

Vistra Energy and Crius Energy Trust Agree to Amend Purchase Agreement to Reflect an Improved Purchase Price for Vistra's Pending Acquisition of Crius Energy's Attractive Retail Electricity and Gas Portfolio

IRVING, Texas, Feb. 20, 2019 [/PRNewswire/](#) -- Vistra Energy (NYSE: VST) and Crius Energy Trust (TSX: KWH.UN) have entered into an amendment to their existing purchase agreement pursuant to which Vistra has agreed to increase its acquisition price for Crius Energy such that unitholders of Crius Energy will now receive C\$8.80 per trust unit, an increase of C\$1.23 per trust unit from the parties' prior agreement. The purchase price is in addition to Crius Energy's previously-declared C\$0.209 per unit distribution for the first quarter of 2019.

Vistra and Crius Energy negotiated the amendment in response to the receipt by the Crius Energy Board of Directors of an unsolicited acquisition proposal from a third party bidder dated Feb. 14, 2019 that was higher than the purchase price previously agreed by Vistra and Crius Energy. Vistra's management and Board of Directors carefully reviewed the terms of the third party acquisition proposal and determined that the Crius Energy transaction remained attractive and accretive at the new price of C\$8.80 per trust unit, or approximately US\$378 million plus the assumption of Crius Energy net debt of approximately US\$108 million.

Curt Morgan, Vistra's president and chief executive officer, stated, "Vistra's decision to increase the purchase price for the Crius Energy portfolio came after a careful evaluation of the economics of the transaction. At a purchase price of approximately 4x EV/EBITDA, this transaction is still projected to be EBITDA and free cash flow accretive and to exceed Vistra's investment threshold of 500-600 basis points above our cost of capital, while not interfering with Vistra's previously announced capital allocation and deleveraging plans."

Morgan added, "Since we first announced the transaction with Crius Energy on Feb. 7, our teams have had the opportunity to continue diligence work, which has only reinforced Vistra's confidence in the strategic and cultural fit of the two organizations, as well as our ability to achieve the synergy targets we previously announced. As a result, the Vistra management team and Board of Directors agreed it would be in the best interest of Vistra and its shareholders to pursue the Crius Energy transaction at a higher price, enabling Vistra to acquire this attractive platform while still remaining disciplined on the overall deal economics."

Brian Burden, chairman of Crius Energy's Board of Directors, commented, "After receiving an unsolicited third-party acquisition proposal reflecting a higher per-unit purchase price for Crius Energy, the Crius Energy management team and Board of Directors advised Vistra of the proposal, which led to subsequent discussions. Following these discussions, our Board unanimously approved the amendment to the purchase agreement, which reflects an increase in proceeds to Crius Energy unitholders of more than C\$1 per unit, which is higher than the unsolicited third-party acquisition proposal received by the Board. At an approximately 60 percent premium to Crius Energy's unit price as of market close on Feb. 6, 2019, we believe the proposed transaction with Vistra, as amended, is in the best interest of the Crius Energy unitholders, customers, and employees, and Crius Energy's Independent Directors and Board unanimously support the transaction."

Transaction Highlights

- Strategic acquisition accelerating Vistra's Midwest and Northeast growth strategy via Crius Energy's presence in 19 states and the District of Columbia, selling both electricity and natural gas products primarily to high value residential and small business customers
- High degree of overlap with Vistra's generation fleet; approximately 11.6 TWhs of load acquired, improving Vistra's match of its generation to load profile to approximately 45 percent
- Establishes a platform for future growth, leveraging Vistra's existing retail marketing capabilities and Crius Energy's experienced team
- Enhances integrated value proposition through collateral and transaction efficiencies, particularly via Crius Energy's largely

residential portfolio consistent with Vistra's industry-leading retail capabilities

