



ONENERGY INC. REPORTS FY 2018 RESULTS and PROVIDES CORPORATE UPDATE

TORONTO, CANADA (DECEMBER 1, 2020) – ONEnergy Inc. ("ONEnergy" or the "Company") (TSXV: OEG), today announced that it has filed its financial results for the year ended December 31, 2018 and provides a general corporate update.

Financial results

For the three-month period ended December 31, 2018, revenue from continuing operations was \$2,000 versus \$0.3 million during the same period in 2017. Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") loss, and total comprehensive loss for the three-month period were \$0.1 million and \$3.5 million, respectively, compared to Adjusted EBITDA loss and total comprehensive loss of \$0.3 million and \$1.8 million during same period in 2017.

For the twelve-month period ended December 31, 2018, revenue from continuing operations decreased to \$0.2 million compared to \$2.0 million during the same period in 2017. Adjusted EBITDA loss and total comprehensive loss for the twelve-month period amounted to \$0.9 million and \$7.6 million, respectively compared to Adjusted EBITDA loss of \$3.5 million and total comprehensive loss of \$8.1 million during the same period in 2017.

For further information on the financial results of the Company, please review the Company's audited consolidated financial statements and, management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2018 and 2017, available under the Company's profile on www.sedar.com

Cease trade order

The Company previously reported that on May 6, 2019 the Ontario Securities Commission issued a cease trade order (the "Cease Trade Order") against the Company pursuant to National Policy 11-207 – *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* and its securities have been halted from trading on the TSX Venture Exchange (the "Exchange"). The Company disclosed on May 1, 2019 that its audited financial statements, CEO and CFO certifications, and management discussion and analysis (collectively, the "Annual Filings") for the year ended December 31, 2018 were not completed by the deadline of April 30, 2019 and that the Company expected a cease trade order to be issued against it. The Company has not filed its Annual Filings for year ended December 31, 2019, or its interim financial statements, management's discussion and analysis, and the related officer certificates for the three-month periods ended March 31, 2019, June 30, 2019, September 30, 2019, March 31, 2020 and June 30, 2020 (collectively, the "Interim Filings").

At the time of the Cease Trade Order, the Company had insufficient capital to cover the cost of the audit. It has subsequently raised the funds to pay, among other items, the cost of the audits for its 2018 and 2019 fiscal years.

The Cease Trade Order affects all securities of the Company and will remain in effect until such time as the Company has filed all outstanding Annual Filings and Interim Filings. The Company expects to release the Interim Filings for the interim periods ended March 31, 2019, June 30, 2019 and September 30, 2019 as soon as possible. The Company is currently working diligently and expeditiously with its auditors and expects to file 2019 Annual Filings as soon as possible. The Interim Filings for 2020 interim periods will be filed shortly after the 2019 Annual Filings are filed.

McGoey Defendants settlement

The Company sought to recover cost and disgorgement orders, as well as post-judgment interest, from a former Chief Executive Officer and his consulting firm (together referred to as the "McGoey Defendants"). On December 2, 2019, a settlement agreement for a total of \$575,000 between the bankruptcy trustee and the McGoey Defendants was approved by the Ontario Superior Court of Justice. On December 17, 2019, the Company received \$490,000, after approved disbursements, as its share of proceeds. Subsequently, the Company received \$34,000, after payment of final legal expenses, and expects to receive any remaining proceeds by the end of 2021. This matter is now settled.

GaiaCann transaction

On June 25, 2019, the Company announced it entered into a letter of intent ("GaiaCann LOI") with GaiaCann Inc. ("GaiaCann") that outlined the basic terms and conditions of a proposed reorganization of ONEnergy and a subsequent business combination (the "GaiaCann Transaction") with GaiaCann. Negotiations between the Company and GaiaCann did not result in a definitive agreement and the GaiaCann LOI expired on October 15, 2019.

ONEnergy remains committed to delivering new value to shareholders of the Company and is currently evaluating opportunities and will update shareholders when the Company has completed this evaluation.

Non-convertible debt financing

During 2019, Stephen J.J. Letwin, a director and Chairman of the Board of Directors, agreed to provide loans aggregating to \$180,000. Principal of \$40,000 and accrued interest of \$18,000 were repaid in 2019. During 2020, Mr. Letwin advanced a further \$686,000 of loans to the Company. These loans are not convertible into securities of the Company, are unsecured, bear an annual interest rate at 10% or 20%, and are due on demand.

During 2019, shareholders agreed to provide loans to the Company aggregating to \$1.555 million. Principal of \$150,000 and accrued interest of \$11,000 were repaid in 2019. During 2020, an additional \$52,000 was advanced to the Company by unrelated parties. Principal of \$405,000 and accrued interest of \$141,000 were repaid in 2020. These loans are not convertible into securities of the Company, are unsecured, bear an annual interest rate at 10% and are due on demand.

About ONEnergy Inc.

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. ONEnergy's corporate website may be found at www.onenergyinc.com.

For additional information please contact:

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The corporate information contained in this release includes forward-looking statements regarding future events and the future performance of ONEnergy and its subsidiaries that involve risks and uncertainties that could cause actual results to differ materially. Assumptions used in the preparation of such information, although considered reasonable by ONEnergy at the time of preparation, may prove to be incorrect. The actual results achieved may vary from the information provided herein and the variations may be material. Consequently, there is no representation by ONEnergy that actual results achieved will be the same, in whole or in part, as those forecast. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.