



ONENERGY INC. REPORTS STRONG FY 2014 RESULTS

Revenue grows to \$9.3 million as expansion into new markets and services delivers results

TORONTO, CANADA (March 31, 2015) – ONEnergy Inc. ("ONEnergy" or the "Corporation") (TSXV: OEG and OEG.A), a fast-growing, dynamic energy management firm serving commercial, industrial, multi-residential and residential customers in Canada and the U.S. via its Sunwave™-branded energy and energy-efficiency businesses, has released its operating and financial results for the year ended December 31, 2014. All amounts are in Canadian dollars unless otherwise noted.

"2014 was a year of tremendous growth for ONEnergy," said Mark Lewis, Chief Executive Officer of ONEnergy. "In addition to strong organic growth, we completed two important acquisitions that expanded our product and service offerings into the home services and energy efficiency spaces. Our Gas & Power business successfully launched electric supply service into three U.S. states. The actions and resulting growth during 2014 reflects the tangible results of execution against our stated strategy of building and growing a comprehensive energy services company."

Financial highlights

ONEnergy generated revenue of \$9.3 million in 2014, compared to \$0.6 million in fiscal 2013. U.S. operations contributed approximately 40% of 2014 revenue. Gas & Power contributed 75% of 2014 revenues, while Home Comfort contributed the balance. Energy Efficiency began to contribute to revenues in Q4 2014.

Operating expenses, including customer acquisition costs of \$2.5 million, were \$10.9 million. Included in this total are continuing litigation-related costs (see "Other Matters"). Net loss in 2014 was \$10.0 million or \$0.05 per share.

Cash, cash equivalents and restricted cash as at December 31, 2014 totaled \$10.1 million.

As previously reported, the Corporation completed a change-of-business transaction in July 2013 by acquiring Sunwave Gas & Power Inc. ("Gas & Power"). In addition, the Corporation completed the acquisitions of The Home Comfort Group Inc. ("Home Comfort") in April 2014 and certain assets of AVACOS Clean Energy in November 2014. The financial and operating highlights in 2014 reflect Gas & Power and Home Comfort operations. Gas & Power represented the sole business activity of the Corporation in the comparative period in fiscal 2013.

Operating highlights

In 2014, ONEnergy has achieved several key strategic milestones including:

- *Gas & Power* – Gas & Power experienced strong growth in 2014 as a result of its expansion into the retail electric energy markets in Connecticut, Pennsylvania and Massachusetts. Due to a variety of factors, including unacceptably high customer acquisition costs, Gas & Power ceased offering products in the Ontario residential retail energy market in September 2014. In 2014, our rapidly growing U.S. customer base contributed \$3.6 million or 40% of ONEnergy's revenue, and this growth in U.S. revenues is expected to continue into 2015.
- *Home Comfort* – The acquisition of The Home Comfort Group Inc. brought a solid residential customer base of over 5,000 customers in Canada, providing the Corporation with long-lived, stable, annuity-type cash flows. From this base, Home Comfort has continued to expand by bringing these products and services to additional channels including commercial and industrial customers. Leveraging Gas & Power's expansion into the U.S., Home Comfort is executing a strategy of bringing additional products and services to our established U.S. customer base who are already familiar with the Sunwave brand.
- *Energy Efficiency* - During the second quarter, the Corporation launched a commercial energy efficiency business, which today is a provider of a variety of energy efficiency products and services in Canada and the U.S. including high efficiency LED lighting retrofits, building envelope upgrades and commercial solar photovoltaic installations. In November 2014, ONEnergy acquired certain assets of AVACOS Clean Energy to drive additional growth in the energy efficiency market. The Corporation believes that energy efficiency expertise is a critical part of our relationship with many of our customers and strong growth is planned in this segment in 2015.

Other matters

The board of directors and management team of ONEnergy continue to vigorously pursue claims against certain of the Corporation's former directors and officers in connection with the payment of approximately \$15.7-million of "restructuring awards," paid to the directors and officers from the net proceeds of approximately \$64-million realized by the Corporation on the sale of its spectrum license in 2009.

As part of ongoing efforts to resolve this litigation, all parties involved in this litigation participated in a mediation process on July 30 and 31, 2014, which was led by the Honorable George Adams Q.C. as mediator. The mediation did not result in a settlement offer acceptable to the Corporation though discussions continue. A pre-trial took place on October 1, 2014. The court set a schedule for the parties to complete preparation for trial by the end of December 2014. On February 2, 2015 the Court scheduled the action for a 6 week trial beginning November 9, 2015

In March 2015, the Corporation granted options (the "Options") to purchase up to 300,000 subordinate voting shares of ONEnergy to employees. The Options vest over a five year period, are exercisable at a price of \$0.06 per share, and expire in March

2025. The grant of Options represents a component of employee compensation and the grant is governed by the provisions of the Corporation's Stock Option Plan.

About ONEnergy Inc.

ONEnergy is a fast-growing, dynamic energy management firm serving commercial, industrial, multi-residential and residential clients via its Sunwave™-branded energy and energy-efficiency businesses. Sunwave 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 sales and rental of energy-efficient furnaces, boilers and air conditioners, complete turnkey LED lighting retrofits (including financing), supply of conventional and "green" electricity for homes and businesses, commercial solar PV installations, home protection plans, building envelope upgrades, energy audits and more to help our customers conserve, simplify and effectively manage their energy costs.

Sunwave serves customers in both Canada and the United States, with offices in Toronto, Ottawa, and Norwalk, CT.

ONEnergy shares are listed on the TSX Venture Exchange under the symbols "OEG" for Multiple Voting Shares and "OEG.A" for Subordinate Voting Shares. ONEnergy's website may be found at www.onenergyinc.com.

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