



Nova Leap Health Corp.

**Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2020 and 2019**

**(Unaudited)
(United States dollars)**

Nova Leap Health Corp.

Condensed Interim Consolidated Statement of Financial Position (Unaudited - United States dollars)

	March 31, 2020	December 31, 2019
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	2,556,873	1,635,211
Accounts receivable	1,611,507	1,680,194
Prepaid expenses	158,166	166,607
Total current assets	4,326,546	3,482,012
Non-current assets		
Property and equipment	246,665	271,255
Intangible assets	696,536	811,268
Goodwill	9,221,836	9,416,109
Deferred income tax asset	103,699	134,326
Total non-current assets	10,268,736	10,632,958
TOTAL ASSETS	14,595,282	14,114,970
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	871,086	941,756
Client deposits payable	95,712	92,925
Promissory notes (note 4)	309,420	498,892
Contingent consideration (note 5)	63,873	93,619
Demand loans (note 6)	2,726,829	2,985,348
Lease liability	125,323	122,139
Total current liabilities	4,192,243	4,734,679
Non-current liabilities		
Deferred income tax liability	43,338	50,323
Promissory notes (note 4)	302,685	390,603
Contingent consideration (note 5)	156,494	149,284
Lease liability	47,880	68,203
Convertible debentures (note 7)	2,008,911	1,647,576
Total non-current liabilities	2,559,308	2,305,989
TOTAL LIABILITIES	6,751,551	7,040,668
SHAREHOLDERS' EQUITY		
Share capital	10,175,484	9,001,673
Warrants (note 9)	121,818	472,731
Contributed surplus	1,254,407	1,094,459
Accumulated other comprehensive loss	(677,268)	(120,513)
Deficit	(3,030,710)	(3,374,048)
TOTAL SHAREHOLDERS' EQUITY	7,843,731	7,074,302
TOTAL LIABILITIES AND SHARHOLERS' EQUITY	14,595,282	14,114,970

Subsequent events (note 13)

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Approved on behalf of the Board of Directors

“Michael O’Keefe”

(signed)

Director

“Christopher Dobbin”

(signed)

Director

Nova Leap Health Corp.

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss (Unaudited - United States dollars)

	For the three months ended March 31,	
	2020	2019
	\$	\$
Revenues		
Service revenue	4,611,140	3,911,855
Operating expenses		
Cost of service	3,070,682	2,614,406
	<u>1,540,458</u>	<u>1,297,449</u>
Corporate and administrative expenses		
Head office and operations management	910,403	780,785
General & administrative	410,004	333,288
Amortization and depreciation	132,028	177,958
Stock based compensation	63,988	144,440
	<u>1,516,423</u>	<u>1,436,471</u>
Income (loss) from operating activities	<u>24,035</u>	<u>(139,022)</u>
Net finance, foreign exchange and acquisition expenses		
Finance expense	(118,172)	(106,591)
Foreign exchange gain (loss)	480,880	(105,130)
Acquisition related expenses	(2,535)	(22,725)
	<u>360,173</u>	<u>(234,446)</u>
Income (loss) before income tax	<u>384,208</u>	<u>(373,468)</u>
Deferred income tax expense	(27,600)	(6,336)
Current income tax expense	(13,270)	(19,330)
Total income tax expense	<u>(40,870)</u>	<u>(25,666)</u>
Net income (loss)	<u>343,338</u>	<u>(399,134)</u>
Items that will be reclassified subsequently to profit or loss		
Exchange (loss) gain on translation to presentation currency	(556,755)	122,861
Total comprehensive loss	<u>(213,417)</u>	<u>(276,273)</u>
Basic and diluted earnings (loss) per share (note 10)	<u>\$0.01</u>	<u>\$ (0.01)</u>

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Nova Leap Health Corp.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity (Unaudited - United States dollars)

