Ohio | Public Utilities Commission

Original CRS Case Number	Version
12 - 1894 -EL-CRS	May 2016

RENEWAL APPLICATION FOR RETAIL GENERATION PROVIDERS AND POWER MARKETERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit C-10 Corporate Structure). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may input information directly onto the form. You may also download the form, by saving it to your local disk, for later use.

A. RENEWAL INFORMATION

A-1 Applicant intends to be renewed as: (check all that apply)

☑ Retail Generation Provider ☐ Power Broker
☐ Power Marketer ☐ Aggregator

A-2 Applicant's legal name, address, telephone number, PUCO certificate number, and web site address

Legal Name **Hudson Energy Services, LLC**
Address **6345 Dixie Road, Suite 400, Mississauga, ON L5T 2E6, Canada**
PUCO Certificate # and Date Certified **Certificate 12-538E(3) - 7/23/2016**
Telephone # **(877) 483-7669** Web site address (if any) **www.hudsonenergy.net**

A-3 List name, address, telephone number and we b site address under which Applicant does business in Ohio

Legal Name **Hudson Energy Services, LLC**
Address **4753 Northfield Rd, Suite 1 & 2, North Randall, OH 44128**
Telephone # **(877) 483-7669** Web site address (if any) **www.hudsonenergy.net**

A-4 List all names under which the applicant does business in North America

Hudson Energy Services, LLC

Hudson Energy Canada Corp.

A-5 Contact person for regulatory or emergency matters

Name John Patrick Keegan
Title Manager Regulatory Affairs & Government Relatioı
Business address Ohio, Columbus
Telephone # (614) 307-7838 Fax # (866) 299-3749
E-mail address jKeegan@justenergy.com

A-6 Contact person for Commission Staff use in investigating customer complaints

Name Vanessa Anesetti-Parra
Title Senior Manager, Compliance and Regulatory Admin
Business address 6345 Dixie Road, Suite 400, Mississauga, ON L5T 2E6, Canada
Telephone # (905) 795-3574 Fax # (866) 299-3749
E-mail address vanesetti@justenergy.com

A-7 Applicant's address and toll-free number for customer service and complaints

Customer Service address P.O. Box 2210, Buffalo, New York 14240-2210
Toll-free Telephone # (866) 587-8674 Fax # (866) 299-3749
E-mail address OH customerfeedback@justenerg

A-8 Applicant's federal employer identification number # 161626267

A-9 Applicant's form of ownership (check one)

- ☐ Sole Proprietorship
- ☐ Limited Liability Partnership (LLP)
- ☐ Corporation
- ☐ Partnership
- ☑ Limited Liability Company (LLC)
- ☐ Other

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

A-10 **Exhibit A-10 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

B. MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services.

B-2 **Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

B-3 **Exhibit B-3 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

B-4 Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☑ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-4 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

B-5 Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☑ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

C. FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

C-1 **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why. (This is generally only applicable to publicly traded companies who publish annual reports.)

C-2 **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If the applicant does not have such filings, it may submit those of its parent company. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

C-3 **Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).

C-4 **Exhibit C-4 "Financial Arrangements,"** provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,).

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU's collateral requirements.

First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody's, Standard & Poor's or Fitch and provide evidence of rating from the rating agencies.

2. Have a parent company or third party that is investment grade rated by Moody's, Standard & Poor's or Fitch guarantee the financial obligations of the applicant to the LDU(s).

3. Have a parent company or third party that is not investment grade rated by Moody's, Standard & Poor's or Fitch but has substantial financial wherewithal in the opinion of the Staff reviewer to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company's financials must be included in the application if the applicant is relying on this option.

4. Posting a Letter of Credit with the LDU(s) as the beneficiary.

If the applicant is not taking title to the electricity or natural gas, enter "N/A" in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

C-5 **Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted income statements for the applicant's **ELECTRIC related business activities in the state of Ohio Only**, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.

C-6 **Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's credit rating as reported by two of the following organizations: Duff & Phelps, Fitch IBCA, Moody's Investors Service, Standard & Poor's, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or an affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant. If an applicant or its parent does not have such a credit rating, enter "N/A" in Exhibit C-6.

C-7 **Exhibit C-7 "Credit Report,"** provide a copy of the applicant's credit report from Experian, Dun and Bradstreet or a similar organization. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter "N/A" for Exhibit C-7.

C-8 **Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.

C-10 **Exhibit C-10 "Corporate Structure,"** provide a description of the applicant's corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate or subsidiary companies.

D. TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

D-1 **Exhibit D-1 "Operations"** provide a written description of the operational nature of the applicant's business. Please include whether the applicant's operations include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.

D-2 **Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations.

D-3 **Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, e-mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant's business.

D-4 **Exhibit D-4 "FERC Power Marketer License Number,"** provide a statement disclosing the applicant's FERC Power Marketer License number. (Power Marketers only)

CMW
Approved
By
Legal

- President
Signature of Applicant and Title

KHURAM VIRANI
Notary Public, State of Texas
Comm. Expires 09-07-2020
Notary ID 125766562

NOTARY PUBLIC STATE OF TEXAS

Sworn and subscribed before me this 25th **day of** MAY, 2018
Month **Year**

Signature of official administering oath

KHURAM VIRANI, NOTARY
Print Name and Title

My commission expires on 09-07-2020

AFFIDAVIT

State of Texas :

Houston ss.
(Town)

County of Harris :

Charles Brent Moore, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the President (Office of Affiant) of Hudson Energy Services, LLC. (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.

2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.

3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.

4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.

5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.

6. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.

7. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.

8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.

9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.

10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

C. Burke - President

Signature of Affiant & Title

Sworn and subscribed before me this 25th day of MAY, 2018
Month Year

Signature of official administering oath

Khuram Virani, Notary

Print Name and Title

My commission expires on 09-07-2020

KHURAM VIRANI
Notary Public, State of Texas
Comm. Expires 09-07-2020
Notary ID 125766562

imw

Approved By Legal

Exhibit A-10 "Principal Officers, Directors and Partners"

Directors	Name of Officer	Position	
Patrick McCullough	Patrick McCullough	Chief Executive Officer	Suite 1000 – 5251 Westheimer Road, Houston, Texas, U.S. 77056
James Brown	James Brown	Chief Financial Officer	Suite 1000 – 5251 Westheimer Road, Houston, Texas, U.S. 77056
	Charles Brent Moore	President and Senior VP Commercial Ops	Suite 1000 – 5251 Westheimer Road, Houston, Texas, U.S. 77056
	Morgan Smith	Chief Sales Officer	Suite 1000 – 5251 Westheimer Road, Houston, Texas, U.S. 77056
	Jonah Davids	EVP, General Counsel and Corporate Secretary	Suite 400 – 6345 Dixie Road Mississauga, Ontario, Canada L5T 2E6
	Krishnan Kasiviswanathan	Chief Commercial Officer	Suite 1000 – 5251 Westheimer Road, Houston, Texas, U.S. 77056
	Rick Bluntzer	SVP, Global Regulatory Affairs	Suite 1000 – 5251 Westheimer Road, Houston, Texas, U.S. 77056
	Lu Zhang	SVP Finance, Tax and Treasury	Suite 400 – 6345 Dixie Road Mississauga, Ontario, Canada L5T 2E6
	Rad Brannan	VP, Business Information Systems	Suite 1000 – 5251 Westheimer Road, Houston, Texas, U.S. 77056
	Chris Crear	VP, Sales	Suite 1000 – 5251 Westheimer Road, Houston, Texas, U.S. 77056

