Nova Leap Health Corp.

Management Discussion & Analysis
For the year ended December 31, 2018

BACKGROUND

This Management's Discussion and Analysis ("MD&A") of Nova Leap Health Corp. ("Nova Leap" or "the Corporation") is dated March 14, 2019 and provides an analysis of the Corporation's operations for the years ended December 31, 2018 and 2017. This MD&A should be read in conjunction with the consolidated financial statements and accompanying notes for the years ended December 31, 2018 and 2017 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are in United States dollars ("USD") unless otherwise specified. The financial statements and additional information relating to Nova Leap are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com under the Corporation's profile. The common shares of Nova Leap are traded on the TSX Venture Exchange under the symbol "NLH".

FORWARD-LOOKING INFORMATION

Certain statements in this MD&A are forward-looking statements or information (collectively, "forward-looking statements"). Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook"), including statements regarding Nova Leap's business objectives and strategies, including those described under the headings "Corporation Overview", "Operations Overview" and "Nova Leap's Strategy", expected recurring client service hours, expectations for future financing activities, and intentions relating to the payment of dividends, are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions (including assumptions in connection with the continuance of Nova Leap and its subsidiaries as a going concern, its ability to integrate its acquired businesses and general economic and market conditions), inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of Nova Leap, that could influence actual results include, but are not limited to: lack of operating history; regulatory risks; substantial capital and liquidity requirements; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; conflicts of interest of management; exposure to potential litigation, and other factors beyond the control of Nova Leap. See "Risk and Uncertainties" and Nova Leap's continuous disclosure materials filed from time to time on SEDAR for more information on risk factors applicable to Nova Leap.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, Nova Leap undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of Nova Leap or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Any financial outlook or future-oriented financial information in this MD&A has been approved by management of Nova Leap as of the date of this MD&A. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this MD&A.

USE OF NON-IFRS FINANCIAL MEASURES

This MD&A contains references to certain measures that do not have a standardized meaning under IFRS as prescribed by the International Accounting Standards Board ("IASB") and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing a further understanding of operations from management's perspective. Accordingly, non-IFRS financial measures should not be considered in isolation or as a substitute for analysis of financial information reported under IFRS. The Corporation presents non-IFRS financial measures, specifically, Gross Margin, EBITDA and

Annualized recurring revenue (as each of such terms are hereinafter defined). The Corporation believes these non-IFRS financial measures are frequently used by lenders, securities analysts, investors and other interested parties as measures of financial performance and it is therefore helpful to provide supplemental measures of operating performance and thus highlight trends that may not otherwise be apparent when relying solely on IFRS financial measures.

The Corporation's definitions of Gross Margin and EBITDA are as follows:

- Gross margin is service revenue less cost of services;
- Earnings before interest, taxes, depreciation and amortization ("EBITDA"), is calculated as the net loss, before acquisition and transaction costs, non-cash expenses (including loss from disposal of assets, impairments, amortization and depreciation and stock-based compensation), interest expense, net of interest income and income tax expense.
- Annualized recurring revenue run rate is the expected annualized recurring revenue based on the most recent month's actual revenue for current operations multiplied by 12.

CORPORATION OVERVIEW

The Home Care Providers industry is becoming one of the fastest growing healthcare industries in the United States and Canada. Home care saves patients and tax payers billions of dollars every year by treating them in their own homes instead of in hospitals. An aging population, the prevalence of chronic disease, growing physician acceptance of home care, medical advancements and a movement toward cost-efficient treatment options from public and private payers have all fostered industry growth. Nova Leap is focused on a highly fragmented market of small privately-held companies providing patients one on one care in their homes, facilities or hospice. Nova Leap's post acquisition organic growth strategy is to increase annual revenue per location through a combination of increased employee investment, including training, focused sales and marketing efforts, billing rate increases, expansion of geographical coverage, and improved referral sources. As of the date of this MD&A, Nova Leap has operations in the United States in Massachusetts, Rhode Island, New Hampshire and Vermont and in Nova Scotia, Canada. The Corporation intends to continue its growth strategy through acquisitions, while pursing organic growth opportunities and implementing operational efficiencies in existing operations.

Nova Leap was incorporated pursuant to the Canada Business Corporations Act ("CBCA") on November 16, 2015 and completed its initial public offering ("IPO") on April 26, 2016. From the date of the IPO until October 13, 2016, the principal business of the Corporation was the identification, evaluation and completion of a Qualifying Transaction ("QT") pursuant to Exchange Policy 2.4 – Capital Pool Companies. The Corporation spent this period investigating prospective acquisitions and devoted all its efforts to securing and establishing a new business. On October 13, 2016, the Corporation completed its QT by acquiring the home care assets of Northern Family Home Care, Inc. ("NFHC") located in New Hampshire, USA for a total purchase price of $240,000.