	Common shares	Share capital \$	Warrants \$	Contributed surplus \$	Accumulated other comprehensive (loss) income \$	Deficit \$	Total equity \$
Balance – January 1, 2020	61,963,181	9,001,673	472,731	1,094,459	(120,513)	(3,374,048)	7,074,302
Warrants exercised (note 9)	3,345,671	1,173,811	(290,903)	-	-	-	909,608
Warrants expired (note 9)	-	-	(60,010)	60,010	-	-	-
Stock based compensation	-	-	-	63,988	-	-	63,988
Convertible debt issued (note 7)	-	-	-	35,950	-	-	35,950
Net income for the period	-	-	-	-	-	343,338	343,338
Other comprehensive loss for the period	-	-	-	-	(556,755)	-	(583,455)
Balance – March 31, 2020	65,308,852	10,175,484	121,818	1,254,407	(677,268)	(3,030,710)	7,843,731
Balance – January 1, 2019, as presented	59,639,966	8,291,861	930,510	254,671	(411,120)	(2,302,399)	6,763,523
Adoption of IFRS 16, Leases	-	-	-	-	-	(15,834)	(15,834)
Warrants exercised	1,128,000	350,466	(53,701)	-	-	-	296,765
Warrants expired	-	-	(33,023)	33,023	-	-	-
Stock based compensation	-	-	-	144,440	-	-	144,440
Net loss for the period	-	-	-	-	-	(399,134)	(399,134)
Other comprehensive income for the period	-	-	-	-	122,861	-	122,861
Balance – March 31, 2019	60,767,966	8,642,327	843,786	432,134	(288,259)	(2,717,367)	6,912,621

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Nova Leap Health Corp.

Condensed Interim Consolidated Statement of Cash Flows (Unaudited - United States dollars)

	For the three months ended	
	March 31, 2020	March 31, 2019
	\$	\$
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	343,338	(399,134)
Amortization and depreciation	132,028	177,958
Deferred income tax expense	27,600	6,336
Stock based compensation	63,988	144,440
Finance expense	115,958	106,591
Unrealized foreign exchange (gain) loss	(502,244)	109,001
Net changes in non-cash working capital balances related to operations		
Change in accounts receivable	68,687	79,757
Change in prepaid expenses	8,441	32,478
Change in accounts payable and accrued liabilities	(70,670)	(80,607)
Change in client deposits payable	2,787	9,202
	189,913	186,022
Financing activities		
Proceeds from exercise of warrants (note 9)	909,608	296,765
Proceeds from issuance of convertible debt, net of issue costs (note 7)	527,192	-
Repayment of demand loans and transaction costs (note 6)	(189,741)	(177,170)
Interest payments on demand loans (note 6)	(45,140)	(62,069)
Repayment of promissory notes and interest (note 4)	(257,500)	(265,000)
Repayment of lease liability and interest	(33,976)	(25,943)
	910,443	(233,417)
Effect of exchange rate changes on cash and cash equivalents	(178,694)	8,438
Change in cash and cash equivalents for the period	921,662	(38,957)
Cash and cash equivalents – beginning of period	1,635,211	1,283,505
Cash and cash equivalents – end of period	2,556,873	1,244,548
Non-cash items:		
Exercise of options/warrants	264,203	53,701
Expiry of warrants	60,010	33,023

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three months ended March 31, 2020 and 2019

1. Nature of operations

Nova Leap Health Corp. (the "Corporation") is the parent company and was incorporated under the Canada Business Corporations Act on November 16, 2015. The principal activities of the Corporation and its subsidiaries (the "Group") is to provide home and home health care services to clients. The Group is currently providing services in the United States in Vermont, New Hampshire, Rhode Island, Massachusetts, Oklahoma and Ohio as well as in Nova Scotia, Canada. The Corporation's shares are listed on the TSX Venture Exchange and are traded under the symbol NLH.V.

These consolidated financial statements include the accounts of the Corporation and its United States and Canadian subsidiaries. The registered head office of the Corporation is located at 7071 Bayers Road, Suite 5003, Halifax, NS Canada B3L 2C2.

The consolidated financial statements were approved by the Board of Directors on May 7, 2020.

