

NOVA LEAP HEALTH CORP.

FORM 51-102F4

BUSINESS ACQUISITION REPORT

ITEM 1 IDENTITY OF COMPANY

1.1 Name and Address of Company

Nova Leap Health Corp. (the “**Corporation**” or “**Nova Leap**”)
37 Wentworth Street, Suite 104
Dartmouth, NS B2Y 2S9

1.2 Executive Officer

The following is the name and business telephone number of an executive officer of the Corporation who is knowledgeable about the acquisitions described in this Business Acquisition Report (the “**Report**”):

Megan Spidle, Chief Financial Officer
Tel: 902-223-3865

ITEM 2 DETAILS OF ACQUISITION

2.1 Nature of Business Acquired

On September 22, 2017, the Corporation completed its acquisition of the business assets of All About Home Care (“AAHC”) in Rhode Island. Nova Leap incorporated a subsidiary, Nova Leap Health RI, Inc. to acquire the business assets of AAHC, including customer contracts and intellectual property, and will continue to operate with the name doing business as All About Home Care.

AAHC operates as a private duty home health care agency offering both skilled nursing and non-medical services for families in Rhode Island. AAHC’s registered office and principal place of business is 438 East Main Road, Middletown, Rhode Island 02842.

2.2 Acquisition Date

September 22, 2017

2.3 Consideration

AAHC was acquired for \$1.2 million cash consideration. USD\$600,000 was financed by way of a term loan and the remaining USD\$600,000 was financed with cash.

2.4 Effect on Financial Position

The expected effect of the Acquisition on the Corporation's statement of income (loss) is outlined in the unaudited pro forma consolidated statement of income (loss) included in Schedule "A – 5" to this Report.

The Corporation presently has no plans or proposals for a material change in the business or affairs of the Corporation which may have a significant effect on the results of operations and financial position of the Corporation.

2.5 Prior Valuations

None

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2.6 Parties to Transaction

The transaction was not with an informed person, associate or affiliate of the Corporation.

2.7 Date of Report

December 4, 2017

ITEM 3 FINANCIAL STATEMENTS AND OTHER INFORMATION

The following financial statements are attached as Schedule “A” to this Report and included as part of this Report:

- 1) Audited consolidated financial statements of Nova Leap Health Corp. for the period from November 16, 2015 date of incorporation, to December 31, 2016, together with the notes thereto and the auditors’ report thereon;

Nova Leap has not obtained consent from Grant Thornton LLP, the auditor of the financial statements of Nova Leap Health Corp., to include their audit report in this business acquisition report.

- 2) Financial statements of All About Home Care, LLC for the years ended December 31, 2016 (audited) and 2015 (unaudited), together with the notes thereto and the auditors’ report thereon;

Nova Leap has not obtained consent from Grant Thornton LLP, the auditor of the financial statements of All About Home Care, LLC, to include their audit report in this business acquisition report.

- 3) Unaudited interim consolidated financial statements of Nova Leap Health Corp. for the three and six months ended June 30, 2017 and July 31, 2016;
- 4) Unaudited interim financial statements of All About Home Care, LLC for the three and six months ended June 30, 2017 and 2016; and
- 5) Unaudited pro forma consolidated statement of income (loss) of Nova Leap Health Corp. for the year ended December 31, 2016 and the six months ended June 30, 2017, together with the notes thereto.

SCHEDULE A – 1

Nova Leap Health Corp.

Audited consolidated financial statements of Nova Leap Health Corp. for the period from November 16, 2015 date of incorporation, to December 31, 2016, together with the notes thereto and the auditors' report thereon

*(See
attached)*

Nova Leap Health Corp.

**Consolidated Financial Statements
For the period from November 16, 2015,
date of incorporation, to December 31, 2016**

(United States dollars)

Independent auditor's report

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To the Shareholders of
Nova Leap Health Corp.

We have audited the accompanying consolidated financial statements of Nova Leap Health Corp., which comprise the statement of financial position as at December 31, 2016, and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from November 16, 2015 (date of incorporation) to December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Nova Leap Health Corp. as at December 31, 2016, and its consolidated financial performance and cash flows for the period from November 16, 2015 (date of incorporation) to December 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt about Nova Leap Health Corp.'s ability to continue as a going concern.



Halifax, Canada
March 9, 2017

Chartered Professional Accountants
Licensed Public Accountants

Nova Leap Health Corp.

Consolidated Statement of Financial Position (United States dollars) As at December 31, 2016

	\$
ASSETS	
Current assets	
Cash and cash equivalents	148,275
Accounts receivable	17,949
Prepaid expenses	<u>11,486</u>
Total current assets	<u>177,710</u>
Non-current assets	
Intangible assets (notes 3 and 4)	5,700
Goodwill (notes 3 and 5)	180,000
Deferred income tax asset (note 13)	<u>28,056</u>
Total non-current assets	<u>213,756</u>
TOTAL ASSETS	<u>391,466</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	<u>67,804</u>
Non-current liabilities	
Convertible debentures (note 7)	<u>178,280</u>
TOTAL LIABILITIES	<u>246,084</u>
SHAREHOLDERS' EQUITY	
Capital stock (note 8)	510,801
Contributed surplus (note 10)	116,109
Accumulated other comprehensive income	7,991
Deficit	<u>(489,519)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>145,382</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>391,466</u>
Going concern (note 1)	
Subsequent events (note 17)	

The accompanying notes form an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors

“Chris Dobbin”

“Michael O’Keefe”

(signed)

Director

(signed)

Director

Nova Leap Health Corp.

Consolidated Statement of Changes in Shareholders' Equity

(United States dollars)

For the period from November 16, 2015, date of incorporation, to December 31, 2016

	Common shares	Share capital \$	Contributed surplus \$	Accumulated other comprehensive income \$	Deficit \$	Total equity \$
Balance – November 16, 2015	-	-	-	-	-	-
Shares issued for cash (note 8)	10,000,000	357,192	-	-	-	357,192
Shares issued for cash, net of issuance costs (note 8)	3,500,000	153,609	-	-	-	153,609
Stock based compensation (note 9)	-	-	107,975	-	-	107,975
Equity component of convertible debentures (note 7)	-	-	8,134	-	-	8,134
Net loss for the period	-	-	-	-	(489,519)	(489,519)
Other comprehensive income for the period	-	-	-	7,991	-	7,991
Balance – December 31, 2016	13,500,000	510,801	116,109	7,991	(489,519)	145,382

The accompanying notes form an integral part of these consolidated financial statements.

Nova Leap Health Corp.

Consolidated Statement of Loss and Comprehensive Loss

(United States dollars)

For the period from November 16, 2015, date of incorporation, to December 31, 2016

	\$
Revenues	
Home care	39,991
Operating expenses	
Salaries and benefits	43,626
Home care office	<u>12,206</u>
	55,832
Corporate and administrative expenses	
Allowance for doubtful sales tax receivable (note 16)	36,172
Amortization (note 4)	3,244
Consulting fees, salaries & benefits	60,125
Foreign exchange gain	(1,622)
Impairment loss (note 4)	51,056
Insurance	2,250
Investor relations and shareholder communications	32,292
Office and other	6,357
Professional fees (note 11)	169,011
Stock based compensation (note 9)	94,314
Subscriptions and conferences	6,801
Transfer, filing and listing fees	22,315
Travel	<u>17,084</u>
	<u>499,399</u>
Loss from operating activities	<u>515,240</u>
Net finance expense	
Finance income	895
Finance expense	<u>3,230</u>
	2,335
Deferred income tax recovery (note 13)	<u>28,056</u>
Net loss	<u>489,519</u>
Items that will be reclassified subsequently to profit or loss	
Exchange differences on translation of foreign operations	<u>7,991</u>
Total comprehensive loss	<u>481,528</u>
Weighted average number of shares outstanding during the period (note 21)	11,015,207
Basic and diluted loss per share	\$ (0.04)

The accompanying notes form an integral part of these consolidated financial statements.

Nova Leap Health Corp.

Consolidated Statement of Cash Flows

(United States dollars)

For the period from November 16, 2015, date of incorporation, to December 31, 2016

	\$
Cash provided by (used in)	
Operating activities	
Net loss for the period	(489,519)
Allowance for doubtful sales tax receivable (note 16)	36,172
Amortization of intangible assets (note 4)	3,244
Deferred income tax recovery (note 13)	(28,056)
Impairment loss (note 4)	51,056
Stock based compensation (note 9)	94,314
Effective interest on convertible debentures	3,216
Unrealized foreign exchange gain/loss	(3,420)
Net changes in non-cash working capital balances related to operations	
Increase in accounts receivable	(17,949)
Increase in prepaid expense	(11,486)
Increase in sales tax recoverable	(36,172)
Increase in accounts payable and accrued liabilities	<u>65,286</u>
	<u>(333,314)</u>
Investing activities	
Acquisition of Northern Family Home Care (note 3)	<u>(240,000)</u>
Financing activities	
Proceeds from issuance of common shares, net of share issue costs (note 8)	524,462
Proceeds from issuance of convertible debentures (note 7)	<u>197,127</u>
	<u>721,589</u>
Cash and cash equivalents – beginning of period	<u>-</u>
Cash and cash equivalents – end of period	<u>148,275</u>

The accompanying notes form an integral part of these consolidated financial statements.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

1. Nature of operations and going concern

Nature of operations

Nova Leap Health Corp. (the "Corporation") is the parent company and was incorporated under the Canada Business Corporations Act on November 16, 2015. The Corporation completed its Qualifying Transaction ("QT") on October 13, 2016. The principal activities of the Corporation and its subsidiaries (the "Group") is to provide non-medical home care to clients.

These consolidated financial statements include the accounts of the Corporation and its United States subsidiaries, Nova Leap Health Corp. Holdings, Inc. and Nova Leap Health NH, LLC from the date of their formation on July 22, 2016.

The registered head office of the Corporation is located at Founder's Corner, 37 Wentworth Street, Unit 104, Dartmouth, NS B2Y 2S9, Canada.

The audited consolidated financial statements were approved by the Board of Directors on March 9, 2017.

Going concern

The Corporation completed its QT on October 13, 2016 and had no source of revenue and incurred losses from the date of incorporation until the close of the QT. The Group is currently operating the home care services company in New Hampshire that it acquired through its subsidiary Nova Leap Health NH, LLC, doing business as Northern Family Home Care ("NFHC"). The Group continues to incur operating losses. The Group is pursuing a strategy of near term expansion and organic growth in New Hampshire and is also exploring further acquisition opportunities in Northeastern United States.

The Group's consolidated financial statements as at December 31, 2016 have been prepared on the basis of International Financial Reporting Standards applicable to a going concern, which assumes the Group will continue in operation for the foreseeable future realizing its assets and settling its liabilities and commitments in the normal course of business. There is significant doubt about the appropriateness of the going concern assumption as the Group incurred a net loss for the period of \$489,519 and has not yet generated profit from operations. The continuing operations of the Group are dependent on its ability to develop profitable operations in the future and to raise adequate financing, if necessary. Management's view is that working capital is sufficient, but if necessary, additional working capital can be obtained from internal and external sources to meet the Group's liabilities and commitments. The Group has raised funds through equity and convertible debt offerings and has a private placement underway to raise additional funds (See Note 17 – Subsequent events).

There can be no assurance that the group will be successful in achieving profitability or raising additional cash to finance operations. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern, and these adjustments could be material.

2. Significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

a) Basis of measurement

The consolidated financial statements are prepared on a historical cost basis except for any financial assets and liabilities classified as available for sale or fair value through profit and loss which are stated at fair value, stock based compensation plans and convertible debentures.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

2. Significant accounting policies (continued)

b) Basis of consolidation

The consolidated financial statements consolidate those of the parent company and its subsidiaries, all of which have a reporting date of December 31. All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Amounts reported in the consolidated financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

c) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

d) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in United States dollars (“USD”), which is also the functional currency of the subsidiaries. The functional currency of Nova Leap Health Corp., the parent, is Canadian dollars (“CAD”). USD was selected as the presentation currency due to the fact that the majority of the active business operations are in USD.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are measured at historical costs (transacted using the exchange rates at the transaction date) except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group’s financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the USD are translated into USD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into USD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into USD at the closing rate. Income and expenses have been translated into USD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognized in the accumulated other comprehensive income in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

e) Segment reporting

The Group has one operating segment: home care. In identifying operating segments, management generally follows the Group’s service lines representing its main services.

Corporate assets which are not directly attributable to the business activities of the operating segment are not allocated to the segment. This primarily applies to the Group’s head office.

f) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and cash held in trust when cash held in trust is not restricted for use. Interest earned is recognized in the consolidated statement of loss and comprehensive loss.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

2. Significant accounting policies (continued)

g) Intangible assets

Initial recognition of intangible assets

Customer lists acquired in a business combination that qualify for separate recognition are recognized as intangible assets at their fair values.

Subsequent measurement

All finite-lived intangible assets are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing (see note 2o). Customer lists are amortized over their estimated useful lives of 4 years.

h) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses (see note 2o).

i) Convertible debentures

The component parts of compound financial instruments (convertible debentures) issued by the Corporation are classified separately as financial liabilities and equity component in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the liability component is recognized at fair value, which is estimated using the borrowing rate available for similar non-convertible instruments. Subsequently, the liability component is measured at amortized cost using the effective interest method until extinguished upon conversion or at maturity.

The value of the conversion option classified as equity component is determined at the date of issue by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This amount is recognized in equity, net of income tax effects, if any, and is not subsequently remeasured. When and if the conversion option is exercised, the equity component of convertible debentures will be transferred to share capital. If the conversion option remains unexercised at the maturity date of the convertible debentures, the equity component of the convertible debentures remains as a component of contributed surplus. No gain or loss is recognized upon conversion or expiration of the conversion option.

Transaction costs related to the issue of convertible debentures are allocated to the liability and equity component in proportion to the initial carrying amounts. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the term of the convertible debenture using the effective interest method.

j) Stock-based compensation

The Corporation has a stock-based compensation plan that is described in note 9. The Corporation accounts for stock options using the fair value method by applying the Black Scholes model. The estimated fair value of all stock options granted is recorded in the statement of loss over their vesting periods except for amounts related to agents' options on share issuances which are recorded as share issuance cost as outlined below. All share options are equity settled.

k) Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Other components of equity include the following:

- Translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into USD, the presentation currency of the Group.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

2. Significant accounting policies (continued)

l) Loss per share

The Group presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing earnings attributable to equity shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share-based payments, employee incentive share units, and warrants using the treasury stock method (if, and when, applicable). Under this method, stock options, whose exercise price is less than the average market price of the Corporation's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the period. The incremental number of common shares issued under stock options and repurchased from proceeds is included in the calculation of diluted earnings per share.

All share options and convertible debt are currently anti-dilutive; as a result, basic and diluted earnings per share are the same.

m) Revenue

The Group generates home care revenues by providing services directly to clients. The Group receives payments for providing services from private individuals. Revenue is recognized at an hourly rate specified in client agreements and recognized as revenue at the time services are rendered and when collection is reasonably assured.

n) Income taxes

The Group uses the liability method of accounting for income taxes.

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on deferred tax assets or liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When results from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

2. Significant accounting policies (continued)

o) Impairment testing of goodwill and intangible assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

p) Significant management judgement

The following are significant management judgments in applying the accounting policies of the Group that have the most significant effects on the financial statements.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment.

Going concern

The assessment of the Group's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned organic expansion and acquisitions, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

q) Management estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from those estimates.

Estimates and assumptions that could have a significant impact on the amounts recognized in the consolidated financial statements are summarized below. Estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

2. Significant accounting policies (continued)

q) Management estimates (continued)

Impairment of goodwill and intangible assets

Determining if there are any facts or circumstances indicating an impairment loss is a subjective process involving judgment and a number of estimates and interpretations in many cases. When an indication of impairment loss exists, the recoverable amount of the individual asset or the cash generating units must be estimated.

In assessing impairment, the Group must make some estimates and assumptions regarding future circumstances, in particular, estimates of future market growth and trends, forecasted revenue and costs, expected periods the assets will be utilized, appropriate discount rates and other variables. Estimates and assumptions may change if new information becomes available.

Stock based compensation

The Corporation issued equity-settled stock based compensation to certain employees and third parties outside the Corporation. Equity-settled share-based payments are measured at fair value, excluding the effect of non-market based vesting conditions, at the date of grant. Fair value is estimated using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities which are based on information available at the time the fair value is measured.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Business combinations

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the purchase price allocation and amounts attributable to customer lists and goodwill are estimated using fair value techniques and is dependent on a number of factors including estimates of future market growth and trends, forecasted revenue and costs, expected periods the assets will be utilized, appropriate discount rates and other variables. The Group bases its fair value estimates on assumptions management believes to be reasonable but which are unpredictable and inherently uncertain. Actual future results may differ from those estimates.

r) Financial instruments

The Group has classified its cash and cash equivalents and accounts receivables as "Loans and receivables". After its initial measurement, it is measured at amortized cost using the effective interest method, less any provision for impairment.

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument, including: held to maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available for sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

The Group has classified its financial instruments as follows:

- Cash and cash equivalents / sales tax recoverable – Loans and receivables
- Accounts receivable – Loans and receivables
- Accounts payable and accrued liabilities - other liabilities
- Convertible debentures – other liabilities

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

2. Significant accounting policies (continued)

r) Financial instruments (continued)

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

There are no financial instruments measured at fair value on the Consolidated Statement of Financial Position as at December 31, 2016.

s) Future accounting standards issued but not yet applied

Several new standards and amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2017 and have not been applied in preparing these consolidated financial statements. Accordingly, the Group expects to adopt these standards as set forth below.

i) IFRS 9, Financial Instruments

In July 2014, the IASB published IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Group has yet to assess the impact of this new standard on its consolidated financial statements.

ii) IFRS 15, Revenue from Contracts with Customers

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018. Management has started to assess the impact of IFRS 15 but is not yet in a position to provide quantified information.

iii) IFRS 16, Leases

IFRS 16 was issued by the IASB in January 2016 and supersedes IAS 17, Leases. The new standard brings most leases on the balance sheet for lessees under a single model and eliminates the distinction between operating and finance leases. Lessor accounting remains largely unchanged. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019. The Group is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

iv) IAS 7, Statement of Cash Flows

New accounting standard amendment requiring entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities. IAS 7 is effective for annual periods beginning on or after January 1, 2017. The Group does not expect the adoption of IAS 7 amendments to have a significant effect on its consolidated financial statements.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

2. Significant accounting policies (continued)

s) Future accounting standards issued but not yet applied (continued)

v) IAS 12, Income Taxes

New accounting standard amendment clarifying how to account for deferred tax assets related to debt instruments measured at fair value. IAS 12 is effective for annual periods beginning on or after January 1, 2017. The Group does not expect the adoption of IAS 12 amendments to have a significant effect on its consolidated financial statements as it does not currently have any debt instruments classified as available-for sale assets.

3. Business combination

On October 13, 2016, the Corporation acquired the home care assets (“Significant Assets”) of Northern Family Home Care, Inc. located in New Hampshire, USA. Pursuant to the terms of the Definitive Agreement, the Corporation’s U.S. subsidiary, Nova Leap Health NH, LLC, acquired the Significant Assets from Northern Family Home Care Inc. for a total purchase price of US\$240,000. The acquisition fulfilled the requirements for the Corporation’s Qualifying Transaction and is in line with the objective of management to acquire private home care businesses in the United States.

The details of the business combination are as follows:

Fair value of consideration transferred	
Cash	\$240,000
Recognized amounts of identifiable net assets	
Intangible assets (customer lists)	\$60,000
Goodwill	180,000
	\$240,000

Identifiable net assets

The fair value of the customer lists acquired as part of the business combination amounted to \$60,000.

Goodwill

Goodwill of \$180,000 is primarily related to growth expectations, expected future profitability and the assembled workforce.

Acquisition costs

Total acquisition costs of \$56,604 are included in professional fees on the Consolidated Statement of Loss and Comprehensive Loss.

Contribution to Group results

A loss of \$19,084 was incurred for the period from the date of acquisition, October 13, 2016, to the reporting date, primarily due to one-time office set up costs. Revenue for the period from the date of acquisition, October 13, 2016, to the reporting date was \$39,991.

If the Significant Assets had been acquired on November 16, 2015, revenue of the Group for the reporting period would have been \$327,418 and loss for the year would have decreased by \$4,167.

4. Intangible assets

	Customer lists
	\$
Balance, beginning of period	-
Addition	60,000
Amortization	(3,244)
Impairment loss	(51,056)
Balance, end of period	5,700

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

4. Intangible assets (continued)

An impairment loss of \$51,056 was recognized for customer lists. The recoverable amount of the asset is its value-in-use, determined based on the decline in average hours for which caregivers provided home care services to key clients obtained through the purchase of the Significant Assets of Northern Family Home Care Inc. The discount rates reflect appropriate adjustments relating to market risk and specific risk factors and was 19.2%. All amortization and impairment charges are included within amortization and impairment loss.

5. Goodwill

	Goodwill
	\$
Balance, beginning of period	-
Addition	\$180,000
Balance, end of period	\$180,000

Impairment testing

For annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combination in which the goodwill arises. The recoverable amount of the segment was determined based on value-in-use calculation, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining periods using a growth rate determined by management. The recoverable amount of the home health care segment is greater than the carrying amount of goodwill.

The present value of the expected cash flows of the home health care segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

As at December 31, 2016, the Group only had one cash-generating unit and the goodwill was allocated in its entirety to this CGU.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors the cash-generating unit and was 17.5%.

Cash flow assumptions

The forecast is based on a growth of client service hours from the actual at a rate of 25 hours per month on average to reflect the ongoing execution of the Group's strategy to expand geographically and increase hourly billing rates for new clients. The recoverable amount exceeds the carrying amount by approximately \$30,000. The client service hours growth rate would have to be approximately 16% lower in order for the cash-generating unit's recoverable amount to be equal to its carrying amount. The recoverable amount is also sensitive to discount rates. The discount rate would have to be approximately 1.25% higher in order for the cash-generating unit's recoverable amount to be equal to its carrying amount.

Management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

6. Capital management

The Group manages its capital structure and adjusts it, based on the funds available to the Group, in order to support the identification and evaluation of further home care business or asset acquisitions and continue as a going concern. The Group considers capital to be shareholders' equity and convertible debentures. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business. Additional funds may be required to finance further acquisitions and corporate and administrative expenses.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

7. Convertible debentures

	December 31, 2016
	\$
Convertible debentures – bearing interest at 7.5% maturing October 2018	178,280
	178,280

Of the balance above, \$124,796 are convertible debentures held by directors or companies controlled by directors.

On October 25, 2016, the Corporation completed a non-brokered private placement by the issuance of convertible debentures for proceeds of \$186,529 USD (\$250,000 CAD). The debentures will mature in 24 months, bear interest at the rate of 7.5% per annum and contain a conversion price of CAD \$0.20 per common share of the Corporation. Any common shares of the Company issued upon conversion of the convertible debentures will be subject to Exchange Tier 2 escrow.

For purposes of determining the fair value of the liability component, an effective interest rate of 10% was used which is the estimated market rate that the Corporation would have obtained for a similar financing without the conversion option. The liability component is accreted up to the face value of the debenture over the term of the debentures as an interest expense.