Exhibit B-1 "Jurisdictions of Operation"

Affiliate	Province/State	License Type	License Order/Docket #
Hudson Energy Canada Corp.	Alberta	Electric	331458
Hudson Energy Canada Corp.	Alberta	Gas	331459
Just Energy Alberta L.P.	Alberta	Gas	325637
Just Energy Alberta L.P.	Alberta	Electricity	325638
Just Energy Alberta L.P.	Alberta	Direct Seller	345191
Just Energy (B.C.) Limited Partnership	British Columbia	Gas	A-10-16
Just Energy Solutions Inc.	California	Electric	1092
Just Energy Solutions Inc.	California	Gas	CTA0010
Hudson Energy Services, LLC	Connecticut	Gas	12-04
Just Energy Solutions Inc.	Delaware	Electric	Order No. 7330
Just Energy Solutions Inc.	Georgia	Gas	GM-30
Interactive Energy Group LLC	Illinois	Electric (Broker)	Docket 17-0390
Just Energy Illinois Corp.	Illinois	Gas	Docket 03-0720
Just Energy Solutions Inc.	Illinois	Electric	Docket 06-0723
Just Energy Solutions Inc.	Illinois	Gas	Docket 07-0501
Hudson Energy Services, LLC	Illinois	Electric	Docket 07-0455
Just Energy Indiana Corp.	Indiana	Gas	No license requirement
Interactive Energy Group LLC	Maine	Electricity	Docket 2017-00298
Just Energy Manitoba L.P.	Manitoba	Gas	627
Just Energy Solutions Inc.	Maryland	Electric	IR-639
Just Energy Solutions Inc.	Maryland	Gas	IR-737
Hudson Energy Services, LLC	Maryland	Electric	IR-1114
Hudson Energy Services, LLC	Maryland	Gas	IR-1120
Interactive Energy Group LLC	Massachusetts	Electric	EB-433
Interactive Energy Group LLC	Massachusetts	Gas	RA-200
Just Energy Massachusetts Corp.	Massachusetts	Electric	CS-069
Hudson Energy Services, LLC	Massachusetts	Electric	CS-061

Affiliate	Province/State	License Type	License Order/Docket #
Hudson Energy Services, LLC	Massachusetts	Gas	GS-034
Just Energy Solutions Inc.	Michigan	Electric	U-13203
Just Energy Michigan Corp.	Michigan	Gas	U-15980
Just Energy Solutions Inc.	Nevada	Gas	G-13 Sub 1
Just Energy Solutions Inc.	New Jersey	Gas	GSL-0116
Just Energy Solutions Inc.	New Jersey	Electric	ESL-0046
Hudson Energy Services, LLC	New Jersey	Gas	GSL- 0069
Hudson Energy Services, LLC	New Jersey	Electric	ESL - 0083
Fulcrum Retail Energy New York, LLC	New York	Electric	Approved ESCO
Fulcrum Retail Energy New York, LLC	New York	Gas	Approved ESCO
Just Energy New York Corp.	New York	Electricity	Approved ESCO
Just Energy New York Corp.	New York	Gas	Approved ESCO
Just Energy Solutions Inc.	New York	Electricity	Approved ESCO
Just Energy Solutions Inc.	New York	Gas	Approved ESCO
Hudson Energy Services, LLC	New York	Gas	Approved ESCO
Hudson Energy Services, LLC	New York	Electric	Approved ESCO
Interactive Energy Group LLC	Ohio	Gas	Approved Broker Certificate 17-624G(1)
Interactive Energy Group LLC	Ohio	Electric	Approved Broker Certificate 17-1266E(1)
Just Energy Solutions Inc.	Ohio	Electric	Certificate 01-1123-EL-CRS
Just Energy Solutions Inc.	Ohio	Gas	Certificate 02-023G (7)
Hudson Energy Services, LLC	Ohio	Gas	Certificate 12-271G (3)
Hudson Energy Services, LLC	Ohio	Electric	Certificate 12-538 E (3)
Universal Energy Corporation	Ontario	Electricity	ER-2016-0332
Universal Energy Corporation	Ontario	Gas	GM-2016-0261
Just Energy Ontario L.P.	Ontario	Gas	GM-2015-0119
Just Energy Ontario L.P.	Ontario	Electricity	ER-2015-0118
Hudson Energy Canada Corp.	Ontario	Electricity	ER-2015-0125
Hudson Energy Canada Corp.	Ontario	Gas	GM-2015-0124

Affiliate	Province/State	License Type	License Order/Docket #
Just Energy New York Corp.	Ontario	Electric Wholesaler	EW-2014-0229
Just Energy Solutions Inc.	Ontario	Electric Wholesaler	EW-2016-0149
Just Energy Solutions Inc.	Pennsylvania	Electric (PECO)	A-110117
Just Energy Solutions Inc.	Pennsylvania	Gas (PECO)	A-125138
Just Energy Pennsylvania Corp.	Pennsylvania	Gas (Columbia)	A-2009-2098011
Just Energy Pennsylvania Corp.	Pennsylvania	Electric (Duquesne)	A-2009-2097544
Hudson Energy Services, LLC	Pennsylvania	Electric	A-2010-2192137
Interactive Energy Group LLC	Pennsylvania	Gas	A-2017-2634175
Interactive Energy Group LLC	Pennsylvania	Electric	A-2017-2635016
Just Energy Quebec L.P /Juste Energie Quebec S.E.C	Quebec	Gas	No license requirement
Hudson Energy Canada Corp./Energie Hudson Canada	Quebec	Gas	No license requirement
Hudson Energy Canada Corp.	Saskatchewan	Gas	No license requirement
Just Energy Prairies L.P.	Saskatchewan	Direct Seller	Direct Sellers license # 328505
Fulcrum Retail Energy, LLC	Texas	Electric	REP Certification No. 10081
Just Energy Texas L.P.	Texas	Electric	REP Certification No. 10052
Hudson Energy Services, LLC	Texas	Electric	REP Certification No. 30061
Tara Energy, LLC	Texas	Electric	REP Certification No. 10052
Just Energy Solutions Inc.	Virginia	Gas	G-30
Just Energy Solutions Inc.	Virginia	Electric	E-26

Exhibit B-2 "Experience & Plans"

Experience
Hudson Energy has been servicing customers in various markets for 14 years and offers a wide variety of solutions to its electricity customers, including fixed-price and variable-price products on both short-term and longer-term contracts. Some of these products provide customers with price-protection programs for the majority of their requirements.

Hudson Energy purchases power supply through physical or financial transactions with market counterparties as commercial customer load is contracted. The LDC provides historical customer usage which, when normalized to average weather, enables the company to purchase to expected normal customer load. Furthermore, Hudson Energy mitigates exposure to weather variations through active management of the power portfolio. The expected cost of this strategy is incorporated into the price to the customer.

Customers
Hudson Energy generally targets and serves customers with annual consumption over 15,000 kWh. These sales are made through several channels: inside commercial sales representatives, outside commercial sales representatives, third party vendors and sales through broker channel. Products offered to commercial customers can range from standard fixed offerings to "one off" offerings, which are tailored to meet the customer's specific needs. These products can be either fixed or floating rate or a blend of the two, and normally have terms of less than five years.

