

Nova Leap Health Corp. Reports Fourth Quarter and Full Year 2019 Financial Results

written by Raj Shah | March 13, 2020



TSXV: NLH

March 12, 2020 ([Source](#)) – NOVA LEAP HEALTH CORP. (TSXV: NLH) (“Nova Leap” or “the Company”), a 2019 TSX Venture 50™ ranked company focused on the home health care industry, is pleased to announce the release of record financial results for the year ended

December 31, 2019. 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, 2019 include the following:

- Nova Leap’s 2019 annual financial results are the best in the Company’s history;
- Record operating cash flows of \$613,802 for the full year 2019 was an increase of \$2,164,010 over 2018 operating cash flows of (\$1,550,208);
- Achieved full year 2019 record EBITDA of \$907,260, an increase of 663% over full year 2018 EBITDA of (\$161,112);
- Quarterly EBITDA of \$181,660 in Q4 2019 was an increase of 503% over Q4 2018 EBITDA of (\$45,075) and a decrease from Q3 2019 record EBITDA of \$324,676;
- Achieved full year 2019 revenues of \$17,404,715, an increase of 68% over full year 2018 revenues of \$10,362,179;

- Q4 2019 was the Company's 10th consecutive quarter of revenue growth;
- Achieved Q4 2019 revenues of \$4,818,729, an increase of 8.9% over Q3 2019 revenues of \$4,424,350 and an increase of 26.8% over Q4 2018 revenues of \$3,801,082;
- Gross margin as a percentage of revenue increased from 32.04% in 2018 to 33.58% in 2019;
- The Company reported adjusted net income of \$1,669 for Q4 2019, a marginal decline over Q3 2019 adjusted net income of \$2,985;
- The Company reported a Q4 2019 net loss of \$298,399 as compared to a Q3 2019 net loss of \$43,075 and a full year 2019 net loss of \$1,055,815 as compared to a net loss of \$961,271 for the year ended December 31, 2018;
- As the Company has scaled up, Head Office costs as a percentage of revenue decreased to 6.7% in 2019 from 11% in 2018 and 53% in 2017;
- Ended the 2019 year with a cash balance of \$1,635,211 as compared to the 2018 year-end cash balance of \$1,283,505;
- During the 2019 year, \$34,917 of accounts receivable were written off, representing 0.2% of the reported \$17,404,715 of revenues;
- Successfully integrated the Q4 2019 acquisitions of Around the Clock Home Care located in Oklahoma and Keystone Home Care located in Massachusetts; and
- During Q4, Nova Leap closed the first tranche of its non-brokered private placement through the issuance of unsecured subordinated convertible debentures for gross proceeds of CAD\$2,338,000.

Subsequent events to Q4 2019

- During Q1 2020, Nova Leap closed the second and final tranche of its non-brokered private placement through the issuance of unsecured subordinated convertible debentures

- for gross proceeds of CAD\$756,000; and
- During Q1 2020, 2,544,712 warrants were exercised for total proceeds of \$684,920 (CAD\$904,972).

1 Million Hours of Service

During Q3 2019, Nova Leap surpassed 1 million hours of service to the Company's clients.

"I often think about the positive impact that we have as an organization in service of our clients, their families and the communities in which we operate", stated Chris Dobbin, President & CEO of Nova Leap. "I remember reporting just over 1,200 hours of service in our first quarter of home care operations back in Q4 of 2016. To think we have crossed over a million hours in such a short period of time is a credit to our dedicated team of care professionals who make such a positive difference each and every day."

About Nova Leap

Nova Leap is an acquisitive home health care services company operating in one of the fastest growing industries in the U.S. & Canada. The Company performs a vital role within the continuum of care with an individual and family centered focus, particularly those requiring dementia care. Nova Leap has grown significantly since inception through a geographically focused expansion plan and achieved the #10 Ranking in the 2019 TSX Venture 50™ in the Clean Technology & Life Sciences sector. The Company is geographically diversified with operations in 5 different U.S. states: Vermont, New Hampshire, Massachusetts, Rhode Island and Oklahoma as well as Nova Scotia, Canada.

NON-GAAP MEASURES:

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), is calculated as the net loss, before acquisition

and transaction costs, non-cash expenses (including loss from disposal of assets, impairments, amortization and depreciation and stock-based compensation), interest expense, net of interest income and income tax expense.

Adjusted net income is net income adjusted for stock-based compensation expense, acquisition expenses, foreign exchange gains/losses, restructure charges, and severance and other costs.

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 annualized recurring 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.

CAUTIONARY STATEMENT:

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.

Photos accompanying this announcement are available at:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/b88fc72a-855d-4360-85c5-2d7de27b9242>

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