The initial carrying amount of the convertible debentures was allocated as follows:

	\$
Liability	178,395
Equity	8,134
	186,529

The equity component was assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

Interest shall be payable in arrears annually, commencing on October 25, 2017 and subsequently on the 25th of each year. Interest expense is included in finance expense on the Consolidated Statement of Loss and Comprehensive Loss.

8. Capital stock

a. Authorized:

Unlimited number of common shares, without nominal or par value

b. Issued and outstanding:

	Number of Shares	Value \$
Shares issued for cash	10,000,000	357,192
Shares issued for cash, net of share issue costs	3,500,000	153,609
	13,500,000	510,801

During the period, the Corporation issued 10,000,000 common shares at CAD \$0.05 per share for proceeds of \$357,192 USD (\$500,000 CAD), which are subject to an escrow agreement. The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Venture Exchange and terms of escrow agreement and will be released from escrow in stages over a period of up to three years after the date of the Company receiving the final Exchange acceptance of the Qualifying Transaction. At December 31, 2016, 9,000,000 shares were in escrow.

On April 26, 2016, the Corporation completed an Initial Public Offering issuing 3,500,000 shares at CAD \$0.10 per share for gross proceeds of \$275,979 USD (\$350,000 CAD). The capital stock value is net of share issuance costs of \$122,370 USD (\$166,371 CAD) of which \$13,661 USD (\$17,325 CAD) relates to the valuation of the agent options issued and constitutes a non-cash item.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

9. Stock based compensation

The Corporation has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants, subject to shareholder approval. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Corporation unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a ten-year term and are non-transferable. Options vest immediately upon granting and may be exercised until the greater of twelve months after the completion of the QT and ninety days following the date of termination of employment or holding office as a director or officer of the Corporation and, in the case of death, expire within one year thereafter. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSX Venture Exchange at the time of the grant.

The changes in the stock options during the period from November 16, 2015, date of incorporation, to December 31, 2016 were as follows:

	Number of options	Weighted average exercise price (CAD)
		\$
Balance, beginning of period	-	-
Granted	1,700,000	0.10
Balance, end of period	1,700,000	0.10

The following table summarizes information concerning outstanding option, all of which are exercisable at December 31, 2016:

Expiry date	Number of options	Exercise price (CAD)
		\$
April 26, 2018	350,000	0.10
April 26, 2026	1,350,000	0.10
	1,700,000	0.10

The weighted average contractual life outstanding as at December 31, 2016 is 7.68 years.

On April 26, 2016, the Corporation granted 1,350,000 options to officers and directors of the Corporation. The options were priced at CAD \$0.10 per share and expire on April 26, 2026. In addition to the options issued under the stock option plan, the Corporation also issued 350,000 options to the agent with an exercise price of CAD \$0.10 per share and expire on April 26, 2018. In determining the stock based compensation expense, the fair value of options issued is estimated using the Black-Scholes option pricing model. Expected volatility is estimated by considering historic average share price volatility of comparable companies due to the short trading history of the Corporation.

The following weighted average assumptions were used in the Black-Scholes option pricing model for the period:

Exercise price (CAD)	\$0.10
Risk free interest rate	1.38%
Expected volatility	100%
Expected dividend yield	0%
Expected life	7.9 years
Grant date fair value (CAD)	\$0.08

10. Contributed Surplus

	\$
Opening balance	-
Stock options – directors and officers	94,314
Stock options – agents	13,661
Equity component of convertible debenture	8,134
Closing balance	116,109

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

11. Related party transactions

Legal services were provided by a firm of which a shareholder of the Corporation is the sole lawyer practitioner. The cost of these services during the period was \$62,597. Of the amounts incurred for legal services, \$33,716 was included in share issuance costs and \$28,881 as professional fees. These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the parties.

During the year ended December 31, 2016, a company controlled by the CEO billed a total \$2,561 for the rental of office space.

Key management personnel

Key management personnel of the Group are members of the Board of Directors, as well as the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary. Key management personnel remuneration for the period ended December 31, 2016 includes the following expenses:

Consulting fees and salary	\$22,925
Stock based compensation	\$94,314
	<hr/>
	\$117,239

12. Financial instruments

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at December 31, 2016, as summarized below:

Classes of financial assets – carrying amounts	
Cash and cash equivalents	\$148,275
Accounts receivable	17,949
	<hr/>
	\$166,224

In respect of trade account receivables, the Group is exposed to a certain level of credit risk as the amounts are uncollateralized. Credit risk for accounts receivable is the risk of loss associated with a client's inability to fulfil its payment obligations. The largest exposure to credit risk is in relation to receivables. The Group mitigates credit risk by actively monitoring the aging of accounts receivable and regularly follows up on overdue accounts. As at December 31, 2016 management believes that counterparty concentrations are in the normal course of business and are not unusual.

The credit risk for cash and cash equivalents is considered low as the Group maintains the majority of its cash with an accredited bank.

Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Group had a cash and cash in trust balance of \$148,275. The Group's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on the growth of the home care business acquired as well as future support of shareholders through public or private equity offerings. Refer to note 1, Going Concern.

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

12. Financial instruments (continued)

The following table shows the timing of cash outflows relating to accounts payable and accrued liabilities and convertible debentures.

	< 1 year	1-2 years	3-5 years	> 5 years
	\$	\$	\$	\$
Account payable and accrued liabilities	67,804	-	-	-
Convertible debentures	-	178,280	-	-

Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and financing activities.

Foreign currency sensitivity

The Group's operations are carried out in USD. Exposure to currency exchange rates arise from the fact that the Group's equity offerings have been denominated in CAD and will be denominated in CAD for the foreseeable future as the Corporation's shares are listed on a Canadian stock exchange. Management's intention is for the US operation to be cash flow positive within the first 12-18 months of operations therefore reducing the reliance on any need to use CAD equity or debt financing for working capital purposes.

The Group's exposure to CAD dollar currency risk was as follows:

	CAD
	\$
Cash and cash equivalents	180,059
Accounts payable & accrual liabilities	(78,214)
Convertible debentures	(240,092)
	(138,247)

Sensitivity to a plus or minus 1.0% change in the CAD dollar exchange rate would affect net loss and comprehensive loss and deficit by approximately \$1,000.

13. Income taxes

a) Losses

The Group has non-capital tax losses of approximately \$107,176 available for carry-forward to reduce future years' taxable income. These non-capital tax losses expire in 2036.

b) The Group's provision for income taxes differs from the amount computed by applying the combined Canadian federal and provincial income tax rates to income (loss) before income taxes as a result of the following:

Statutory tax rate	31%
	\$
Loss before income taxes	517,575
Income tax recovery based on substantively enacted rates	160,448
Stock based compensation	(29,237)
Acquisition costs	(17,047)
Convertible debentures	(2,858)
Share issue costs	37,934
Effect of foreign tax rate differences	6,312
Deferred tax asset not recognized	(127,496)
Deferred income tax recovery	28,056

Nova Leap Health Corp.

Notes to Consolidated Financial Statements

(United States dollars)

December 31, 2016

13. Income taxes (continued)

The enacted tax rates in Canada 31% and United States 40% where the Group operates are applied in the tax provision calculation.

c) Deferred tax assets / (liabilities) arising from temporary differences and non-capital losses are summarized as follows:

	Canada	US	Total
Non-capital loss carry-forwards	99,507	7,669	107,176
Intangible assets and goodwill	-	20,387	20,387
Share issuance costs	30,847	-	30,847
Convertible debentures	(2,858)	-	(2,858)
Valuation allowance	(127,496)	-	(127,496)
Deferred tax asset (liability)	-	28,056	28,056

14. Segment reporting

The Group's revenues from external customers and its non-current assets are all attributable to the United States. Revenues from external customers are identified on the basis of the client's geographical location. Non-current assets are allocated based on their physical location.

15. Operating leases

The Group leases office space under an operating lease. The future minimum lease payments are as follows:

	Total	Less than 1 year	1 – 5 years	After 5 years
	\$	\$	\$	\$
December 31, 2016	11,200	6,720	4,480	-

16. Allowance for doubtful sales tax receivable

The Group has a balance of \$36,172 for sales tax receivable from the Government of Canada. In the ordinary course of business, the Group is subject to audits by tax authorities. The Group is currently subject to audit by Canada Revenue Agency ("CRA") for Input Tax Credits claimed by the Group for the period from the date of inception to December 31, 2016. While the Group believes that its tax filing position is appropriate, certain matters are under review by CRA. The audit is ongoing and the outcome is indeterminable at this time, as such, the Group recorded an allowance for the full amount.

17. Subsequent events

Subsequent to December 31, 2016, the Corporation announced that it has undertaken a non-brokered private placement financing to raise up to \$2,000,000 CAD by the sale of units of the Company at a price of CAD \$0.20 per unit.

Each unit is comprised of one common share of the Company and a one-half common share purchase warrant. Two half-warrants entitle the holder to acquire one common share of the Company for CAD \$0.35 for a period of 24 months from the closing date of this private placement. The common shares and warrants are subject to a 4 month hold period.

In connection with the offering, a finder's fee may be paid consisting of a cash payment equal to up to 6% of the proceeds raised from this private placement and that number of non-transferable finder's fee warrants as is equal to up to 6% of the number of common shares issued pursuant to this private placement at closing. Each finder's fee warrant will be exercisable into one common share of the Company at CAD \$0.35 per share for a period of 24 months from the closing date.

The proceeds from the private placement will be used for general working capital purposes.

SCHEDULE A – 2

All About Home Care, LLC

Financial statements of All About Home Care, LLC for the years ended December 31, 2016 (audited) and 2015 (unaudited), together with the notes thereto and the auditors' report thereon;

(See attached)



Financial Statements

All About Home Care, LLC

December 31, 2016

(in USD)

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Statement of cash flows	6
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Independent auditor's report

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To the Owner of
All About Home Care, LLC

We have audited the accompanying financial statements of All About Home Care, LLC, which comprise the statement of financial position as at December 31, 2016, and the statements of income and comprehensive income, changes in owner's capital and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of All About Home Care, LLC as at December 31, 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Comparative information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that All About Home Care, LLC adopted International Financial Reporting Standards on January 1, 2016 with a transition date of January 1, 2015. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2015 and January 1, 2015, and the statements of income and comprehensive income, statement of changes in owner's capital and statement of cash flows for the year ended December 31, 2015 and related disclosures. We were not engaged to report on the comparative information, and as such, it is unaudited.



Halifax, Canada
April 13, 2017

Chartered Professional Accountants
Licensed Public Accountants

All About Home Care, LLC

Statement of financial position

(expressed in USD)

December 31 2016 2015 January 1,
(unaudited) (unaudited)

Assets

Current

Cash and cash equivalents	\$ 193,763	\$ 124,265	\$ 273,690
Receivables	<u>129,772</u>	<u>123,954</u>	<u>126,468</u>
	323,535	248,219	400,158

Property and equipment (note 5)	2,142	2,526	4,733
Prepays	500	500	500
Intangible asset (note 6)	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>
	<u>\$ 336,077</u>	<u>\$ 261,145</u>	<u>\$ 415,291</u>

Liabilities

Current

Payables and accruals	\$ 47,651	\$ 37,349	\$ 35,538
Customer deposits	<u>51,592</u>	<u>40,959</u>	<u>50,778</u>
	<u>99,243</u>	<u>78,308</u>	<u>86,316</u>

Owner's capital

Capital contribution (note 7)	100	100	100
Owner's capital	<u>236,734</u>	<u>182,737</u>	<u>328,875</u>
	<u>236,834</u>	<u>182,837</u>	<u>328,975</u>
	<u>\$ 336,077</u>	<u>\$ 261,145</u>	<u>\$ 415,291</u>

Subsequent event (note 10)

Approved by

/s/ _____ Owner

See accompany notes to the financial statements.

