



## **ONEnergy Signs Letter of Intent with Suske Capital for a Transaction Involving a Minimum of \$200 Million of Seniors Retirement Residences**

**TORONTO**, April 26, 2018 - ONEnergy Inc. ("ONEnergy" or the "Company") (TSXV: OEG) is pleased to announce that it has entered into a letter of intent with Suske Capital Inc. ("Suske Capital"), on behalf of certain Suske Capital subsidiaries and other entities (collectively, the "Suske Parties"), that outlines the basic terms and conditions of a proposed reorganization of ONEnergy and a subsequent business combination (the "Transaction") with the Suske Parties.

ONEnergy will complete a reorganization by transferring, to a newly incorporated subsidiary ("Newco"), the expected settlement benefit of the litigation against its former chief executive officer (the "Litigation") as well as certain payables in exchange for common shares in Newco, which ONEnergy would distribute to the shareholders of ONEnergy as a return of capital, dividend or a combination thereof. It is anticipated that the ONEnergy shareholders will receive 7,000,000 Newco shares and a contingent value right ("CVR") for each Newco Share so received such that, for no additional consideration, the CVRs would convert into such number of Newco Shares valued at \$0.20 per share as is equal to the actual cash value realized from the Litigation in excess of \$1,400,000 (resulting in the CVRs converting into a maximum of approximately 16,975,507 Newco Shares). If the Litigation does not result in more than \$1,400,000 in cash prior to the expiry of the CVRs, the CVRs will not convert into any Newco shares. If the Litigation payout exceeds \$5,150,000 in cash, Newco and ONEnergy will share in any such incremental proceeds on an equal cash basis. Following the Transaction, Newco will reserve an amount of cash equal to any dividends declared by the Newco board which will be paid on the Newco shares underlying the CVRs if and when they convert into Newco shares. The options and deferred shares of ONEnergy will be converted into options and deferred shares of Newco. The CVRs will expire thirty (30) months following the closing of the Transaction.

As part of the Transaction, the Suske Parties will contribute a minimum of \$200 million in operating senior residence assets to the Transaction that will have an implied equity value of approximately \$70 million in exchange for 350,000,000 Newco shares at a deemed price of \$0.20 per Newco share. Newco and the Suske Parties will complete a business combination which will result in the Suske Parties becoming wholly-owned subsidiaries of Newco. In conjunction with the Transaction, the board of Newco will be nominated by Suske Capital.

Newco, as the resulting issuer, will be named "Family Retirement Residences Inc." ("Family") or such other name as may be determined by Suske Capital. The Transaction will allow for the efficient combination of the Suske Parties with Newco such that Newco obtains the same reporting issuer status as ONEnergy with the possible contingent benefit of the Litigation. Suske Capital and/or Family intends to raise additional equity funding for the Transaction in advance but this funding is not a condition of completing the Transaction. The acceptance of this letter of intent will be followed by negotiations between ONEnergy and Suske Capital, on behalf of the Suske Parties, that are expected to result in a definitive agreement ("Definitive Agreement"), which will set forth the detailed terms and conditions of the Transaction as are customary for transactions of this nature.

The final structure of the Transaction will be subject to the receipt of tax, corporate and securities law advice. Completion of the Transaction would result in a reverse takeover and change of business of the Company under the policies of the TSX Venture Exchange (the "Exchange"). A listing application will be filed in advance of the finalization of the Transaction with the Exchange to approve the listing and the posting of Newco shares upon the closing of the Transaction. ONEnergy will be delisted from the Exchange but will remain a reporting issuer.

As required under the policies of the Exchange, the Transaction will be subject to the approval of the Company's shareholders and the Exchange. ONEnergy is completing a management information circular for a special meeting of shareholders ("Shareholders' Meeting") to consider the Transaction. The Shareholders' Meeting is expected to be held in Q3. Trading in the common shares of ONEnergy will be halted until the completion of the Transaction.

## About ONEnergy

ONEnergy is an energy management firm serving commercial, industrial, multi-residential and residential clients via its ONEnergy™ and Sunwave™-branded energy and energy-efficiency businesses. ONEnergy specializes in helping customers use energy more wisely by minimizing their energy consumption and then cost-effectively managing the balance. ONEnergy serves customers in both Canada and the United States, with offices in Toronto and Stamford, CT. ONEnergy common shares are listed on the TSX Venture Exchange under the symbol "OEG". Material information about ONEnergy can be found on SEDAR under the Company's issuer profile at [www.sedar.com](http://www.sedar.com). ONEnergy's corporate website may be found at [www.onenergyinc.com](http://www.onenergyinc.com) and you can learn more about Sunwave's offerings at [www.gosunwave.com](http://www.gosunwave.com)

## About Suske Capital

Suske Capital is a Canadian boutique private equity firm that invests in real estate, healthcare, emerging technology, alternative energy and financial services sectors. Suske Capital holds equity interests in a number of real estate development projects of seniors retirement properties and memory care residences in Canada and the United States. Suske Capital was founded in 1986 by Steve Suske, a proven entrepreneur with over 40 years of professional experience in developing, operating and managing public and private businesses. Steve Suske was the founder and former CEO of Chartwell Retirement Residences (TSX: CSH.UN), Canada's largest seniors housing operator with a current market capitalization of approximately \$3.2 billion, as well as the founder of Regal Lifestyle Communities Inc. which was privatized by Revera Inc. and Welltower Inc. (formerly Health Care REIT, Inc.) on October 26, 2015. More information is available at [www.suskecapital.com](http://www.suskecapital.com).

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*Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release. Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## Notice on forward-looking statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. The words "expect", "believe", "anticipate", "will", "contemplate", "intend", "estimate", "forecast", "budget" and similar expressions identify forward-looking statements. Forward-

looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements regarding the Transaction, the potential financing, the business and operations of the Company and their anticipated divestiture, Suske and information regarding the management, business and operations of Newco. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals for the Transaction; the divestiture of the ONEnergy business; ONEnergy or Suske management's ability to manage and to operate their respective businesses, and the equity markets generally; those additional risks set out in the Company's public documents filed on SEDAR at [www.sedar.com](http://www.sedar.com); and other matters discussed in this news release. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

(Not for dissemination in the United States of America or United States newswires)

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or under any state securities laws, and may not be offered or sold, directly or indirectly, or delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or a solicitation to buy such securities in the United States.