The consolidated financial statements and MD&A include the accounts of the Corporation and its United States and Canadian subsidiaries. The registered head office of the Corporation is located at 2108-1969 Upper Water Street, Halifax, NS Canada B3J 3R7.

Highlights for 2018

<u>Acquisitions</u>

- February 2018, Nova Leap completed the acquisition of the business assets of Family Tree Home Care, Inc. ("Family Tree") located in Shrewsbury, Massachusetts for $2,100,000. The purchase price for the acquisition was paid with $450,000 in cash, a demand loan of $1,350,000 from a Canadian Schedule 1 Bank, and a $300,000 promissory note issued to the vendor. Family Tree serves clients and families in the state of Massachusetts and had 2017 unaudited revenues of $3,200,000.

- April 2018, Nova Leap completed the acquisition of the business assets of Home Health Solutions, Inc. ("HHS") located in Holyoke, Massachusetts for $1,200,000. The purchase price for the acquisition was paid with $1,000,000 in cash, partially financed by a demand loan of $750,000 from a Canadian Schedule 1 Bank, and a $200,000 promissory note issued to the vendor. HHS serves clients and families in the state of Massachusetts and had 2017 unaudited revenues of $1,900,000.

- June 2018, the Corporation acquired all the issued and outstanding share capital of Always Home Homecare Services Inc. ("Always Home"), a company located in Halifax Nova Scotia, for approximately $2,121,259 ($2,750,000 CAD) plus closing adjustments. The purchase price for the acquisition was paid with $1,079,914 ($1,400,000 CAD) in cash, a demand loan of $771,367 ($1,000,000 CAD) from a Canadian Schedule 1 Bank, and a $252,693 ($350,000 CAD) promissory note issued to the vendor. Always Home serves clients and families in the province of Nova Scotia and had 2017 unaudited revenues of $2,400,000.

- September 2018, Nova Leap completed the acquisition of the business assets of Comprehensive Home Care ("CHC") located in South Deerfield, Massachusetts for $1,600,000. The purchase price for the acquisition was paid with $1,360,000 in cash, partially financed by a demand loan of $752,673 ($1,000,000 CAD) from a Canadian Schedule 1 Bank, and a $240,000 promissory note issued to the vendor. CHC serves clients and families in the state of Massachusetts and had 2017 unaudited revenues of $3,100,000.
- October 2018, the Corporation completed the acquisition of the business assets of Living at Home SeniorCare ("LAH") located in Amherst, New Hampshire for 425,000. The purchase price for the acquisition was paid with $325,000 in cash and a $100,000 promissory note issued to the vendor. LAH serves clients and families in the state of New Hampshire and had 2017 unaudited revenues of $930,000.

Equity Financing

- January 2018, Nova Leap completed a non-brokered private placement for proceeds of $382,386 USD ($475,000 CAD) by the sale of 2,375,000 units of the Corporation at a price of $0.20 CAD per unit. Each unit was comprised of one common share of the Corporation and a one-half common share purchase warrant. Two half-warrants entitle the holder to acquire one common share of the Corporation for $0.35 CAD for a period of 24 months from the closing date of this private placement.
- February 2018, Nova Leap closed a brokered private placement and raised gross proceeds of $1,350,845 ($1,711,250 CAD) through the issuance of 6,845,000 Units at a price of $0.25 CAD per unit. Each unit is comprised of one common share of the Corporation and a one-half common share purchase warrant. Two half warrants entitle the holder to acquire one common share of the Corporation for $0.375 CAD for a period of 24 months from the closing date. The Corporation paid the Agents a corporate finance fee of which $15,787 ($20,000 CAD) was paid through the issuance of 80,000 Common Shares at a deemed price of $0.25 per Common Share.
- April 2018, Nova Leap closed the first tranche of a brokered private placement and raised gross proceeds of $798,642 ($1,006,050 CAD) net of share issue costs of $114,092 through the issuance of 3,353,499 common shares at a price of $0.30 CAD per share. The Corporation paid the Agents a cash commission of $53,937 and issued 221,879 agents' warrants.
- May 2018, Nova Leap closed the second tranche of a brokered private placement and raised gross proceeds of $1,843,837 ($2,387,400 CAD) through the issuance of 7,957,999 common shares at a price of $0.30 CAD per share and closed a non-brokered private placement and raised gross proceeds of $671,269 ($869,160 CAD) through the issuance of 2,897,198 common shares at a price of $0.30 CAD per share net of total share issue costs of $219,814. The Corporation paid the Agents a cash commission of $147,247 and issued 418,060 agents' warrants.
- September 2018, Nova Leap closed the first tranche of a brokered and non-brokered private placement and raised gross proceeds of $1,226,396 ($1,587,500 CAD) net of share issue costs of $73,571 through the issuance of 4,535,915 common shares at a price of $0.35 CAD per share. All common shares issued pursuant to the private placement were subject to a 4 month hold period that expired on January 28, 2019. The Corporation paid the Agents a cash commission of $28,956 and issued 107,097 agents' warrants.
- October 2018, Nova Leap closed the second tranche of a brokered and non-brokered private placement and raised gross proceeds of $407,081 ($532,299 CAD) net of share issue costs of $44,429 through the issuance of 1,520,855 shares at a price of $0.35 CAD per share. All common shares issued pursuant to the private placement were subject to a 4 month hold period that expired on February 24, 2019. The Corporation paid the Agents a cash commission of $14,823 and issued 55,397 agents' warrants.
- January 2018, Nova Leap granted 1,485,000 incentive stock options to directors, officers, employees and consultants of the Corporation. The stock options are exercisable for a period of 10 years at an exercise price of $0.25 CAD per share and vest 25% immediately and 25% on each anniversary date of the stock option grant date.