- Complements Vistra's municipal aggregation and large commercial and industrial portfolio acquired from Dynegy in April 2018 and part of a broader organic expansion effort
- Acquisition economics exceed Vistra's investment threshold of mid-to-high teens unlevered returns; achieved only through the expertise and scale of the Vistra retail business and ownership of complementary generation assets
- Attractive premium of approximately 60 percent above Crius Energy's Feb. 6, 2019 closing price to be received by Crius Energy unitholders under the proposed transaction
- Tuck-in acquisition with no anticipated changes to Vistra's capital allocation or deleveraging plans
- Continued "focus on the customer" approach enhancing Vistra's stable earnings and cash flow in a risk-reducing manner
- Unanimous recommendation of Crius Energy's Independent Directors in favor of the transaction, with voting and support agreements representing approximately 17 percent of Crius Energy's units executed in support of the transaction

Transaction and Approvals

The definitive agreement (as amended) includes customary deal protections, including non-solicitation covenants, the right of Vistra to match any competing proposals, and the payment of a termination fee to Vistra under certain circumstances. In the amendment, in consideration for the increased purchase price, the parties agreed to increase the termination fee payable to Vistra under the agreement to C\$25.1 million from C\$10.4 million, together with a corresponding increase in the reverse termination fee payable to Crius Energy under the agreement.

In addition to the C\$8.80 per trust unit to be received by Crius Energy unitholders under the proposed transaction, Crius Energy unitholders will also continue to be entitled to receive Crius Energy's C\$0.209 per unit distribution for the first quarter of 2019 previously declared on Jan. 16, 2019, resulting in total consideration in the amount of C\$9.009 per unit. The declared distribution was amended on Feb. 15, 2019 such that (a) the distribution record date will be Mar. 26, 2019, and (b) the distribution payment date will be the earlier of June 17, 2019 and the closing date of the transaction. Under the definitive agreement, Crius Energy has agreed not to declare any further distributions prior to the closing.

The proposed transaction is subject to the approval of at least two-thirds of Crius Energy's unitholders voting at the special unitholder meeting scheduled for March 28, 2019. Unitholders of Crius Energy representing approximately 17 percent of the units, including all of the directors and senior officers of Crius Energy, previously entered into voting and support agreements with Vistra in support of the transaction (including as amended).

In addition to satisfying the closing conditions and consents customary for a transaction of this nature, the transaction is also subject to applicable regulatory approvals, including the expiration or termination of any applicable waiting period under the United States Hart-Scott-Rodino Antitrust (HSR) Improvements Act, and approval by the Federal Energy Regulatory Commission (FERC). Vistra and Crius Energy made the HSR and FERC filings on Feb. 19, 2019.

Pending the receipt of all necessary approvals and the fulfillment of all other customary closing conditions, the parties expect the transaction to close in the second quarter of 2019.

Additional Information

Vistra has posted a presentation with additional details of the transaction on the investor relations section of its website at www.vistraenergy.com.

Crius Energy will include the full details of the transaction in a management information circular describing the matters that will be considered at the special meeting of Crius Energy's unitholders, which is expected to be mailed in early March 2019. A copy of the definitive agreement has been, and a copy of the amendment will be, made available on SEDAR under Crius Energy's issuer profile

at www.sedar.com.

Crius Energy Board Recommendation

Crius Energy's Board of Directors, on the unanimous recommendation of its Independent Directors, approved the transaction and the related amendment, and will recommend that Crius Energy's unitholders vote in favor of the transaction. The Board received a fairness opinion from Guggenheim Securities LLC determining that, based upon and subject to the assumptions, limitations, and qualifications stated in the opinion, the revised per unit consideration to be received by Crius Energy's unitholders under the transaction is fair, from a financial point of view, to the unitholders.

A copy of the fairness opinion, which should be read carefully and in its entirety, and other relevant background information, will be included in the management information circular that will be mailed to Crius Energy's unitholders in connection with the special meeting.

Advisors

Guggenheim Securities LLC is serving as financial advisor to Crius Energy and Bennett Jones LLP and Baker Botts LLP are serving as legal advisors to Crius Energy.

RBC Capital Markets is serving as financial advisor to Vistra and Latham & Watkins, LLP is serving as legal advisor to Vistra.

