Nova Leap Health Corp.

Management Discussion & Analysis
For the three months ended March 31, 2020

NOVA LEAP HEALTH CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

BACKGROUND

This Management's Discussion and Analysis ("MD&A") of Nova Leap Health Corp. ("Nova Leap" or "the Corporation"), together with its subsidiaries the "Group", is dated May 7, 2020 and provides an analysis of the Corporation's operations for the periods ended March 31, 2020 and 2019. This MD&A should be read in conjunction with the consolidated interim financial statements and accompanying notes for the three months ended March 31, 2020 and 2019 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the audited consolidated financial statements for the year ended December 31, 2019. 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, 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; 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. 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, adjusted net income, annualized recurring revenue, annualized revenue, annualized EBITDA and organic EBITDA growth (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 non-IFRS financial measures are as follows:

- Gross margin is service revenue less cost of service;
- 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), foreign exchange gains/losses, interest expense, net of interest income and income tax expense.
- Adjusted net income is net income adjusted for stock-based compensation expense, acquisition expenses, foreign exchange gains/losses, restructure charges, and severance and other costs.
- 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.
- Annualized revenue and annualized EBITDA are calculated as actual revenue or EBITDA extrapolated from the beginning of the year or date of acquisition over 365 days.
- Organic EBITDA growth is calculated as the increase in EBITDA period over period for entities owned for the entire reporting periods being compared.

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 taxpayers 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 clients one on one care in their homes, facilities or hospice. Nova Leap's post acquisition organic growth strategy is to increase annual EBITDA per location through a combination of increased employee investment, including training, focused sales and marketing efforts, billing rate increases, expansion of geographical coverage, improved referral sources and implementation of efficiencies in payroll, scheduling, billing and human capital. As of the date of this MD&A, Nova Leap has operations in the United States in Massachusetts, Rhode Island, New Hampshire, Vermont, Oklahoma and Ohio 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.

The condensed interim 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 5003-7071 Bayers Road, Halifax, NS Canada B3L 2C2.

Highlights for 2020

- On January 16, 2020, Nova Leap closed the second and final tranche of its non-brokered private placement through the issuance of unsecured subordinated convertible debentures for gross proceeds of $579,532 USD (CAD$756,000 CAD). The debentures will mature in five (5) years from issuance, bear interest of 8% per annum, paid semi-annually, and contain a conversion price of CAD $0.52 per common share.

- Throughout the quarter ended March 31, 2020, 3,345,671 warrants were exercised for proceeds of $909,609 (CAD$1,203,418). Between the period end and the time of reporting 155,170 warrants which were outstanding and exercisable at period end, expired on April 12, 2020.

- Impact of COVID-19:

  On March 11, 2020, the World Health Organization ("WHO") officially declared the Coronavirus disease 2019 ("COVID-19") a pandemic.

  The safety and well-being of Nova Leap's employees and clients remains a priority. Management is following the guidelines set out by the WHO, the Centers for Disease Control and Prevention ("CDC"), Health Canada, the Province of NS, the states, counties and municipalities in which we operate. To date, Nova Leap has secured adequate Personal Protective Equipment ("PPE") and has access to further supplies, as required.

Home care is deemed an essential service in all jurisdictions in which Nova Leap operates and all home care agencies owned by Nova Leap continue to operate. However, toward late-March, Nova Leap began to see a decline in client service hours due to COVID-19. In the near-term, Management expects this trend to continue at least through the first half Q2 as various governments contemplate the re-opening of their respective economies. While the pressure on client service hours is expected to continue in the near term, Management remains confident in the longer-term prospects of the Corporation and believes Nova Leap is well positioned for the future.

As the COVID-19 pandemic has evolved, many governments around the world have introduced economic measures to protect companies, employees and the economy. Nova Leap's Canadian operations has 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.

Both the U.S. and Canadian federal governments have introduced measures to allow the deferral of certain tax payments. Nova Leap has and will continue to participate in those programs.