All About Home Care, LLC

Statement of income and comprehensive income

(expressed in USD)

For the period ended December 31

2016

2015

(unaudited)

Revenues		
Home care	\$ 1,055,476	\$ 1,205,800
Nursing services	1,014,601	830,856
Other	20,715	20,269
	<u>2,090,792</u>	<u>2,056,925</u>
Direct expenses		
Salary and payroll taxes – home care	620,369	745,157
Salary and payroll taxes – nursing services	584,062	464,317
	<u>1,204,431</u>	<u>1,209,474</u>
Gross profit	<u>886,361</u>	<u>847,451</u>
Operating expenses		
Advertising	3,002	3,014
Automobile	372	5,911
Bank service charges	17,153	14,070
Depreciation	3,308	7,350
Dues and subscriptions	6,135	5,530
Employee benefits	47,813	36,764
Insurance	50,330	53,540
IT expenses	13,589	14,557
Office	24,705	25,541
Outside services	1,675	1,182
Professional fees	51,191	38,752
Recruiting expenses	2,008	4,483
Rent and occupancy costs	25,252	24,333
Salaries and payroll taxes - administrative	337,857	308,253
Travel and entertainment	35,104	31,526
Utilities and phone	14,010	14,526
	<u>633,504</u>	<u>589,332</u>
Operating income	<u>252,857</u>	<u>258,119</u>
Finance income	<u>33</u>	<u>231</u>
Net income and comprehensive income	<u>\$ 252,890</u>	<u>\$ 258,350</u>

See accompany notes to the financial statements.

All About Home Care, LLC

Statement of changes in owner's capital

(expressed in USD)

For the period ended December 31

	<u>Owner's capital</u>	<u>Capital contribution</u>	<u>Total capital</u>
<u>2016</u>			
Opening, January 1, 2016	\$ 182,737	\$ 100	\$ 182,837
Owner's draws	(198,893)	-	(198,893)
Comprehensive income	<u>252,890</u>	<u>-</u>	<u>252,890</u>
Ending, December 31, 2016	<u>\$ 236,734</u>	<u>\$ 100</u>	<u>\$ 236,834</u>
	<u>Owner's capital</u>	<u>Capital contribution</u>	<u>Total capital</u>
<u>2015 (unaudited)</u>			
Opening, January 1, 2015	\$ 328,877	\$ 100	\$ 328,977
Owner's draws	(404,490)	-	(404,490)
Comprehensive income	<u>258,350</u>	<u>-</u>	<u>258,350</u>
Ending, December 31, 2015	<u>\$ 182,737</u>	<u>\$ 100</u>	<u>\$ 182,837</u>

See accompany notes to the financial statements.

All About Home Care, LLC

Statement of cash flows

(expressed in USD)

For the period ended December 31

2016

2015

(Unaudited)

Increase (decrease) in cash and cash equivalents

Operating activities

Comprehensive income for the year	\$ 252,890	\$ 258,350
Depreciation	<u>3,308</u>	<u>7,350</u>
	<u>256,198</u>	<u>265,700</u>

Changes in non-cash working capital items

Receivables	(5,818)	2,514
Payables and accruals	10,302	1,811
Customer deposits	<u>10,633</u>	<u>(9,819)</u>
	<u>15,117</u>	<u>5,494</u>

271,315 260,206

Investing activities

Purchase of property and equipment	<u>(2,924)</u>	<u>(5,141)</u>
	<u>(2,924)</u>	<u>(5,141)</u>

Financing activities

Owner's draws	<u>(198,893)</u>	<u>(404,490)</u>
	<u>(198,893)</u>	<u>(404,490)</u>

Net change in cash and cash equivalents **69,498** (149,425)

Cash and cash equivalents

Beginning of year 124,265 273,690

End of year \$ 193,763 \$ 124,265

See accompany notes to the financial statements.

All About Home Care, LLC

Notes to the financial statements

(expressed in USD)
December 31, 2016

1. Nature of operations

All About Home Care, LLC (“AAHC” or the “Company”) was formed under the laws of Rhode Island, United States of America, on January 29, 2003.

The Company’s registered office and principal place of business is 438 East Main Road, Suite 202, Middletown, Rhode Island 02842. The Company is in the business of providing private duty services that provide personalized support and services to enable those in need of medical and non-medical assistance to maintain living in a safe and healthy environment.

These financial statements were approved by the sole proprietor of the Company on April 13, 2017.

2. Basis of presentation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) that are in effect at the end of the reporting period. The Company’s significant accounting policies conform, in all material respects, to the recommendations of the IASB and are summarized in Note 3. These accounting policies have been used throughout all periods presented in the financial statements.

This is the Company’s first annual financial statements prepared in accordance with IFRS. The Company has not presented financial statements for previous periods. The Company’s date of transition to IFRS was January 1, 2015 and there were no transitional adjustments to the opening owner’s capital balances.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for any financial assets and liabilities classified as available for sale which are measured at their fair value where required by IFRS. Fair value is applicable to the measurement of certain financial instruments as described below. The Company’s functional and presentation currency is the US dollar. As such, these financial statements are presented in US dollars.

Significant judgments, estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Judgments, estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods.

All About Home Care, LLC

Notes to the financial statements

(expressed in USD)
December 31, 2016

2. Basis of presentation (continued)

Significant judgments, estimates and assumptions (continued)

Allowance for doubtful accounts

Management uses historical experience and knowledge of existing accounts when determining an estimate for an appropriate allowance for doubtful receivables. Allowances for doubtful accounts are recorded as a reduction to earnings in the period the allowance is identified.

Impairment of long-lived assets

Determining if there are any facts or circumstances indicating an impairment loss is a subjective process involving judgment and a number of estimates and interpretations in many cases. When an indication of impairment loss exists, the recoverable amount of the individual asset or the cash generating units must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, estimates of future market growth and trends, forecasted revenue and costs, expected periods the assets will be utilized, appropriate discount rates and other variables. Estimates and assumptions may change if new information becomes available.

3. Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and balances held with banks with maturities of three months or less.

Revenue recognition

The Company's principal source of revenue is derived from medical and non-medical home care services.

Revenue is recognized as services are provided based on contractual arrangements with clientele and collection is reasonably assured. Revenue is initially recognized at fair value as determined by the terms of the service contract. For services in progress at year end, revenue is recognized to the extent that the service requirements of the contract have been executed. When determining the extent of revenue to be recognized for services in progress at year end, the Company considers both the nature and timing of the services provided.

Customer deposits made by clients are based on the terms of their service agreements and are refunded to the client once they are no longer engaging the services of the Company.

Interest income is recorded as it is earned.

Depreciation

Leasehold improvements, furniture, computers and equipment are initially measured at cost and subsequently measured at cost less accumulated amortization. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Estimated useful lives of the Company's assets are 1 – 7 years.

All About Home Care, LLC

Notes to the financial statements

(expressed in USD)
December 31, 2016

3. Summary of significant accounting policies (continued)

Intangible asset

Initial recognition of intangible asset

Initiation fees paid for long term membership licenses are recognized as an intangible asset at fair value.

Subsequent measurement

Indefinite life intangible assets are not subject to amortization and are tested for impairment annually, or when events or circumstances indicate that the asset may be impaired. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and any impairment loss is recognized in earnings.

Impairment of long-lived non-financial assets

Long-lived non-financial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs of disposal and value-in-use.

Income taxes

AAHC is structured as a Limited Liability Company and as such, within the laws of the United States, any income from the operations are included in the taxable income of the owner.

Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in provision due to the passage of time is recognized as an interest expense. There are no provisions as at December 31, 2016.

Financial instruments

All financial instruments are classified into one of five categories: fair value through profit and loss, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities. All financial instruments are initially measured in the statement of financial position at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

All About Home Care, LLC

Notes to the financial statements

(expressed in USD)
December 31, 2016

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Subsequent measurement and changes in fair value will depend on their initial classification, as follows:

- Fair value through profit and loss financial instruments (“FVTPL”) are measured at fair value and changes in fair value are recognized in net income;
- Available for sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income until the financial asset is derecognized or impaired at which time the amounts would be recorded in profit or loss; and
- Loans and receivables, held to maturity investments, and other financial liabilities are measured at amortized cost using the effective interest method.

The Company has classified its financial instruments as follows:

<u>Asset/liability</u>	<u>Classification</u>
Cash and cash equivalents	Loans and receivables
Receivables	Loans and receivables
Payables and accruals	Other financial liabilities
Customer deposits	Other financial liabilities

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

There are no financial instruments measured at fair value on the balance sheet as at December 31, 2016.

Comprehensive income

The Company currently does not have any available for sale financial assets that would give rise to other comprehensive income. Therefore, no amounts have been recorded in comprehensive income or included in accumulated comprehensive income at this time.

All About Home Care, LLC

Notes to the financial statements

(expressed in USD)
December 31, 2016

3. Summary of significant accounting policies (continued)

Future accounting standard changes

The following standards and amendments have been issued but are not yet effective and are not expected to have a material impact. They include:

Standard	Effective date (periods beginning on or after)
IFRS 9 <i>Financial instruments</i> – which introduces changes to the guidance on classification and measurement of financial assets and introduces a new ‘expected credit loss’ model for the impairment of financial assets.	January 1, 2018
IFRS 15 <i>Revenue from contracts with customers</i> – which establishes a new control-based revenue recognition model and provides additional guidance on multiple deliverable arrangements, variable pricing, customer refund rights, supplier repurchase options and other complexities.	January 1, 2018
IFRS 16 <i>Leases</i> brings most leases on the balance sheet for lessees under a single model and eliminates the distinction between operating and finance leases. Lessor accounting remains largely unchanged.	January 1, 2019
IAS 7 <i>Statement of Cash Flows</i> - requires entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
IAS 12 <i>Income Taxes</i> - clarifies how to account for deferred tax assets related to debt instruments measured at fair value.	January 1, 2017

The Company is currently evaluating the impact of the new standards on the financial statements.

4. Related party transactions

There was no remuneration paid to the owner during the year outside of owner’s draws.

All About Home Care, LLC

Notes to the financial statements

(expressed in USD)
December 31, 2016

5. Property and equipment

	<u>Cost</u>	<u>Additions</u>	<u>Accumulated Depreciation</u>	<u>2016 Net Book Value</u>
Leasehold improvements	\$ 2,430	\$ -	\$ 480	\$ 1,950
Furniture	28,129	-	27,937	192
Computers	<u>53,417</u>	<u>2,924</u>	<u>56,341</u>	<u>-</u>
Total	<u>\$ 83,976</u>	<u>\$ 2,924</u>	<u>\$ 84,758</u>	<u>\$ 2,142</u>
				2015 (unaudited)
	<u>Cost</u>	<u>Additions</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Leasehold improvements	\$ 2,430	\$ -	\$ 417	\$ 2,013
Equipment	13,592	2,408	16,000	-
Furniture	28,129	-	27,795	334
Computers	<u>50,682</u>	<u>2,736</u>	<u>53,239</u>	<u>179</u>
Total	<u>\$ 94,833</u>	<u>\$ 5,144</u>	<u>\$ 97,451</u>	<u>\$ 2,526</u>
				January 1, 2015 (unaudited)
	<u>Cost</u>	<u>Additions</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Leasehold improvements	\$ 2,430	\$ -	\$ 354	\$ 2,076
Equipment	13,592	-	13,592	-
Furniture	28,129	-	27,653	476
Computers	<u>50,682</u>	<u>-</u>	<u>48,501</u>	<u>2,181</u>
Total	<u>\$ 94,833</u>	<u>\$ -</u>	<u>\$ 90,100</u>	<u>\$ 4,733</u>

6. Intangible asset

	<u>2016</u>	<u>2015</u>	January 1, <u>2015</u> (unaudited)
Intangible asset	<u>\$ 9,900</u>	<u>\$ 9,900</u>	<u>\$ 9,900</u>

7. Capital contributions

The Company was incorporated on January 29, 2003 with a capital contribution by the sole owner of \$100.

