPA, CA

President & CEO & Director

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Chris is a founding shareholder of Nova Leap Health Corp., and a Co-Owner of Earth Angels Home Care, the largest private duty, non-medical home care provider in rural Nova Scotia. Chris is also the Founder of Precipice Capital, has been named one of Atlantic Canada's Emerging Leaders, and has received national recognition as the recipient of the 2013 EMDA Private Debt Deal and 2012 EMDA Private Equity Deal of the Year Awards.

## Megan Spidle, CPA, CA

Chief Financial Officer

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Megan has 18+ years in progressively senior roles, including direct public company experience, as the former CFO for both Zonte Metals and Nayarit Gold (acquired by Capital Gold). Megan has been responsible for implementing business process improvements in the accounting, finance, reporting and budgeting functions and is responsible for those functions with Nova Leap.

# BOARD OF DIRECTORS

## **Dana Hatfield CPA, CA**

Board Chair/Independent Director

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Dana, a founding shareholder in Nova Leap Health Corp., is the Chief Financial Officer and a Director of GoGold Resources Inc., a Canadian company which produces silver and gold in Mexico, and he has over 15 years of financial leadership in increasingly senior roles. Prior to joining GoGold Resources Inc., Dana served as CFO for Brigus Gold Corp., and was the Director of Finance with the Eastern Canada division of Sysco Corporation where he oversaw financial reporting, internal controls, budgeting and planning, equity and debt financings, and all operational finance functions.

## **Michael O’Keefe MBA, CPA, CMA**

Independent Director

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Michael, a founding shareholder in Nova Leap Health Corp., is the Chief Financial Officer for Aqualitas Inc., a private company regulated by Health Canada, and for Morien Resources Corp. (TSXV:MOX) a junior royalty company. Michael is the former Director of Finance at Erdene Resource Development Corp. (TSX:ERD), a junior exploration company focused on Mongolia. Michael has extensive experience in senior finance positions in both public and private companies.

## **Wayne Myles, Q.C.**

Independent Director

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Wayne is the co-owner and Chairman of a diversified group of companies including Distribution Inc., Big Erics Inc. and Terra Nova Foods Limited. Wayne is also Chairman of the Board of Directors of Newfoundland Labrador Liquor Corporation and is Past Chairman of the Board of Victoria Order of Nursing (VON) Canada. A corporate lawyer, Wayne has significant experience in international M&A, and banking.



# INVESTMENT HIGHLIGHTS



# WHAT IS NON-MEDICAL AND SKILLED HOME CARE?

**Nova Leap is focused on acquiring and organically growing Private Pay Non-Medical and Skilled Home Care Companies**

## What is Home Care?

- Home Care is about sustaining and maintaining your loved one's quality of life in their home – keeping them safe and comfortable.

## What you get from *home care*:

- Personal grooming like bathing or getting dressed;
- Moving around: getting in and out of the bed/shower;
- Medication reminders;
- Errands like grocery shopping and picking up prescriptions;
- Light Housekeeping; and
- Meal preparation.



## What is Home Healthcare?

- Home healthcare is skilled care to help someone get healthy while at home. It comes after a doctor's visit or a hospital stay and is provided by medical professionals.

## What you get from *home health care*:

- Skilled nursing;
- At-home physical therapy;
- Pain Management;
- Caring for wounds; and
- Prescription management.



# HOME HEALTH CARE INDUSTRY

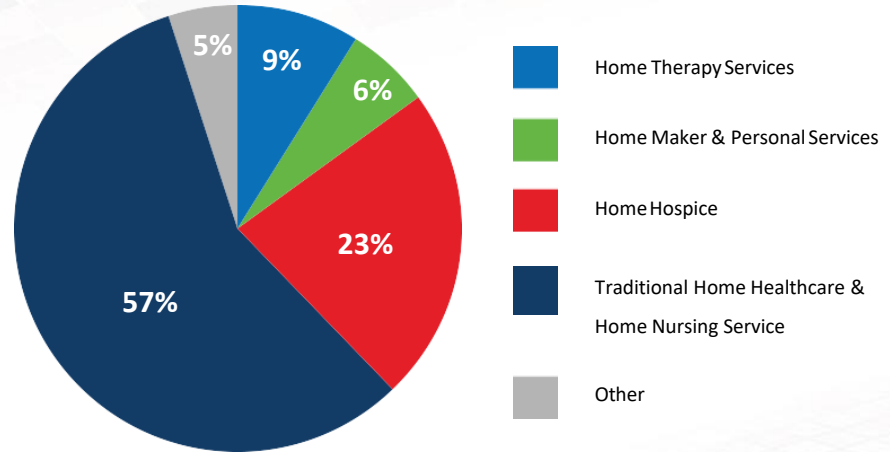
## Largest Home Care segment

- The Non-Medical home care industry is 6.1% of the \$89.2B U.S. Home Health Care market revenue, which is approx. ~ \$5.4B.

