



Skylight Health Announces Strategic Investment from U.S. Institutional Healthcare Firm

TORONTO, Oct. 21, 2022 -- Skylight Health Group Inc. (TSXV:SLHG; OTCQX: SLHGF) ("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 announced a strategic commitment of USD 5 million in the form of a convertible debenture from a multi-billion dollar growth-oriented healthcare institutional investment firm in the United States. The investment is set to close in two tranches. The first tranche of USD 3.37 million has been completed as of the date of this release and the second tranche for the remaining USD 1.63 million is expected to close within 30 days.

The investment is structured in the form of a 0% interest, asset-backed convertible debenture. Each debenture shall be in the principal amount of C\$1,000. Each debenture shall be convertible into 1,111 common shares of the Company at C\$0.90 ("Common Shares"). Upon issuance of the debenture, the holder shall also receive 1,111 share purchase warrants (the "Warrants") of the Company. Each Warrant entitles the holder to purchase one Common Share (a "Warrant Share") at a price of C\$0.90 for a period of 5 years from the date of issuance of the Debentures. Skylight has the option to repay the debt at any time at their election, without penalty, regardless of the share price.

The funds will be used to support Skylight on its pathway to profitability. Over the last 2 quarters, the Company has seen and reported an improved EBITDA performance while growing its top line revenue. Additionally, it has made several announcements where it has both expanded and added new Medicare Advantage Plans which will lead to new membership expected for 2023. Skylight's Joint Venture with Centene Corp/Collaborative Health Systems will also allow its traditional Medicare patients to benefit from increased funding in the upcoming ACO Reach program in 2023.

"Skylight structured this investment to reduce dilution to shareholders while giving the Company a significant buffer to execute on its vision," said Prad Sekar, CEO and Co-Founder of Skylight Health. "We've continued to show increased revenue and decreased burn and expect to reach cash-flow-positivity in the upcoming quarters. We are excited to have a strong institutional investor who understands the long-term impact of our opportunity in the value-based care sector within US healthcare."

Northland Capital Markets acted as the sole placement agent for the financing. In connection with the financing, the Company paid a 7% cash finder's fee to Northland.

The convertible debenture and warrants are subject to final approval from the TSX Venture Exchange and all securities are subject to a standard four month plus one day hold period.

In addition, the Board of Directors of the Company has authorized, and the Company has declared, a dividend on its 9.25% Series A Cumulative Redeemable Perpetual Preferred Shares (the "Series A Preferred Shares") for the month of November 2022. The Series A Preferred Shares trade under the "SLHGP" stock ticker symbol.

In accordance with the terms of the Series A Preferred Shares, the Series A dividend will be payable in cash in the amount of \$0.1927 per share on November 21, 2022 to the shareholders of record of the Series A Preferred Stock as of the dividend record date of October 28, 2022.

About Skylight Health Group

Skylight Health Group (TSXV:SLHG; OTCQX: SLHGF) 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.

Forward Looking Statements

This press release may include predictions, estimates or other information that might be considered forward-looking within the meaning of applicable securities laws. While these forward-looking statements represent our current judgments, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this release. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. When used herein, words such as "look forward," "believe," "continue," "building," or variations of such words and similar expressions are intended to identify forward-looking statements. Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are often discussed in filings we make with the Canadian securities regulators, and Canadian Securities Administrators, available at www.sedar.com, and on our website, at skylighthealthgroup.com.

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