2. Significant accounting policies

a) Statement of compliance

These unaudited condensed interim consolidated financial statements are prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation and are subject to the same use of estimates and judgments, as the Corporation's consolidated financial statements for the year ended December 31, 2019. These unaudited condensed interim consolidated financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual consolidated financial statements and accordingly should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended December 31, 2019, prepared in accordance with IFRS as issued by the IASB.

b) COVID-19

On March 11, 2020, the World Health Organization ("WHO") officially declared the Coronavirus disease 2019 ("COVID-19") a pandemic. Management is closely monitoring the progression of this pandemic, including how it may affect the Group, the economy and the general population. While home care has been deemed an essential service in all jurisdictions in which the Group operates, management has not yet determined the potential financial impact of these events.

Management is also monitoring all financial programs available in the jurisdictions in which the Group operates and will apply for any available benefits for which it is eligible (see note 13 – Subsequent Events).

The extent of the impact of COVID-19 on the Group's operational and financial performance will depend on future developments, including the duration and spread of the outbreak, all of which are highly uncertain and cannot be predicted.

3. Related party transactions

Transactions with related parties were in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the parties.

Key management personnel

Key management personnel include members of the Board of Directors, as well as the Chief Executive Officer, the Chief Financial Officer and Corporate Secretary. Key management personnel remuneration for the periods include the following expenses:

	Three months ended March 31,	
	2020	2019
	\$	\$
Salary & consulting fees	80,905	81,819
Directors fees	14,321	14,483
Stock based compensation	51,750	117,897
	146,976	214,199

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three months ended March 31, 2020 and 2019

3. Related party transactions (continued)

As at March 31, 2020, there was \$22,857 included in accounts payable and accrued liabilities for amounts owed to officers of the Corporation (March 31, 2019 – \$60,164) for consulting fees and expense reimbursements, and \$14,321 for amounts due to directors for director fees (March 31, 2019 – \$28,025).

4. Promissory notes

The changes in the promissory notes for the period are as follows:

	March 31, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	889,495	1,054,981
Issued	-	263,614
Effective interest	16,262	79,846
Repayments	(257,500)	(527,828)
Foreign exchange (loss) gain	(36,152)	18,882
Balance, end of period	612,105	889,495
Current portion	309,420	498,892
Non-current portion	302,685	390,603
Fair value	611,937	888,494

The promissory notes are subject to a Guaranty Agreement of Nova Leap Health Corp. and are subordinated to the demand loans (note 6).

5. Contingent consideration

The contingent consideration is earnout payments that are contingent on meeting certain revenue thresholds that make up a portion of the total purchase price for an acquisition. At initial recognition, the maximum value of the total earnout was measured at fair-value and recorded as a liability. Each reporting period, management will evaluate the likelihood of acquisition reaching its targets. If targets are not being met, the liability will be adjusted accordingly.

The following table summarizes changes in contingent considerations at March 31, 2020:

	March 31, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	242,903	-
Addition from business acquisition	-	233,790
Fair value (loss) gain	(22,536)	9,113
Balance, end of period	220,367	242,903
Current portion	63,873	93,619
Non-current portion	156,494	149,284

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6. Demand loans

The changes in the demand loans for the period are as follows:

	March 31, 2020	December 31, 2019
	\$	\$
<i>At amortized cost:</i>		
Balance, beginning of period	2,985,348	3,567,449
Debt issue and guarantee insurance costs	(3,722)	(43,697)
Effective interest	67,523	316,279
Interest payment	(45,140)	(229,664)
Principal repayment in cash	(186,019)	(685,687)
Foreign exchange (gain) loss	(91,161)	60,668
Balance, end of period	2,726,829	2,985,348
Fair value	2,804,937	3,079,682

The non-revolving loans are repayable on demand, provided that until demands are made, blended monthly payments comprising the principal and interest be paid over the maximum amortization period, being an average range of 3-5 years remaining.

The Corporation also has access to a \$696,000 revolving operating facility for working capital purposes from a Schedule 1 Canadian bank. The interest rate is US Prime Rate + 1.5%. The US Prime Rate at March 31, 2020 was 3.75%. Interest is calculated monthly in arrears, and payable on the last day of each month. The facility is repayable on demand.

The facility had an outstanding balance of \$nil as at March 31, 2020.

All the loans are also secured through a registered General Security Agreement and a Corporate Guarantee for the principal amount of the loan from Nova Leap's US and Canadian subsidiaries.