All About Home Care, LLC

Notes to the financial statements

(expressed in USD)
December 31, 2016

8. Capital management

The Company's objectives with respect to capital management are to ensure the Company is able to continue as a going concern and to provide an adequate return to the owner of the Company by pricing services commensurate with the level of risk and cost of providing services. The owner closely monitor's profit margins and accounts receivable balances.

The Company manages the capital structure and adjusts it when changes in economic conditions and the risk characteristics of the underlying assets occur.

9. Financial instruments

For certain of the Company's financial instruments, including cash and cash equivalents, receivables, and payables and accruals, the carrying amounts approximate fair value due to their short term or demand nature and/or their market rate of interest. The fair value of long term debt also approximates the carrying value due to the timing of when the obligation was advanced to the Company.

The Company holds two lines of credit for \$150,000 and \$2,500, bearing interest at 5% and 7.75% respectively on balances outstanding. The balances for both December 31, 2016 and 2015 was \$nil.

Credit risk

Credit risk is the risk of loss associated with a patient's inability to fulfil its payment obligations. The largest exposure to credit risk is in relation to receivables. The maximum exposure of the Company to credit risk as at December 31, 2016 is \$69,928 (2015 - \$64,110). The Company mitigates credit risk by actively monitoring the aging of accounts receivable and regularly follows up on overdue accounts. As at December 31, 2016 management believes that counterparty concentrations are in the normal course of business and are not unusual.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company's management oversees the Company's liquidity risk management program to ensure the Company has access to enough readily available funds to cover its financial obligations as they come due. The current assets reflected on the statement of financial position are highly liquid.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Company segregates market risk into three categories: interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments held by the Company. The Company does not hedge its exposure to interest rate risk as it is considered by management to be minimal.

All About Home Care, LLC

Notes to the financial statements

(expressed in USD)
December 31, 2016

9. Financial instruments (continued)

Interest rate risk (continued)

The impact of a 100 basis point change in the interest rate would not have a significant impact to the Company.

Other price risk

At year end, the Company does not have any financial instruments measured at fair value. As a result the Company is not exposed to significant other price risk.

10. Subsequent event

Lease

The Company entered into a lease commencing on March 21, 2017 and ending on March 31, 2019. Rent of \$1,750 per month is payable monthly in advance.

Payments over the term of the lease are due as follows:

2017	\$	20,700
2018		21,000
2019		5,250

SCHEDULE A – 3

Nova Leap Health Corp.

Unaudited interim consolidated financial statements of Nova Leap Health Corp. for the three and six months ended June 30, 2017 and July 31, 2016

(See attached)



Nova Leap Health Corp.

**Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2017
and the three and six months ended July 31, 2016**

**(Unaudited)
(United States dollars)**

Prepared by Management – See Notice to Reader

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice to this effect. These unaudited condensed interim consolidated financial statements have been prepared by management of the Corporation. Management have compiled the unaudited condensed interim consolidated statements of financial position of Nova Leap Health Corp as at June 30, 2017 and the unaudited condensed interim consolidated statements comprehensive loss, changes in equity and cash flows for the three and six months ended June 30, 2017 and the three and six months ended July 31, 2016. The Corporation's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the June 30, 2017 condensed interim consolidated financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

Nova Leap Health Corp.

Condensed Consolidated Statement of Financial Position (Unaudited - United States dollars)

	June 30, 2017	December 31, 2016
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	158,023	148,275
Accounts receivable	12,397	17,949
Prepaid expenses	4,181	11,486
Total current assets	174,601	177,710
Non-current assets		
Intangible assets (note 3)	3,300	5,700
Goodwill	180,000	180,000
Deferred income tax asset (note 4)	44,648	28,056
Total non-current assets	227,948	213,756
TOTAL ASSETS	402,549	391,466
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	72,588	67,804
Non-current liabilities		
Convertible debentures (note 6)	-	178,280
TOTAL LIABILITIES	72,588	246,084
SHAREHOLDERS' EQUITY		
Capital stock (note 7)	939,493	510,801
Warrants (note 8)	80,355	-
Contributed surplus	107,975	116,109
Accumulated other comprehensive income	14,503	7,991
Deficit	(812,365)	(489,519)
TOTAL SHAREHOLDERS' EQUITY	329,961	145,382
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	402,549	391,466
Going concern (note 1)		
Subsequent events (note 13)		

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Approved on behalf of the Board of Directors

“Chris Dobbin”

(signed)

Director

“Michael O’Keefe”

(signed)

Director

Nova Leap Health Corp.

Condensed Consolidated Statement of Changes in Shareholders' Equity (Unaudited - United States dollars)

	Common shares	Share capital \$	Warrants \$	Contributed surplus \$	Accumulated other comprehensive income \$	Deficit \$	Total equity \$
Balance – January 1, 2017	13,500,000	510,801	-	116,109	7,991	(489,519)	145,382
Units issued for cash, net of issuance costs (note 7)	3,500,000	428,692	80,355	-	-	-	509,047
Redemption of convertible debt	-	-	-	(8,134)	-	-	(8,134)
Net loss for the period	-	-	-	-	-	(322,846)	(322,846)
Other comprehensive income for the period	-	-	-	-	6,512	-	6,512
Balance – June 30, 2017	17,000,000	939,493	80,355	107,975	14,503	(812,365)	329,961
Balance – February 1, 2016	10,000,000	357,192	-	-	801	(7,753)	350,240
Shares issued for cash, net of issuance costs	3,500,000	153,609	-	-	-	-	153,609
Stock based compensation	-	-	-	107,975	-	-	107,975
Net loss for the period	-	-	-	-	-	(175,750)	(175,750)
Other comprehensive income for the period	-	-	-	-	12,113	-	12,113
Balance – July 31, 2016	13,500,000	510,801	-	107,975	12,914	(183,503)	448,187

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Nova Leap Health Corp.

Condensed Consolidated Statement of Loss and Comprehensive Loss (Unaudited - United States dollars)

	For the three months ended		For the six months ended	
	June 30, 2017	July 31, 2016	June 30, 2017	July 31, 2016
	\$	\$	\$	\$
Revenues				
Home care	39,836	-	79,967	-
Operating expenses				
Salaries and benefits	46,492	-	95,656	-
Home care office	13,069	-	27,367	-
	<u>59,561</u>	-	<u>123,023</u>	-
Corporate and administrative expenses				
Amortization (note 3)	355	-	1,014	-
Bad debt expense	-	-	332	-
Conferences and subscriptions	11,471	4,712	11,471	4,712
Consulting fees, salaries & benefits (note 5)	54,215	3,474	111,598	3,474
Foreign exchange loss	4,170	45	1,716	45
Impairment loss (note 3)	1,386	-	1,386	-
Insurance	2,131	-	4,274	-
Investor relations and shareholder communications	12,073	-	21,765	-
Office and other	5,012	316	15,343	316
Professional fees (note 5)	39,621	62,066	84,499	62,500
Stock based compensation	-	-	-	94,314
Transfer, filing and listing fees	8,894	4,098	22,707	5,308
Travel	12,001	5,667	16,317	5,667
	<u>151,329</u>	80,378	<u>292,422</u>	176,336
Loss from operating activities	<u>171,054</u>	80,378	<u>335,478</u>	176,336
Net finance expense				
Finance income	(2,405)	(586)	(2,595)	(586)
Finance expense	2,266	-	6,555	-
	<u>(139)</u>	(586)	<u>3,960</u>	(586)
Deferred income tax recovery (note 4)	6,852	-	16,592	-
Net loss	<u>164,063</u>	79,792	<u>322,846</u>	175,750
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation to presentation currency	2,800	(21,040)	6,512	12,113
Total comprehensive loss	<u>161,263</u>	100,832	<u>316,334</u>	<u>163,637</u>
Weighted average number of shares outstanding during the period (note 12)	17,000,000	13,500,000	15,665,746	9,541,668
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Nova Leap Health Corp.

Consolidated Statement of Cash Flows (Unaudited - United States dollars)

	For the six months ended	
	June 30, 2017	July 31, 2016
	\$	\$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(322,846)	(175,750)
Amortization of intangible assets (note 3)	1,014	-
Deferred income tax recovery (note 4)	(16,592)	-
Impairment loss (note 3)	1,386	-
Stock based compensation	-	94,314
Gain on redemption of convertible debt (note 6)	(2,136)	-
Unrealized foreign exchange gain/loss	7,990	12,068
Net changes in non-cash working capital balances related to operations		
Change in accounts receivable	5,552	-
Change in prepaid expense	7,305	27,776
Change in sales tax recoverable	-	(16,220)
Change in accounts payable and accrued liabilities	4,784	66,031
	<u>(313,543)</u>	<u>8,219</u>
Financing activities		
Proceeds from issuance of Units, net of share issue costs (note 7)	509,047	167,270
Repayment of convertible debenture (note 6)	(185,756)	-
	<u>323,291</u>	<u>167,270</u>
Change in cash and cash equivalents for the period	9,748	175,489
Cash and cash equivalents – beginning of period	148,275	296,671
Cash and cash equivalents – end of period	158,023	472,160

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three and six months ended June 30, 2017 and July 31, 2016

1. Nature of operations and going concern

Nature of operations

Nova Leap Health Corp. (the "Corporation") is the parent company and was incorporated under the Canada Business Corporations Act on November 16, 2015. The Corporation completed its Qualifying Transaction ("QT") on October 13, 2016. The principal activities of the Corporation and its subsidiaries (the "Group") is to provide skilled and non-medical home care to clients. The Corporation's shares are listed on the TSX Venture Exchange and are traded under the symbol NLH.V.

These unaudited condensed interim consolidated financial statements include the accounts of the Corporation and its United States subsidiaries, Nova Leap Health Corp. Holdings, Inc, Nova Leap Health NH, LLC. and Nova Leap Health RI, Inc. The registered head office of the Corporation is located at Founder's Corner, 37 Wentworth Street, Unit 104, Dartmouth, NS B2Y 2S9, Canada.

The Corporation changed its year-end from October 31 to December 31. For details regarding the length and ending dates of the financial periods, including the comparative periods, of the interim and annual financial statements to be filed for the Corporation's transition year and its new financial year, reference is made to the Notice of Change of Fiscal Year End filed by the Company on SEDAR pursuant to National Instrument 51-102 on December 20, 2016.

The unaudited condensed interim consolidated financial statements were approved by the Board of Directors on August 17, 2017.

Going concern

The Corporation completed its QT on October 13, 2016 and had no source of revenue and incurred losses from the date of incorporation until the close of the QT. The Group is currently operating the home care services company in New Hampshire that it acquired through its subsidiary Nova Leap Health NH, LLC, doing business as Northern Family Home Care ("NFHC"). The Group continues to incur operating losses. The Group is pursuing a strategy of near term expansion and organic growth in New Hampshire and is also exploring further acquisition opportunities in Northeastern United States. The Corporation currently has a signed Asset Purchase Agreement for the purchase of All About Home Care ("AAHC") subject to approval of the home health care license transfer by the state of Rhode Island and TSX Venture Exchange approval. AAHC has positive cash flow from operations (See Note 13 – subsequent events) and if the acquisition closes, will contribute to the Group's ability to reduce operating losses.

The Group's unaudited condensed interim consolidated financial statements as at June 30, 2017 have been prepared based on International Financial Reporting Standards applicable to a going concern, which assumes the Group will continue in operation for the foreseeable future realizing its assets and settling its liabilities and commitments in the normal course of business. There is significant doubt about the appropriateness of the going concern assumption as the Group incurred a net loss for the six months ended June 30, 2017 of \$322,846 and has not yet generated profit from operations. The continuing operations of the Group are dependent on its ability to develop profitable operations in the future and to raise adequate financing, if necessary. Management's view is that working capital is sufficient, but if necessary, additional working capital can be obtained from internal and external sources to meet the Group's liabilities and commitments. The Group has raised funds through equity and convertible debt offerings.