To date, it has not been necessary for Nova Leap to restructure or defer payments relating to its existing debt facilities. Nova Leap does benefit from a lower interest rate environment.

Operational results

- Cash balance of $2,556,873 at March 31, 2020 was the highest reported cash balance in the Company's history.
- The Company's revolving credit facility of $696,000 did not have a balance at the end of Q1 2020, with the full amount available in the future, if required.
- Q1 2020 EBITDA of $220,051 was 20.0% higher than Q1 2019 EBITDA of $183,376 and 21.1% higher than Q4 2019 EBITDA of $181,660.
- Operating cash flows of $189,913 for Q1 2020 as compared to Q1 2019 operating cash flows of $186,022 and Q4 2019 operating cash flows of $41,554.
- Q1 2020 revenues of $4,611,140 were 17.9% higher than Q1 2019 revenues of $3,911,855 and 4.3% lower than Q4 2019 revenues of $4,818,729. The lower revenues in Q1 2020 as compared to Q4 2019 is primarily the result of the preliminary impact of COVID-19 for the later part of March 2020.
- The Company reported adjusted net loss of $71,019 for Q1 2020 as compared to an adjusted net loss of $123,376 for Q1 2019 (see reconciliation of adjusted net income to net income below in "Summary of Quarterly Results" section).

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 eleven acquisitions as of the date of this MD&A. Achieving the Corporation's plans remains dependent on Management's ability to operate cash flow positive subsidiaries, 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, accounting and human capital;
3) Increased investment in staff and staff training;
4) Expansion of services, partnerships and geographical coverage;
5) In-State and In-Province organic expansion by increased office location footprint; and
6) Enhancement of risk management policies.

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;
- Activities of daily living;
- Transportation services;
- Medication reminders; and
- Medication administration by nursing staff.

As of the date of this MD&A, the Corporation currently services clients in United States in the states of Massachusetts, Rhode Island, New Hampshire, Vermont, Oklahoma and Ohio and in Canada in the province of Nova Scotia from thirteen 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 March 31, 2020 and 2019 for the parent company, Nova Leap Health Corp., and US operations in Rhode Island and South Burlington, Vermont and Lebanon, New Hampshire, but only the results from operations of the subsidiaries as follows:

- 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 September 1, 2018 onward,
- South Deerfield, Massachusetts for the period from September 28, 2018 onward,
- Amherst, New Hampshire for the period from October 19, 2018 onward,
- Kentville and New Glasgow, Nova Scotia for the period from April 20, 2019 onward.
- Chickasha and Duncan, Oklahoma for the period from October 5, 2019 onward, and
- Stow, Massachusetts for the period from November 2, 2019 onward

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 condensed interim consolidated financial statements.

	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
Client service hours	180,749	191,651	177,119	169,741
Revenue	4,611,140	$4,818,729	$4,424,350	$4,249,781
Adjusted net (loss) income *(1)*	(71,019)	$1,669	$2,985	$(148,933)
Net income (loss)	343,338	$(298,399)	$(43,074)	$(315,208)
Net income (loss) per share - **Basic and diluted**	$0.01	$(0.00)	$(0.00)	$(0.01)
	Mar 31, 2019	**Dec 31, 2018**	**Sep 30, 2018**	**Jun 30, 2018**
Client service hours	155,742	161,707	129,496	93,272
Revenue	$3,911,855	$3,801,082	$2,871,010	$2,425,066
Adjusted net income (loss) *(1)*	$(123,376)	$(185,649)	$(198,853)	$(170,081)
Net income (loss)	$(399,134)	$27,316	$(378,382)	$(171,463)
Net income (loss) per share - **Basic and diluted**	$(0.01)	$(0.00)	$(0.00)	$(0.01)

The Corporation's client service hours decreased in the three months ended March 31, 2020 as compared to the prior quarter primarily as a result of the preliminary impact of COVID-19 beginning in late-March 2020. The Corporation's client service hours increased each quarter through 2018 and 2019 primarily due to the acquisition of new operations (see "Dates of Acquisition") above. Revenue increased quarter over quarter through 2018 and 2019 as a result of the acquisition of new operations as well as organic growth from either an increase in client service hours or billing rates at existing locations.