Plans & Services
In Ohio, Hudson Energy currently serves electricity in the following utilities with both bill ready and dual bill options:

The Illuminating Company
Ohio Edison
Toledo Edison
Dayton Power & Light
Duke Energy Ohio
Ohio Power

In the future it wishes to serve both natural gas and electricity customers in all utility service territories and have recently been licensed for NG in Duke, Dominion East & Columbia Gas. Hudson plans to provide consolidated billing in a bill ready format through each utility in Ohio. Customer account management and billing is performed through a third-party software system that is also used in other markets. Direct billing will be made available to select customers where appropriate given the applicant's business rules and permitted according to regulatory requirements and specific utility practices.

Complaint Handling
Hudson will make every effort to be the first point of contact in dealing with customer inquiries and complaints. As such Hudson currently has a two-tier system which consists of a Customer Service department and a Corporate and Consumer Relations department ("CCR").

The customer service department serves as the first point of contact for all customer related inquiries and complaints. Hudson account managers will respond to all customer service questions, complaints, billing questions, and customer account transfers as well as general customer inquiries in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code. Hudson is also equipped to record customer calls digitally in order ensure accuracy and compliance. The Corporate & Consumer

Relations department oversees and manages all escalated customer inquiries and complaints ranging from informal or formal complaint filed through regulatory bodies, utilities and/or other third-party groups. The CCR department is also committed to regularly reviewing complaint activity in order to identify trends and problem areas, review marketing and training materials on a regular basis, and work with all internal teams at Hudson Energy to ensure adherence to required guidelines and timely resolution of customer inquiries.

Hudson will adhere to *Public Utilities Commission of Ohio ("PUCO")* and *Ohio Consumers' Council ("OCC")* guidelines when handling complaints filed through their Consumer Services Division.

Key Personnel

High levels of customer satisfaction are achieved through rapid and accurate responses to customer questions that come in via telephone and/or electronic mail. Our customer service representatives are supported by strong training in our product, and the energy market as well as by a robust database system. Additionally, the CCR department is trained and kept up to date concerning local and State regulations and/or guidelines.

Exhibit B-3 "Disclosure of Liabilities and Investigations"

Hudson Energy Services LLC does not believe there are any matters that could adversely impact its financial or operational status or its ability to provide services to customers. But in the interest of full disclosure the following are particulars of penalties, fines, and voluntary payments for the applicant, its parent company and U.S. and Canadian affiliates or predecessors resulting from proceedings by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which an affiliate, a predecessor or either, has been a defendant or a respondent.

U.S. jurisdictions:

Ohio

Case No. 16-2006-GE-UNC: In the Matter of Commerce Energy, Inc dba Just Energy:
On October 11, 2016, Just Energy and the Staff of the Public Utilities Commission of Ohio entered into a joint stipulation resolving all matters identified by staff in a November Notice of Probable Non-Compliance. The resolution is still pending per the agreements outlined in the stipulation.

Case No. 1:12-CV-00758: Davina Hurt, et al. v. Commerce Energy, Inc. et al.; in the United States District Court for the Northern District of Ohio, Eastern Division.
Certified class action filed by former sales representatives claiming violations of federal and state minimum wage and overtime statutes for failure to pay. Trial on liability took place from September 29 to October 6, 2014. Jury found defendants failed to satisfy burden of demonstrating that plaintiffs qualified as outside salespeople. Defendants filed post-trial motions to disregard jury findings and sought permission to file interlocutory appeal on liability. These motions remain pending. Trial on damages is not yet scheduled. The Assurance of Discontinuance term ended December 31, 2017.

The State of Texas

Just Energy Texas LP ("Just Energy") - Public Utility Commission of Texas ("PUCT")

On May 16, 2014, the PUCT approved a settlement between Just Energy and PUCT staff. Prior the settlement, PUCT staff alleged several areas of non-compliance with enrollment and verification processes, complaint handling, customer switching, billing and disconnection. The allegations were based on a complaint-based audit of approximately 25 informal complaints that were partially a result of a major transition to a new billing system platform for all Just Energy customers in Texas. In the settlement, Just Energy agreed to pay an administrative penalty of $164,000.

Massachusetts

Just Energy Massachusetts Corp. – Assurance of Discontinuance with Massachusetts Attorney General

On December 31, 2014, Just Energy Massachusetts Corp. and certain related affiliates (collectively "Just Energy") entered into an Assurance of Discontinuance with the Massachusetts Attorney General. Allegations included: failing to disclose complete and accurate pricing information to its customers, promising savings, inducing elderly and non-native English-speaking consumers to enter a contract, slamming, and charging high termination fees to small business owners. Just Energy is required to pay a total of $4 million, including $3.8 million to an independent trust fund for purposes of making restitution to the Commonwealth of Massachusetts. Just Energy also agreed to waive all early termination fees for all residential customers on variable rate contracts, except those that are on introductory rates at the time of early termination. Just Energy is required to no longer make false representations in its marketing materials claiming that consumers will save money on electricity bills as a result of switching to its services. Just Energy has also agreed not to enroll low-income customers unless it guarantees savings to those customers, and will engage an independent monitor to ensure compliance and appropriate door-to-door sales operations in Massachusetts. The Assurance of Discontinuance term ended December 31, 2017.

Canadian Jurisdictions

Just Energy Ontario L.P. ("Just Energy") - Ontario Energy Board, EB-2013-0392 I EB-2013-0393

In April 2014, Just Energy agreed to pay $450,000 under an Assurance of Voluntary Compliance ("AVC") accepted by the Ontario Energy Board. During a review, it was discovered that there was a system calculating error that resulted in inaccuracies in approximately 1% of letters delivered to customers between January 2011 and October 2012 in Ontario. Just Energy voluntarily agreed to pay a penalty to the OEB for this inadvertent system error that occurred during a system upgrade. Customers directly affected have been contacted and reimbursed as necessary.

Just Energy Ontario L.P. ("Just Energy") – Ontario Energy Board ("Board"), EB-2012-0443

On January 2, 2013 Just Energy entered into an Assurance of Voluntary Compliance and paid a $80,000 administrative penalty. The assurance pertained to two independent contractors who engaged in conduct which breached the Energy Consumer Protection Act, Regulation 389/10 and the Electricity Retailer Code of Conduct. The breaches related to providing false or misleading statements, not immediately stating the name and retailer represented, failing to prominently display a valid identification badge and failing to offer a business card. Both independent contractors were terminated. This matter has been closed.

