



Skylight Health Completes Acquisition of APEX Medical in Colorado with \$2.5 Million in Revenue and Positive EBITDA

- Company closes acquisition of Colorado-based APEX Family Medical previously announced on November 5, 2020.
- APEX generated over \$2.5 million in revenues in fiscal 2019 and \$0.5 million in net income, servicing over 5,000 patients per year.
- APEX will strengthen SHG's clinical footprint in Colorado, accelerating the launch of its insurable services multi-disciplinary platform to an existing base of 17,000 Colorado patients.
- In conjunction with recently acquired Texas, Washington and Tennessee clinics, this acquisition marks the 4th completed transaction of the 5 deals announced in 2020.

TORONTO, ON – January 5, 2021 – Skylight Health Group Inc (CSE:SHG; OTCQX: SHGFF) (“SHG” or the “Company”), one of the largest multi-specialty healthcare systems in the United States, is pleased to announce that it has completed the acquisition of APEX Family Medical (“APEX”) in Denver, Colorado previously announced on November 5, 2020. The acquisition of APEX strengthens the existing base of operations in the State. SHG currently operates 4 physical clinics and a telemedicine platform in Colorado providing care to over 17,000 patients. The addition of APEX brings existing relationships with payors and insurable services that will bolster insurable services for current patients.

APEX has been operating in Denver for over 30 years and has a growing patient base of over 5,000 from its operations. Services to patients are comprehensive and include primary care and wellness including psychotherapy, massage therapy and acupuncture. Within APEX there are opportunities for future growth including new providers to meet the growing demand from patients, extended hours, additional services, and increased use of telemedicine.

APEX offers the Company the opportunity to expand insurable services to its existing base of 17,000 Colorado patients. Further, the Company will be able to expand on the current offering of services at APEX by leveraging its existing telemedicine infrastructure to provide access to patients across the State. The Company will also evaluate the current services offered to determine growth in new and complimentary medical services, seek to add new lines of revenue from insurable services, and continue to expand overall patient care. The Company will also work to launch its subscription-based telemedicine offering at US\$199/year designed to support the needs of uninsured Americans with urgent and acute care needs.

“We remain committed to establishing a national network of healthcare clinics to help millions of Americans gain access to affordable and accessible quality care,” said Prad Sekar, CEO, SHG Insights. “With the expansion of infrastructure in Colorado by way of acquisition, we significantly expedite our launch of insurable services by a minimum of 6 months adding vital services to our existing base.”

SHG has acquired 100% of the assets of APEX for a total transaction value in cash of \$2.3 million to be paid in installments over a 6-month transition period. APEX reported unaudited revenues in 2019 of \$2.5 million and net income of \$500,000.

About Skylight Health Group

Skylight Health Group (CSE:SHG OTCQX:SHGFF) is a healthcare services and technology company, working to positively impact patient health outcomes. The Company operates a US multi-state health network that comprises of physical multi-disciplinary medical clinics providing a range of services from primary care, sub-specialty, allied health and laboratory/diagnostic testing. The Company owns and operates a proprietary electronic health record system that supports the delivery of care to patients via telemedicine and other remote monitoring system integrations. With a patient roster of over 150,000



patients, the Company's operations servicing 15 states and continues to expand in services and locations both organically and by way of strategic acquisitions.

The Company primarily operates a traditional insurable fee-for-service model contracting with Medicare, Medicaid and other Commercial Payors. The Company also offers a disruptive subscription-based telemedicine service for the un/under-insured population who have limited access to urgent care due to cost.

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Currency Usage, Cautionary and Forward-Looking Statements

All currency contained in this Press Release represent Canadian Dollars unless otherwise stated.

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in Skylight Health's filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements regarding the Company's unaudited financial results and projected growth.

Although Skylight Health has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: the ability of Skylight Health to execute on its business strategy, continued revenue growth in accordance with management's expectations, operating expenses continuing in accordance with management expectations, dependence on obtaining regulatory approvals; Skylight Health being able to find, complete and effectively integrate target acquisitions; change in laws relating to health care regulation; reliance on management; requirements for additional financing; competition; hindering market growth or other factors that may not currently be known by the Company.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. Skylight Health disclaims any intention or obligation to update or revise such information, except as required by applicable law, and Skylight Health does not assume any liability for disclosure relating to any other company mentioned herein.

Non-GAAP Financial Measures

This Press Release contains references to Adjusted EBITDA and Gross Margin. These financial measures are not measures that have any standardized meaning prescribed by IFRS and are therefore referred to as non-GAAP measures. The non-GAAP measures used by the corporation may not be comparable to similar measures used by other companies. Adjusted EBITDA is defined as "income (loss) before interest expenses, taxes, expenses related to listing on the Canadian Securities Exchange, depreciation, foreign exchange and financial expenses.

The Company uses these non-GAAP measures because they provide additional information on the performance of its commercial operations. Such tools are frequently used in the business world to analyze and compare the performance of businesses; however, the Company's definition of these metrics may differ from those of other businesses. Skylight Health will, at times, use certain non-GAAP financial measures to provide readers with additional information in order to assist investors in understanding our financial and operating performance. Skylight Health believes that these non-GAAP measures provide readers with useful information about the Company's operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making.



Adjusted EBITDA excludes the effect of share-based compensation expenses and related payroll taxes as well as removes substantial one-time costs for unusual business activities. Additional discussion on this can be found in the Skylight Health Management Discussion and Analysis filed on SEDAR.

Such non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, the corresponding measures calculated in accordance with IFRS. See the Company's audited Financial Statements for a reconciliation of the non-GAAP measures.

No securities regulator or exchange has reviewed, approved, disapproved, or accepts responsibility for the content of this news release.