The annualized recurring client service hours for current operations are 723,000.

(1) Reconciliation of non-IFRS measure

	Mar 31, 2020	**Dec 31, 2019**	**Sep 30, 2019**	**Jun 30, 2019**
		$	$	$
Adjusted net (loss) income	(71,019)	1,669	2,985	(148,933)
Stock-based compensation	(63,988)	(154,335)	(51,823)	(50,822)
Foreign exchange gain (loss)	480,880	(104,919)	49,134	(98,941)
Acquisition expenses	(2,535)	(35,091)	(43,371)	(16,512)
Severance and other	-	(5,723)	-	-
Net income (loss)	343,338	(298,399)	(43,074)	(315,208)
	Mar 31, 2019	**Dec 31, 2018**	**Sep 30, 2018**	**Jun 30, 2018**
	$	$	$	$
Adjusted net income (loss)	(123,376)	(185,649)	(198,853)	(170,081)
Stock-based compensation	(144,440)	(25,502)	(26,248)	(26,567)
Foreign exchange (loss) gain	(105,130)	291,456	(69,608)	83,972
Acquisition expenses	(22,725)	(34,148)	(83,673)	(41,255)
Severance and other	(3,463)	(18,841)	-	(17,532)
Net (loss) income	(399,134)	27,316	(378,382)	(171,463)

RESULTS OF OPERATIONS – INTERIM PERIOD ENDED MARCH 31, 2020

For the period ended March 31, 2020 and 2019, the Corporation reported a net income (loss) of $343,338 and $(399,134), respectively. This represents an earnings per share of $0.01 and loss per share of $(0.01), respectively.

	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
	1,540,458	1,297,449
Corporate and administrative expenses		
Head office and operations	**910,403**	780,785
General & administrative	**410,004**	333,288
Amortization and depreciation	**132,028**	177,958
Stock based compensation	**63,988**	144,440
	1,516,423	1,436,471
Income (loss) from operating activities	**24,035**	(139,022)
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)
	360,173	(234,446)
Income (loss) before income tax	**384,208**	(373,468)
Deferred income tax recovery (expense)	**(27,600)**	(6,336)
Current income tax expense	**(13,270)**	(19,330)
Total income tax expense	**(40,870)**	(25,666)
Net income (loss)	**343,338**	(399,134)

Revenue is billed (or invoiced) at an hourly rate specified in client agreements and recognized as revenue at the time services are rendered. The increase in revenue reported on March 31, 2020 versus March 31, 2019 is attributable to the increase in fully operational locations from seven to ten as a result of acquisitions completed throughout the 2019 fiscal year.

Cost of services is comprised of hourly employee compensation related payroll taxes, benefits and workers compensation insurance.

Gross margin for the period ended March 31, 2020 was 33.4%, as compared to 33.2% and for the period ended March 31, 2019. 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 year over year increase in corporate and administrative expenses were a primarily a result of the acquisitions closed during 2019 with no significant change in other head office expenses year over year.

Segmented Information

Management identifies 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, capital allocation and M&A functions. 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 Reportable Segments	Group Head Office	Total
	$	$	$	$	$
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**
Gross margin %	**34.5%**	**29.5%**	**33.4%**	**-**	**33.4%**
General & administrative	847,896	186,518	1,034,414	285,993	1,320,407
EBITDA	**398,444**	**104,494**	**502,938**	**(282,887)**	**220,051**
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 had positive operating income and EBITDA for the US and Canada operating segments for the period ended March 31, 2020 as well as positive consolidated EBITDA and operating cash flows. The Company continues to improve EBITDA year over year at both the segment and consolidated level by implementing efficiencies, cost controls, organic revenue growth and control of head office expenses.