Highlights Subsequent to December 31, 2018

- In January 2019, Nova Leap granted 1,935,000 incentive stock options to directors, officers, employees and consultants of the Corporation. The stock options are exercisable for a period of 10 years at an exercise price of $0.45 CAD per share and vest 25% immediately and 25% on each anniversary date of the stock option grant date. The options were granted under, and are subject to, the terms and conditions of the Corporation's Stock Option Plan.

- Subsequent to December 31, 2018, 1,125,000 investor warrants were exercised and 712,500 expired at $0.35 CAD exercise price.

NOVA LEAP'S STRATEGY

Nova Leap will continue with its strategy of acquiring home and home health care companies and will consider opportunities in the United States and Canada where clients pay out of pocket, are covered through long term care insurance or through a government program such as Medicare or the Department of Veteran Affairs. The Corporation has completed eight acquisitions as of the date of this MD&A. Achieving the Corporation's plans remains dependent on Management's ability to acquire profitable home and home health care businesses and to arrange financing to complete such acquisitions.

Post-acquisition, Nova Leap's strategy is to enhance all businesses through the following:
1) Enhancement of sales and marketing strategies;
2) Implementation of efficiencies around payroll, scheduling, billing and accounting and human capital;
3) Increased investment in staff and staff training;
4) Expansion of services, partnerships and existing geographical coverage;
5) In-State and In-Province organic expansion by increased office location footprint; and
6) Implementation of risk management policies.

During the year, Management focused on streamlining operations and centralized many of the home care support functions such as scheduling, billing, payroll and accounting function for the eight acquisitions completed to date.

OPERATIONS OVERVIEW

The Corporation through its subsidiaries provides the following services to clients and families:
- Dementia care;
- Companionship;
- Personal care;
- Respite care;
- Cooking and meal preparation;
- Light housekeeping;
- Transportation services;
- Medication reminders; and
- Medication administration by nursing staff.

The Corporation currently services clients in United States in the states of Rhode Island, New Hampshire, Vermont and Massachusetts and in Canada in the province of Nova Scotia from eight office locations under various brands.

Services are generally paid directly by clients, the Department of Veteran Affairs or through long term care insurance coverage. Services are provided in private homes, assisted living communities, hospitals, nursing homes, hospice and rehabilitation centers.

Dates of Acquisition

The operating results include the results of operations for the periods ended December 31, 2018 and 2017 for the parent company, Nova Leap Health Corp., but only the results from operations of the subsidiaries as follows:

- Littleton, New Hampshire for the period from October 13, 2016 onward
- Rhode Island for the period from September 22, 2017 onward,
- South Burlington, Vermont and Lebanon, New Hampshire for the period from October 6, 2017 onward,
- Shrewsbury, Massachusetts for the period from February 23, 2018 onward
- Holyoke, Massachusetts for the period from April 14, 2018 onward
- Halifax, Nova Scotia for the period from June 1, 2018 onward,
- South Deerfield, Massachusetts for the period from September 28, 2018 onward, and
- Amherst, New Hampshire for the period from October 19, 2018 onward.

Client service hours

Consolidated actual client service hours of the Corporation were as follows (by quarter):

Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
161,707	129,496	93,272	49,797
Dec 31, 2017	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**
33,698	3,506	1,780	1,636

The Corporation's client service hours increased each quarter primarily due to the acquisition of new operations (see "Dates of Acquisition") above.

Based on the fourth quarter 2018 actual hours, and the timing of closing acquisitions, the expected annualized recurring client service hours for current operations are approximately 650,000.

