



Nova Leap Health Corp.

**Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023**

(United States dollars)

Nova Leap Health Corp.

Unaudited Condensed Interim Consolidated Statements of Financial Position

(United States dollars)

As at	September 30, 2024	December 31, 2023
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	1,361,000	894,765
Accounts receivable	1,680,193	1,652,116
Prepaid expenses	297,580	294,248
Total current assets	3,338,773	2,841,129
Non-current assets		
Property and equipment	990,968	1,188,383
Intangible assets	429,173	542,711
Goodwill	14,792,634	14,622,219
Deferred income tax asset	1,491,569	1,701,285
Total non-current assets	17,704,344	18,054,598
TOTAL ASSETS	21,043,117	20,895,727
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,417,482	1,240,953
Client deposits payable	45,098	59,584
Promissory notes (note 6)	147,884	117,509
Lease liability	285,885	276,124
Government loans	-	90,730
Total current liabilities	1,896,349	1,784,900
Non-current liabilities		
Promissory notes (note 6)	24,707	-
Lease liability	729,575	914,056
Total non-current liabilities	754,282	914,056
TOTAL LIABILITIES	2,650,631	2,698,956
SHAREHOLDERS' EQUITY		
Share capital (note 7)	18,959,250	18,959,250
Contributed surplus	2,334,168	2,263,219
Accumulated other comprehensive loss	(1,145,669)	(778,235)
Deficit	(1,755,263)	(2,247,463)
TOTAL SHAREHOLDERS' EQUITY	18,392,486	18,196,771
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,043,117	20,895,727

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

Subsequent events (note 14)

Approved on behalf of the Board of Directors

“Michael O’Keefe”

(signed)

Director

“Chris Dobbin”

(signed)

Director

Nova Leap Health Corp.

Unaudited Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive Income (Loss)

(United States dollars)

For the	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenues				
Service revenues	6,406,528	6,553,724	19,174,781	19,627,160
Operating expenses				
Cost of service	3,972,646	4,105,135	11,862,223	12,467,096
	2,433,882	2,448,589	7,312,558	7,160,064
Corporate and administrative expenses				
Head office and operations management	1,506,263	1,507,202	4,586,876	4,665,658
General & administrative	548,503	507,195	1,576,868	1,588,105
Amortization and depreciation	146,169	204,587	435,337	695,449
Stock-based compensation	24,837	21,125	70,949	68,574
	2,225,772	2,240,109	6,670,030	7,017,786
Income from operating activities	208,110	208,480	642,528	142,278
Other income (expenses)				
Foreign exchange (loss) gain	(214,905)	318,369	310,395	(47,035)
Forgiveness of government loans	-	-	29,544	-
Impairment loss (note 4)	-	-	-	(350,567)
Finance expense	(18,419)	(38,932)	(61,614)	(131,745)
Litigation settlement gain (note 8)	-	-	-	352,789
Acquisition related and other legal expenses	(116,247)	12,467	(171,001)	(105,793)
Other expenses	(6,497)	(5,873)	(18,898)	(15,118)
	(356,068)	286,031	88,426	(297,469)
(Loss) income before income taxes	(147,958)	494,511	730,954	(155,191)
Income taxes				
Deferred income tax (expense) recovery	(50,038)	(93,184)	(209,129)	93,373
Current income tax expense	(9,875)	(20,974)	(29,625)	(38,206)
	(59,913)	(114,158)	(238,754)	55,167
Net (loss) income	(207,871)	380,353	492,200	(100,024)
Items that will be reclassified subsequently to profit or loss				
Foreign exchange gain (loss) on translation to presentation currency	249,273	(375,249)	(367,434)	35,679
Total comprehensive income (loss)	41,402	5,104	124,766	(64,345)
Net (loss) income per share – basic and diluted (note 9)	(\$0.002)	\$0.004	\$0.006	\$(0.001)

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

Nova Leap Health Corp.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(United States dollars)