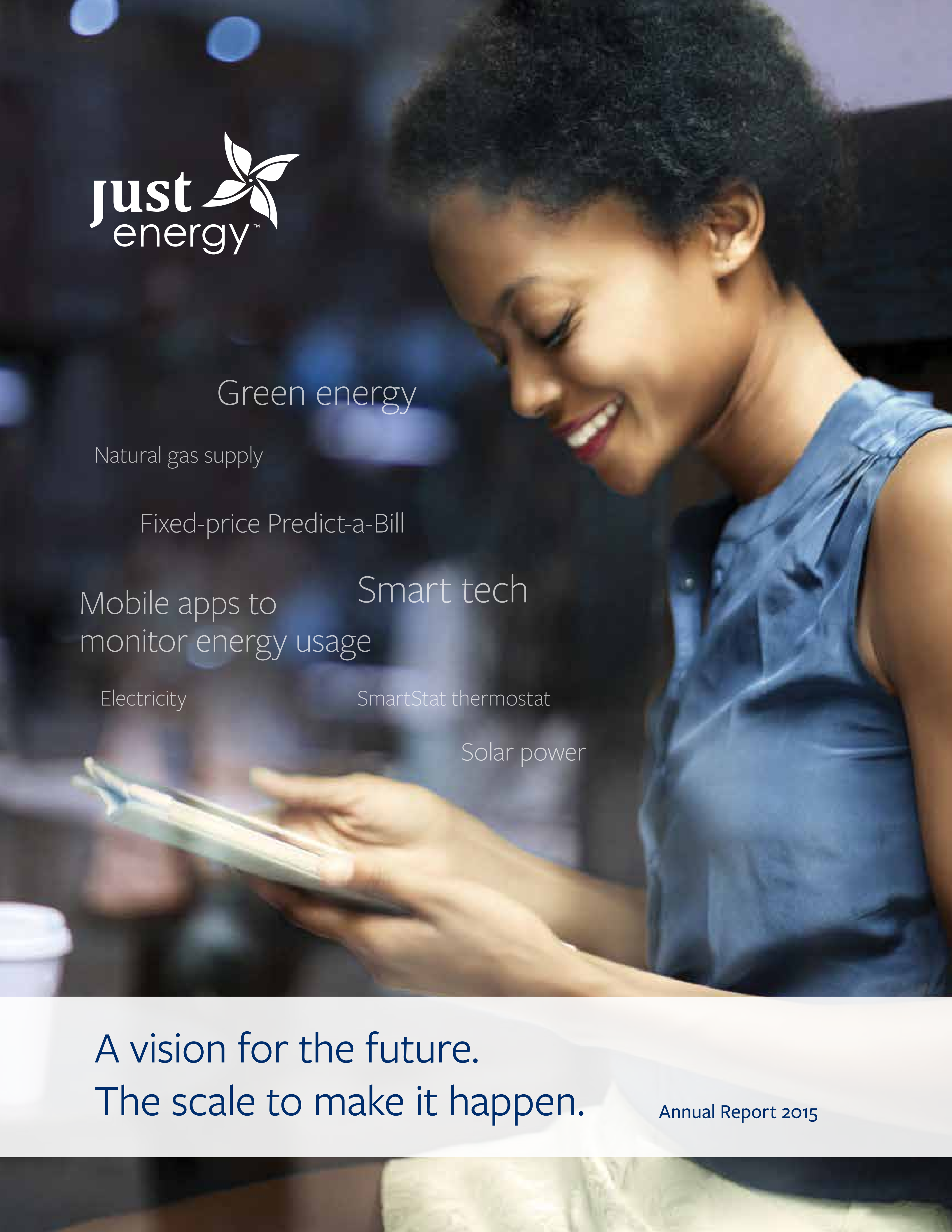
Exhibit C-1 "Annual Reports"

Attached are Just Energy's two most recent Annual Reports filed with the Canadian Securities and Exchange Commission. Financial data is maintained on a consolidated company basis and therefore cannot be produced to reflect Hudson Energy Services, LLC business only.

Just Energy's Annual Report can be found in electronic format on their investor relations website at:
http://justenergygroup.com/FinancialReports/QuarterlyAnnualReports.aspx

All of Just Energy's financial reports and public disclosures can be found at:
http://justenergygroup.com/

just energy



Green energy

Natural gas supply

Fixed-price Predict-a-Bill

Mobile apps to monitor energy usage

Smart tech

Electricity

SmartStat thermostat

Solar power

A vision for the future. The scale to make it happen.

Annual Report 2015

Your energy management solutions provider.

In 1997, Just Energy introduced a model for buying energy that gave Canadian consumers more choice and more control. We offered solutions that people were looking for. Today with 4.7 million residential customer equivalents ("RCEs") in Canada, the United States and the United Kingdom, that's truer than ever.

Our vision is to set the gold standard in retail energy, delivering stability, value and innovation in every stakeholder relationship. *Our scale* gives us the reach and resources to make it happen, enabling us to pursue further growth while offering fresh approaches for buying and using energy in a way that is better for everyone.

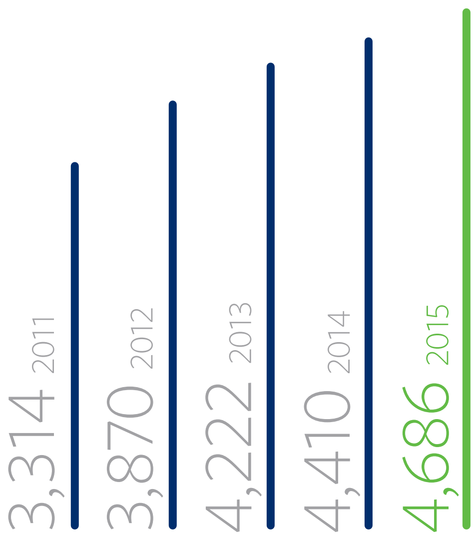
2015 Highlights

Reduced net debt by 27% to $676.5 million through disposition of non-strategic assets

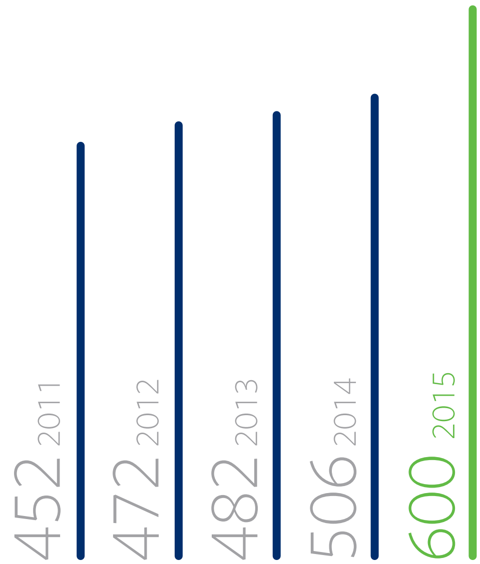
Increased Base EBITDA by 8% in fiscal 2015 to $180.4 million

Net customer additions of 276,000 marked the 18th consecutive year of net additions

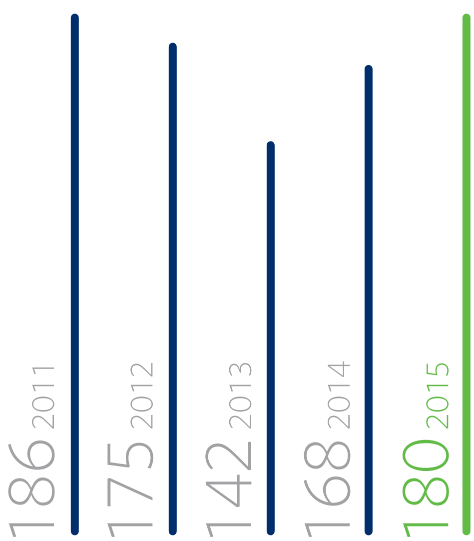
Total RCEs (thousands)



Gross Margin (C$ millions)



Base EBITDA (C$ millions)



Embedded Gross Margin (C$ millions)

Established in 1997, Just Energy (NYSE:JE, TSX:JE) is an energy management solutions provider specializing in electricity, natural gas, solar and green energy. With offices located across the United States, Canada and the United Kingdom, Just Energy serves close to two million residential and commercial customers. The Company offers a wide range of energy products and home energy management services including long-term fixed-price, variable-price and flat-bill programs, smart thermostats, and residential solar panel installations. Just Energy Group Inc. is the parent company of Amigo Energy, Commerce Energy, Green Star Energy, Hudson Energy, Tara Energy and TerraPass. Just Energy measures its energy customer base in residential customer equivalents (“RCEs”) based on the average natural gas or electricity consumption of a normal home.

