



## **ONENERGY INC. REPORTS FY 2016 RESULTS**

### **ANNOUNCES SALE OF ITS HOME COMFORT BUSINESS**

#### **Annual Revenues Increase 57% to \$36 million**

**TORONTO, CANADA (March 14, 2017)** – ONEnergy Inc. (“ONEnergy” or the “Company”) (TSXV: OEG), a dynamic energy management firm serving commercial, industrial, multi-residential and residential customers in Canada and the U.S. via its ONEnergy™ and Sunwave™-branded energy and energy-efficiency businesses today announced its financial results as at and for the three and twelve-month periods ended December 31, 2016. All amounts are in Canadian dollars unless otherwise noted.

For the three-month period ended December 31, 2016, revenues from continuing operations increased by 70 percent to \$10.0 million versus \$5.9 million during the corresponding period in 2015. Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) loss, and net loss showed significant improvement at \$1.2 million and \$1.3 million, respectively, compared to Adjusted EBITDA loss and net loss of \$0.7 million and \$2.7 million during Q4 2015.

For the twelve-month period ended December 31, 2016, revenues from continuing operations increased by 57 percent to \$36.3 million compared to \$23.1 million during the same period in 2015. Adjusted EBITDA loss and net income for the twelve-month period amounted to \$4.3 million and \$2.8 million, respectively compared to losses of \$3.4 million and \$5.1 million during the same period in 2015. The improvement to the Company’s financial performance is due to a combination of strong revenue growth, operating leverage and legal settlement (described below).

The results for the twelve month period ended December 31, 2016 includes the settlement reached with certain defendants to Company’s litigation with certain former officers, directors, consultants and legal advisors of ONEnergy, formerly Look Communications Inc. (“Look”), by which the Company recovered a total of \$7.175 million (the “Settlement”).

The Settlement did not include Look’s former CEO Gerald McGoey and his personal service company Jolian Investments Limited (collectively the “McGoey Defendants”). As a condition of the Settlement, the claim against the McGoey Defendants will be limited to their proportionate and several liability for up to a maximum of approximately \$5.6 million (being the amounts they received from Look) plus the McGoey Defendants’ proportionate and several shares of amounts paid by Look as advances to law firms for the payment of legal fees and expenses. A trial is scheduled to begin April 10, 2017.

Cash and restricted cash as at December 31, 2016 totaled \$6.0 million.

“Our U.S. business gained momentum as our Gas & Power business entered the Ohio market during Q2 2016 while continuing to add net new customer additions in its existing

U.S. markets,” said Stephen J.J. Letwin, Chairman of ONEnergy. “Our Energy Efficiency order book entered 2017 with confirmed orders from a large consumer products company to upgrade five (5) operating facilities to high-efficiency lighting. We expect to receive further orders in 2017 from this customer as they anticipate upgrading most of their Canadian facilities.”

ONEnergy had designated its Home Comfort business as of December 31, 2015 as being held for sale and as a discontinued operation within the financial statements. With the Company’s success in U.S. energy retailing and Energy Efficiency’s focus on the commercial customer market segment, Home Comfort was determined to be non-core to these other business lines.

On March 9, 2017, the Company entered into a non-binding letter of intent with Cricket Energy Holdings Inc. (“Cricket”) to sell the rental equipment assets of Home Comfort for approximately \$8.3 million and the assumption of Home Comfort’s debt with respect to the related rental equipment assets (“Sale”). The purchase price will be satisfied through cash and a promissory note. In addition, the Company will provide a promissory note to Cricket to satisfy advances Cricket has made to the Company. The Company expects that it will enter into a definitive agreement with Cricket during Q2 2017. The Sale will be subject to the approval of the Company’s shareholders and the TSX Venture Exchange (the “Exchange”). One of Cricket’s significant shareholders is the controlling shareholder of Ozz Electric Inc. (“OZZ”) and is also a shareholder of the Company. OZZ is a party to a Transaction (discussed below) with the Company.

In December 2016 the Ontario Ministry of Government and Consumer Services laid 16 charges against Home Comfort and two of its current directors, and 2 charges against a current employee, alleging breaches of the Consumer Protection Act, 2002 (Ontario) for unfair practices by making misrepresentations, failing to refund payments within the prescribed time and failing to provide all required information to certain of its consumers. All of the offences are alleged to have occurred during the period between September 2014 and April 2015 and relate to the sale of heating, ventilation and air conditioner products to consumers at their homes. Home Comfort no longer utilizes the door to door business model. Each of the charges against Home Comfort carries a maximum fine of \$250,000, and the maximum fine to which the directors and employee are subject is \$50,000 per count. Home Comfort is currently reviewing the allegations and at this time is unable to reasonably evaluate the extent of its potential financial exposure, if any. Please refer to Note 22 - Contingencies in the 2016 Audited Consolidated Financial Statements for further details. No date has been set for the trial of any of the charges.

The Company continues to perform due diligence and negotiate a definitive agreement (the “Definitive Agreement”) which will set forth the detailed terms of its transaction (the “Transaction”) (previously announced on December 21, 2016 and updated on January 20, 2017 and on February 17, 2017) to acquire all the outstanding shares of OZZ, and containing the terms and conditions set out in the letter of intent and such other terms and conditions as are customary for transactions of the nature and magnitude of the Transaction. Completion of the Transaction would result in a reverse takeover and change of business of the Company under the policies of the Exchange. The Company will provide a further update on the Transaction in due course.

**About ONEnergy Inc.**

ONEnergy is a dynamic 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. We provide a variety of products and services including energy-efficient heating, cooling and air-conditioning equipment, standalone and solar PV-integrated energy storage systems, complete turnkey high efficiency lighting for retrofits and new construction, energy management software and monitoring, supply of conventional and "green" electricity for homes and businesses, commercial solar PV installations, energy audits and more to help our customers conserve, simplify and effectively manage their energy usage and costs.

ONEnergy serves customers in both Canada and the United States, with offices in Toronto and Stamford, CT. ONEnergy common shares are listed on the 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).

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