

Nova Leap Health Corp. Closes Second Tranche of Oversubscribed Brokered and Non-Brokered Private Placements

written by Raj Shah | May 31, 2018



TSXV: NLH

May 31, 2018 ([Source](#)) – NOVA LEAP HEALTH CORP. (TSXV:NLH) (“Nova Leap” or “the Company”), a company focused on the home health care industry, closed the second tranche of its previously announced brokered private placement for gross proceeds of

\$2,387,400 by the sale of 7,957,999 common shares of the Company (“**Common Shares**”) at a price of \$0.30 per Common Share (the “**Brokered Offering**”). The Brokered Offering was brokered on a “best efforts” basis by a syndicate of agents co-led by Haywood Securities Inc. and Gravititas Securities Inc. (“**Agents**”). In addition, the Company closed a non-brokered private placement for gross proceeds of \$869,160 by the sale of 2,897,198 Common Shares on the same terms as the Brokered Offering (together with the Brokered Offering, the “**Offering**”). The Offering was oversubscribed, with aggregate gross proceeds of \$4.26 million raised in the first and second tranches of the brokered and non-brokered private placements.

The Common Shares issued pursuant to the Offering are subject to a 4 month hold period. Certain insiders of the Company subscribed for an aggregate of 5,166,666 Common Shares in the

second tranche of the Offering, with insiders taking up 37% of the total Offering over the first and second tranches. The Company's material change report in relation to the insiders' participation in the second tranche of the Offering will not have been filed at least 21 days before the closing of the Offering as their participation was not known at that time.

For their services in connection with the first and second tranches of the Brokered Offering, the Company paid the Agents: 1) a cash commission of \$190,655.96 which was equal to 8.0% of the gross proceeds of the Brokered Offering, except in respect of subscriptions by purchasers on the President's List, which had a cash commission equal to 2.0% of such gross proceeds; 2) 635,519 agents' warrants equal to 8.0% of the Common Shares sold to purchasers not listed on the President's List and 2.0% of the number of Common Shares sold to purchasers listed on the President's List; and 3) an additional fee comprised of \$1,380 in cash and 4,600 in agents' warrants. Each agents' warrant is exercisable for one Common Share at a price of \$0.30 for a period of 24 months from the closing date of the Brokered Offering.

The Company completed the first tranche of the Offering on April 13, 2018. The proceeds from the first tranche of the Offering were used to acquire a New England home care services business as announced on April 16, 2018. The proceeds from the second tranche of the Offering will be used for the acquisition of an Eastern Canada home care services business as announced on April 3, 2018 and for working capital and general corporate purposes.

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

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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.

FORWARD LOOKING INFORMATION:

Certain information in this press release may contain forward-looking statements, such as statements regarding the anticipated use of the proceeds from the second tranche of the Offering. This information is based on current expectations and assumptions, including assumptions concerning economic and market conditions, 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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