

March 11, 2021

Trading Symbol: TSX-V: NLH

Nova Leap Health Corp. Reports Fourth Quarter and Full Year 2020 Financial Results

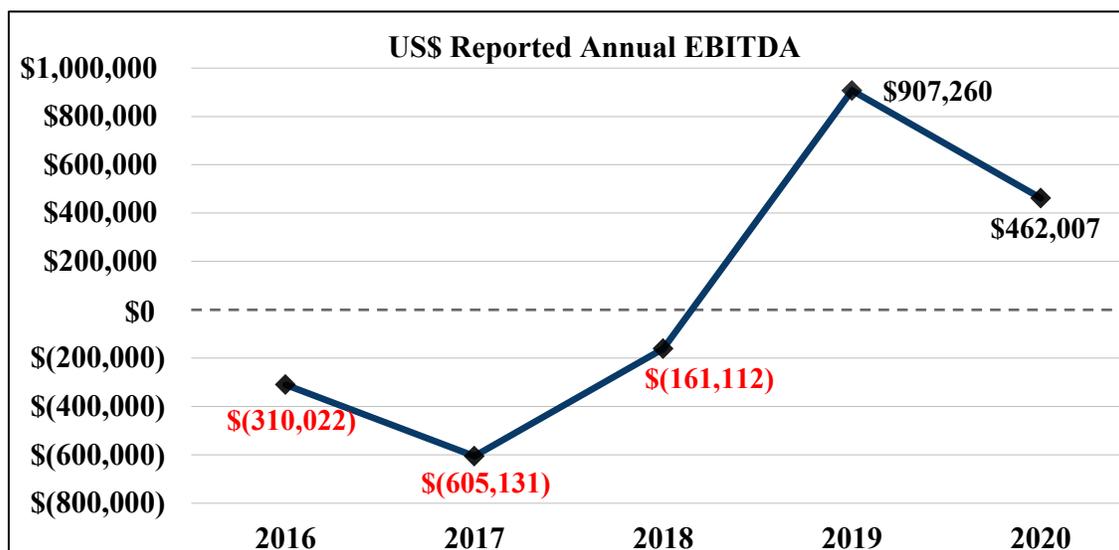
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HALIFAX, March 11, 2021 - NOVA LEAP HEALTH CORP. (TSXV: NLH) (“Nova Leap” or “the Company”), a home health care organization ranked #2 on the 2020 Report on Business ranking of Canada’s Top Growing Companies, is pleased to announce the release of financial results for the year ended December 31, 2020. All amounts are in United States dollars unless otherwise specified.

Nova Leap Fourth Quarter and Year End Financial Results

Financial results for the three and twelve months ended December 31, 2020 include the following:

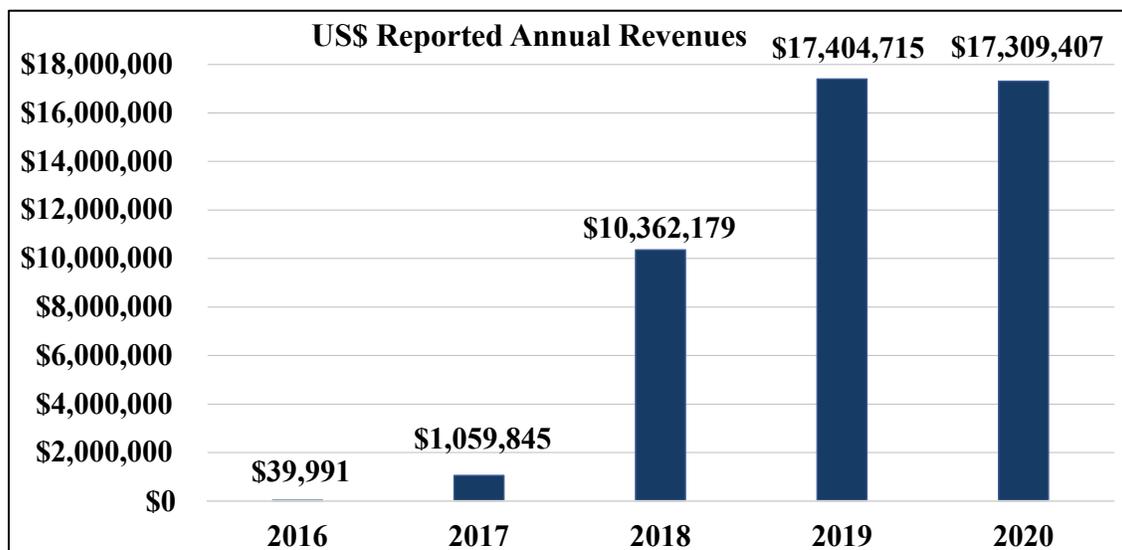
- Cash balance of \$2,778,845 at December 31, 2020 was the second highest reported cash balance in the Company’s history and was an increase of 69.9% over the cash balance of \$1,635,211 at December 31, 2019;
- Operating cash flows of \$3,012,303 for 2020 as compared to 2019 operating cash flows of \$585,645. Of the 2020 cash flows, \$2,332,519 can be attributed to the estimated forgivable amount of PPP loans and other COVID-19 related government grants. In the absence of COVID-19 related government assistance during 2020, operating cash flows would have been \$679,784, a year over year increase of 16.1% and a record for Nova Leap;
- Achieved full year 2020 EBITDA of \$462,007, a decrease of 49.1% over full year 2019 EBITDA of \$907,260;