Just Energy is a leading provider of energy management solutions, offering natural gas, electricity, solar energy, green energy and energy efficiency tools and products to customers in North America and the United Kingdom.

Division	Description	Products	Gross Margin ($ and %)
Consumer	• Targets residential and small commercial customers • Operates in the U.S., Canada and the U.K.	• Fixed price • Flat bill • Variable price • JustGreen • Solar • Smart thermostats	• 1,985,000 RCEs • $450,230,000 • 75%
Commercial	• Targets mid-size commercial customers (15 RCEs or more) • Operates in the U.S., Canada and the U.K.	• Fixed price • Variable price • JustGreen	• 2,701,000 RCEs • $149,839,000 • 25%

Just Energy measures its energy customer base in residential customer equivalents ("RCEs") based on the average natural gas or electricity consumption of a normal home.

Market Position

Steadily **gaining market share** in a fast-growing industry

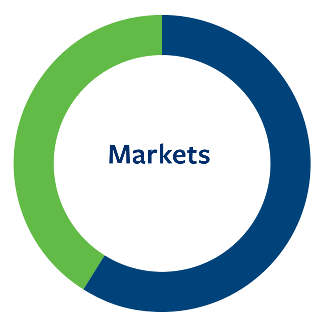
Active in 19 deregulated utility commodity **markets** in North America

4th largest North American **residential retailer***

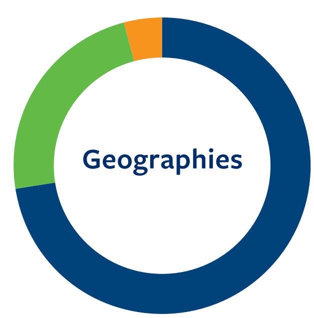
9th largest commercial retailer **in the U.S.***

*DNV GL Retail Energy Market report, September 2014

2015 Business Mix

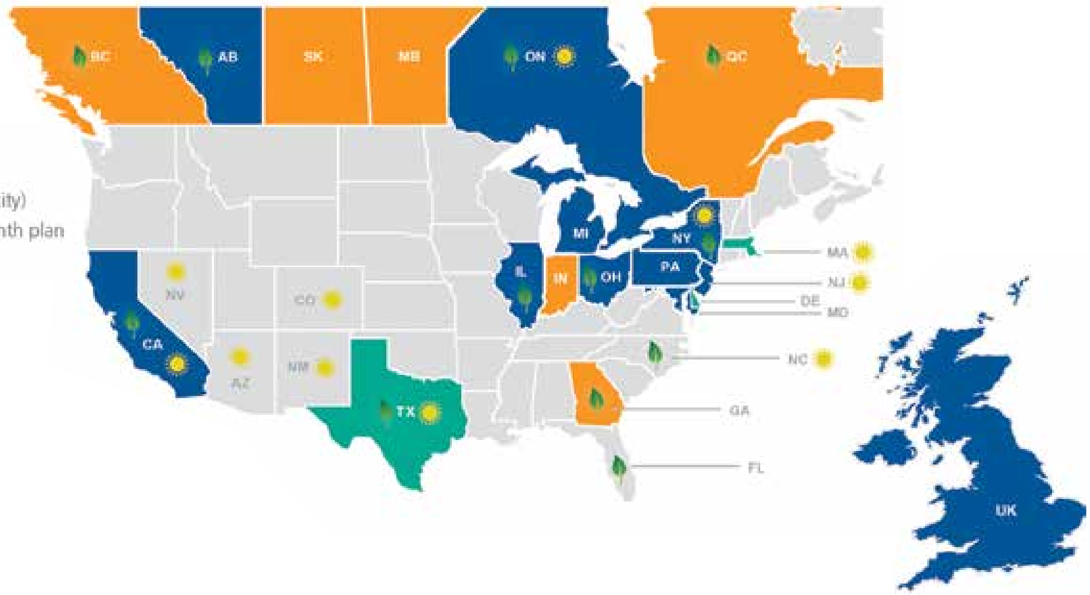


Commercial	58%
Consumer	42%



U.S.	72%
Canada	24%
U.K.	4%

Just Energy Group Markets



Our Brands

Just Energy
Hudson Energy
JE SOLAR
GreenSTAR energy
commerce energy
amigo energy
Tara Energy
terrapass

Corporate Social Responsibility

We have a strong commitment to promoting the health and well-being of people living in the markets we serve. Just Energy Foundation, our main vehicle for community giving, supports Canadian and U.S. hospitals, health organizations, food programs, children's programs and other charitable organizations that work to help our communities' most vulnerable residents.

Among its many initiatives, Just Energy Foundation teamed up with MLSE Foundation in fiscal 2015 to launch the Community Action Grants program, in which each MLSE sport (hockey, basketball and soccer) will award three grants totalling $150,000 to charities that give disadvantaged youth the opportunity to play that sport. We also launched the Goodwill Ambassador Program, giving every Just Energy employee one day off during the year to volunteer at the charity of his or her choice.

Just Energy Foundation

GAP Goodwill Ambassador Program

Delivering on Promises

Rebecca MacDonald
Executive Chair, Just Energy

Dear fellow shareholders,

I am pleased to report our results for the year ended March 31, 2015. This was a year of success on a number of fronts. When Deb Merril and James Lewis stepped into the Co-CEO roles just over one year ago, the Polar Vortex had just flipped the retail energy markets on their head, leading to financial losses and even bankruptcy among many smaller players. Additionally, we entered the fiscal year with a balance sheet that was strained by debt and a dividend payout ratio in excess of 100%. These challenges were met head-on by the new leadership and quickly turned into opportunities.

The new leadership came with a plan to address certain business and financial priorities. Customer and margin growth are hallmarks of the Just Energy business model and, at times, making the necessary investments to sustain the targeted customer and margin growth comes at the sacrifice of near-term EBITDA. This was the case in recent times; however, the expansion investments are effectively complete and the Company must now show that it can maintain its customer growth and increase operating profit off the new customer base.

In fiscal 2015, we began to demonstrate we can in fact sustain this profitable growth. In order to achieve our targeted growth, new marketing channels were needed to augment traditional door-to-door sales. Our commercial broker channel stepped to the forefront, adding 50% of new customers in fiscal 2015. Our profitable residential channel also evolved with online, telemarketing and other non-door-to-door sales teams adding 29% of new customers. With the door-to-door channel only contributing 21% of new sales in fiscal 2015, down from 31% in 2014, the evolution of our marketing channels is in full swing.

We now serve approximately two million individual customers, consuming the equivalent energy of nearly 4.7 million residential customers. The platform is in place to continue to grow this scale in fiscal 2016 and beyond. With an improving balance sheet and annual sales growing to $3.9 billion, Just Energy now has the unique scale and positioning needed to be a permanent leader in the deregulated electricity and gas markets across North America.

Key to delivering additional debt reduction and a solid dividend is translating this scale to operating profit. To do this, our team had to add profitable customers, retain our existing customer base and bring that growth to the bottom line. Fiscal 2015 delivered all these goals.

Our customer base neared 4.7 million, up 6% from last year. Customer additions of 1,441,000 were our highest ever, the third consecutive year of record growth. Our Consumer and Commercial divisions both delivered record results. The Consumer division added 675,000 new customers with net additions of 40,000. The Commercial division added 766,000 gross and 236,000 net additions. Very importantly, these customers have been signed to contracts with higher annual margins than those of customers lost. We continue to move ahead with the strengthening of our sales channels and product offerings.