	Common shares	Share capital \$	Contributed surplus \$	Accumulated other comprehensive (loss) income \$	Deficit \$	Total shareholders' equity \$
Balance at January 1, 2024	86,209,252	18,959,250	2,263,219	(778,235)	(2,247,463)	18,196,771
Stock-based compensation	-	-	70,949	-	-	70,949
Net income for the period	-	-	-	-	492,200	492,200
Other comprehensive loss for the period	-	-	-	(367,434)	-	(367,434)
Balance at September 30, 2024	86,209,252	18,959,250	2,334,168	(1,145,669)	(1,755,263)	18,392,486
Balance at January 1, 2023	86,209,252	18,959,250	2,130,911	(1,215,458)	(1,192,782)	18,681,921
Stock-based compensation	-	-	68,574	-	-	68,574
Net loss for the period	-	-	-	-	(100,024)	(100,024)
Other comprehensive income for the period	-	-	-	35,679	-	35,679
Balance at September 30, 2023	86,209,252	18,959,250	2,199,485	(1,179,779)	(1,292,806)	18,686,150

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

Nova Leap Health Corp.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

(United States dollars)

For the	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash provided by (used in)				
Operating activities				
Net (loss) income for the period	(207,871)	380,353	492,200	(100,024)
Government tax credit receivable	-	-	-	659,495
Adjustments for items not affecting cash:				
Forgiveness of promissory notes on litigation settlement (note 8)	-	-	-	(257,789)
Amortization and depreciation	146,169	204,587	435,337	695,449
Impairment loss (note 4)	-	-	-	350,567
Deferred income tax expense (recovery)	50,038	93,184	209,129	(93,373)
Stock-based compensation	24,837	21,125	70,949	68,574
Finance expense	19,414	40,134	58,683	162,957
Unrealized foreign exchange loss (gain)	218,271	(323,901)	(318,116)	33,402
Forgiveness of government loans	-	-	(29,544)	-
Gain on the sale of assets	-	-	-	(4,861)
Net change in non-cash operating working capital (note 10)	36,401	225,009	130,634	85,106
Cash provided by operating activities	287,259	640,491	1,049,272	1,599,503
Investing activities				
Acquisition of business (note 3)	-	-	(250,000)	-
Purchase of property and equipment	-	-	-	(27,990)
Proceeds on the sale of assets	-	-	-	4,861
Cash used in investing activities	-	-	(250,000)	(23,129)
Financing activities				
Repayment of demand loans and transaction costs (note 5)	-	(100,675)	-	(1,047,175)
Repayment of government loans	-	-	(59,333)	-
Interest payments on demand loans (note 5)	-	(10,436)	-	(52,200)
Repayment of promissory notes and interest (note 6)	-	(205,500)	-	(333,000)
Repayment of lease liability and interest	(91,772)	(102,426)	(270,671)	(311,242)
Cash used in financing activities	(91,772)	(419,037)	(330,004)	(1,743,617)
Effect of foreign exchange rate change on cash and cash equivalents	145	(2,960)	(3,033)	1,348
Increase (decrease) in cash and cash equivalents for the period	195,632	218,494	466,235	(165,895)
Cash and cash equivalents - beginning of period	1,165,368	888,257	894,765	1,272,646
Cash and cash equivalents - end of period	1,361,000	1,106,751	1,361,000	1,106,751

Nova Leap Health Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(United States dollars)

For the three and nine months ended September 30, 2024 and 2023

1. 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 principal activities of the Corporation and its subsidiaries (the “Group”) is to provide home and home health care services to clients. The Group is currently providing services in the United States in ten states as well as in Nova Scotia, Canada. The Corporation’s shares are listed on the TSX Venture Exchange and are traded under the symbol NLH and the over-the-counter market (OTCQC) in the United States under the symbol NVLPF.

These Unaudited Condensed Interim Consolidated Financial Statements include the accounts of the Corporation and its United States (“US”) and Canadian subsidiaries and are presented in United States dollars (“USD”) which is the functional currency of the majority of the Group’s business operations. The registered head office of the Corporation is located at 7071 Bayers Road, Suite 3006, Halifax, NS Canada B3L 2C2.

The Unaudited Condensed Interim Consolidated Financial Statements were approved by the Board of Directors on November 7th, 2024.