SELECTED ANNUAL INFORMATION

	2018	2017
	$	$
Service revenue	10,362,179	1,059,845
Loss from operating activities	(763,737)	(644,613)
EBITDA	(161,112)	(605,131)
Net loss	(961,271)	(851,609)
Net loss per share – basic and diluted	(0.02)	(0.04)
Total assets	12,459,081	2,914,446
Total current liabilities	5,068,069	1,092,898
Long-term financial liabilities	563,483	-

Reconciliation of Non-IFRS Measures

	2018	2017
	$	$
Loss from operating activities	(763,737)	(644,613)
Amortization and depreciation	442,728	35,591
Stock-based compensation	159,897	-
Impairment	-	3,891
EBITDA	(161,112)	(605,131)

RESULTS OF OPERATIONS – YEAR ENDED DECEMBER 31, 2018

For the years ended December 31, 2018 and 2017, the Corporation reported a net loss of $961,271 and $851,609, respectively. This represents a loss per share of $0.02 and $0.04 for the years ended December 31, 2018 and 2017, respectively.

	2018	2017
	$	$
Service revenue	10,362,179	1,059,845
Cost of service revenue	7,041,936	693,945
Gross margin	3,320,243	365,900
Corporate and administrative expenses	4,083,980	1,010,513
Loss from operating activities	763,737	644,613
Net finance expense		
Finance income	-	3,130
Finance expense	(312,923)	(21,841)
Foreign exchange gain (loss)	366,560	(43,825)
Acquisition related expenses	(330,488)	(218,712)
	(276,851)	(281,248)
Deferred income tax recovery	95,765	74,252
Income tax expense	(16,448)	-
	79,317	74,252
Net loss	961,271	851,609

Revenue is recognized at an hourly rate specified in client agreements and recognized as revenue at the time services are rendered. The Corporation earned $10,362,179 and $1,059,845 for the years ended December 31, 2018 and 2017, respectively, with the year over year increase of 878% as a result of acquisitions completed during the year.

In the home care industry, cost of services is comprised of employee compensation which is generally variable where caregivers are paid on an hourly basis along with related payroll expenses and workers compensation expense. Cost of services for the Corporation was $7,041,936 and $693,945 for the years ended December 31, 2018 and 2017, respectively.

Gross margin for the year ended December 31, 2018 was 32% as compared to 34.5% for the year ended December 31, 2017. Margins vary by location based on staffing models (use of overtime), billing rates, worker's compensation rates and state specific payroll taxes.

The corporate and administrative expenses include professional fees, consulting fees and salary for officers and operations management, regulatory and transfer agent fees related to costs associated with operating a public company along with costs related to the ongoing management of home care operations and non-cash expenses related to amortization of customer lists and stock-based compensation. The expenses increased significantly year over year as a result of the five acquisitions closed during 2018 as well as having a full year of corporate and administrative expenses in 2018 for the two acquisitions completed in September and October 2017.

Head Office expenses as a percentage of actual revenue decreased from 2017 to 2018 (53% for 2017 vs. 11% for 2018). Head Office expenses as a percentage of annualized revenue decreased from 2017 to 2018 (16% for 2017 vs. 7% for 2018). Nova Leap is currently staffed to grow rapidly and is incurring Head Office expenses as if it will continue to grow rapidly.

Segmented Information

As of December 31, 2018, management identified the Group's reportable segments as U.S. operations and Canadian operations. All businesses provide home care services to clients, with Corporate Head Office providing management oversight and expertise, and growth through acquisitions of additional businesses. These operating segments are monitored by the Group's Chief Executive Officer and strategic decisions are made based on segment operating results.

As a result of ongoing acquisitions, management re-evaluated the Corporation's reportable segments for the period ended December 31, 2018 and has restated the prior period segmented disclosure as a result.

Segment information for the reporting period is as follows:

	For the year ended December 31, 2018			
	US	**Canada**	**Corporate**	**Total**
	$	**$**	**$**	**$**
Segment revenues (all from external customers)	9,036,315	1,325,864	-	10,362,179
Cost of services	6,102,137	939,799	-	7,041,936
Gross margin	2,934,178	386,065	-	3,320,243
Gross margin %	32.5%	29.1%	-	32.0%
General & administrative	2,142,989	223,905	1,114,461	3,481,355
EBITDA	791,189	162,160	(1,114,461)	(161,112)
Amortization and depreciation	396,366	46,362	-	442,728
Stock-based compensation	10,619	-	149,278	159,897
Segment operating income (loss)	384,204	115,798	(1,263,739)	(763,737)

Nova Leap had positive operating income and EBITDA for the US and Canada operating segments for the year ended December 31, 2018 and includes the results of operations for all entities from the date of acquisition. Nova Leap successfully acquired and integrated five operations in 2018 and is beginning to realize economies of scale in the operations and will continue to do so as new operations are integrated through shared resources.

