

# Nova Leap Health Corp. Completes Purchase of Second Massachusetts Home Care Business and Reaches \$9 Million Annualized Recurring Revenue

written by Raj Shah | April 16, 2018



**TSXV: NLH**

April 16, 2018 ([Source](#)) – NOVA LEAP HEALTH CORP. (TSXV:NLH) (“Nova Leap” or “the Company”), a company focused on the home health care industry, has completed the acquisition of the business assets of Home Health Solutions, Inc. (“the Vendor”)

located in Holyoke, Massachusetts for \$1.2 million. The purchase price for the acquisition was paid with \$1 million in cash, partially financed by a demand loan of \$0.75 million from a Canadian Schedule 1 Bank, and a \$0.20 million promissory note issued to the Vendor. The execution of the definitive agreement and related information pertaining to this acquisition was previously announced on March 19, 2018. All amounts are in United States dollars (“USD”) unless otherwise specified.

“We are excited to work with the team at Home Health Solutions,” said Chris Dobbin, President & CEO of Nova Leap. “It is a privilege to work with such wonderful people.”

**The Transaction**

Nova Leap incorporated a subsidiary, Nova Leap Health MA II, Inc., which has acquired the business assets of the Vendor, including customer contracts and intellectual property, and will continue to operate under the name Home Health Solutions. The acquisition represents Nova Leap's fifth investment in New England and second in Massachusetts. Nova Leap now has approximately 330 employees in Vermont, New Hampshire, Rhode Island and Massachusetts.

### **Nova Leap Reaches \$9 million Annualized Recurring Revenue**

The acquisition of the Vendor is expected to be immediately accretive and, when combined with existing Nova Leap subsidiaries, is expected to result in 350,000 annualized recurring client service hours. Nova Leap's annualized recurring revenue run rate is approximately \$9 million following the acquisition of the Vendor. Nova Leap's recurring client service hours are paid primarily by clients, the Department of Veteran Affairs or through long term care insurance plans.

*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.

**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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