7. Convertible debentures

On January 16, 2020, the Corporation completed the second tranche of a non-brokered private placement through the issuance of unsecured subordinated convertible debentures for gross proceeds of \$579,532 USD (\$756,000 CAD).

The Debentures have a maturity date of January 15, 2025 and will accrue interest at the rate of 8.0% per annum, payable semi-annually. At the holders' option, the Debentures may be converted into common shares of Nova Leap at a conversion price of CAD\$0.52 per common share. At any time after the date that is one year following the issue date of the Debentures, the Company may force the conversion of the principal amount of the then outstanding Debentures at the Conversion Price on not less than 30 days' notice if the daily volume weighted average trading price of the common shares is greater than CAD\$0.78 for any 20 consecutive trading days.

For purposes of determining the fair value of the liability component, an effective interest rate of 10% was used which is the estimated market rate that the Corporation would have obtained for a similar financing without the conversion option. The liability component is subsequently accreted up to the face value of the debenture over the term of the debentures as an interest expense.

The equity component was assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component and is not subsequently remeasured.

As such, of the gross proceeds of \$579,532 USD (\$756,000 CAD), \$491,125 USD (\$640,672 CAD) was allocated to the liability component of the convertible debentures and \$36,068 USD (\$47,050 CAD) to the equity component (conversion right feature) of the convertible debentures, upon issuance.

Nova Leap Health Corp.

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For the three months ended March 31, 2020 and 2019

7. Convertible debentures (continued)

Financing costs incurred in connection with the issuance of convertible debentures totalled \$52,340USD (\$68,278 CAD). Financing costs were allocated based on the relative fair values of the liability and equity components at initial recognition per above. The allocated costs were netted against each component. Interest on the net liability component is determined using the effective interest method (9.82%) and accreted over the term of the debentures.

The initial carrying amount of the convertible debentures issued was allocated as follows:

	January 16, 2020
	\$
Balance, beginning of period	-
Proceeds from the issuance of convertible debentures, January 16, 2020	579,532
Less transaction costs	(52,340)
Net proceeds	527,192
Amount classified as equity (conversion rights), net of transaction costs	(36,068)
Balance of convertible debenture, January 16, 2020	491,124

The changes in the convertible debentures for the period are as follows:

	March 31, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	1,647,576	-
Additions	491,124	1,647,576
Effective interest	51,704	-
Foreign exchange loss	(181,493)	-
Balance of convertible debenture, end of period	2,008,911	1,647,576

8. Share capital

a. Authorized:

Unlimited number of common shares, without nominal or par value.

b. Issued and outstanding:

	March 31, 2020		December 31, 2019	
	Number of Shares	Value \$	Number of Shares	Value \$
Balance, beginning of period	61,963,181	9,001,673	59,639,966	8,291,861
Warrants exercised (note 9)	3,345,671	1,173,811	2,078,215	675,437
Stock options exercised	-	-	245,000	34,375
Balance, end of period	65,308,852	10,175,484	61,963,181	9,001,673

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited - United States dollars)

For the three months ended March 31, 2020 and 2019

9. Warrants

The changes in the warrants for the period are as follows:

	Number	\$	March 31, 2020	
			Weighted Average Exercise Price (CAD)	Remaining contractual life (years)
Balance, beginning	4,852,980	472,731	\$0.35	0.18
Warrants exercised	(3,345,671)	(290,903)	\$0.36	-
Warrants expired	(806,300)	(60,010)	\$0.37	-
Balance, end	701,009	121,818	\$0.31	0.22

	Number	\$	December 31, 2019	
			Weighted Average Exercise Price (CAD)	Remaining contractual life (years)
Balance, beginning	12,627,383	930,510	\$0.35	0.81
Warrants exercised	(2,078,215)	(123,604)	\$0.35	-
Warrants expired	(5,696,188)	(334,175)	\$0.35	-
Balance, end	4,852,980	472,731	\$0.35	0.18

The following table summarizes information concerning outstanding and exercisable warrants at March 31, 2020:

Expiry date	Number	Exercise price (CAD) \$
Apr 12, 2020	155,170	0.30
May 30, 2020	385,407	0.30
Sep 27, 2020	105,035	0.35
Oct 24, 2020	55,397	0.35
	701,009	0.35

10. Earnings (Loss) per share

Basic earnings (loss) per share is calculated based on the weighted average number of shares outstanding during the period. Diluted earnings per share assumes that stock options, warrants and convertible debt have been exercised on the later of the beginning of the period and the date granted.