There can be no assurance that the Group will be successful in achieving profitability or raising additional cash to finance operations. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern, and these adjustments could be material.

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three and six months ended June 30, 2017 and July 31, 2016

2. Significant accounting policies

a) Statement of compliance

These unaudited condensed interim consolidated financial statements are prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation, and are subject to the same use of estimates and judgments, as the Corporation’s consolidated financial statements for the period from November 15, 2015, date of incorporation, to December 31, 2016. These unaudited condensed interim consolidated financial statements do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual consolidated financial statements and accordingly should be read in conjunction with the Corporation’s audited consolidated financial statements for the period from November 15, 2015, date of incorporation, to December 31, 2016. prepared in accordance with IFRS as issued by the IASB.

b) Accounting changes

The Corporation has adopted the amendments to IAS 7, Statement of Cash Flows and IAS 12, Income Taxes. The adoption of the amendments did not have an impact on the consolidated financial statements.

3. Intangible assets

The changes in intangible assets for the period are as follows:

	June 30, 2017	December 31, 2016
	\$	\$
Balance, beginning of period	5,700	-
Addition	-	60,000
Amortization	(1,014)	(3,244)
Impairment loss	(1,386)	(51,056)
Balance, end of period	3,300	5,700

An impairment loss of \$1,386 was recognized for customer lists for the six months ended June 30, 2017. The recoverable amount of the asset is its value-in-use, determined based on the decline in average hours for which caregivers provided home care services to key clients obtained through the purchase of the Significant Assets of Northern Family Home Care Inc. The discount rates reflect appropriate adjustments relating to market risk and specific risk factors and was 19.2%. All amortization and impairment charges are included within amortization and impairment loss.

4. Income taxes

The Group recognized \$6,852 and \$16,592 deferred income tax recovery for the three and six months ended June 30, 2017, respectively (July 31, 2016 – nil) for non-capital loss carry-forwards for the Corporation’s subsidiary Northern Family Home Care.

Deferred tax assets / (liabilities) arising from temporary differences and non-capital losses are summarized as follows:

	Canada	US	Total
	\$	\$	\$
Non-capital loss carry-forwards	195,974	26,501	222,475
Intangible assets and goodwill	-	18,147	18,147
Share issuance costs	29,322	-	29,322
Valuation allowance	(225,296)	-	(225,296)
Deferred tax asset (liability)	-	44,648	44,648

5. Related party transactions

Legal services were provided by a firm of which a shareholder of the Corporation is the sole lawyer practitioner. These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the parties.

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three and six months ended June 30, 2017 and July 31, 2016

5. Related party transactions (continued)

The cost of these services was as follows:

	Three months ended		Six months ended	
	June 30, 2017	July 31, 2016	June 30, 2017	July 31, 2016
	\$	\$	\$	\$
Share issue costs	6,416	-	6,416	33,716
Professional fees	2,217	1,903	2,217	2,591
	8,633	1,903	8,633	36,307

During the three and six months ended June 30, 2017 and July 31, 2016, a company controlled by the CEO billed a total \$4,402 and 8,877, respectively (nil – July 31, 2016) for the rental of office space.

Key management personnel

Key management personnel of the Group are members of the Board of Directors, as well as the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary. Key management personnel remuneration for the periods include the following expenses:

	Three months ended		Six months ended	
	June 30, 2017	July 31, 2016	June 30, 2017	July 31, 2016
	\$	\$	\$	\$
Consulting fees	29,196	-	95,887	-
Stock based compensation	-	-	-	94,314
	29,196	-	95,887	94,314

As at June 30, 2017, there was \$17,055 included in Accounts payable and accrued liabilities for amounts owed to officers of the Corporation (December 31, 2016 – \$27,144).

6. Convertible debentures

The changes in convertible debentures for the period are as follows:

	June 30, 2017	December 31, 2016
	\$	\$
Balance, beginning of period	178,280	-
Issued	-	188,993
Effective interest	-	697
Repayment in cash	(177,622)	-
Gain on redemption	(2,136)	-
Unrealized foreign exchange	1,478	(11,410)
Balance, end of period	-	178,280

For the six months ended June 30, 2017, all convertible debentures were repaid in cash. The total cash repayment was \$185,756 of which \$8,134 was applied against the equity component of convertible debt recognized upon issuance.

As at December 31, 2016, \$124,796 of total convertible debenture balance were convertible debentures held by directors or companies controlled by directors.

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three and six months ended June 30, 2017 and July 31, 2016

7. Capital stock

a. Authorized:

Unlimited number of common shares, without nominal or par value

b. Issued and outstanding:

	June 30, 2017		December 31, 2016	
	Number of Shares	Value \$	Number of Shares	Value \$
Balance, beginning of period	13,500,000	510,801	-	-
Shares issued for cash, net of issue costs	3,500,000	428,692	13,500,000	510,801
Balance, end of period	17,000,000	939,493	13,500,000	510,801

On March 10, 2017, the Corporation closed a non-brokered private placement and raised gross proceeds of \$518,969 (\$700,000 CAD) net of share issue costs of \$9,922 (\$13,384 CAD) through the issuance of 3,500,000 Units at a price of \$0.20 CAD per unit. Each unit is comprised of one common share of the Corporation and a one-half common share purchase warrant. Two half warrants entitle the holder to acquire one common share of the Corporation for \$0.35 CAD for a period of 24 months from the closing date. \$80,355 (\$108,385 CAD) was allocated to the warrants. The Corporation applies the fair value method with respect to the measurement of shares and warrants issued as private placement units. The Company allocates the net proceeds based on the relative fair values to each component. The fair value of the warrants was determined using the Black-Scholes pricing model.

All securities issued pursuant to the private placement are subject to a 4 month hold period that expired on July 11, 2017.

Of the 10,000,000 common shares issued in January 2016 which were subject to an escrow agreement, 7,500,000 shares were in escrow at June 30, 2017. The remaining shares in escrow will be released in 5 equal increments of 1,500,000 shares each every 6 months with the final release on November 4, 2019.

8. Warrants

	June 30, 2017	
	Number of warrants	Exercise price (CAD)
Balance, beginning of period	-	-
Warrants issued for cash, net of issue costs	1,750,000	\$0.35
Balance, end of period	1,750,000	\$0.35

On March 10, 2017, in connection with the private placement, the Corporations issued 1,750,000 warrants with an exercise price of \$0.35 CAD and expire on March 9, 2019.

The following weighted average assumptions were used in the Black-Scholes option pricing model for the period:

Exercise price (CAD)	\$0.35
Risk free interest rate	0.50%
Expected volatility	108%
Expected dividend yield	0%
Expected life	2.0 years
Grant date fair value (CAD)	\$0.06

The weighted average contractual life outstanding as at June 30, 2017 is 1.69 years.

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three and six months ended June 30, 2017 and July 31, 2016

9. Stock based compensation

The Corporation has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Corporation unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a ten-year term and are non-transferable. Options vest immediately upon granting and may be exercised until the greater of twelve months after the completion of the QT and ninety days following the date of termination of employment or holding office as a director or officer of the Corporation and, in the case of death, expire within one year thereafter. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSX Venture Exchange at the time of the grant.

There were no changes in the incentive stock options during the period.

The following table summarizes information concerning outstanding options issued under the Plan, all of which are exercisable at June 30, 2017:

Expiry date	Number of options	Exercise price (CAD)
April 26, 2026	1,350,000	\$ 0.10
	1,350,000	0.10

The weighted average contractual life outstanding as at June 30, 2017 is 8.82 years.

The Corporation also issued options to the agent related to the Initial Public Offering in April 2016. The following table summarizes information concerning outstanding options issued to the Agent, all of which are exercisable at June 30, 2017:

Expiry date	Number of options	Exercise price (CAD)
April 26, 2018	350,000	\$ 0.10
	350,000	0.10

The weighted average contractual life outstanding as at June 30, 2017 is 7.18 years.

10. Financial instruments

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at June 30, 2017, as summarized below:

Classes of financial assets – carrying amounts	June 30, 2017	December 31, 2016
Cash and cash equivalents	\$158,023	\$148,275
Accounts receivable	12,397	17,949
	\$170,420	\$166,224

In respect of trade account receivables, the Group is exposed to a certain level of credit risk as the amounts are uncollateralized. Credit risk for accounts receivable is the risk of loss associated with a client's inability to fulfil its payment obligations. The largest exposure to credit risk is in relation to receivables. The Group mitigates credit risk by actively monitoring the aging of accounts receivable and regularly follows up on overdue accounts. As at June 30, 2017, management believes that counterparty concentrations are in the normal course of business and are not unusual.

The credit risk for cash and cash equivalents is considered low as the Group maintains the majority of its cash with a Schedule I bank in Canada.

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three and six months ended June 30, 2017 and July 31, 2016

10. Financial instruments (continued)

Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group's approach to managing liquidity risk is to closely monitor working capital balances as compared to budgeted upcoming expenses and expected due diligence and acquisition expenses. The Group raises funds, primarily through private placement or convertible debt if a shortfall is anticipated. As at June 30, 2017, the Group had a cash and cash equivalents of \$158,023. The Group's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on the growth of the home care business acquired as well as future support of shareholders through public or private equity offerings. Refer to note 1, Going Concern.

The following table shows the timing of cash outflows relating to accounts payable and accrued liabilities:

	< 1 year	1-2 years	3-5 years	> 5 years
	\$	\$	\$	\$
Account payable and accrued liabilities	\$72,588	-	-	-

Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and financing activities.

Foreign currency sensitivity

The Group's operations are carried out in USD. Exposure to currency exchange rates arise from the fact that the Group's equity offerings have been denominated in CAD and will be denominated in CAD for the foreseeable future as the Corporation's shares are listed on a Canadian stock exchange. The Group's exposure to CAD dollar currency risk was as follows:

	June 30, 2017	December 31, 2016
	CAD	CAD
	\$	\$
Cash and cash equivalents	181,669	180,059
Accounts payable & accrual liabilities	(68,225)	(78,214)
Convertible debentures	-	(240,092)
	249,894	(138,247)

Sensitivity to a plus or minus 1.0% change in the CAD dollar exchange rate would affect net loss and comprehensive loss and deficit by approximately \$1,925.

11. Segment reporting

The Group's revenues from external customers and its non-current assets are all attributable to the United States. Revenues from external customers are identified based on the client's geographical location. Non-current assets are allocated based on their physical location.

12. Earnings per Share

Basic earnings (loss) per share is calculated based on the weighted average number of shares outstanding during the period. Diluted earnings per share assumes that convertible debentures, stock options, agent's options and warrants have been exercised on the later of the beginning of the period and the date granted. As of June 30, 2017, all options, warrants and convertible debentures were excluded from the computation of diluted loss per share because their effect would have been antidilutive.

13. Subsequent events

Subsequent to June 30, 2017, the Corporation announced that it continues to work through the conditions to closing for its proposed acquisition of All About Home Care, LLC ("AAHC") pursuant to the Asset Purchase Agreement dated April 20, 2017 ("Definitive Agreement") to purchase substantially all of the business assets of AAHC located in Rhode Island, USA ("the Acquisition") subject to approval of the home health care license transfer by the state of Rhode Island and TSX Venture Exchange approval. Under the terms of the Definitive Agreement, substantially all the business assets of AAHC will be

Nova Leap Health Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited - United States dollars)

For the three and six months ended June 30, 2017 and July 31, 2016

13. Subsequent events (continued)

purchased by a Nova Leap subsidiary for a total purchase price of \$1.2 million. The purchase is expected to be funded by a combination of cash and debt. Upon closing of the Acquisition, the Nova Leap Subsidiary will continue to carry on business as All About Home Care.