Attrition and renewal rates also remained a major focus. Consumer division attrition was flat with last year at 27% while Commercial attrition rose 1% from last year to 7%. We expect to see improved attrition as our bundling of new products with energy management results in a "stickier" customer.

The renewal rate was 67% for the year ended March 31, 2015, down slightly from a renewal rate of 68% realized a year ago. Renewals in our more profitable Consumer division showed an improvement of 2%, to 77%, while the Commercial renewal rate decreased by 1%, to 63%. Commercial renewals reflect Just Energy's focus on maintaining average customers' profitability rather than pursuing low margin growth.

A larger customer base led to higher margins. Gross margin increased by 19% to $600.1 million from $505.5 million reported in fiscal 2014. Gross margin for the Consumer Energy division increased to $450.2 million, up 21%, while the gross margin for the Commercial Energy division increased by 13% to $149.8 million.

Base EBITDA was $180.4 million for the year ended March 31, 2015, an increase of 8% from $167.7 million in the prior year. The Company had provided guidance of $163.0 million to $173.0 million of Base EBITDA for fiscal 2015 and updated that guidance to the upper end of that range following the third quarter's results. Actual results exceeded the upper end of the range by $7.4 million based on strong fourth quarter performance.

Base Funds from continuing operations ("Base FFO") for the year ended March 31, 2015 were $92.5 million, an increase of 4% compared with the Base FFO of $88.6 million for fiscal 2014. Overall, operating performance exceeded our targets and capped off an excellent fiscal 2015 for Just Energy.

Combining solid financial performance with some of the new directions in products and customer relationships delivered by an outstanding leadership team, Just Energy begins fiscal 2016 with a solid base and great opportunity. I am excited about the potential return to double-digit Base EBITDA growth highlighted within our financial guidance for the coming year. Combining this with a solid dividend should result in the returns shareholders rightfully expect from Just Energy.

Thank you for your support.

Yours truly,

/s/ Rebecca MacDonald

Rebecca MacDonald
Executive Chair

"With an improving balance sheet and annual sales growing to $3.9 billion, Just Energy now has the unique scale and positioning needed to be a permanent leader in the deregulated electricity and gas markets across North America."

Using Scale to Deliver in Fiscal 2016 and Beyond

Deb Merril
Co-Chief Executive Officer

James Lewis
Co-Chief Executive Officer

Dear fellow shareholders,

2015 was a remarkable year for Just Energy. We delivered excellent financial results and made significant progress towards achieving our objective of becoming a premier, world-class provider of energy management solutions. Fiscal 2015 marked the 18th consecutive year of net customer additions for Just Energy, reflecting our ability to evolve to meet the modern demands of today's consumers.

During the year, we took swift action to improve the financial position of our business by reducing our long-term debt level by 27%, which has lessened the constraints on our ability to pursue strategic growth opportunities while also adhering to our commitment to maintain a capital-light business model. Our profitability profile was further enhanced by progress made in our effort to improve margins per customer. Gross margins improved by 19% versus fiscal year 2014, driven by a 6% increase in the customer base, an improved U.S. dollar and higher margins per customer on new contracts delivered in recent years.

We also reached a unique agreement with Clean Power Finance during 2015 which allows us to enter the high-growth solar market and further diversify the product portfolio we can offer to our customers. Solar has the potential to become a strong driver of profitability for our Company, and we have been encouraged by the early results of our pilot programs in California and New York. We believe that our ability to bring better solutions for consumers to this evolving industry positions us for continued profitable growth in fiscal 2016 and beyond.

Record customer additions for the third consecutive year demonstrate Just Energy's ability to evolve our product offering to meet the changing demands of our growing customer base. All recent growth has come in the electricity markets. Marketing to the electricity market has required Just Energy to broaden its product offering focusing on growing its sales of bundled products. Technology combined with energy will be a key product offering for the Company going forward.

The energy management solutions industry is about bringing value additive products to market that address the transformation in how energy will be consumed in the future. As a management team, one of our key tasks has been to profitably manage the transition toward a more diverse set of sales channels that will allow Just Energy to effectively bring our consultative approach, robust product offering and bundled solutions to the customer. To date, we are proud of our success reflected in the results this year and there is more that will be done moving forward to support growth. Our marketing expertise allows us to stay in step with the evolving needs of our target customer. As customer awareness and demands change, we are uniquely positioned to rapidly meet the growing need for energy solutions. We will leverage our access to the best technologies and innovative products in the marketplace today to continue to provide value to our growing customer base.

Our sales and marketing core competency also translates across borders as we experienced in our launch in the United Kingdom. Since entering the market just a little over two years ago, the customer base has grown to 202,000 RCEs. Gross additions were 148,000 RCEs in fiscal 2015, up 90% from the 78,000 RCEs added a year earlier. Strong Commercial additions were supplemented by an expansion into the residential market. We believe this early success validates our model and our ability to compete outside of North America, taking the lessons learned and evaluating new avenues for growth in new markets that will benefit from our innovative approach to energy management solutions.

Going forward, a new channel for expected Company growth will come from the new residential solar business, which allows Just Energy to sell residential solar finance products and connects the Company with a national network of qualified solar installation professionals through Clean Power Finance's online platform.

Debt reduction remains a clear priority of management. The sales of National Home Services and Hudson Energy Solar have reduced the Company's long-term debt to $676.5 million, down from $930 million a year earlier. As of March 31, 2015, the ratio of net debt to Base EBITDA was 3.3 times. The Company anticipates further reductions in its debt to EBITDA ratio in future periods.

In summary, it has been a very positive year for our Company, and one we feel strongly advances us on our path forward to becoming the premier world-class provider of energy management solutions. We're committed to delivering double-digit earnings growth, maintaining a stable $0.50 dividend and further reducing the Company's debt in the coming year. Through prudent fiscal management as well as a clear strategy for the future, we are in a very solid position heading into 2016. Our core business is healthy and growing, and we're generating record numbers of new customers while customer margins are improving. We have a leading market position in all our geographic territories, and our sales and marketing expertise will allow us to step with the evolving needs of our target customers.

We want to thank Rebecca MacDonald and our Board for their continued support of the strategy and business, and our employees for their ongoing dedication and hard work.

Yours truly,

/s/ Deb Merril

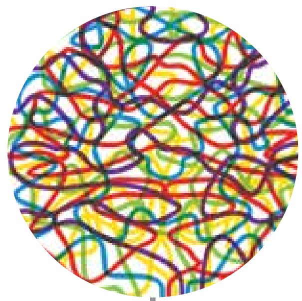
/s/ James Lewis

Deb Merril and **James Lewis**
Co-Chief Executive Officers

"Record customer additions for the third consecutive year demonstrate Just Energy's ability to evolve our product offering to meet the changing demands of our growing customer base."

"It has been a very positive year for our Company, and one we feel strongly advances us on our path forward to becoming the premier world-class provider of energy management solutions."

Evolution of an Industry... and a Company



Energy retail 1.0

Energy retail 2.0

Industry

Utilities sell energy, consumers have no choice

Deregulation

Opaque pricing

Complicated futures buying

Retailer expansion

Just Energy

Early entrant

Fixed-price consumer products

Supply risk management

Geographic expansion

Pricing expert

Energy marketing authority

The retail energy industry is evolving. Once characterized by opaque financial instruments that were poorly understood and seen to yield limited consumer value, the industry today is vibrant and relevant, adding real value to consumers and providing significant opportunities for growth. With its history, scale and expertise, Just Energy is well positioned to make the most of the changes. Here's a look back – and forward – at the industry and our Company.