The following table summarizes the difference between basic and diluted weighted average number of shares:

	March 31, 2020	March 31, 2019 ^(a)
Weighted average number of shares used in basic earnings per share	63,905,581	60,250,532
Shares deemed to be issued for no consideration in respect of share-based payments and warrants	1,468,969	-
Weighted average number of shares used in diluted earnings per share	65,374,550	60,250,532

^(a) As of March 31, 2019, all options, warrants and convertible debt were excluded from the computation of diluted loss per share because their effect would have been anti-dilutive.

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three months ended March 31, 2020 and 2019

11. Financial instruments

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by maximizing cash flow from operations.

The Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Group is exposed to the same risks in the current year as it was exposed to in the prior year. The most significant financial risks to which the Group is exposed are described below.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the end of the reporting period, as summarized below:

Classes of financial assets – carrying amounts	March 31, 2020	December 31, 2019
	\$	\$
Cash and cash equivalents	2,556,873	1,635,211
Accounts receivable	1,611,507	1,680,194
	4,168,380	3,315,405

Credit risk management

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks are managed by only using major reputable financial institutions.

The Group does not specifically assess the credit quality of clients based on a credit rating but through an informal process while onboarding for service. Invoice terms are payable within seven days. The ongoing credit risk is managed through regular review of aging analysis.

At certain locations, clients are required to pay an upfront deposit, mitigating the credit risk. As at March 31, 2020, the Group had \$95,712 collected for client deposits, representing approximately 6% of outstanding accounts receivable, billed and accrued (December 31, 2019 - \$92,925).

Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecasting cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a quarterly lookout period are identified monthly. Net cash requirements are compared to available cash balances and available borrowing facilities in order to determine headroom or shortfalls. This analysis shows that available borrowing facilities and cash balance are expected to be sufficient for the next twelve months. The Group has a working capital shortfall at March 31, 2020 and 2019 primarily due to the presentation of demand loans as current.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and accounts receivable. The Group's existing cash resources and accounts receivable are in excess of the current contractual cash outflow requirements. Cash flows from accounts and other receivables are all contractually due within 30 days.

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three months ended March 31, 2020 and 2019

11. Financial instruments (continued)

Liquidity risk (continued)

The Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	< 1 year	1-2 years	3-5 years	> 5 years
	\$	\$	\$	\$
For the period ended March 31, 2020				
Account payable and accrued liabilities	871,086	-	-	-
Client deposits	95,712	-	-	-
Demand loan, principal and interest	923,015	912,875	1,401,445	-
Promissory note, principal and interest	326,531	193,765	147,318	-
Lease liability, principal and interest	129,309	46,464	2,502	-
Convertible debenture	174,470	174,470	2,704,279	-
Contingent consideration	68,793	105,000	105,000	-
Total	2,588,916	1,432,574	4,360,544	-
For the year ended December 31, 2019				
Account payable and accrued liabilities	941,756	-	-	-
Client deposits	92,925	-	-	-
Demand loan, principal and interest	955,092	944,880	1,634,807	40,592
Promissory note, principal and interest	603,048	200,858	160,918	-
Lease liability, principal and interest	127,981	63,088	6,833	-
Convertible debenture	144,010	144,010	2,232,153	-
Contingent consideration	80,844	80,844	80,844	-
Total	2,945,656	1,433,680	4,115,555	40,592

Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and financing activities.

Foreign currency sensitivity

The Group's operations are carried out in USD. Exposure to currency exchange rates arise from the fact that the Group's equity offerings have been denominated in CAD and will be denominated in CAD for the foreseeable future as the Corporation's shares are listed on a Canadian stock exchange and the Group has two operations in Canada that transact in Canadian dollars.