2. Material accounting policies

Statement of compliance

These Unaudited Condensed Interim Consolidated Financial Statements are prepared in accordance with IAS 34, *Interim Financial Reporting* 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 Audited Consolidated Financial Statements for the year ended December 31, 2023. These Unaudited Condensed Interim Consolidated Financial Statements do not include all disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) for annual consolidated financial statements and accordingly should be read in conjunction with the Corporation’s Audited Consolidated Financial Statements for the year ended December 31, 2023, prepared in accordance with IFRS Accounting Standards.

3. Business acquisitions

On May 3, 2024, the Corporation acquired a home care business located in Massachusetts. The acquisition was made for total consideration of \$300,000 of which \$250,000 was payable with cash on closing and \$50,000 by way of a promissory note repayable over a two-year period. The details of the business acquisition is as follows:

	Massachusetts
Acquisition date	May 3, 2024
	\$
Acquisition costs	54,754
Fair value of consideration transferred	
Cash	250,000
Promissory note to vendor	46,067
Total	296,067
Recognized amounts of identifiable net assets	
Intangible assets - customer lists	30,000
Intangible assets - non-compete agreements	50,000
Goodwill	216,067
Total	296,067
Contribution to Group Results	
Revenue from date of acquisition to reporting date	365,224

Nova Leap Health Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(United States dollars)

For the three and nine months ended September 30, 2024 and 2023

3. Business acquisitions (continued)

Operating income from date of acquisition to reporting date (net of \$16,680 of non-cash amortization and depreciation)	461
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Goodwill

Goodwill is primarily related to growth expectations, expected future profitability and the assembled workforce.

Proforma Group Results and Other

Proforma Group results based on acquiring the assets of all closed acquisitions at January 1, 2024

If the assets of the businesses acquired during the period had been acquired on January 1, 2024, revenue of the Group for the nine months ended September 30, 2024 would have increased by approximately \$300,000 and income from operating activities would have increased by approximately \$400, net of \$14,000 of non-cash amortization expense

4. Goodwill

During the Q2 2023, the Corporation determined that indicators of impairment exist within the US-RI CGU and a goodwill impairment test was completed which resulted in an impairment loss of \$350,567. The impairment loss was due to a decline in client service hours and an expected longer recovery time to return to previous revenue levels.

At December 31, 2023, due to a continued decline in client service hours, an additional goodwill impairment test was completed which resulted in an impairment of \$1,151,995. The total impairment losses recognized related to the US-RI CGU for the year ended December 31, 2023 was \$1,502,562.

5. Demand loans

The changes in the demand loans for the period are as follows:

	September 30, 2024	December 31, 2023
	\$	\$
At amortized cost:		
Balance, beginning of period	-	1,378,244
Debt issue and guarantee insurance costs	-	(6,515)
Effective interest	-	47,452
Interest payments	-	(55,817)
Principal repayment in cash	-	(1,369,521)
Foreign exchange loss (gain)	-	6,157
Balance, end of period	-	-
Fair value	-	-

At December 31, 2023, all demand loans were fully repaid.

The Corporation also has access to a \$1,111,193 (CAD\$1,500,000) revolving operating facility for working capital purposes from a Schedule 1 Canadian bank. The interest rate is CAD prime rate plus 1.5%. The CAD prime rate at September 30, 2024 was 6.45% (December 31, 2023 – 7.20%). Interest is calculated monthly in arrears, and payable on the last day of each month. The facility is repayable on demand. There was no outstanding balance on this facility as at September 30, 2024 or December 31, 2023.

All the demand loans were secured through a registered General Security Agreement and a Corporate Guarantee for the principal amount of the loan from Nova Leap's US and Canadian subsidiaries.

Nova Leap Health Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(United States dollars)

For the three and nine months ended September 30, 2024 and 2023

6. Promissory notes

The changes in the promissory notes for the period are as follows:

	September 30, 2024	December 31, 2023
	\$	\$
Balance, beginning of period	117,509	1,008,035
Issuance of promissory notes for acquisition of business (note 3)	46,067	-
Effective interest	9,015	49,763
Repayments	-	(682,500)
Forgiveness of notes on litigation settlement (note 8)	-	(257,789)
Balance, end of period	172,591	117,509
Current portion	147,884	117,509
Non-current portion	24,707	-
Balance, end of period	172,591	117,509
Fair value	171,306	119,940

The promissory notes were all initially recorded at fair value using market interest rates ranging between 7.75% and 10.5% and subsequently measured at amortized cost using the effective interest rate method.

