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November 5, 2020

Trading Symbol: TSX-V: NLH

Nova Leap Health Corp. Posts Financial Results for Third Quarter 2020

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HALIFAX, November 5, 2020 - NOVA LEAP HEALTH CORP. (TSXV: NLH) (“Nova Leap” or “the Company”), a 2019 TSX Venture 50™ ranked company focused on the home health care industry, is pleased to announce the release of financial results for the third quarter ended September 30, 2020. *All amounts are in United States dollars unless otherwise specified.*

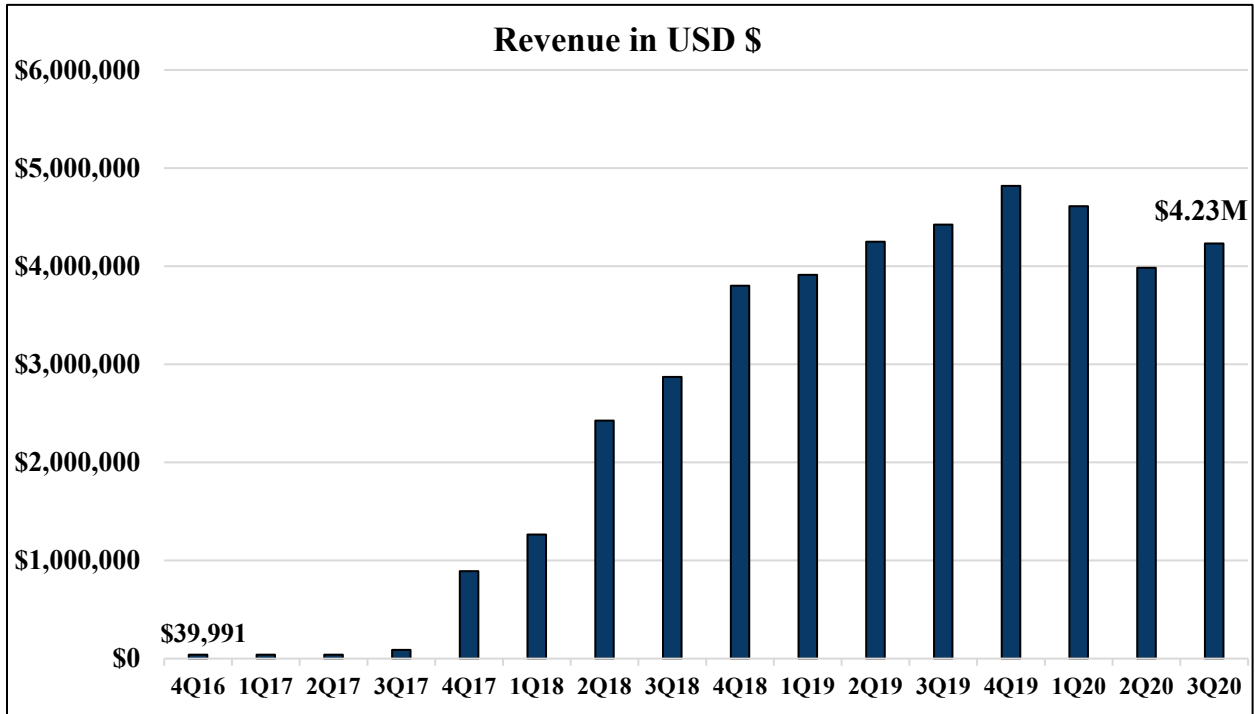
Nova Leap Third Quarter of 2020

Highlights for the quarter ended September 30, 2020 included the following:

