

## Skylight Health Group Announces Fourth Quarter and Full-Year 2020 Results

*Full-Year Revenues \$13.1 million; Fourth Quarter Revenues rose to \$3.2 million; Full Year 2021 Revenue Guidance \$40 million; Acquired Six Primary Care Practices in 2020 and Three More Acquisitions in 2021*

**TORONTO, ON** – April 20, 2021 – Skylight Health Group Inc (TSXV:SHG; OTCQX: SHGFF) (“Skylight Health” or the “Company”), a multi-state primary care management group in the United States, today reported financial results and provided a corporate update for the fourth quarter and year ended December 31, 2020. Additional information concerning the company, including its audited financial statements and the Management Discussion and Analysis, for the year ended Dec. 31, 2020, can be found at SEDAR and on the company’s website.

### Fourth Quarter and Full-Year 2020 Financial Highlights

- Revenue was \$3.2 million for the quarter, compared to \$3.1 million for Q4 2019. This increase was due to the addition of the acquired clinics during Q4 which offset a slight reduction seen at our pre-existing sites. For the full year, Revenue was \$13.1 million, compared to \$13.4 million for 2019. This reduction was due to the impact of COVID as well as a change in regulations in Q3 in New Jersey, which affected visit frequency at the Company’s clinics in that state.
- Gross profit percentage remained consistent year over year with Gross Profit coming in at \$9.0 million for the year, compared to \$9.3 million for 2019.
- Net Loss improved in 2020 to \$9.4 million, compared to a net loss of \$11 million in 2019 achieved through significant optimization of the operating structure and efficiencies driven through improved processes and technology.
- Adjusted EBITDA for the year ended December 31, 2020 was a loss of \$1.8 million compared to a loss of \$2.7 million in 2019 largely driven by professional fees and marketing attributed to acquisitions, financings and creating an expanded shareholder base.
- The Company generated positive cash-flow from operations of approximately \$156,982 for the year ended December 31, 2020 compared to a loss of \$1.1 million for the year ended December 31, 2019.
- A significantly strengthened balance sheet on December 31, 2020 is reflected in a cash position of \$20 million and working capital of \$18.6 million compared to a cash balance of \$0.1 million and a working capital deficiency of \$6.7 million on December 31, 2019. In October 2020, the Company converted its promissory note held by Merida Capital extinguishing \$4.0 million from its long-term debt.
- The Company is providing revenue guidance for the full year of \$40 million in 2021.

“2020 was a transformative year for Skylight Health. We completed a full rebrand focused on converting our clinics to value-based care, while building a robust pipeline of near-term targets,” said Prad Sekar, Co-Founder and Chief Executive Officer. “We added 6 clinics, strengthened our leadership team, transformed our balance sheet, and made great strides toward transforming our company into a leading multi-state primary care business. We expect to see tremendous growth looking forward as we continue our profitable transition to value-based care across our platform.”

	Three Months Ended December 31	12 Months Ended December 31	
	2020	2020	2019
<b>Revenue</b>	3,198,600	13,141,227	13,423,744
<b>Cost of sales</b>	1,029,328	4,111,765	4,100,672

<b>Gross profit</b>	2,169,272	9,029,462	9,323,075
<b>Total operating expenses</b>	7,997,231	16,083,272	18,607,626
<b>Operating profit (loss)</b>	(5,827,959)	(7,053,810)	(9,284,511)
<b>Adjusted EBITDA*</b>	(2,146,869)	(2,029,452)	(2,768,258)

\*Adjusted EBITDA is defined as earnings before interest, tax, depreciation, and amortization, adjusted by significant nonrecurring, nonoperational expenses and partially offset by the cash impact of certain accounting treatments during the period. Please see the Company's Management Discussion & Analysis for a detailed reconciliation to operating loss.

### Key Subsequent Events

- In January 2021, the Company's shares commenced trading on the TSX-V and continue to trade under the symbol "SHG".
- On January 5, 2021, the Company completed its acquisition of APEX in Denver, Colorado and acquired 100% of the assets of APEX for \$2.36 million.
- On January 14, 2021, the Company appointed Grace Mellis, as an independent director to the Company's Board of Directors.
- On February 4, 2021, the Company announced the closing of a Florida-based clinic – River City Medical Associates ("RCMA").
- On February 17, 2021, the Company appointed Andrew Elinesky as Chief Financial Officer.
- On March 16, 2021, the Company appointed Mr. Patrick McNamee as Chairman of the Board. Mr. McNamee succeeds Norton Singhavon who will remain involved as an active member of the Board.
- On April 5, 2021, the Company announced the acquisition of a primary care clinical group, Rocky Mountain in Colorado. Rocky Mountain expands Skylight Health to over 7 new locations in the Denver and Boulder area.
- On April 15, 2021, the Company promoted Paul Kulas to Chief Operating Officer.

### Conference Call

Management will host an investor conference call at 9:00 a.m. EDT on Tuesday, April 20, 2021, to discuss Skylight Health's full year 2020 financial results, provide a corporate update, and conclude with Q&A from participants. To participate in the call, please dial (800) 319-4610 (domestic) or (416) 915-3239 (Toronto) or (604) 638-5340 (international).

### About Skylight Health Group

Skylight Health Group (TSXV:SHG; OTCQX:SHGFF) is a US multi-state primary care management group. 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. The Company's operations servicing 16 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.

For more information, please visit [www.skylighthealthgroup.com](http://www.skylighthealthgroup.com).

### 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.

Financial forecasts in this release are based on the current revenue run rate of Skylight Health, all of its recently completed acquisitions, and its pending acquisitions. This forecast is subject to the closing of any and all pending acquisitions, and successful integration of all its current and future acquisitions without any loss or interruptions of revenues during the integration and transition process. The Company may revise this forecast from time to time and investors should not solely rely on this forward-looking guidance when making an investment decision.

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 EBITDA and Adjusted EBITDA. 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. 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.

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.

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.

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.

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**