

Nova Leap Health Corp. Reports Fourth Quarter and Full Year 2017 Financial Results

written by Raj Shah | March 10, 2018



March 9, 2018 ([Source](#)) – NOVA LEAP HEALTH CORP. (TSXV:NLH) (“Nova Leap” or “the Company”), a company focused on the home health care industry, is pleased to announce the release of financial results for the fourth quarter and full year ended December

31, 2017. 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, 2017 include revenue of \$891,196 and \$1,059,845 respectively and net loss of \$302,921 and \$851,609 respectively. Highlights for the quarter ended December 31, 2017 included the following:

- Achieved full year 2017 revenues in line with Management’s previous revenue guidance with an increase of 25.5X (times) from December 31, 2016 to December 31, 2017.
- Pursuant to the Company’s acquisition and expansion strategy, achieved full year 2017 recurring client service hours with an increase of 20.9X (times) from December 31, 2016 to December 31, 2017.
- Closed the previously announced acquisition of Armistead Senior Care (“Armistead”) on October 6, 2017 for a total purchase price of \$1,000,000. The acquisition was funded using \$600,000 of cash and \$400,000 of Nova Leap common

shares.

- Closed a non-brokered private placement and raised gross proceeds of \$788,931. Most of the proceeds were used to fund the acquisition of Armistead.
- Successfully integrated the September 22, 2017 acquisition of All About Home Care in Rhode Island. The Rhode Island operating segment contributed \$501,688 to consolidated revenues, an operating loss of \$74,333 which included \$113,896 of non-recurring acquisition costs.
- The Vermont and New Hampshire operating segment contributed \$558,157 to the consolidated revenues, an operating loss of \$224,158 which included \$104,525 of non-recurring acquisition costs. Management has made significant human resource investments in this operating segment which will allow for geographical expansion and cost sharing across current and future investments.
- Subsequent to year end, successfully acquired Family Tree Home Care, increasing the Company's footprint in New England to four states, including Vermont, New Hampshire, Rhode Island and Massachusetts.

This news release should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017, notes to the financial statements, and management's discussion and analysis, which have been filed on SEDAR.

2018 Revenue Run Rate Estimate

In the Company's November 23, 2017 press release, Management estimated that Nova Leap would approximate a \$10 million revenue run rate by the end of 2018. The Company has approximately 280,000 annualized recurring service hours and a strong pipeline of opportunities. Management continues to expect that the Company will exit 2018 with a \$10 million revenue run rate.

Nova Leap continues to explore and evaluate opportunities for

the acquisition of home care businesses. Management had previously announced plans to complete up to 4 acquisitions in 2018 and completed its first acquisition of 2018 in February with the acquisition of Family Tree Home Care. Achieving the Company's plans remains dependent on Management's ability to acquire profitable home care businesses and to raise adequate funds to complete such acquisitions.

"We are very pleased with the quality of the people we are working with in our various locations," said Chris Dobbin, President and CEO of Nova Leap. "We believe our strategy is being well executed and that our staff and clients will benefit for years to come through an enhanced home care experience."

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 future

expansions and cost savings, the Company's expected 2018 revenue run rate and plans regarding future acquisitions and financings. This information is based on current expectations and assumptions, including assumptions concerning 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.

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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.