Subsequent to June 30, 2017, the Corporation announced the closing of its previously announced non-brokered private placement by raising \$812,992 (CAD \$1,052,500) through the issuance of 5,262,500 Units at a price of CAD \$0.20 per unit. Each unit is comprised of one common share of the Company and a one-half common share purchase warrant. Two half warrants entitle the holder to acquire one common share of the Company for CAD \$0.35 for a period of 24 months from the closing date. All securities issued pursuant to this private placement are subject to a 4 month hold period that expires on November 7, 2017.

Subsequent to June 30, 2017, the Corporation announced that it will undertake a non-brokered private placement to raise up to CAD \$1,500,000 by the sale of units of the Company at a price of CAD \$0.20 per unit. Each unit is comprised of one common share of the Company and a one-half common share purchase warrant. Two half-warrants entitle the holder to acquire one common share of the Company for CAD \$0.35 for a period of 24 months from the closing date of this private placement. The common shares and warrants are subject to a 4 month hold period. Insiders of Nova Leap may participate in the private placement.

In connection with the offering, a finder's fee may be paid consisting of a cash payment equal to up to 6% of the proceeds raised from this private placement and that number of non-transferable finder's fee warrants as is equal to up to 6% of the number of common shares issued pursuant to this private placement at closing. Each finder's fee warrant will be exercisable into one common share of the Company at CAD \$0.35 per share for a period of 24 months from the closing date. The proceeds from the private placement will be used partially for general working capital purposes and for new acquisition opportunities. The private placement is subject to TSX Venture Exchange and other required regulatory approval.

SCHEDULE A – 4

All About Home Care, LLC

Unaudited interim financial statements of All About Home Care, LLC for the three and six months ended June 30, 2017 and 2016;

(See attached)

All About Home Care, LLC

**Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2017 and 2016**

**(Unaudited)
(United States dollars)**

Prepared by Management – See Notice to Reader

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice to this effect. These unaudited condensed interim financial statements have been prepared by management of the Company. Management have compiled the unaudited condensed interim statements of financial position of All About Home Care, LLC as at June 30, 2017 and the unaudited condensed interim statements of comprehensive loss, changes in equity and cash flows for the three and six months ended June 30, 2017 and 2016. The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the June 30, 2017 condensed interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

All About Home Care, LLC

Condensed statement of financial position

(Unaudited - USD)

June 30,
2017

December 31,
2016

Assets

Current

Cash and cash equivalents	\$ 114,118	\$ 193,763
Receivables	<u>93,407</u>	<u>129,772</u>
	207,525	323,535

Property and equipment	1,542	2,142
Prepays	500	500
Intangible asset	<u>9,900</u>	<u>9,900</u>
	<u>\$ 219,467</u>	<u>\$ 336,077</u>

Liabilities

Current

Payables and accruals	\$ 42,361	\$ 47,651
Customer deposits	<u>52,682</u>	<u>51,592</u>
	<u>95,043</u>	<u>99,243</u>

Owner's capital

Capital contribution	100	100
Owner's capital	<u>124,324</u>	<u>236,734</u>
	<u>124,424</u>	<u>236,834</u>
	<u>\$ 219,467</u>	<u>\$ 336,077</u>

Subsequent events (note 6)

Approved by

/s/ "Kathleen Devlin" Owner

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

All About Home Care, LLC

Condensed statement of income and comprehensive income

	<u>3 months ended June 30,</u>		<u>6 months ended June 30,</u>	
	2017	2016	2017	2016
Revenues				
Home care	\$ 153,395	\$ 261,568	\$ 332,370	\$ 552,732
Nursing services	253,430	225,628	522,588	444,516
Transportation	4,691	5,927	9,089	10,594
	<u>411,516</u>	<u>493,123</u>	<u>864,047</u>	<u>1,007,842</u>
Direct expenses				
Salary and payroll taxes – home care	91,664	151,443	198,156	322,196
Salary and payroll taxes – nursing services	147,852	129,768	309,727	252,569
	<u>239,516</u>	<u>281,211</u>	<u>507,883</u>	<u>574,765</u>
Gross profit	172,000	211,912	356,164	433,077
Operating expenses				
Advertising	2,197	464	4,609	923
Automobile	18	119	149	161
Bank service charges	4,537	4,304	8,631	7,718
Depreciation	300	827	600	1,654
Dues and subscriptions	549	780	2,699	1,230
Employee benefits	10,053	10,312	24,422	20,241
Insurance	14,501	16,858	28,924	29,691
IT expenses	4,211	1,907	7,109	4,084
Office	5,893	5,147	11,362	12,502
Outside services	7,173	(78)	6,983	2,335
Professional fees	26,369	11,110	40,751	28,642
Recruiting expenses	208	279	553	939
Rent and occupancy costs	6,520	5,850	12,675	11,775
Salaries and payroll taxes – administrative	86,178	82,915	173,492	165,745
Travel and entertainment	6,893	9,058	16,416	18,116
Utilities and phone	3,522	4,003	7,199	7,805
	<u>179,122</u>	<u>153,855</u>	<u>346,574</u>	<u>313,561</u>
Operating income (loss)	<u>(7,122)</u>	<u>58,057</u>	<u>9,590</u>	<u>119,516</u>
Finance income	-	16	-	33
Comprehensive income (loss)	<u>\$ (7,122)</u>	<u>\$ 58,073</u>	<u>\$ 9,590</u>	<u>\$ 119,549</u>

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

All About Home Care, LLC

Condensed statement of changes in owner's capital

(Unaudited - USD)

	<u>Owner's capital</u>	<u>Capital contribution</u>	<u>Total capital</u>
<u>January 1, 2017</u>			
Opening, January 1, 2017	\$ 236,734	\$ 100	\$ 236,834
Owner's draws	(122,000)	-	(122,000)
Comprehensive income	<u>9,590</u>	<u>-</u>	<u>9,590</u>
Ending, June 30, 2017	<u>\$ 124,324</u>	<u>\$ 100</u>	<u>\$ 124,424</u>
	<u>Owner's capital</u>	<u>Capital contribution</u>	<u>Total capital</u>
<u>January 1, 2016</u>			
Opening, January 1, 2016	\$ 182,737	\$ 100	\$ 182,837
Owner's draws	(141,996)	-	(141,996)
Comprehensive income	<u>119,549</u>	<u>-</u>	<u>119,549</u>
Ending, June 30, 2016	<u>\$ 160,290</u>	<u>\$ 100</u>	<u>\$ 160,390</u>

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

All About Home Care, LLC

Condensed statement of cash flows

(Unaudited - USD)

For the six months ended June 30

2017

2016

Increase (decrease) in cash and cash equivalents

Operating activities

Comprehensive income for the period	\$ 9,590	\$ 119,549
Depreciation	<u>600</u>	<u>1,654</u>
	<u>10,190</u>	<u>121,203</u>

Changes in non-cash working capital items

Receivables	36,365	13,945
Prepays	-	(3,344)
Payables and accruals	(5,290)	(6,811)
Customer deposits	<u>1,090</u>	<u>9,405</u>
	<u>32,165</u>	<u>13,195</u>

42,355

134,398

Financing activities

Owner's draws	<u>(122,000)</u>	<u>(141,996)</u>
	<u>(122,000)</u>	<u>(141,996)</u>

Net change in cash and cash equivalents

(79,645)

(7,598)

Cash and cash equivalents

Beginning of period

193,763

124,265

Cash and cash equivalents

End of period

\$ 114,118

\$ 116,667

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

All About Home Care, LLC

Notes to the condensed interim financial statements

(Unaudited - USD)

For the six months ended June 30, 2017

1. Nature of operations

All About Home Care, LLC (the "AAHC" or the "Company") was formed under the laws of Rhode Island, United States of America, on January 29, 2003.

The Company's registered office and principal place of business is 438 East Main Road, Suite 202, Middleton, Rhode Island 02842. The Company is in the business of providing private duty services that provide personalized support and services to enable those in need of medical and non-medical assistance to maintain living in a safe and healthy environment.

These financial statements were approved by the sole proprietor of the Company on December 4, 2017.

2. Basis of presentation

Statement of compliance

These unaudited condensed interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements were prepared using the same accounting policies and methods of computation, and are subject to the same use of estimates and judgments, as the Company's financial statements for the year ended December 31, 2016. These unaudited condensed interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and accordingly should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2016.

Accounting changes

The Company has adopted the amendments to IAS 7, Statement of Cash Flows and IAS 12, Income Taxes. The adoption of the amendments did not have an impact on the financial statements.

3. Related party transactions

There was no remuneration paid to the owner during the year outside of owner's draws.

4. Capital management

The Company's objectives with respect to capital management is to ensure the Company is able to continue as a going concern and to provide an adequate return to the owner of the Company by pricing services commensurate with the level of risk and cost of providing services. The owner closely monitor's profit margins and accounts receivable balances.

The Company manages the capital structure and adjusts it when changes in economic conditions and the risk characteristics of the underlying assets occur.

All About Home Care, LLC

Notes to the condensed interim financial statements

(Unaudited - USD)

For the six months ended June 30, 2017

5. Financial instruments

For certain of the Company's financial instruments, including cash, receivables and payables and accruals, the carrying amounts approximate fair value due to their short term or demand nature and/or their market rate of interest.

The Company holds two lines of credit for \$150,000 and \$2,500, bearing interest at 5% and 7.75% respectively on balances outstanding. The balances for both June 30, 2017 and December 31, 2016 was \$nil.

Credit risk

Credit risk is the risk of loss associated with a patient's inability to fulfil its payment obligations. The largest exposure to credit risk is in relation to receivables. The maximum exposure of the Company to credit risk as at June 30, 2017 is \$66,902 (December 31, 2016 - \$69,928). The Company mitigates credit risk by actively monitoring the aging of accounts receivable and regularly follows up on overdue accounts. Management believes that counterparty concentrations are in the normal course of business and are not unusual.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company's management oversees the Company's liquidity risk management program to ensure the Company has access to enough readily available funds to cover its financial obligations as they come due. The current assets reflected on the statement of financial position are highly liquid.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Company segregates market risk into three categories: interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments held by the Company. The Company does not hedge its exposure to interest rate risk as it is considered by management to be minimal.

The impact of a 100 basis point change in the interest rate would not have a significant impact to the Company.

Other price risk

At year end, the Company does not have any financial instruments measured at fair value. As a result, the Company is not exposed to significant other price risk.

6. Subsequent events

On September 22, 2017, home care assets ("Significant Assets") of All About Home Care LLC was purchased by Nova Leap Health Corp., including customer lists, assembled workforce, trademark, doing business name, etc. Pursuant to the terms of the Definitive Agreement, the Nova Leaps U.S. subsidiary, Nova Leap Health RI, Inc., acquired the Significant Assets from All About Home Care LLC for a total cash purchase price of \$1,200,000.

SCHEDULE A – 5

Nova Leap Health Corp.

Unaudited pro forma consolidated statement of income (loss) of Nova Leap Health Corp. for the year ended December 31, 2016 and the six months ended June 30, 2017, together with the notes thereto.

(See attached)

Nova Leap Health Corp.