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- Quarterly EBITDA of (\$36,515) in Q4 2020 decreased when compared to Q4 2019 EBITDA of \$181,660 and Q3 2020 EBITDA of \$119,771;
- Achieved full year 2020 revenues of \$17,309,407, a decrease of 0.55% over full year 2019 revenues of \$17,404,715;



- Achieved Q4 2020 revenues of \$4,483,539, an increase of 6.0% over Q3 2020 revenues of \$4,231,326 and a decrease of 7.0% over Q4 2019 revenues of \$4,818,729;
- Gross margin as a percentage of revenue increased from 33.6% in 2019 to 33.9% in 2020;
- The Company reported adjusted net income of \$719,088 for Q4 2020, an increase over Q3 2020 adjusted net loss of (\$82,913);
- The Company reported a Q4 2020 net income of \$1,236,350 as compared to a Q3 2020 net income of \$467,773 and a full year 2020 net income of \$1,256,298 as compared to a net loss of \$1,055,815 for the year ended December 31, 2019;
- Head Office costs as a percentage of revenue continued to be well managed and decreased to 6.5% in 2020 from 6.7% in 2019 and 11% in 2018;
- Nova Leap’s history of accounts receivable collection remains exceptional with an estimated collection rate of 99.8%, similar to the 99.8% rate for 2019;
- Successfully integrated the Q4 2020 acquisitions of two home care companies located in Massachusetts and Ohio.

Subsequent events to Q4 2020

- On February 1, 2021, the Company announced that it had provided notice to the holders of the Company’s 8.0% unsecured subordinated convertible debentures with a principal amount of CAD\$2,151,000 and a maturity date of December 30, 2024 that it would be exercising its option to convert the entire principal amount of Debentures outstanding into common shares of the Company at



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a conversion price of CAD\$0.52 (the “Forced Conversion”). In January 2021, CAD\$187,000 of the Debentures due December 30, 2024 were voluntarily converted at a conversion price of CAD\$0.52. The Forced Conversion was completed on March 3, 2021 with any accrued and unpaid interest under the Debentures to the conversion date paid to the holders in accordance with the Debentures.

- As a result of the forced conversion, insider ownership has increased to 38.9%;
- \$1,403,900 of the total \$1,975,600 PPP Loans have been forgiven with one forgiveness application still open.

President & CEO’s Comments

Writing these comments provides one of those rare opportunities to reflect on all that has been accomplished over the past three and a half years while also recognizing just how significant of an opportunity lies ahead of us.

Let me start by saying how appreciative I am of the individuals that are part of the organization. The care professionals providing such important service, the local and regional operating teams working across two countries and head office personnel supporting such important work. That appreciation extends to the families that have invited us into their homes as well as to our various partners. This past year has been challenging on many levels and I feel fortunate to work with such exceptional people.

Since we began our acquisition program in September 2017, we have completed 13 acquisitions with an additional one pending state licensure. That represents approximately one closed transaction each quarter. What is striking to me is that we have twice paused our acquisition program for three months. The first time was at the end 2018 after we had closed seven acquisitions in fourteen months. The second time was most recently during Q2 as a result of the pandemic. There have been a lot of opportunities and we have done a good job of picking the right ones for the organization.

Nova Leap has grown significantly since the original \$500,000 seed round in 2016. At that time, I was asking people to buy into a vision of a company that could consolidate a fragmented home care industry while providing the best possible care within the home, particularly serving individuals living with dementia. The vision I had back then remains the same today. The difference, of course, is that we have attracted exceptionally talented people to the organization, we have a track record of success, and a platform of home care agencies on which to build. We will continue to build. We have invested in our M&A team and for the first time in our short history have a dedicated full-time team. While we have recently begun to examine larger opportunities as they have presented themselves, I expect the pace of acquisitions to accelerate.

I believe that the returns on invested capital committed to acquiring home care agencies is compelling. Home care agencies are generally built on a recurring revenue model, are fairly stable and have average client retention of a few years. On their own, they lack scale, just as Nova Leap has as it has grown from the concept stage to where we are today. While the pandemic may have set us back a year, I believe an inflection point is fast approaching. When you combine high return potential acquisitions, a platform on which to continue expansion, an increase in operational leverage and what appears to be an endless supply



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of opportunities in an enormous addressable global market, we start to paint the picture of a much larger enterprise. One that we believe will continue to grow significantly in the coming years.

To our shareholders who share my enthusiasm for the outlook of the Company, I believe the best is yet to come.

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 the #2 ranking on the 2020 Report on Business ranking of Canada's Top Growing Companies and 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, South-Central and Midwest regions as well as Nova Scotia, Canada.

NON-GAAP MEASURES:

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), is calculated as income (loss) from operating activities plus amortization and depreciation and stock based compensation.

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.

FORWARD LOOKING INFORMATION:

Certain information in this press release may contain forward-looking statements, such as statements regarding future expansions and cost savings, expected forgiveness of PPP loans, and plans regarding future acquisitions and business growth. 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, availability of desirable acquisition targets and financing to fund such acquisitions, 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 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



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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.