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**
Gross margin %	**33.3%**	**32.5%**	**33.2%**	**-**	**33.2%**
General & administrative	718,998	116,173	835,171	278,902	1,114,073
EBITDA	**395,661**	**66,617**	**462,278**	**(278,902)**	**183,376**
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.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

The Corporation's cash from operating activities was $189,913 for the period ended March 31, 2020 as compared to $186,022 for the period ended March 31, 2019. The Corporation's ability to generate positive operating cash flows reflects streamlining operations as well as the ability for segment operations to cover head office costs for the year ended March 31, 2020. The operating activities for the periods ended March 31, 2020 and 2019 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 (such as professional fees, consulting fees and salary, regulatory and transfer agent fees,) associated with operating a public company.

Financing Activities

The Corporation's cash provided by financing activities for the period ended March 31, 2020 was $910,443 as compared to $(233,417) for the period ended March 31, 2019. Financing activities for the period ended March 31, 2020 included the proceeds from the issuance of convertible debt of $527,192 (2019 - $nil), proceeds from the exercise warrants of $909,608 (2019 - $296,765), offset by principal repayments on the demand loans and transaction costs of $189,741 (2019 – $177,170), principal and interest payments on the promissory notes of $257,500 (2019 - $265,000), principal and interest payments on the lease liabilities $33,976 (2019- $25,943) and interest payments on the demand loans of $45,140 (2019 - $62,069).

Liquidity

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.

During the period-ended March 31, 2020, the Corporation generated positive cash flows from operations as a result of the cash flow from the US and Canada operating segments being in excess of head office expenses. For 2020, the Corporation expects there to be a shortfall of operating cash flows to cover financing cash flows, but the Corporation currently has sufficient cash to meet all of its obligations as they come due. Management believes it has the ability to obtain additional capital financing as needed. As at March 31, 2020, the Corporation had positive working capital of approximately $134,000, including $2.7 million of Schedule 1 Canadian bank demand loans that are classified as current liabilities due to their demand feature of which $923,000 is due in the next twelve months. The Corporation currently has enough cash as well as access to an unused CAD$ 1 million revolving facility to meet its contractual obligations as they come due including scheduled loan payments but would require financing for future significant acquisitions.

Capital Resources

The Corporation had 5,935,000 stock options exercisable and 701,009 warrants outstanding at March 31, 2020, which could potentially bring in additional financing upon exercise. 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. Throughout the period ended March 31, 2020, 3,345,671 warrants were exercised for proceeds of $909,608 (CAD$1,203,418).

SELECTED ANNUAL INFORMATION

	2019	2018
	$	**$**
Service revenue	17,404,715	10,362,179
EBITDA	907,260	(161,112)
Less: Amortization and depreciation	*618,670*	*442,728*
Less: Stock-based compensation	*401,420*	*159,897*
Less: Impairment	-	-
Loss from operating activities	(112,830)	(763,737)
Net loss	(1,055,815)	(961,271)
Net loss per share – basic and diluted	(0.02)	(0.02)
Total assets	14,114,970	12,459,081
Total current liabilities	4,734,679	5,068,069
Long-term financial liabilities	2,305,989	563,483

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.

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

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).

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 63,308,852 common shares of the Corporation issued and outstanding. There were also 701,009 warrants outstanding and 5,935,000 stock options outstanding as at the date of the MD&A.

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

If the Corporation is to make further significant acquisitions, 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 existing 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 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 Licenses

There are licensing requirements in the States of New Hampshire, Rhode Island and Oklahoma to provide home care or home health care services. Licenses are subject to an annual renewal process, and there is no assurance or guarantee that the Corporation will be successful with future license renewal processes. If the licenses are not renewed, it will impact the Company's 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 operating 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 client referral sources

If we are unable to maintain relationships with existing client 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. Referral sources are not contractually obligated to refer clients to the Corporation and may refer clients to other providers which could adversely impact the Corporation.