The promissory notes are subject to a Guarantee Agreement from the Corporation and are subordinated to the demand loans (note 5).

7. Share capital

a. Authorized:

Unlimited number of common shares, without nominal or par value.

b. Issued and outstanding:

	September 30, 2024		December 31, 2023	
	Number of	Cost	Number of	Cost
	Shares	\$	Shares	\$
Balance, beginning and end of period	86,209,252	18,959,250	86,209,252	18,959,250

8. 2023 Litigation settlement

The litigation previously initiated by Nova Leap in Q2 2022 was settled during Q2 2023, resulting in a total gain of \$352,789. The settlement consisted of Nova Leap receiving a cash payment of \$95,000, forgiveness of the remaining promissory notes plus accrued interest of \$257,789 and the elimination of any future earnout payments.

9. Earnings per share

Basic earnings per share is calculated based on the weighted average number of shares outstanding during the period. Diluted earnings per share assumes that stock options and DSUs have been exercised on the later of the beginning of the period and the date granted. For the three and nine months ended September 30, 2024, all and 5,325,000 stock options were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive (three and nine months ended September 30, 2023 – 5,431,250 and all stock options).

Nova Leap Health Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(United States dollars)

For the three and nine months ended September 30, 2024 and 2023

9. Earnings per share (continued)

The following table summarizes the difference between basic and diluted weighted average number of shares:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Weighted average number of shares used in basic earnings per share	86,209,252	86,209,252	86,209,252	86,209,252
Shares deemed to be issued for no consideration in respect of share-based payments	1,264,569	994,394	1,227,133	-
Weighted average number of shares used in diluted earnings per share	87,473,821	87,203,646	87,436,385	86,209,252

10. Supplemental cash flow information

The change in the non-cash operating working capital is as follows:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Accounts receivable	(159,324)	80,338	(28,077)	160,636
Prepaid expenses	130,996	93,235	(3,332)	(11,137)
Accounts payable and accrued liabilities	67,930	71,086	176,529	(48,289)
Client deposits payable	(3,201)	(19,650)	(14,486)	(16,104)
	36,401	225,009	130,634	85,106
Supplemental information:				
Interest paid	15,792	34,124	49,667	118,360
Income taxes paid	-	28,032	40,834	35,122

11. Related party transactions

Transactions with related parties are in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the parties. Related parties include members of the Board of Directors, as well as the Chief Executive Officer and the Chief Financial Officer.

Corporate and administrative expenses include the following related party remuneration expenses

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Management compensation	110,182	110,601	338,791	314,653
Directors' compensation	35,200	35,790	105,864	107,031
Stock-based compensation	20,925	18,377	65,287	72,864
	166,307	164,768	509,942	494,548

As at September 30, 2024, there was \$67,071 included in accounts payable and accrued liabilities for amounts owed to officers of the Corporation for compensation and expense reimbursements (December 31, 2023 – \$53,337) and \$22,224 for amounts due to directors for directors fees (December 31, 2023 – \$11,341).

Nova Leap Health Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(United States dollars)

For the three and nine months ended September 30, 2024 and 2023

12. Financial instruments

The Group's risk management is coordinated at its Head Office, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by maximizing cash flow from operations.

The Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Group is exposed to the same risks in the current year as it was exposed to in the prior year. The most significant financial risks to which the Group is exposed are described below.

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 the end of the reporting period, as summarized below:

Classes of financial assets – carrying amounts	September 30, 2024	December 31, 2023
	\$	\$
Cash and cash equivalents	1,361,000	894,765
Accounts receivable	1,680,193	1,652,116
	3,041,193	2,546,881

Credit risk management

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures. The credit risk in respect of cash balances held with banks is managed by only using major reputable financial institutions.

The Group does not specifically assess the credit quality of clients based on a credit rating but through an informal process while onboarding for service. Invoice terms are generally payable within thirty days. The ongoing credit risk is managed through regular review of the aging analysis.

At certain locations, clients are required to pay an upfront deposit, mitigating the credit risk. As at September 30, 2024, the Group had \$45,098 collected for client deposits (December 31, 2023 - \$59,584), representing approximately 2.7% of outstanding accounts receivable, billed and accrued (December 31, 2023 – 3.6%).

Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecasting cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a quarterly lookout period are identified monthly. Net cash requirements are compared to available cash balances and available borrowing facilities in order to determine headroom or shortfalls. This analysis shows that available borrowing facilities and available cash are expected to be sufficient for the next twelve months.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and accounts receivable. The Group's existing cash resources and accounts receivable, in addition to the current unused balance of the revolving operating facility and cash flow projections, are expected to be sufficient to meet current contractual cash outflow requirements. Cash flows from accounts and other receivables are all contractually due within 30 days.

Nova Leap Health Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(United States dollars)

For the three and nine months ended September 30, 2024 and 2023

12. Financial instruments (continued)

The Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

As at September 30, 2024	< 1 year \$	1-2 years \$	3-5 years \$	> 5 years \$
Accounts payable and accrued liabilities	1,417,482	-	-	-
Client deposits	45,098	-	-	-
Promissory notes, principal and interest	153,500	26,250	-	-
Lease liability, principal and interest	336,926	278,814	351,438	176,635
Total	1,953,006	305,064	351,438	176,635

As at December 31, 2023	< 1 year \$	1-2 years \$	3-5 years \$	> 5 years \$
Accounts payable and accrued liabilities	1,240,953	-	-	-
Client deposits	59,584	-	-	-
Promissory notes, principal and interest	126,000	-	-	-
Lease liability, principal and interest	335,938	305,579	480,096	238,228
Government loans	60,487	-	-	-
Total	1,822,962	305,579	480,096	238,228

Market risk

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

Foreign currency sensitivity

The majority of the Group's operations are carried out in USD. Exposure to currency exchange rates arise from Canadian assets, liabilities, home care operations and head office costs.

The Group's exposure to the Canadian dollar ("CAD") currency risk was as follows:

	September 30, 2024 CAD\$	December 31, 2023 CAD\$
Cash and cash equivalents	366,319	288,643
Accounts receivable	306,111	232,445
Accounts payable & accrued liabilities	(582,717)	(455,173)
Lease liability	(831,245)	(933,413)
Government loans	-	(120,000)
	(741,532)	(987,498)

A change of 5.0% in the Canadian dollar exchange rate at September 30, 2024 would affect net income and comprehensive income and deficit by approximately \$26,000 (September 30, 2023 - \$35,000).

Interest rate sensitivity

As at September 30, 2024, the Group is not exposed to changes in market interest rates through bank borrowings at variable interest rates. An increase or decrease of 1% in interest rates would have no effect on net income and comprehensive income and deficit (September 30, 2023- \$2,000).

Nova Leap Health Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(United States dollars)

For the three and nine months ended September 30, 2024 and 2023

12. Financial instruments (continued)

Fair value

All financial assets and liabilities except for the demand loans, promissory notes and government loans are short-term. The carrying values of short-term financial assets and liabilities are a reasonable approximation of fair value. The fair value of the demand loans and promissory notes are disclosed in notes 5 and 6.

13. Segment reporting

Management identifies the Group's reportable segments as Canadian operations and US operations. All businesses provide home care services to clients. These operating segments are monitored by the Group's Chief Executive Officer and strategic decisions are made based on segment operating results. Group Head Office provides management oversight and expertise including merger and acquisitions services.

Segment information for the reporting period is as follows:

	For the three months ended September 30, 2024				
	US \$	Canada \$	Total Reportable Segments \$	Group Head Office \$	Total \$
Segment revenues	5,394,284	1,010,219	6,404,503	2,025	6,406,528
Cost of services	3,248,126	724,520	3,972,646	-	3,972,646
Gross margin	2,146,158	285,699	2,431,857	2,025	2,433,882
Corporate & administrative ⁽ⁱ⁾	1,589,259	184,171	1,773,430	281,336	2,054,766
Amortization and depreciation	117,797	12,050	129,847	16,322	146,169
Stock-based compensation	-	-	-	24,837	24,837
Segment operating income (loss)	439,102	89,478	528,580	(320,470)	208,110
Segment assets	17,561,528	2,864,416	20,425,944	617,173	21,043,117