## Consolidation opportunity

- The Home Care industry is highly fragmented, with more than 90.0% of industry establishments consisting of sole proprietorships.
- No player in the industry accounts for more than approx. 5% of industry revenue.

Source: IBIS World: Home Care Providers in the US- May 2016



Source: IBIS WORLD 2016

# WHAT IS DRIVING THE OPPORTUNITY?

- **The number of adults aged 65 and older – Approx. 11,000 people in the U.S. turning age 65 each day.**
  - ✓ Shift to chronic disease management – More than 130M people in the U.S. have chronic illness which accounts for 76% of all hospitalizations.
  - ✓ Home Care Industry one of the fastest growing industries in the U.S. with a \$89.2 billion market size;
  - ✓ Move toward cost effective treatment by private and public payers;
  - ✓ Billions in savings to the system through home care;
  - ✓ Prevalence of chronic disease;
- **Federal funding cuts for Medicare and Medicaid.**
- **Number of people with private health insurance.**
- **Per capita disposable income.**
- **Very fragmented industry with no major players having a dominant percentage of the market.**



# GROWTH STRATEGY



## Organic Growth

Minimal risk with potential for exponential ROI due to costs of only \$150,000 in first 12-18 months.



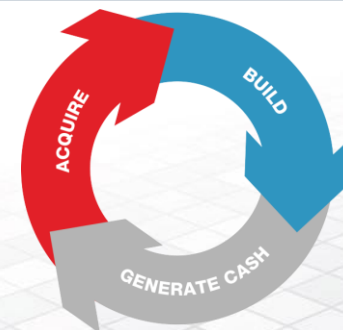
## Acquisitions



## Joint Venture Partners

Key partnerships will drive an increase in quality of service and enhanced margins.

- Acquire home care companies in states and rural areas with less competition.
- Implementation of risk management policies.
- Enhancement of sales & marketing strategies and implementation of efficiencies around G&A.
- Improved training and investment in staff.
- Expansion of services, partnerships and existing geographical coverage.
- In-State organic expansion following new acquisition with new locations.
- Acquire to gain foothold in a new State.



# CORPORATE MILESTONES

January – May 2016

Seed Round: \$500,000  
IPO: \$350,000

Qualifying Transaction:  
Acquisition made within  
New Hampshire

June – October 2016

Acceptance by TSX- Venture  
\$250K Subordinate Debentures  
\$1,750,000 Equity Raise

