

# Nova Leap Health Corp. Announces Execution of Definitive Agreement to Acquire Home Health Care Services Business in New England, U.S.

written by Raj Shah | August 13, 2018

✖ August 13, 2018 ([Source](#)) – NOVA LEAP HEALTH CORP. (TSXV: NLH) (“Nova Leap” or “the Company”), is pleased to announce that it has executed a definitive agreement (“the Agreement”) dated August 10, 2018, to acquire a home health care services company (“the Target”). The Target is in a New England state where Nova Leap has existing operations and will be considered a tuck-in acquisition. The Target reported unaudited revenues of \$932,000 and net income of \$104,000 for the year ended December 31, 2017. The Target reported unaudited revenues of \$560,000 and net income of \$74,000 for the six months ended June 30, 2018. All amounts are in United States dollars (“USD”) unless otherwise specified.

The acquisition is expected to be immediately accretive and is targeted to close in the third quarter of 2018. Under the terms of the Agreement, the acquisition is to be made for total consideration of \$425,000 of which \$325,000 is payable with cash on closing and \$100,000 is by way of a promissory note. The promissory note bears interest at 6%. Three equal principal payments are to be made on September 1, 2019, September 1, 2020 and September 1, 2021 along with the accrued interest. Closing the acquisition will be subject to final due diligence and

transfer approval of the state home health care license. The Company expects to use existing cash resources to fund the transaction.

“We are excited to keep growing our footprint in the New England area” said Chris Dobbin, President & CEO of Nova Leap. “This will be our third acquisition in New England this year. We are fortunate to be working with such compassionate people and look forward to continued growth in the region”.

*This press release does not constitute an offer to sell or solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

## **About Nova Leap**

The Home Care Providers industry is becoming one of the fastest growing healthcare industries in Canada and the United States. Home care saves patients 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. 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.

**NON-GAAP MEASURE:**

Annual 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.

For acquisitions that closed subsequent to the reporting period or are expected to close and have been disclosed in a press release as material information, annual recurring revenue run rate is the expected annualized recurring revenue based on the most recent month's revenue for current operations multiplied by 12 plus the annual revenue based on the most recent financial information available for the newly acquired operations or operations which are expected to close and have been disclosed in a press release as material information.

**FORWARD LOOKING INFORMATION:**

Certain information in this press release may contain forward-looking statements, such as statements regarding the completion of the second tranche of the brokered private placement, the anticipated use of the proceeds from the first tranche of the Private Placements and the second tranche of the brokered private placement, and the increase in the Company's recurring client service hours and annualized recurring revenue. This information is based on current expectations and assumptions, including assumptions concerning economic and market conditions, 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](http://www.sedar.com).

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