



Skylight Health Provides General Corporate Update

Company continues to focus on organic growth, pathway to profitability and value based care contracts

TORONTO, Sept. 07, 2022 -- Skylight Health Group Inc. (TSXV:SLHG) ("Skylight Health" or the "Company"), a healthcare platform combining technology and analytics focused on transitioning patients into value based care to drive better health outcomes and experiences in the United States, today provides a general corporate update on the status of the Company's initiatives to drive organic growth, continue on its pathway to profitability and expansion of value based care contracts.

- Over 15% growth in patient visits in August 2022 vs July 2022 driven by newly implemented contact center and other marketing initiatives;
- Over \$10 million reduction from forecasted annual costs driven by lower operating expenses and restructuring of corporate overhead including Nasdaq de-list; Q3 adjusted EBITDA tracking lower than Q2 2022 on an unaudited basis;
- Company expects new value based contracts to complement current contracts with Humana, CarePlus and AvMed in Florida for 2023, and new Medicaid value based contract in Colorado.

The Company announced its intent to launch a new contact center at the end of Q1 2022. The contact center was forecasted to improve overall patient visits by addressing the challenge of missed calls at the practice level due to capacity restraints. Since the launch, the initiative has led to growth in its pilot markets, leading to the Company scaling the project nationally across all its practices and markets in July 2022. The success of the contact center has reflected in both improved patient satisfaction and key performance metrics. Abandoned call rates have reduced from over 30% to less than 12% within 60 days of the program launch. This directly results in improved scheduling driving up the fee-for-service business segment. Additionally, the contact center will provide a stronger platform for outbound campaigns. This will result in patients being recalled for preventative measures on time. Healthier patients lead to improved health outcomes and lower cost of care. This is a direct measure of success for the Company for its Medicare and Medicare Advantage at risk business segment. Since its scaling up of the program in July, the Company has seen an improvement in patient visits by over 15% nationally.

As previously announced, most of 2021 and early 2022 was spent laying the foundation to manage National practices and prepare for value based care contracts. These costs were to be removed once the foundation was laid. As such, the Company has been working diligently in Q2 and into Q3 2022 to identify and target costs that are not directly related to the current operations or to support organic growth in its fee-for-service and value-based care segments. This along with corporate restructuring efforts have resulted in a forecasted reduction of \$10 million per year from its annual costs exiting Q1 2022. These costs will continue to come off through Q3 2022 as the Company works on its pathway to adjusted EBITDA break-even this year. With an improved overall cost structure, the Company can benefit from greater EBITDA contribution from improved revenues in both fee-for-service and membership growth in Medicare and Medicare Advantage.

As the Company prepares for annual enrollment in Medicare Advantage ("MA") in Q4 this year, it is looking to expand on its current contracts with Humana, CarePlus and AvMed. These contracts along with new expected contracts, will allow for improved membership growth as the Company is able to accept more MA plans. Under full risk MA, the Company receives a significant premium to the annual Medicare patient revenue on a capitation basis (expected over 30X fee-for-service). For this, the Company is responsible for the total healthcare expenses of the patient. MA plans with proper care coordination can result in improved patient health outcomes, and lower cost of care. Keeping patients healthier, managed and out of costly and unnecessary tertiary services, results in savings at the end of the year towards increased EBITDA contribution which again is typically higher than traditional fee-for-service.

Prad Sekar, CEO of Skylight Health says "We are excited about the progress we have been able to make year to date and as a team, continue to work hard to get to EBITDA positivity. In this environment, our focus is on growing business fundamentals so we can continue to provide excellent care to our patients."

About Skylight Health Group

Skylight Health Group (TSXV:SLHG) is a healthcare services and technology company, working to positively impact patient health outcomes. The Company operates a US multi-state primary care health network comprised of physical practices providing a range of services from primary care, sub-specialty, allied health, and laboratory/diagnostic testing. The Company is focused on helping small and independent practices shift from a traditional fee-for-service ("FFS") model to value-based care ("VBC") through tools including proprietary technology, data analytics and infrastructure. In an FFS model, payors (commercial and government insurers) reimburse on an encounter-based approach. This puts a focus on the volume of patients per day. In a VBC model, the providers offer care that is aimed at keeping patients healthy and minimizing unnecessary health expenditures that are not proven to maintain the patient's well-being. This places emphasis on quality over volume. VBC will lead to improved patient outcomes, reduced cost of delivery and drive stronger financial performance from existing practices.

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