November 2016 - March 2017

Two Acquisitions completed:  
Rhode Island and Vermont

April – October 2017

November 2017 - January 2018

Signed LOI on  
Northeastern business

# 2018 PLANS

- Up to 5 Acquisitions
- Up to 6 New Organic Locations

February 2018

Acquisition Completed  
In Massachusetts

2 Acquisitions Completed:  
Massachusetts, USA &  
Nova Scotia, Canada

March - June 2018

## Target Acquisition Criteria

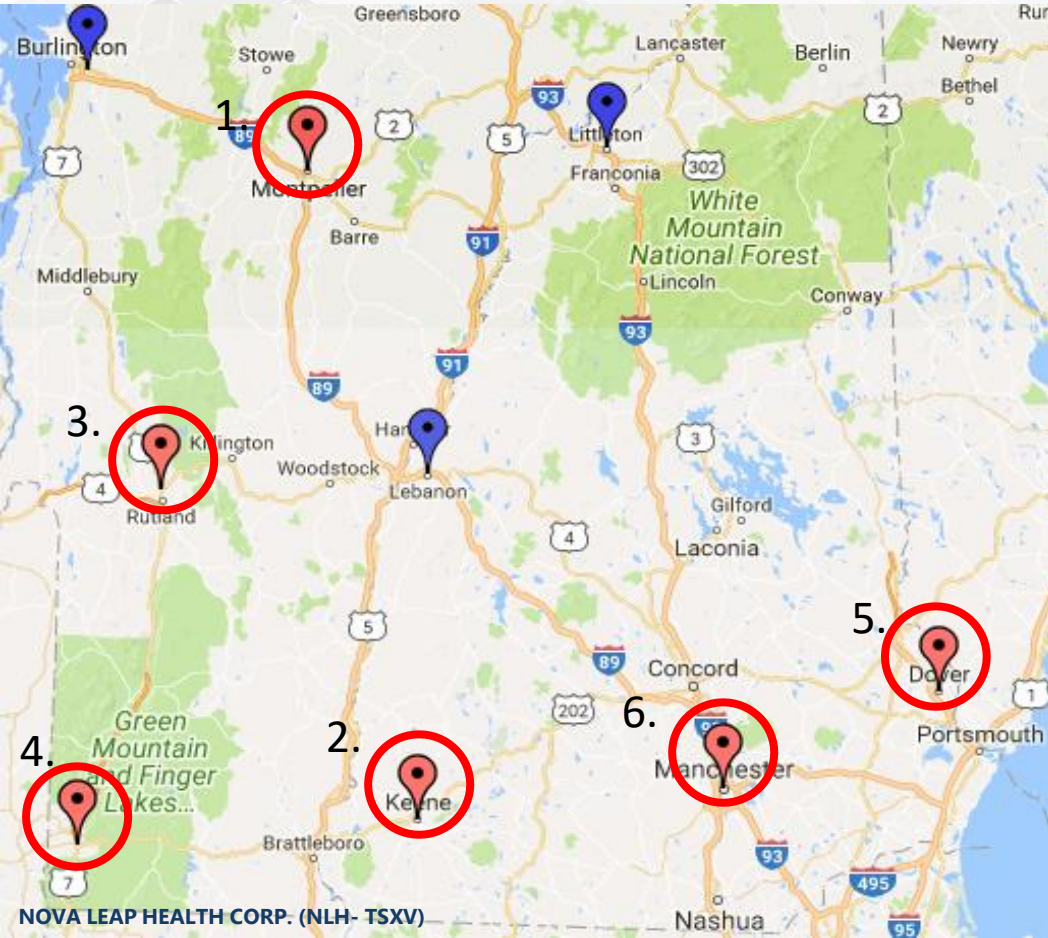
- Current focus on the Northeastern part of the US and Eastern Canada.
- Strong reputation and trusted brand.
- Opportunities for operational synergies.
- \$1M-\$5M of Revenues with positive EBITDA.
- 3.0X-5.0X LTM EBITDA purchase multiple.
- 0.5X-0.7X LTM Revenue purchase multiple.



# CURRENT PORTFOLIO

Company	Location	Employees	LTM Revenue (USD)	Acquisition Date	Acquisition Price (USD)	Acquisition Financing & Percent breakdown
Northern Family Home Care	Littleton New Hampshire	Rebranded as part of Armistead Senior Care in October, 2017.		Oct. 2016	\$240,000	100% Cash
All About Home Care	Rhode Island	76	\$1,900,000	Sept. 2017	\$1,200,000	50% BMO Debt 50% PP @ \$0.20 with 2-year ½ warrant @ \$0.35
Armistead Senior Care	Vermont & New Hampshire	83	\$1,900,000	Oct. 2017	\$1,000,000	50% stock (1-year lockup) 50% PP (same terms as prior)
Family Tree Home Care	Massachusetts	80	\$3,200,000	Feb. 2018	\$2,100,000	65% BMO Debt 14% 2-year note to vendor 21% PP @ \$0.25 with 2-year ½ warrant @ \$0.375
Home Health Solutions	Massachusetts	75	\$1,900,000	April, 2018	\$1,200,000	63% BMO Debt 17% 2-year note to vendor 20% PP @ \$0.30
Always Home Homecare	Nova Scotia	150	\$2,420,000	June, 2018	\$2,120,000	36% BMO Debt 13% 2-year note to vendor 51% PP @ \$0.30