	For the three months ended September 30, 2023				
	US \$	Canada \$	Total Reportable Segments \$	Group Head Office \$	Total \$
Segment revenues	5,724,169	827,137	6,551,306	2,418	6,553,724
Cost of services	3,517,071	588,064	4,105,135	-	4,105,135
Gross margin	2,207,098	239,073	2,446,171	2,418	2,448,589
Corporate & administrative ⁽ⁱ⁾	1,531,489	179,001	1,710,490	303,907	2,014,397
Amortization and depreciation	175,873	12,118	187,991	16,596	204,587
Stock-based compensation	1,555	2,915	4,470	16,655	21,125
Segment operating income (loss)	498,181	45,039	543,220	(334,740)	208,480
Segment assets	18,455,887	2,832,836	21,288,723	770,959	22,059,682

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(United States dollars)

For the three and nine months ended September 30, 2024 and 2023

13. Segment reporting (continued)

	For the nine months ended September 30, 2024				
	US \$	Canada \$	Total Reportable Segments \$	Group Head Office \$	Total \$
Segment revenues	16,257,666	2,910,138	19,167,804	6,977	19,174,781
Cost of services	9,800,835	2,061,388	11,862,223	-	11,862,223
Gross margin	6,456,831	848,750	7,305,581	6,977	7,312,558
Corporate & administrative ⁽ⁱ⁾	4,712,767	562,265	5,275,032	888,712	6,163,744
Amortization and depreciation	350,008	36,241	386,249	49,088	435,337
Stock-based compensation	1,863	3,855	5,718	65,231	70,949
Segment operating income (loss)	1,392,193	246,389	1,639,582	(996,054)	642,528
Segment assets	17,561,528	2,864,416	20,425,944	617,173	21,043,117

	For the nine months ended September 30, 2023				
	US \$	Canada \$	Total Reportable Segments \$	Group Head Office \$	Total \$
Segment revenues	16,973,262	2,646,666	19,619,928	7,232	19,627,160
Cost of services	10,602,398	1,864,698	12,467,096	-	12,467,096
Gross margin	6,370,864	781,968	7,152,832	7,232	7,160,064
Corporate & administrative ⁽ⁱ⁾	4,782,946	521,406	5,304,352	949,411	6,253,763
Amortization and depreciation	603,756	42,061	645,817	49,632	695,449
Stock-based compensation	4,574	8,575	13,149	55,425	68,574
Segment operating income (loss)	979,588	209,926	1,189,514	(1,047,236)	142,278
Segment assets	18,455,887	2,832,836	21,288,723	770,959	22,059,682

i) Corporate & administrative includes Head office and operations management expenses and general & administrative expenses.

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

14. Subsequent events

On October 11, 2024, the Corporation executed a definitive agreement to acquire the business assets of a home care services company located in Florida, United States. Under the terms of the agreement, the acquisition is to be made for total consideration of \$1,636,000 of which \$1,316,00 is payable with cash on closing and \$320,000 is by way of a promissory note repayable over a three-year period. It is anticipated that the purchase consideration will be allocated to certain identifiable intangible assets and goodwill.

The Acquisition is a Non-Arm's Length transaction pursuant to TSX Venture Exchange policies, as a director and insider of the Corporation also controls the vendor. Pursuant to TSX Venture Exchange requirements, the Acquisition requires disinterested shareholder approval. As of the date of these financial statements, the transaction has not been completed.

Nova Leap Health Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(United States dollars)

For the three and nine months ended September 30, 2024 and 2023

14. Subsequent events (continued)

On October 29, 2024, the Corporation executed a definitive agreement to acquire all of the shares of two affiliated home care companies with operations in Nova Scotia, Canada. Under the terms of the agreement, the acquisition is to be made for total consideration of CAD\$1,380,000, subject to post-closing working capital adjustments, with the full amount payable with cash on closing. It is anticipated that the purchase consideration will be allocated to certain identifiable intangible assets, goodwill and working capital.

The Acquisition is a Non-Arm's Length transaction pursuant to TSX Venture Exchange policies, as certain officers, directors and insiders of the Company also control the vendor. Pursuant to TSX Venture Exchange requirements, the Acquisition requires disinterested shareholder approval. As of the date of these financial statements, the Transaction has not been completed.