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Nova Leap Health Corp. Posts Record Financial Results for First Quarter 2019

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HALIFAX, May 23, 2019 - NOVA LEAP HEALTH CORP. (TSXV: NLH) (“Nova Leap” or “the Company”), a 2019 TSX Venture 50TM ranked company focused on the home health care industry, is pleased to announce the release of record financial results for the first quarter ended March 31, 2019. All amounts are in United States dollars unless otherwise specified.

Nova Leap First Quarter of 2019

Highlights for the quarter ended March 31, 2019 included the following:

- Achieved record Q1 revenues of \$3,911,855 resulting in the Company’s 7th consecutive quarter of revenue growth;
- Achieved improved gross margin of 33.2% in the first quarter of 2019 as compared to gross margin of 31.8% in the fourth quarter of 2018;
- Achieved record combined United States and Canadian operating segment EBITDA as a percentage of revenue of 11.8% in the first quarter of 2019 as compared to 9.9% in Q4 2018;
- Achieved record EBITDA as the Company reported a significant improvement from negative (\$45,075) in Q4 2018 to \$183,376 in Q1 2019;
- Achieved record operating cash flows of \$194,460 during the first quarter of 2019 as compared to negative operating cash flows of (\$356,153) for the fourth quarter of 2018;
- Each of the United States and Canadian operating segments were profitable during the first quarter;
- The Company’s cash balance of \$1.24 million on March 31, 2019 remained consistent with the cash balance of \$1.28 million reported on December 31, 2018;
- The Company reported a Q1 net loss of \$399,134 compared to a 2018 Q4 net profit of \$27,316 largely impacted by the change in Canadian/United States currency fluctuations;
- On February 21, 2019, Nova Leap announced that it had obtained the #10 ranking in the 2019 TSX Venture 50TM in the Clean Technology & Life Sciences sector;
- On April 20, 2019, successfully closed the previously announced acquisition of Careforce Home Care in Nova Scotia, Canada.

“Notwithstanding the impact that winter storms generally have on client service hours in the Northeast during the first few months of the year, we saw across the board improvements or record results in revenue, gross margin, EBITDA margins and operating cash flow”, said Chris Dobbin, President and CEO of Nova



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Leap, “We have been successful with the implementation of technology which has allowed us to scale efficiently. Nova Leap is in a position to pursue appropriate opportunities outside of New England. We play a very important role in the continuum of care and our staff are some of the most dedicated and skilled in the industry”

This news release should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019, notes to the financial statements, and management's discussion and analysis, which have been filed on SEDAR.

About Nova Leap

Nova Leap is an acquisitive home health care services company operating in one of the fastest growing industries in the U.S. & Canada. The Company performs a vital role within the continuum of care with an individual and family centered focus, particularly those requiring dementia care. Nova Leap achieved 877% revenue growth in 2018 through a geographically focused expansion plan and achieved the #10 Ranking in the 2019 TSX Venture 50™ in the Clean Technology & Life Sciences sector. The Company is geographically diversified with operations in 4 different U.S. states: Vermont, New Hampshire, Massachusetts, and Rhode Island as well as Nova Scotia, Canada.

NON-GAAP MEASURE:

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.

FORWARD LOOKING INFORMATION:

Certain information in this press release may contain forward-looking statements, such as statements regarding future expansions and cost savings, the Company’s expected annualized recurring revenue run rate and plans regarding future acquisitions and financings. This information is based on current expectations and assumptions, including assumptions concerning the Company’s ability to integrate its acquired businesses and maintain previously achieved service hour and revenue levels, that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. Risks that could cause results to differ from those stated in the forward-looking statements in this release include regulatory changes affecting the home care industry, unexpected increases in operating costs and competition from other service providers. All forward-looking statements, including any financial outlook or future-oriented financial information, contained in this press release are made as of the date of this release and included for the purpose of providing information about management's current expectations and plans relating to the future. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in the Company's filings with the Canadian securities regulators, which filings are available at www.sedar.com.



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CAUTIONARY STATEMENT:

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