	For the year ended December 31, 2017		
	US	**Corporate**	**Total**
	$	**$**	**$**
Segment revenues (all from external customers)	1,059,845	-	1,059,845
Cost of services	693,945	-	693,945
Gross margin	365,900	-	365,900
Gross margin %	34.5%	-	34.5%
General & administrative	406,197	564,834	971,031
EBITDA	(40,297)	(564,834)	(605,131)
Impairment loss	3,891	-	3,891
Amortization	35,591	-	35,591
Segment operating loss	(79,779)	(564,834)	(644,613)

RESULTS OF OPERATIONS – FOURTH QUARTER 2018

For the three months ended December 31, 2018 and 2017, selected financial information was as follows:

	2018	2017
	$	$
Net service revenue	3,801,082	891,196
Cost of service revenue	2,590,879	586,065
Gross margin	1,210,203	305,131
General & administrative	1,330,916	460,938
Loss from operating activities	(120,713)	(155,807)

The loss from operating activities includes non-cash amortization and depreciation and stock-based compensation of $75,628 for the three months ended December 31, 2018 (2017 - $33,782). The results for the three months ended December 31, 2018 included operations for eight acquired entities while the results for 2017 included operations for three acquired entities due to the timing of acquisitions.

Segment information for the reporting period is as follows:

	For the three months ended December 31, 2018			
	US	**Canada**	**Corporate**	**Total**
	$	**$**	**$**	**$**
Segment revenues (all from external customers)	3,235,370	565,712	-	3,801,082
Cost of services	2,198,680	392,199	-	2,590,879
Gross margin	1,036,690	173,513	-	1,210,203
Gross margin %	32.0%	30.7%	-	31.8%
General & administrative	734,403	98,278	422,597	1,255,278
EBITDA	302,287	75,235	(422,597)	(45,075)
Amortization & depreciation	43,530	6,595	-	50,125
Stock-based compensation	1,693	-	23,820	25,513
Segment operating income (loss)	257,064	68,640	(446,417)	(120,713)

	For the three months ended December 31, 2017		
	US	**Corporate**	**Total**
	$	**$**	**$**
Segment revenues (all from external customers)	891,196	-	891,196
Cost of services	585,765	-	585,765
Gross margin	305,431	-	305,431
Gross margin %	34.3%	-	34.3%
General & administrative	312,467	115,388	427,855~~6~~
EBITDA	(7,036)	(115,388)	(122,424)
Amortization & depreciation	33,781	-	33,781
Segment operating loss	(40,817)	(115,388)	(156,205)

SUMMARY OF QUARTERLY RESULTS

A summary of quarterly results is included in the table below. The financial information is extracted from or derived from the Corporation's unaudited interim consolidated financial statements and conform with IFRS.

	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
	$	$	$	$
Revenue	3,801,082	2,871,010	2,425,066	1,265,021
Net income (loss)	27,316	(378,382)	(171,463)	(438,742)
Net loss per share - **Basic and diluted**	0.00	0.01	0.01	0.01
	Dec 31, 2017	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**
	$	$	$	$
Revenue	891,196	88,682	39,836	40,131
Net income (loss)	(260,733)	(268,004)	(164,063)	(158,809)
Net loss per share - **Basic and diluted**	0.01	0.01	0.01	0.01

The Corporation's QT closed in October 2016 and active operations began with the acquisition of Northern Family Home Care resulting in revenues for its subsidiaries from the date of acquisition to December 31, 2018 (see "Results of Operations", above) resulting in significantly higher revenue quarter over quarter from the date of the first acquisition in October 2016. Nova Leap reported its first quarterly Net Income in the fourth quarter of 2018 as it benefited from favourable exchange rate fluctuations resulting in a significant unrealized foreign exchange gain. The total net loss to date primarily relates to the ongoing Head Office expenses, acquisition expenses and expenses related to ongoing evaluation of opportunities.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

The Corporation's cash used in operating activities was $1,550,208 for the year ended December 31, 2018 as compared to $628,789 for the year ended December 31, 2017. The operating activities for the periods ended December 31, 2018 and 2017 were primarily related to ongoing management of home care operations, the continued efforts for identification, evaluation and completion of the additional acquisitions, management expenses for back office support of operations and the corporate and administrative costs (professional fees, consulting fees and salary, regulatory and transfer agent fees, etc.) associated with operating a public company.

Financing Activities

The Corporation's cash provided by financing activities for the year ended December 31, 2018 was $9,052,493 as compared to $2,417,334 for the year ended December 31, 2017. Financing activities for the year ended December 31, 2018 included the issuance of common shares through private placements, for aggregate proceeds net of issue costs of $6,185,040 (2017 - $2,085,336), proceeds from the exercise of Agent's options and warrants of $27,532 (2017 – nil), proceeds from a demand loan net of transaction costs of $3,472,525 (2017 – $553,017) offset by principal and interest payments on the demand loan of $632,603 (2017 – $35,263). Financing activities for the year ended December 31, 2017 also included the repayment of convertible debentures of $185,756.