Energy retail 3.0

- Competition growing
- Differentiated marketing
- Customer control
- Smart technology
- Energy management solutions
- Surge in localized generation (e.g., solar)

- Flat and variable rate products
- Consumer and Commercial customers
- Green energy
- Solutions oriented
- Asset and capex light
- State-of-the-art sales and service
- Strong customer relationships

Energy management consultant

Focused on Customer Needs

New U.K. Energy Tariffs

Our subsidiary, Green Star Energy, is shaking up the residential market in the U.K., offering exceptional customer service and four simple energy tariffs (or products):

Rate Saver 18 Months offers our lowest gas and electricity prices, fixed for 18 months.

Rate Saver 24 Months provides a balance between a long-term fix and low prices, with prices fixed for 24 months.

Green Saver 12 Months provides 100% green electricity backed by U.K.-based renewable generation.

Rate Watch Tariff offers the greatest freedom – no contracts, no termination fees and variable rates that fluctuate based on the wholesale energy market.

Green Star Energy has some of the lowest prices and offers flexible term lengths and payment and billing options, allowing customers to tailor their energy supply to their specific needs.

Energy underpins modern life. Every home, business and institution needs an abundant and uninterrupted supply of energy. Nowadays, customers also want control, efficiency and options. Some customers are budget conscious, while others are eco-conscious and want to know that the energy they purchase comes from renewable sources.

Whatever the need or want, Just Energy has a clear solution. We can help customers select just the right product from our expansive portfolio. We can customize product features, term lengths, and billing and payment options. We can bundle complementary products to provide more complete offerings and discounts. And we can innovate, designing whole new solutions to meet emerging needs.

Wide Product Range

Long-term, fixed-price contracts shield customers from the ups and downs of the market, and make long-term planning easier, by allowing them to lock in their supply rates for up to five years.

Variable-price and **index contracts** let customers enjoy lower prices while market rates are down and lock in the price at any time if market rates start to rise.

Flat-bill contracts offer consumers a way to keep their costs exactly the same each and every month. They pay a flat monthly charge no matter what their usage.

Green products give consumers and businesses options for reducing the environmental impact of their energy use through carbon offsets and renewable energy credits.

Solar products enable homeowners to participate in green energy generation through the installation of solar panels on their rooftops and lower their energy bill.

Energy efficiency products such as smart thermostats bring the latest energy technology advances into the homes of consumers, enabling them to optimize their energy use and save money.

Business Solutions

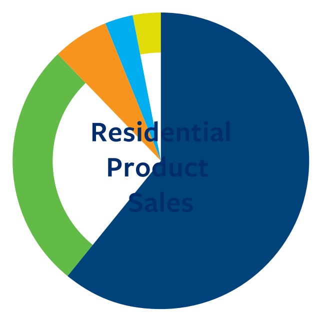
Our commercial customers are typically small and mid-size businesses and institutions that look to Just Energy for stability and predictability to help them control their energy costs and budget one of their most significant expenses. We offer them everything from standard fixed products to "one off" agreements tailored to their specific needs. Products can be either fixed or variable rate, or a blend of the two, and normally have terms of less than five years.

Bundled Options for Consumers

While our residential contracts are primarily for natural gas or electricity, new bundled programs combine complementary products and energy efficiency tools to change the way consumers buy and manage energy. Among our most popular products, the Just Energy Conservation Program in Ontario and Alberta makes it easy for customers to conserve energy and budget energy costs. They pay a set monthly price for their combined natural gas and electricity supply – and they get a free SmartStat thermostat. We offer different bundle discounts, rebates for energy usage reductions and other promotions depending on location.

"Utility bills are increasing without justification; companies should educate consumers more. Just Energy gives me more control over my spending."

**– M.G., Just Energy Customer
Brampton, Ontario**



Fixed price	61%
Variable	27%
Index	6%
Flat bill	3%
Other	3%

Redefining Relationships

Talented People

Great technology alone does not build long-term relationships – we need great people, delivering exceptional service and support throughout the life of a contract. We continue to bolster our team with talented employees who share our passion for helping customers manage energy better, and we provide them with top-notch industry, product and technology training. Our commitment to customer service excellence was recognized in the U.K., where we won a gold award in Energyline's customer service survey and a bronze award for overall customer satisfaction.

● Commercial brokerage	50%
● Online and telemarketing	29%
● Door-to-door	21%

Technology is forever changing the way we connect with customers and the value that we can deliver to them. People have all the information they want about energy, our industry, our Company and our products at their fingertips. They can self-select products to fit their needs and they can tell us how – and how frequently – they want to hear from us. We in turn can give them smart technology solutions that make it easy for them to manage their energy consumption most efficiently and save money.

Diversified Sales Channels

We have diversified our sales channels to reach new and existing customers in the ways they like best. For commercial customers, our broker network remains the dominant sales channel. For residential customers, digital channels are driving the strongest growth. Online and telemarketing channels represented 29% of customer additions in 2015, up from 24% in 2014.

Today, we use state-of-the-art technology to target prospective customers and run cross-channel marketing campaigns that include Facebook and Google ads and website landing pages as well as billboards, radio spots, direct mail pieces and more. In the U.K., our online quote and switch portal is the primary vehicle for attracting new residential customers. Across the board, online enrollment is our fastest-growing customer acquisition channel. Not only is online enrollment cost-effective, it also enables customers to self-select the products and options they want, which in our experience builds longer, more profitable relationships.

Home Energy Management

One of the greatest opportunities for delivering value to residential customers is in home energy management solutions. We have started sending interested customers weekly energy usage reports. Using the My Energy World self-serve portal, customers can now access their account information, monitor energy consumption and pay bills online.

We envision a future where we help customers build the perfect smart house. It has started with the inclusion of SmartStat thermostats in our bundled programs. Beyond thermostats, we plan to introduce innovative home technology solutions such as solar panels, LED lighting, and smart meters and plugs to manage home energy consumption.

Strong Broker Relationships

We strive to be known as the energy company that makes it easy for brokers and commercial customers to do business with us. Our commercial broker network is a vital link to small and mid-sized businesses, and we continually work to expand the network and build efficiencies. Our key asset is Hudson Connex, a web-based customer relationship management portal that enables brokers to generate comparative rates for customers within minutes and deliver customer-specific pricing and contract documents on demand.

"Hudson Energy is a valued asset to our business. They have proven that they're committed to consistently developing and bettering their broker relationships. We can rely on them for competitive pricing, fast turn times, consistency and transparency."

**– S.E., President
New American Power, Pennsylvania**

Seeing Beyond

With solar power, every sunray that hits customers' rooftops is a chance to lower their electricity bill and their carbon footprint.

Our Green Saver 12 M tariff supports forestry protection in the Amazon and tree planting in the U.K.

With the announcement of plans to sell residential solar electricity in the United States, Just Energy embarked on a new and exciting growth opportunity. We have an exceptional track record of innovation and forward thinking that has kept us at the forefront of our industry – and we continue to build on it.

Residential Solar Advantage

We signed a comprehensive, long-term agreement with Clean Power Finance ("CPF") to market residential solar installations in a manner that complements our core competencies and maintains our commitment to growing in a less capital-intensive manner. The way it will work is:

- Just Energy sells solar products, earning origination income ahead of installation, and we can offer solar customers complementary energy management solutions.
- CPF is responsible for product design and development, equipment, installation and maintenance.
- Just Energy has the option to participate in certain minority portions of project equity, which provide attractive 20-year returns on project assets.