Shortage of caregivers

There may be a shortage of caregivers in many of the regions in which the Corporation operates. As a result, the Corporation may face higher costs of recruiting, retaining caregivers and compensating caregivers which would all adversely impact the Corporation.

Information systems

The Corporation's business depends on information systems and the ability to effectively integrate, manage and keep information systems secure and operational. If the Corporation isn't able to accomplish this it could disrupt operations.

Litigation

The Corporation and/or its Officers and 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 its business needs. As a result of operating in the home health care industry, the business entails an inherent risk of claims, losses and potential lawsuits alleging incidents involving employees that are likely to occur in a client's home. The Corporation maintains professional liability insurance to provide coverage against these risks. However, there is no assurance claims will not be made in the future in excess of the limits of the Corporation's insurance.

Pandemic, epidemic or other widespread outbreak of an infectious disease including the COVID-19 pandemic

If a pandemic, epidemic, or other widespread outbreak of an infectious disease or other public health crisis were to occur in areas in which the Corporation operates, operations could be materially and adversely affected by causing staffing and supply shortages. The exact nature of a crisis stemming from a pandemic, epidemic or other widespread outbreak and how it would affect the Corporation is difficult to predict but could adversely affect operations.

The COVID-19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including the implementation of travel bans, self-imposed quarantine periods and social distancing. Companies are also taking precautions, such as requiring employees to work remotely, imposing travel restrictions and temporarily closing businesses. Nova Leap's operations are deemed an essential service in all jurisdictions in which it operates, and the Company continues to provide service to its clients.

As a result of the COVID-19 pandemic, global equity and capital markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic are unknown at this time, as is the effectiveness of the government and central bank interventions. The extent to which the COVID-19 pandemic impacts our future business, including our operations and the market for our securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the COVID-19 pandemic. It is not possible to reliably estimate the length and severity of these developments or the negative impact on our financial results, share price and financial condition in future periods. Many of the risks, uncertainties and other risk factors identified are, and will be, amplified by the COVID-19 pandemic.

Natural disasters

The occurrence of natural disasters, such as hurricanes, blizzards and other snow and ice events, in the markets in which the Corporation operates could impact the ability to serve 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 the Corporation's 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 expected future cash flows, a significant adverse change in the business climate, or slower growth rates could result in an impairment charge. Nova Leap has grown substantially through acquisitions. Therefore, goodwill and other acquired intangible assets represent a significant portion of the Corporation's assets. A write-off of these assets could have a material adverse effect on the Corporation's consolidated financial condition and results of operations.

Risks Related to Liquidity

Delays in client payments

The Corporation's business is characterized by delays from the time services are provided to the time payments are received for those services. If the Corporation experiences information system problems or other issues in completing adequate paperwork for the Department of Veteran's Affairs or long-term insurance reimbursement, delays in collection may result. 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 and debt financing.

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).

Accounts receivable consist of many clients in various geographical areas.

Accounts receivable

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

In measuring the expected credit losses, the accounts receivable 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 March 31, 2020 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.

Accounts receivable 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%.

March 31, 2020	**Accounts receivable 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	$843,250	$248,432	$67,120	$173,831	$1,332,633
Lifetime expected credit loss	$843	$248	$67	$174	$1,332

December 31, 2019	**Accounts receivable 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	$1,040,293	$253,955	$30,323	$128,804	$1,453,376
Lifetime expected credit loss	$1,040	$254	$30	$129	$1,453

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 balances are expected to be sufficient for the next twelve months.

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.

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	-

	< 1 year	1-2 years	3-5 years	> 5 years
	$	$	$	$
For the period 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 operation in Canada that transact in Canadian dollars. The Group's exposure to CAD dollar currency risk was as follows:

	March 31, 2020 (CAD)	December 31, 2019 (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).

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 demand loans and promissory notes are disclosed in note 4 and 6 of the condensed interim consolidated financial statements for the period ended March 31, 2020.

Dividends

The Corporation has no history of net income or record of paying dividends. 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 condensed interim 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 ICR 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

Dated May 7, 2020