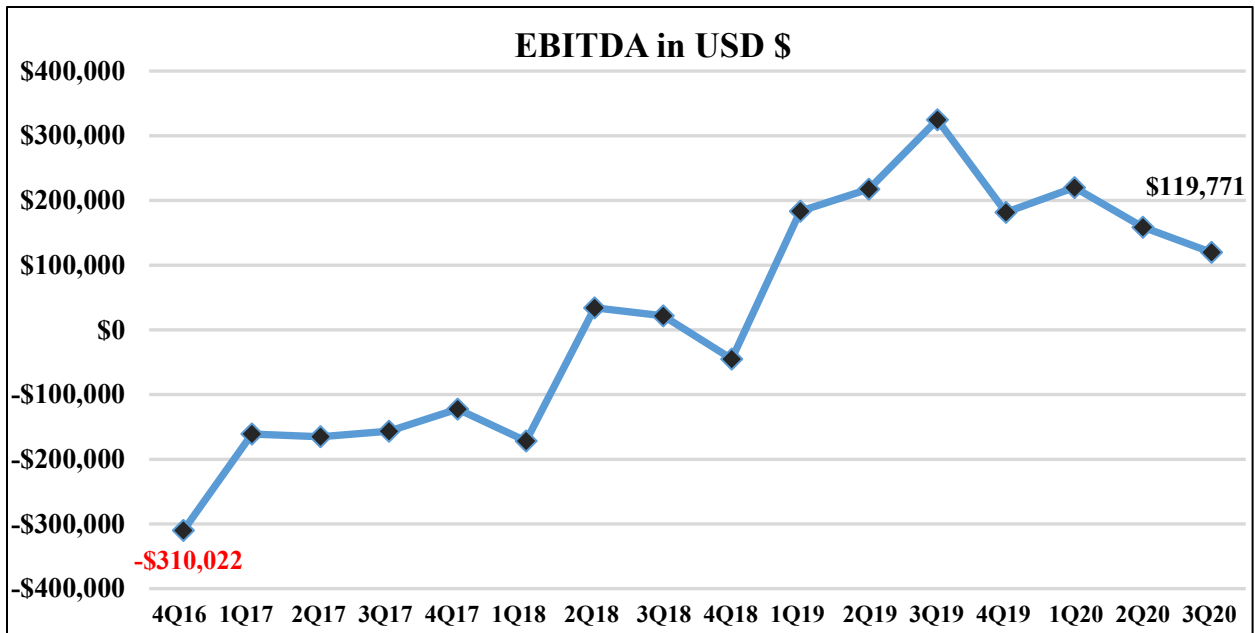
- The cash balance of \$4,686,059 as of September 30, 2020 is the highest reported cash balance in the Company’s history and a 70% increase over the Q2 2020 cash balance of \$2,754,087.
- In August 2020, the Company was approved for Paycheck Protection Program (“PPP”) loans in the amount of \$1.976 million by a U.S. bank. These loans are guaranteed by the U.S. Small Business Administration under The CARES ACT in response to the COVID-19 pandemic. These loans, which bear interest at 1%, are repayable monthly over a five-year period beginning in 2021. If certain conditions are met, the loans may be partially or fully forgiven.
- Management estimated that the criteria for forgiveness for \$1.1 million of the PPP loans had been met by the end of Q3. Management further estimates that by the end of Q4, the criteria for forgiveness on \$1.778 million of the PPP loans will be met and anticipates forgiveness on 90% of the total value of the PPP loans.
- Record operating cash flows of \$2,370,159 for Q3 2020 which is a 10.77X increase over Q3 2019 operating cash flows of \$201,311 and a 2.97X increase over Q2 2020 operating cash flows of \$596,936. Of the Q3 2020 cash flows, \$1,975,600 can be attributed to the PPP loans. In the absence of the PPP loans in Q3 and the Canadian Emergency Wage Subsidy in Q2, Q3 2020 cash flows of \$394,559 would have still been the Company’s highest on record and 25.5% higher than the previous record set in Q2 2020.
- Q3 2020 revenues of \$4,231,326 increased by 6.2% relative to Q2 2020 revenues of \$3,983,402 and were 4.4% lower than Q3 2019 revenues of \$4,424,350.



