

# Nova Leap Health Corp. Provides Update on Future Plans and Grants Stock Options

written by Raj Shah | January 15, 2019



January 15, 2019 ([Source](#)) – NOVA LEAP HEALTH CORP. (TSXV: NLH) (“Nova Leap” or the “Company”), a company focused on the home health care industry, is pleased to provide an update on 2019 expansion plans. All amounts are in United States dollars (“USD”) unless

otherwise specified.

## **2018 Review**

The Company had a very successful year and achieved the following:

- The Company identified and closed five acquisitions while maintaining geographical concentration in New England;
- Nova Leap expanded home care operations to Canada;
- All acquisitions have been successfully integrated;
- Management exceeded its previously announced acquisition target for the year;
- Management exceeded its previously announced annualized recurring revenue target for the year;
- The Company continued to deploy reasonable leverage and benefitted from non-dilutive financing from a Canadian Schedule 1 bank;
- Acquisition multiples remained consistent;
- Revenue and operating gross margin per share increased significantly from the prior year;

- Equity markets remained supportive of Management's plans as evidenced by the closing of several acquisition related private placements.

## **2019 Plans**

- Nova Leap continues to explore and evaluate opportunities for the acquisition of home care and home health care businesses. Management plans to continue with expansion in both the U.S. and Canada;
- Management will continue to focus on expansion under the current payment model of private pay, long term care insurance and Veteran Affairs;
- Management is evaluating information under recently announced changes through Medicare Advantage plans that allow private pay home care companies, like those owned by Nova Leap, to participate. The scope of the potential opportunity cannot be quantified at this time;
- Continued improved operating segment EBITDA performance, like that demonstrated from Q2 to Q3 remains a priority, as does organic growth from existing operations;
- Management anticipates that Nova Leap will acquire up to four home health care companies in 2019 and expects annualized recurring home care service hours to increase between 50 to 100% over 2018. Achieving the Company's plans remains dependent on Management's ability to acquire profitable home health care businesses and to raise adequate funds in the capital markets.

"Our long-term plans began to take shape nicely in 2018. The home health care segment remains one of the fastest growing industries and we are confident in our ability to execute on our strategy", said Chris Dobbin, President and CEO of Nova Leap. "We anticipate another strong year with new acquisitions and continued expansion".

## **Stock Option Grant**

The Company has granted 1,935,000 incentive stock options to directors, officers, employees and consultants of the Company. The stock options are exercisable for a period of 10 years at an exercise price of CAD\$0.45 per share and vest 25% immediately and 25% on each anniversary date of the stock option grant date. The options were granted under and are subject to the terms and conditions of the Company's Stock Option Plan.

## **About Nova Leap**

The Home Care Providers industry is becoming one of the fastest growing healthcare industries in the United States and Canada. 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. This information is based on current expectations 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. 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).

#### **CAUTIONARY STATEMENT:**

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