# 2018 ORGANIC LOCATION GROWTH PLAN

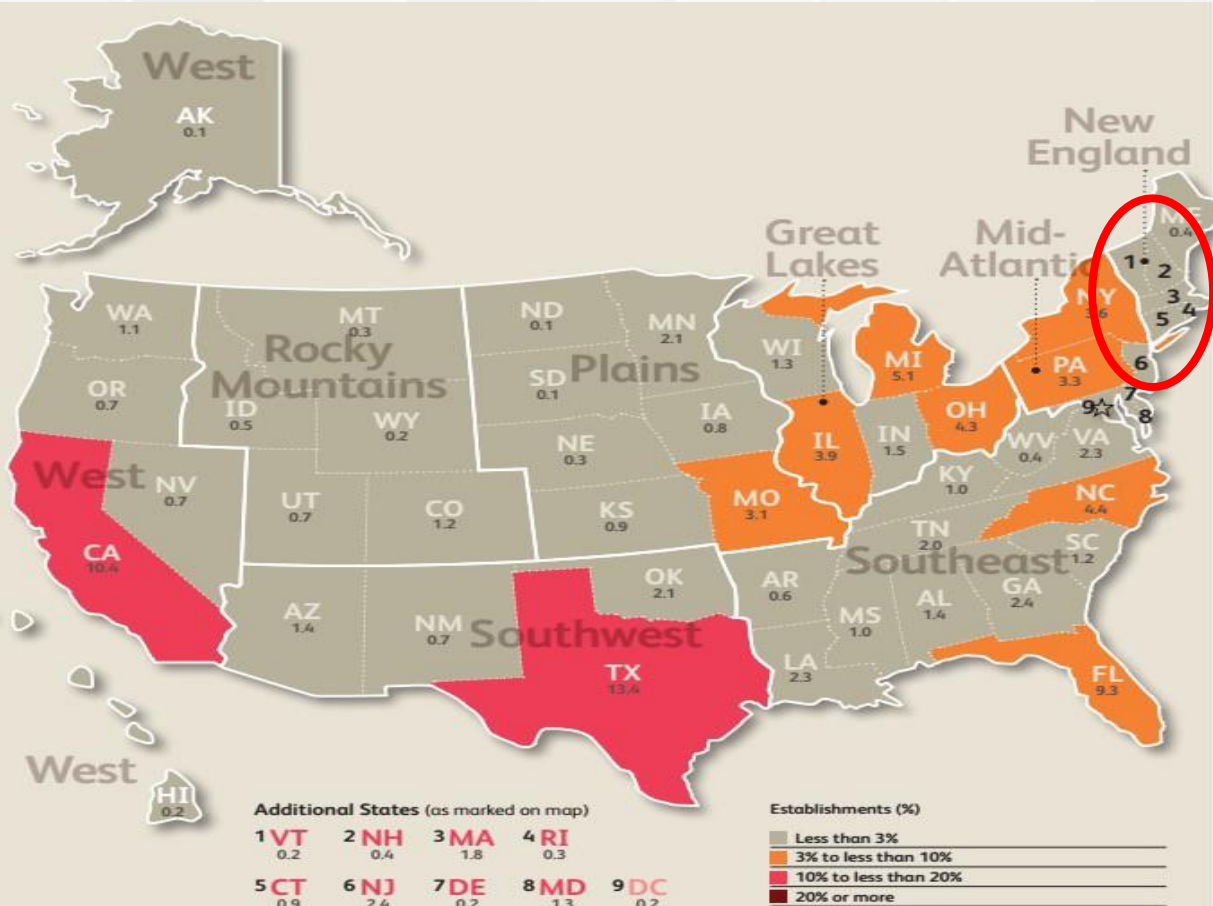


- Blue Dots = Armistead Senior Care, located in South Burlington (Vermont), and Lebanon and Littleton (New Hampshire).

- Red Dots/Circles = The next 6 organic locations chosen for expansion are listed below:

<u>Approximate Location</u>	<u>State</u>
1. Montpelier	Vermont
2. Keene	New Hampshire
3. Rutland	Vermont
4. Bennington	Vermont
5. Dover	New Hampshire
6. Manchester	New Hampshire

# HOME CARE ESTABLISHMENTS BY STATE (%)



## Northeastern United States is the current area of focus in U.S.

- The New England area and most of the eastern coastline have lower concentrations of home care establishments.
- Nova Leap focuses on less competitive areas including rural areas that have hospitals, care facilities, hospices and demographics that support home care requirements.
- Nova Leap currently has its U.S. operations in the following states: New Hampshire, Rhode Island, Vermont, and Massachusetts.

# COMPARATIVE MODELS

## Enterprise Value (EV) In Millions

Company	4/30/18	4/30/17	4/30/16
Amedisys	2260	1950	1780
LHC Group	1440	1010	756
HH Index Total	3700	3739	3025
Addus	607	409	192

## Enterprise Value (EV), as a Percent of Revenue

Company	4/30/18	4/30/17	4/30/16
Amedisys	150%	137%	145%
LHC Group	136%	122%	98%
HH Index Total	143%	128%	113%
Addus	145%	102%	57%

## Multiples of Enterprise Value/EBITDA

Company	4/30/18	4/30/17	4/30/16
Amedisys	17.59	23.92	19.95
LHC Group	16.08	13.06	9.75
HH Index Total	16.84	18.92	14.34
Addus	18.44	13.1	8.02

Source: Stone Ridge Partners- Home Health Index



# NOVA

## LEAPHEALTH

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**CHRIS DOBBIN, CPA, CA**  
**[cdobbin@novaleaphealth.com](mailto:cdobbin@novaleaphealth.com)**