The Group's exposure to CAD dollar currency risk was as follows:

	March 31, 2020	December 31, 2019
	(CAD)	(CAD)
	\$	\$
Cash and cash equivalents	2,758,181	1,589,610
Accounts receivable	430,947	478,679
Accounts payable & accrued liabilities	(457,749)	(462,355)
Demand loan	(1,364,485)	(1,452,429)
Promissory note	(559,872)	(549,108)
Lease liabilities	(156,910)	(179,616)
Convertible debt	(2,850,042)	(2,139,871)
	(2,199,930)	(2,715,090)

Sensitivity to a plus or minus 5.0% change in the CAD dollar exchange rate would affect net loss and comprehensive loss and deficit by approximately \$73,841 (December 31, 2019 - \$100,000).

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three months ended March 31, 2020 and 2019

11. Financial instruments (continued)

Interest rate sensitivity

As at March 31, 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Sensitivity if interest rates increased or decreased by 1% would affect net loss and comprehensive loss and deficit by approximately \$67,205 over the remaining term of the loans (December 31, 2019 - \$69,000).

Fair value

All financial assets and liabilities except for the demand loans, promissory notes, contingent consideration and convertible debentures are short-term. The carrying values of short-term financial assets and liabilities are a reasonable approximation of fair value. The fair value of the promissory notes and demand loans are disclosed in Notes 4 and 6.

12. Segment reporting

Management identifies the Group's reportable segments as Canadian operations and US operations. All businesses provide home care services to clients, with Corporate providing management oversight and expertise, and growth through acquisitions of additional business. These operating segments are monitored by the Group's Chief Executive Officer and strategic decisions are made based on segment operating results.

Segment information for the reporting period is as follows:

	For the three months ended March 31, 2020				
	US	Canada	Total	Group	Total
	\$	\$	Reportable	Head Office	\$
			Segments		
			\$	\$	\$
Segment revenues	3,619,760	988,274	4,608,034	3,106	4,611,140
Cost of services	2,373,420	697,262	3,070,682	-	3,070,682
Gross margin	1,246,340	291,012	1,537,352	3,106	1,540,458
General & administrative	847,896	186,518	1,034,414	285,993	1,320,407
Amortization and depreciation	97,483	21,426	118,909	13,119	132,028
Stock based compensation	6,953	2,382	9,335	54,653	63,988
Segment operating income (loss)	294,008	80,686	374,694	(350,659)	24,035
Segment assets	9,593,903	2,897,146	12,491,049	2,104,233	14,595,282

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three months ended March 31, 2020 and 2019

12. Segment reporting (continued)

	For the three months ended March 31, 2019				
	US \$	Canada \$	Total Reportable Segments \$	Group Head Office \$	Total \$
Segment revenues	3,349,331	562,524	3,911,855	-	3,911,855
Cost of services	2,234,672	379,734	2,614,406	-	2,614,406
Gross margin	1,114,659	182,790	1,297,449	-	1,297,449
General & administrative	718,998	116,173	835,171	278,902	1,114,073
Amortization and depreciation	145,355	19,422	164,777	13,181	177,958
Stock based compensation	14,465	3,394	17,859	126,581	144,440
Segment operating income (loss)	235,841	43,801	279,642	(418,664)	(139,022)
Segment assets	9,398,686	2,480,494	11,879,180	515,816	12,394,996

The Group's revenues from external customers and its non-current assets are all attributable to the U.S. and Canada segments. Revenues from external customers are identified based on the client's geographical location. Non-current assets are allocated based on their physical location.

13. Subsequent events

Subsequent to March 31, 2020, 155,170 warrants which were outstanding and exercisable at period end, expired on April 12, 2020.

Subsequent to March 31, 2020, Nova Leap's Canadian operations qualified for the Canada Emergency Wage Subsidy ("CEWS") in its first period of eligibility (March 15 to April 11, 2020) as it experienced a 15% decrease in qualifying period revenues compared to the baseline revenue period. Companies that qualify for one period automatically qualify for the following period. The CEWS covers 75% of eligible employee wages for an initial two-month period with an estimated total subsidy for the Group of CAD\$197,000 for the first period.

14. Comparative figures

Certain comparative figures have been adjusted to conform to changes in the current year presentation.