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- Q3 2020 EBITDA of \$119,771 was lower than Q3 2019 EBITDA of \$324,676 and Q2 2020 EBITDA of \$158,701.





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- The Canadian operating segment reported the best quarter in its history with record revenues, record EBITDA and record EBITDA percentage (13.9%).
- The Company's record of accounts receivables collection is excellent. During the nine months ended September 30, 2020, \$20,830 of accounts receivable were written off on revenues of \$12.826 million. This represents an anticipated collection rate of 99.8%. The Company's accounts receivable collection rate for 2019 was also 99.8%.
- During the first nine months of 2020, the Company retired 25.2% of its combined Schedule 1 bank debt and promissory notes relating to prior acquisitions.
- The full amount of the Company's \$696,000 revolving credit facility was available at the end of Q3 2020.
- The Company reported an adjusted net loss of (\$82,913) for Q3 2020 as compared to an adjusted net income of \$2,985 for Q3 2019 and an adjusted net loss (\$159,337) for Q2 2020 (see reconciliation of adjusted net (loss) income to net (loss) income in "Summary of Quarterly Results" section in the MD&A).
- On September 21, 2020, the Company announced that it had expanded its South Central, U.S. operations to Arkansas by way of an acquisition.
- On September 3, 2020, the Company announced that it had signed a Definitive Agreement to acquire a home care business in New England.
- On November 2, 2020, the Company announced that it had completed the acquisition of a home care business located in Massachusetts.

President & CEO's Comments

"We closed out the third quarter in a solid financial position.", said Chris Dobbin, President & CEO of Nova Leap. "While we saw marked improvement during Q3 in a number of our U.S. agencies, including one that produced its best ever quarter under our ownership, we still have one pocket in particular that has yet to rebound from the impact of COVID. Obviously, we were very pleased with the performance of our Canadian operating segment, which produced record results.

The deep experience of our operating teams and talented staff have allowed us to navigate the current environment and our organization has demonstrated a certain resilience in meeting these challenging times. Our strategy of buying smaller companies in different geographies has been part of our success.

During the quarter, we made some investments in regional personnel in the U.S. as we expect to grow significantly over the next couple of years and certainly for many years to come. I am extremely impressed with the quality of people we have been able to attract to our organization, including those who join the Nova Leap family as owners transition their businesses to us.

We announced the closing of an Arkansas home care company toward the very end of September and announced two further New England acquisitions, one of which closed in Massachusetts at the end of October and one currently making its way through State licensing. While the pandemic still provides some uncertainty in the global markets, we believe we're in a good position to continue with our acquisition program while being mindful of the events unfolding."



This news release should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2020, 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 centred focus, particularly those requiring dementia care. Nova Leap 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 7 different U.S. states within the New England and South-Central regions as well as Nova Scotia, Canada.

NON-GAAP MEASURES:

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), is calculated as the net income (loss), before acquisition and transaction costs, government grant income 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 (loss) is net income (loss) adjusted for stock-based compensation expense, acquisition expenses, foreign exchange gains/losses, impairment losses net of the related deferred tax recovery, restructure charges, and severance and other costs as well as non-recurring government grants net of income taxes .

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, plans regarding future acquisitions and financings and estimates around the amount of potential forgiveness of PPP loans. This information is based on current expectations and assumptions, including assumptions concerning general economic and market conditions, availability of working capital necessary for conducting Nova Leap's operations, and Nova Leap'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 the impact of the COVID-19 pandemic or any recurrence, including government regulations or voluntary measures limiting the Company's ability to provide care to clients (such as shelter-in-place orders, isolation or quarantine orders, distancing requirements, or closures or restricted access procedures at facilities where clients reside), increased costs associated with personal protective equipment and sanitization supplies, staff and supply shortages; regulatory changes affecting the home care industry, other unexpected increases in operating costs and competition from other



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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.

For further information:

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CAUTIONARY STATEMENT:

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.