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About Vistra Energy

Vistra Energy (NYSE: VST) is a premier, integrated power company based in Irving, Texas, combining an innovative, customer-centric approach to retail with a focus on safe, reliable, and efficient power generation. Through its retail and generation businesses which

include TXU Energy, Homefield Energy, Dynegy, and Luminant, Vistra operates in 12 states and six of the seven competitive markets in the U.S., with about 5,400 employees. Vistra's retail brands serve approximately 2.9 million residential, commercial, and industrial customers across five top retail states, and its generation fleet totals approximately 41,000 megawatts of highly efficient generation capacity, with a diverse portfolio of natural gas, nuclear, coal, solar and battery storage facilities. The company is currently developing the largest battery energy storage system of its kind in the world – a 300-MW/1,200-MWh system in Moss Landing, California.

About Crius Energy Trust

With approximately 1 million residential customer equivalents, Crius Energy provides competitive electricity and natural gas products to residential and commercial customers in 19 states and the District of Columbia in the United States. The Company sells energy products through a family of brands strategy utilizing a multi-channel sales approach including exclusive partnerships, direct-to-consumer channels, and broker marketing channels. Crius Energy offers consumers a broad suite of energy products and services including fixed and variable contracts, renewable energy, and bundled products to support their energy needs beyond what is offered by their local utility.


Cautionary Note Regarding Forward-Looking Statements

Material information pertaining to Crius Energy may be found on SEDAR under the Trust's issuer profile at www.sedar.com or on the Trust's website at www.criusenergytrust.ca.

The information presented herein includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which Vistra Energy Corp. ("Vistra Energy") and Crius Energy Trust ("Crius Energy") operate and beliefs of and assumptions made by Vistra Energy's and Crius Energy's management, involve risks and uncertainties, which are difficult to predict and are not guarantees of future performance, that could significantly affect the financial results of Vistra Energy or Crius Energy. The definitive agreement contains conditions to closing and there is no assurance that these conditions will be fulfilled prior to the outside date provided therein. All statements, other than statements of historical facts, that are presented herein, or in response to questions or otherwise, that address activities, events or developments that may occur in the future, including such matters as activities related to our financial or operational projections, projected synergy, value lever and net debt targets, capital allocation, capital expenditures, liquidity, projected Adjusted EBITDA to free cash flow conversion rate, dividend policy, business strategy, competitive strengths, goals, future acquisitions or dispositions, development or operation of power generation assets, market and industry developments and the growth of our businesses and operations (often, but not always, through the use of words or phrases, or the negative variations of those words or other comparable words of a future or forward-looking nature, including, but not limited to, "intends," "plans," "will likely," "unlikely," "believe," "expect," "seek," "anticipate," "estimate," "continue," "will," "shall," "should," "could," "may," "might," "predict," "project," "forecast," "target," "potential," "forecast," "goal," "objective," "guidance" and "outlook"), are forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. Although Vistra Energy and Crius Energy believe that in making any such forward-looking statement, Vistra Energy's and Crius Energy's expectations are based on reasonable assumptions, any such forward-looking statement involves uncertainties and risks that could cause results to differ materially from those projected in or implied by any such forward-looking statement, including but not limited to adverse changes in general economic or market conditions (including changes in interest rates) or changes in political conditions or federal or state laws and regulations and the ability of the parties to achieve all of the conditions to the closing in order to consummate the transaction (including obtaining any necessary regulatory approvals and Crius Energy unitholder approval for the transaction).

Any forward-looking statement speaks only at the date on which it is made, and except as may be required by law, neither Vistra Energy nor Crius Energy will undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible to predict all of them; nor can Vistra Energy or Crius Energy assess the impact of each such factor or the extent to which any factor, or

combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

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SOURCE Vistra Energy

<https://investor.vistracorp.com/2019-02-20-Vistra-Energy-and-Crius-Energy-Trust-Agree-to-Amend-Purchase-Agreement-to-Reflect-an-Improved-Purchase-Price-for-Vistras-Pending-Acquisition-of-Crius-Energys-Attractive-Retail-Electricity-and-Gas-Portfolio>