Investing Activities

The Corporation's cash used in investing activities for the year ended December 31, 2018 was $6,355,600 as compared to $1,800,000 for the year ended December 31, 2017. The cash used in investing activities for the year ended December 31, 2018 was for the acquisitions of Family Tree, HHS, Always Home, CHC and LAH and $19,422 related to the purchase of automobiles for home care operations. The cash used in investing activities for the year ended December 31, 2017 was for the acquisitions of Armistead and All About Home Care.

Liquidity

The consolidated financial statements have been prepared on the basis of International Financial Reporting Standards applicable to a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future issuances of equity or debt, its ability to acquire targets or business interests and develop profitable operations or a combination thereof, which is not assured.

As at December 31, 2018, the Corporation had negative working capital of approximately $2.0 million including $3.6 million of Schedule 1 Canadian bank demand loans that are classified as current liabilities due to their demand feature. The Corporation currently has enough cash to meet its obligations as they come due including scheduled loan payments but will require financing for future significant acquisitions.

The Corporation's expectations assume that the Corporation will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or, if available, that such financing will be on acceptable terms. If adequate financing is not available when required, the Corporation may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Corporation may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Corporation's shareholders and may result in dilution to the value of such interests.

Capital Resources

The Corporation had 2,835,000 stock options exercisable and 12,627,383 warrants outstanding at December 31, 2018, which could, potentially bring in additional financing upon exercise. Subsequent to December 31, 2018, 1,125,000 warrants were exercised for proceeds of $393,750CAD. There is no certainty that the Corporation will receive these stock option or warrant proceeds over time as not all stock options or warrants may be exercised.

TRANSACTIONS WITH RELATED PARTIES

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.

During the year ended December 31, 2018, a company controlled by the CEO billed a total $10,687 ($18,265 – December 31, 2017) for the rental of office space. As of August 1, 2018, the office space was no longer leased from a company controlled by the CEO as the head office changed locations.

Key management personnel

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

	Year Ended December 31, 2018	2017
	$	**$**
Consulting fees	428,383	194,590
Directors fees	59,406	-
Stock based compensation	140,023	-
	627,812	194,590

As at December 31, 2018, there was $146,287 included in accounts payable and accrued liabilities for amounts owed to officers and directors of the Corporation (December 31, 2017 – $167,073) for consulting fees, directors fees and expense reimbursements.

OFF BALANCE SHEET ITEMS

The Corporation has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

Authorized capital stock consists of an unlimited number of common shares without nominal or par value.

As at the date of the Management Discussion & Analysis, there were 60,767,966 common shares of the Corporation issued and outstanding of which 3,000,000 were held in escrow. There were also 10,786,230 warrants outstanding and 4,770,000 stock options outstanding as at the date of the MD&A.

ACCOUNTING CHANGES

The Corporation has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2018. These changes were made in accordance with the applicable transition provisions.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. The Corporation adopted IFRS 15 in its financial statements for the annual period beginning on January 1, 2018. The Corporation has elected to apply the modified retrospective method on transition, which means that comparative periods have not been restated. On transition, cumulative impacts related to adoption are required to be recognized in opening retained earnings. Adoption of the standard did not have any impact on the recognition or measurement of revenue.

IFRS 9, Financial Instruments

In July 2014, the IASB published IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). The replacement of IAS 39 is a three-phase project with the objective of improving and simplifying the reporting for financial instruments. The issuance of IFRS 9 provides guidance on the classification and measurement of financial assets and financial liabilities, and a new hedge accounting model with corresponding disclosures about risk management activity. The Corporation has elected to apply the modified retrospective method on transition, which means that comparative periods have not been restated. The Company adopted IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The adoption of this standard had no financial impact to the Corporation.

The Corporation did not identify any changes to the classification and measurement of the existing financial instruments upon applying IFRS 9, other than a change in the classification of cash and cash equivalents and accounts receivable from loans and receivables to assets at amortized cost, which had no impact on these financial statements.

IFRS 9 requires the Corporation to record expected credit losses ("ECL") on the entire accounts receivable balance. The Corporation has applied the simplified approach and has calculated the lifetime ECLs based on an established provision matrix that considers the Corporation's historical loss experience, adjusted for forward-looking factors specific to the Corporation's clients and the economic environment. The adoption of the ECL requirements of IFRS 9 did not have an impact on the consolidated financial statements.

FUTURE ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

New standards and amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2019 and have not been applied in preparing the consolidated financial statements. Accordingly, the Group expects to adopt these standards as set forth below.

IFRS 16, Leases

IFRS 16 was issued by the IASB in January 2016 and supersedes IAS 17, Leases. The new standard brings most leases on the balance sheet for lessees under a single model and eliminates the distinction between operating and finance leases. Lessor accounting remains largely unchanged. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019.