**Pro Forma Consolidated Statement of Loss
For the year ended December 31, 2016
and
For the six months ended June 30, 2017**

(Unaudited - United States dollars)

Nova Leap Health Corp.
Pro Forma Consolidated Statement of Loss
(Unaudited - United States dollars)
For the year ended December 31, 2016

	Nova Leap Health Corp.	All About Home Care	Notes	Pro Forma Adjustments	Consolidated
	\$	\$		\$	\$
Revenues					
Home care and nursing services	39,991	2,070,077		-	2,110,068
Other	-	20,715		-	20,715
	39,991	2,090,792		-	2,130,783
Operating expenses					
Salaries and benefits – home care and nursing services	43,626	1,204,431		-	1,248,057
Home care office	12,206	-		-	12,206
	55,832	1,204,431		-	1,260,263
Gross Margin	(15,841)	886,361		-	870,520
Corporate and administrative expenses					
Advertising	-	3,002		-	3,002
Allowance for doubtful sales tax receivable	36,172	-		-	36,172
Amortization and depreciation	3,244	3,308		25,000	31,552
Bank service charges	-	17,153		-	17,153
Dues and subscriptions	6,801	6,135		-	12,936
Employee benefits	-	47,813		-	47,813
Foreign exchange loss (gain)	(1,622)	-		-	(1,622)
Impairment loss	51,056	-		-	51,056
Insurance	2,250	50,330		-	52,580
Information technology	-	13,589		-	13,589
Investor relations and shareholder communications	32,292	-		-	32,292
Office and other	6,357	38,715		-	45,072
Professional fees	169,011	51,191		114,741	334,943
Rent and occupancy	-	25,252		-	25,252
Salaries, consulting fees and benefits	60,125	341,540		-	401,665
Stock based compensation	94,314	-		-	94,314
Transfer, filing and listing fees	22,315	-		-	22,315
Travel	17,084	35,476		-	52,560
	499,399	633,504		139,741	1,272,644
Operating income (loss)	(515,240)	252,857		(139,741)	(402,124)
Net finance (expense) income	(2,335)	33		(57,036)	(59,338)
Current income tax (expense) recovery	-	-		(84,716)	(84,716)
Deferred income tax (expense) recovery	28,056	-		-	28,056
Net income (loss)	(489,519)	252,890		(281,493)	(518,122)
Weighted average number of shares					22,262,500
Basic and diluted loss per share					(\$0.02)

Nova Leap Health Corp.**Pro Forma Consolidated Statement of Loss****(Unaudited - United States dollars)****For the six months ended June 30, 2017**

	Nova Leap Health Corp.	All About Home Care	Notes	Pro Forma Adjustments	Consolidated
	\$	\$		\$	\$
Revenues					
Home care and nursing services	79,967	854,958		-	934,925
Other	-	9,089		-	9,089
	<u>79,967</u>	<u>864,047</u>		<u>-</u>	<u>944,014</u>
Operating expenses					
Salaries and benefits – home care and nursing services	95,656	507,883		-	603,539
Home care office	27,367	-		-	27,367
	<u>123,023</u>	<u>507,883</u>		<u>-</u>	<u>630,906</u>
Gross Margin	(43,056)	356,164		-	313,108
Corporate and administrative expenses					
Advertising	-	4,609		-	4,609
Amortization and depreciation	1,014	600		12,500	14,114
Bad debt expense	332	-		-	332
Bank service charges	-	8,631		-	8,631
Dues and subscriptions	11,471	2,699		-	14,170
Employee benefits	-	24,422		-	24,422
Foreign exchange loss (gain)	1,716	-		-	1,716
Impairment loss	1,386	-		-	1,386
Insurance	4,274	28,924		-	33,198
Information technology	-	7,109		-	7,109
Investor relations and shareholder communications	21,765	-		-	21,765
Office and other	15,343	25,542		-	40,885
Professional fees	84,499	40,750		59,518	184,767
Rent and occupancy	-	12,675		-	12,675
Salaries, consulting fees and benefits	111,598	174,045		-	285,643
Transfer, filing and listing fees	22,707	-		-	22,707
Travel	16,317	16,568		-	32,885
	<u>292,422</u>	<u>346,574</u>		<u>72,018</u>	<u>711,014</u>
Operating income (loss)	(335,478)	9,590		(72,018)	(397,906)
Net finance (expense) income	(3,960)	-		(29,715)	(33,675)
Current income tax (expense) recovery	-	-		-	-
Deferred income tax (expense) recovery	16,592	-		14,901	31,493
Net income (loss)	<u>(322,846)</u>	<u>9,590</u>		<u>(86,832)</u>	<u>(400,088)</u>
Weighted average number of shares					22,262,500
Basic and diluted loss per share					<u>(\$0.02)</u>

Nova Leap Health Corp.

Notes to the Pro Forma Consolidated Statement of Income (Loss)

(Unaudited - United States dollars)

For the year ended December 31, 2016 and for the six months ended June 30, 2017

1. Description of the Acquisition

Nature of operations

On September 22, 2017, Nova Leap Health Corp. (“Nova Leap” or “the Corporation”) acquired the home care assets (“Significant Assets”) of All About Home Care LLC (“AAHC”) located in Rhode Island, USA. Pursuant to the terms of the Definitive Agreement, the Corporation’s U.S. subsidiary, Nova Leap Health RI, Inc., acquired the Significant Assets from AAHC for a total purchase price of \$1,200,000. The acquisition was funded using \$600,000 cash and \$600,000 funds from debt.

IFRS 3, Business combinations has been applied in the accounting for the acquisition.

The details of the business combination are as follows:

Fair value of consideration transferred	
Cash	\$553,572
Term loan, net of loan and legal fees	575,952
Assumed liabilities	70,476
Total	\$1,200,000
Recognized amounts of identifiable net assets	
Intangible assets (customer lists)	\$50,000
Goodwill	1,150,000
	\$1,200,000

The fair value of the identifiable net assets and goodwill acquired were determined provisionally and are subject to adjustment pending the finalization of the valuations and related accounting. The preliminary fair value of the net assets and goodwill are as follows:

- *Identifiable net assets*

The fair value of the customer lists acquired as part of the business combination amounted to \$50,000.

- *Goodwill*

Goodwill of \$1,150,000 is primarily related to growth expectations, expected future profitability and the assembled workforce.

Assumed liabilities

As part of the acquisition, the Corporation assumed liabilities of \$53,809 for client deposits as well as \$16,667 related to vacation accruals for employees.

Acquisition costs

Total acquisition costs of \$114,741 were incurred.

2. Basis of Presentation

The unaudited pro forma consolidated statement of income (loss) (“Pro Forma Statement of Income (Loss)”) for the year ended December 31, 2016 and for the six months ended June 30, 2017 have been prepared by the Corporation to give effect to the Acquisition of All About Home Care, LLC, as if it had occurred at the beginning of the corresponding period: January 1, 2016 for the year ended December 31, 2016 and January 1, 2017 for the six months ended June 30, 2017. The accounting policies applied in the unaudited pro forma consolidated statement of income (loss) are in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and, in the opinion of management includes all adjustments necessary for presentation.

Nova Leap Health Corp.

Notes to the Pro Forma Consolidated Statement of Income (Loss)

(Unaudited - United States dollars)

For the year ended December 31, 2016 and for the six months ended June 30, 2017

2. Basis of Presentation (continued)

The Pro Forma Statement of Income (Loss) for the year ended December 31, 2016 combines the audited consolidated statement of loss for Nova Leap Health Corp. for the year ended December 31, 2016 and the audited statement of income for All About Home Care, LLC for the year ended December 31, 2016. The Pro Forma Statement of Income (Loss) for the six months ended June 30, 2017 combines of the unaudited condensed consolidated statement of loss for Nova Leap Health Corp. for the corresponding period and the unaudited condensed statement of income for All About Home Care, LLC for the same period.

The historical consolidated financial information has been adjusted to give effect to pro forma events that are directly attributable to the transaction and factually supportable.

The Pro Forma Statements of Income (Loss) have been presented to be incorporated into the Business Acquisition Report (“BAR”). The pro forma information is not necessarily indicative of what the combined Corporation’s results of operations actually would have been had the transactions been completed as of the date indicated. In addition, the Pro Forma Statements of Income (Loss) does not purport to project the future operating results of the combined Corporation.

The Pro Forma Statements of Income (Loss) was prepared using the acquisition method of accounting in accordance with IFRS 3, Business Combinations, with Nova Leap being the accounting and legal acquirer. It uses the fair value concepts defined in IFRS 13, Fair Value Measurement, and was based on the historical financial statements of Nova Leap and AAHC.

Under the acquisition method of accounting, the assets acquired and liabilities assumed are recorded as of the completion of the Acquisition at its respective fair values. Under IFRS 3, acquisition-related transaction costs (i.e., advisory, legal, valuation, other professional fees) and certain acquisition-related restructuring charges are not included as a component of consideration transferred but are accounted for as expenses in the periods in which the costs are incurred. Total acquisition-related transaction costs incurred by Nova Leap in connection with the acquisition was approximately \$114,741.

The accounting for the Acquisition is dependent upon valuations, where available, that are provisional and are subject to change. Management will finalize the acquisition accounting for the Acquisition no later than one year from the acquisition date as required under IFRS 3. Accordingly, certain pro forma adjustments are preliminary and have been prepared solely for the purpose of this Pro Forma Statements of Income (Loss). Differences between these provisional estimates and the final acquisition accounting may occur and these differences could have a material impact on Nova Leap’s future financial performance. In addition, the Pro Forma Statements of Income (Loss) does not reflect any cost savings, operating synergies or revenue enhancements that the combined Corporation may achieve, the costs to integrate the operations of Nova Leap and AAHC, or any costs necessary to achieve these cost savings, operating synergies and revenue enhancements.

3. Accounting Policies

The accounting policies used in the preparation of the Pro Forma Statements of Income (Loss) are consistent with those described in the audited consolidated financial statements of Nova Leap as at and for the year ended December 31, 2016, and the accounting policies described in the unaudited interim condensed consolidated financial statements of Nova Leap for the three and six months ended June 30, 2017. Nova Leap has conducted a review of AAHC’s accounting policies and has not identified any differences in accounting policies that were applied historically by these entities. Nova Leap is currently performing a more detailed assessment to ensure there is consistency of accounting policies between all of the entities.

Nova Leap Health Corp.

Notes to the Pro Forma Consolidated Statement of Income (Loss)

(Unaudited - United States dollars)

For the year ended December 31, 2016 and for the six months ended June 30, 2017

4. Pro Forma Adjustments to the Pro Forma Statements of Income (Loss) in connection with the Acquisition

The following summarizes the pro forma adjustments in connection with the acquisition of AAHC to give effect to the acquisition as if it had occurred on January 1, 2016 for purposes of the unaudited Pro Forma Statement of Income (Loss) for the year ended December 31, 2016 and January 1, 2017 for purposes of the unaudited Pro Forma Statement of Income (Loss) for the six months ended June 30, 2017:

- a) To reflect increased amortization charges associated with a preliminary fair value estimate of \$50,000 as the intangible asset representing the valuation of the Customer List. The assumptions used to determine the fair value of the acquired customer list may change as Nova Leap completes the purchase price allocation.
- b) To reflect effective interest on the term loan used to partially finance the acquisition of AAHC.
- c) Current income tax expense or recovery is calculated for pro forma adjustments at the effective tax rate of 49%. In addition, adjustments were made record current income tax expense for AAHC as it was acquired through Nova Leap's subsidiary Corporation. There were no taxes previously recorded because the entity was an LLC and income is taxed in the hands of the member.
- d) To accrue transaction costs incurred related to the acquisition.

5. Pro Forma Loss per Share ("Pro Forma LPS")

The Pro Forma LPS has been adjusted to reflect the pro forma consolidated net income (loss) for the year ended December 31, 2016 and the six months ended June 30, 2017. In addition, the number of shares used in calculating the pro forma consolidated basic and diluted earnings per share is the total number of common shares of Nova Leap had outstanding as of the closing of the Acquisition.

Diluted earnings per share assumes that convertible debentures, stock options, agent's options and warrants have been exercised on the later of the beginning of the period and the date granted. All options, warrants and convertible debentures were excluded from the computation of diluted loss per share because their effect would have been antidilutive.