



Skylight Health Announces Closing of Tennessee Clinic with \$2.2 Million in Revenue and Positive EBITDA

- Company closes acquisition of Tennessee-based Perimeter Pain and Primary Care Clinic previously announced on December 3, 2020
- Tennessee-based Perimeter Pain and Primary Care Clinic is an established medical practice servicing over 12,000 patients per year.
- In 2019, the clinic generated CAD 2.2 million in revenues and CAD 400,000 in EBITDA.
- This transaction will be immediately accretive to the Company adding complementary services and insurable revenue to the existing primary care model across 15 States.

TORONTO, ON - December. 30, 2020 — 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 closed on the acquisition of Healthcare Resources Management LLC ("HRM") which operates Perimeter Pain and Primary Clinic ("Perimeter") in Cookeville, Tennessee. The Company previously announced the Letter of Intent with HRM on December 3, 2020. The completed acquisition of HRM expands the Company's bricks and mortar and telemedicine services to 15 States and will add 12,000 new patients to its current roster of 120,000.

HRM has been operating Perimeter in Cookeville for over 7 years with strong patient retention. Services to patients include primary care, chronic pain management, interventional procedures, weight management, regenerative medicine and aesthetics. Services provided by Perimeter are primarily reimbursed through insurance carriers including Medicare, Medicaid and other commercial payors.

The Company expects to see continued growth in patient registrations and visits as Perimeter continues to thrive among the challenges most clinics have faced due to the recent COVID-19 pandemic. Further, the Company will work quickly to expand on the current offering of services by leveraging its current telemedicine infrastructure to provide access to patients across the state of Tennessee. Services offered by Perimeter will apply to Skylight Health's entire patient base. These services are immediately accretive as they allow the Company to expand complementary billable services. Patients will continue to benefit from the expansion of services in-house. The Company will benefit by expanding the per patient insurable revenue share-of-wallet by retaining these services internally.

"Perimeter represents the first of complementary non-primary care acquisitions and is in direct alignment with our strategy to expand on services offered to our existing patient base nationally," said Prad Sekar, CEO, Skylight Health. "Adding vital services like chronic pain management, interventional procedures and other from Perimeter will benefit tens of thousands of our current patients and will be deployed nationally within the existing framework of payor contracts in each state we are organically establishing over the next year."

SHG has acquired 100% of the shares of HRM for a transaction value in cash of CAD 1.03 million representing an EBITDA multiple of 2.6x. Perimeter reported unaudited revenues in 2019 of CAD 2.2 million and net income of CAD 400,000.

The Company also announces it has issued 164,081 shares to certain consultants for services rendered.

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 120,000 patients, the Company's operations servicing 14 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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Cautionary and Forward-Looking Statements

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 may contain 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 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.