Management is in the process of assessing the full impact of the Standard. So far, the Group:

- Has decided to make use of the practical expedient not to perform a full review of existing leases and apply IFRS 16 only to new or modified contracts. As some leases will be modified or renewed in 2019, the Group has reassessed these leases and concluded they will be recognized on the statement of financial position as a right-of use asset, and
- Believes that the most significant impact will be that the Group will need to recognize a right of use asset and a lease liability for the office buildings currently treated as operating leases. This will mean that the nature of the expense of the above cost will change from being an operating lease expense to depreciation and interest expense.

The Group adopted IFRS 16 on 1 January 2019 using the Standard's modified retrospective approach, the impact of which will be presented in the Group's Consolidated Financial Statements for the three months ended March 31, 2019.. Under this approach the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of initial application. Comparative information is not restated.

Choosing this transition approach results in further policy decisions the Group need to make as there are several other transitional reliefs that can be applied. These relate to those leases previously held as operating leases and can be applied on a lease-by-lease basis. The Group are currently assessing the impact of applying these other transitional reliefs.

RISKS AND UNCERTAINTIES

The following are certain factors relating to the business of the Corporation. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair operations of the Corporation. If any such risks actually occur, the financial condition, liquidity and results of operations of the Corporation could be materially adversely affected and the ability of the Corporation to implement its plans could be adversely affected.

Risks Related to Ownership of Nova Leap Stock

Financing Risks and Dilution to Shareholders

The Corporation has limited financial resources and is in early stages of operations. If the Corporation's business plan is successful, additional funds will be required. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Corporation's shareholders.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Corporation's shares will be subject to market trends generally and the value of the Corporation's shares on a stock exchange may be affected by such volatility.

Conflicts of Interest

The Corporation's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the CBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the CBCA. In accordance with the applicable laws, the directors and officers of the Corporation are required to act honestly, in good faith and in the best interest of the Corporation.

Risks Related to Growth Strategy

The Corporation may not be able to integrate the operations of our acquired businesses with our current business structure in an efficient and cost-effective manner. Acquisitions involve significant risks and uncertainties, including difficulties integrating personnel and business practices into our business, the potential loss of key employees or referral sources. The failure to effectively integrate any of these businesses could have a material adverse effect on the business and consolidated financial condition, results of operations and cash flows of the Corporation.

Risks Related to Operations

Dependence on Management

The Corporation is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other persons would be required to manage and operate the Corporation.

Renewal of Home Care License

To operate as a Home Care Service Provider Agency in the States of New Hampshire and Rhode Island, a company is required to have a license that follows the applicable state rules. Such a license is subject to an annual renewal, and as a result there is no assurance or guarantee that the Corporation will pass any future license renewal processes. If the license is not renewed it will impact the ability to generate future profits. The Corporation currently operates under valid licenses.

Competition

The home health care industry is highly competitive, with few barriers to entry in certain states. We compete based on the availability of caregivers, the quality of services, expertise of visiting staff, and the price of our services. Increased competition in the future may limit our ability to maintain or increase market share. Also, the Corporation competes with other companies that have greater financial resources. Competition could adversely affect the Corporation's ability to expand in the future.

Relationships with patient referral sources

If we are unable to maintain relationships with existing patient referral sources, our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected. The Corporation's success depends on referrals from various sources in the communities we serve and our ability to maintain good relationships with existing referral sources. Our referral sources are not contractually obligated to refer clients to us and may refer clients to other providers which would impact Nova Leap adversely.

Shortage of caregivers

There is a shortage of caregivers in many of the regions in which we operate. As a result, we may face higher costs of recruiting and retaining caregivers, compensating caregivers or loss of clients and revenue which would all adversely impact the Corporation.

Information systems

The Corporation's business depends on information systems. Our ability to effectively integrate, manage and keep our information systems secure and operational could disrupt our operations.

Litigation

The Corporation and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Insurance

Nova Leap's insurance liability coverage may not be sufficient for our business needs. As a result of operating in the home health care industry, our business entails an inherent risk of claims, losses and potential lawsuits alleging incidents involving our caregivers that are likely to occur in a patient's home. We maintain professional liability insurance to provide coverage to us and our subsidiaries against these risks; however, there is no assurance claims will not be made in the future in excess of the limits of our insurance.

Natural disasters

The occurrence of natural disasters, such as hurricanes, blizzards and other snow and ice events, in the markets in which we operate could impact our ability to serve our clients which could result in lower revenue for the period in which they occur.

Write-off of Goodwill

A write-off of a significant amount of intangible assets or long-lived assets could have a material adverse effect on our consolidated financial condition and results of operations. A significant and sustained decline in Nova Leap's stock price and market capitalization, a significant decline in our expected future cash flows, a significant adverse change in the business climate, or slower growth rates could result in an impairment analysis. Nova Leap has grown substantially through acquisitions; therefore, goodwill and other acquired intangible assets represent a significant portion of our assets. A write-off of these assets could have a material adverse effect on our consolidated financial condition and results of operations.

Risks Related to Liquidity

Lack of Operating History

The Corporation is a relatively new company with limited operating history. The Corporation was incorporated in November 2015 and completed its first home care business acquisition on October 13, 2016. It has yet to generate positive cash flows from operations. The Corporation is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective.

Substantial Capital Requirements

Substantial additional funds for the establishment of the Corporation's planned operations will be required. No assurances can be given that the Corporation will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Corporation may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Corporation or at all. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Delays in client payments

The Corporation's business is characterized by delays from the time we provide services to the time we receive payment for those services. If we experience information system problems or experience other issues in completing adequate paperwork for the Department of Veteran's Affairs or long-term insurance reimbursement, we may encounter additional delays in our payment cycle. Timing delays in billings and collections may cause working capital shortages.

Economic Conditions

Unfavorable economic conditions may negatively impact the Corporation's financial viability because of increased financing costs and limited access to capital markets.

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 most significant financial risks to which the Group is exposed are described below.

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 risk in the current year as it was exposed to in the prior year and in addition is exposed to interest rate risk because of the demand loan that has variable rate interest. 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	December 31, 2018	December 31, 2017
	$	$
Cash and cash equivalents	1,283,505	136,820
Trade receivables	1,353,246	269,947
Other receivables	133,072	-
	2,769,823	406,767

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 on boarding 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 December 31, 2018, the Group had $85,434 collected for client deposits, representing approximately 6% of outstanding accounts receivable, billed and accrued (December 31, 2017 - $99,463).

Trade receivables consist of many clients in various geographical areas.

Trade receivables

The Group applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 12 months before December 31, 2018 for entities owned for the full year and for entities acquired during the year it was based on sales over the 12 months for the full fiscal year prior to acquisition as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The group has identified gross domestic product (GDP) of the countries in which the clients are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written-off (i.e. derecognized) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

Lifetime expected credit loss is less than 0.1%.

December 31, 2018	**Trade receivables aging**				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0.1%	0.1%	0.1%	0.1%	0.1%
Gross carrying amount	$1,023,606	$183,264	$83,089	63,287	$1,353,246
Lifetime expected credit loss	$1,024	$183	$83	$63	$1,353

January 1, 2018	**Trade receivables aging**				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0.1%	0.1%	0.1%	0.1%	0.1%
Gross carrying amount	$226,741	$23,401	$15,322	4,483	$269,947
Lifetime expected credit loss	$227	$23	$15	$45	$270

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 forecast 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 anticipated earnings in order to determine headroom or any shortfalls.

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

The Group has a working capital shortfall at December 31, 2018 and 2017 primarily due to the presentation of demand loans as current, and the Group's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on the growth of the home care business acquired as well as future support of shareholders through public or private equity offerings.

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 year ended December 31, 2018				
Account payable and accrued liabilities	923,688	-	-	-
Client deposits	85,434	-	-	-
Demand loan, principal and interest	954,585	940,041	2,313,118	289,786
Promissory note, principal and interest	525,110	510,162	116,934	-
Total	2,488,817	1,450,203	2,430,052	289,786
For the year ended December 31, 2017				
Account payable and accrued liabilities	452,890	-	-	-
Client deposits	99,463	-	-	-
Demand loan, principal and interest	156,458	145,905	386,984	-
Total	708,811	145,905	386,984	-

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 one operation in Canada that transacts in Canadian dollars. The Group's exposure to CAD dollar currency risk was as follows:

	December 31, 2018 (CAD)	December 31, 2017 (CAD)
	$	$
Cash and cash equivalents	526,979	72,346
Accounts receivable	423,960	-
Accounts payable & accrued liabilities	(524,042)	(274,793)
Demand loan	(1,787,004)	-
Promissory note	(342,096)	-
	(1,702,203)	(202,447)

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 $60,000 (2017 - $8,000).

Interest rate sensitivity

As at December 31, 2018, 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 $120,000 over the remaining term of the loans (2017 - $5,000).

Fair value

All financial assets and liabilities except for the demand loans and promissory notes 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 demand loans and promissory notes are disclosed in note 10 and 11 of the consolidated financial statements for the year ended December 31, 2018.

Dividends

The Corporation has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for corporate development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Corporation's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

Management's Responsibility for Financial Statements

The information provided in the Corporation's consolidated financial statements, is the responsibility of management. In the preparation of the statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") for non-venture issuers, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and IC

FR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Nature of the Securities

The purchase of the Corporation's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Corporation's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Corporation. The Board of Directors of the Corporation has approved the consolidated financial statements and the disclosure contained in this MD&A. A copy of this MD&A may be obtained upon request to the Corporation or on SEDAR.

Dated: March 14, 2019