Our scale and world-class sales expertise are what make this a truly compelling opportunity. Our residential customer base of over 1.5 million gives us unique consumer intelligence advantages such as knowing credit scores, current contracted electricity rates and energy consumption habits, which we expect will lead to higher conversion rates and margins. Of our base, more than 30% of newly added residential customers elected JustGreen products, making them strong candidates for other renewable energy products.

In addition, we have a team of people knocking on more than 10 million doors annually, and our websites receive millions of online clicks.

We have launched the new offering in California and New York before expanding into target markets across North America.

Green Energy Leader

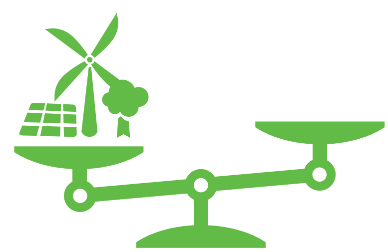
Just Energy was one of the first major energy retailers to offer green energy products, recognizing growing societal concerns about climate change and energy conservation. Our JustGreen electricity product gives customers the option of having all or a portion of their commodity energy supply derived from certified renewable sources such as wind, run of river hydro, solar or biomass. Our gas product offers carbon offset credits from green sources such as methane capture projects.

Close to 17% of residential customers have a renewable energy component in their contract.

Tackling Climate Change

In April 2014, we purchased the business and consumer retail division of TerraPass, along with the TerraPass name/brand. TerraPass sells carbon offsets to businesses, institutions and individuals across the United States to fund emission reduction projects. A carbon offset is a certificate representing the reduction of one metric tonne (2,205 lbs) of carbon dioxide emissions, the principal cause of climate change.

In early 2015, TerraPass announced an innovative three-year partnership in California with the City of Palo Alto Utilities ("CPAU") to launch and maintain its new PaloAltoGreen Gas program. It is the first-ever Green-e Climate certified gas offset program offered by a municipal-level utility, and one that is designed to allow its customers to reduce the carbon footprint of their natural gas energy consumption.



"TerraPass, the gold standard company in carbon offsets... You can't find a better offsetting program than theirs."

– A.S., Worldchanging

Frequently Asked Questions

Why does the Company have positive EBITDA and Funds from Operations growth yet report a $576.4 million loss for the year?

It is very important to note that under International Financial Reporting Standards ("IFRS"), Just Energy is required to mark to market its future committed price supply positions ("MTM") while the value of fixed-price customer contracts for which the supply was bought are not mark to market. These contracts lock in cash flow from the net position as they flow. Management believes that the MTM will have no impact on current and future results. As is the practice of other energy retailers, Just Energy uses Base EBITDA as a preferred measure of operating performance.

To summarize, the result is:

- Future Fixed-Price Supply to match Customer Demand: marked to market each reporting period;
- Committed Revenue from Fixed-Price Customer Contracts: does not currently meet the requirements to mark to market under IFRS.

(in millions of Canadian dollars)

	F2015	F2014	F2013	F2012
Base EBITDA	**$ 180.4**	$ 167.7	$ 142.5	$ 175.3
Profit (loss) from continuing operations	**(576.4)**	170.6	629.7	(125.4)

The table above highlights that Base EBITDA shows stable performance while the mark to market of future commodity supply acquired to cover future demand results in tremendous volatility for a relatively stable business.

How does the decline, then flattening, of natural gas prices affect customer interest in your products?

This price environment has been in place for the last several years. Natural gas, which used to make up the vast majority of our customers, amounts to 20% of our customer base as of March 31, 2015. Our sales efforts focus on products customers want and receptivity to electricity product offerings (either with or without green energy or bundled energy management add-ons) has outpaced the growth in gas markets. Our record customer additions shows the continued consumer receptivity to our products and our profitability has been maintained through this transition.

Just Energy is forecasting double-digit EBITDA growth for 2016. How will you accomplish this in a very low inflation environment?

An analysis of Just Energy's operating results in fiscal 2015 shows continued customer receptivity to its products resulting in record customer gross additions in each of the past three years. These customers have been added at margins higher than those of customers lost over the same period. Adding the first expected revenue from our solar expansion and the non-recurrence of certain administrative costs to margin expected from our existing book results in a forecast of 10% growth.

Do you require acquisitions to meet your growth guidance for next year?

Our ability to attain double-digit growth for EBITDA does not depend at all on mergers or acquisitions. We see great opportunities for organic growth in the markets we currently serve. In North America, our strategy is focused on deeper penetration of existing U.S. markets where Just Energy is still growing. In the U.S., deregulation is a relatively new trend and there are new customer opportunities without taking market share from competitors. That said, as we continue to reduce long-term debt on the balance sheet, there could come a time when a smart, strategic acquisition makes sense. To make sense to us and fit within our capital-light model, the target would have to fit into our core competency and bring to us instant presence in a high-growth market where there was a clear participation in the macro trends that we believe will drive the long-term attractiveness of this business.

Given your success in the U.K., does Just Energy plan to expand further in Europe?

We continually evaluate new market opportunities that offer strong demographics, clear participation in industry trends, and a favourable regulatory landscape. Specifically, in the U.K., we have more work to do in growing the commercial business. We also recently launched a residential offering that we have high expectations for. As regards continental Europe, we do believe that our improved financial position allows us quick entry into new, high growth markets that fit our offering, if and when that time comes.

What would you see as success for Just Energy's new residential solar business?

We see success coming at an early stage for us given the way we've arranged the Clean Power Finance ("CPF") partnership allowing us to enter an attractive space with very little capital outlay, enhancing an already attractive return on investment for the business.

The unique way we've structured our deal with CPF offers Just Energy nearly immediate accretion, significant profitability enhancement streams, and built-in protection from any eventual commoditization. Just Energy is participating in the highest margin piece of the solar value chain (customer acquisition). We've also insisted that we continue to own the customer relationship for the life of the solar contract, allowing us to cross-sell other products. Based on what we're seeing today in our test markets, California and New York, we expect to begin reporting solar results as a separate segment of the business during fiscal 2016, most likely the second half of the year.

Just Energy has a dividend of $0.50 per share. The payout ratio was 94% for fiscal 2015. Is this a safe, sustainable level we can expect going forward?

The Company's dividend policy is set by the Board of Directors and can change should the situation merit it. The annual dividend rate effective July 2014 was $0.50. Had the dividend been at the annual rate of $0.50 for all of fiscal 2015, the payout ratio would have been 81%. Further, finance costs will be lower than those experienced in fiscal 2015 following the pay-down of debt with the net proceeds of the sales of the Home Services and Commercial Solar divisions completed in November 2014. Realizing the Base EBITDA guidance for fiscal 2016 will further reduce the payout ratio. The Company targets a ratio of less than 65% in the long term and views this level as sustainable under Just Energy's capital-light business model.

Directors and Officers

Just Energy is committed to providing stability and peace of mind. To achieve these goals – and remain worthy of the confidence of our shareholders – we have established an active Board to guide our operations and ensure that they are transparent to investors. Our corporate governance meets all the recommended standards established by the Canadian Securities Administrators.

Board of Directors

Our Board of Directors is made up of the Executive Chair and eight outside directors. It is monitored by our lead independent director. The Board committees are composed of external directors only. Corporate governance details can be found in the Just Energy 2015 Management Proxy Circular.

Rebecca MacDonald
Executive Chair
Rebecca MacDonald was a founder of Just Energy Group Inc. and has held the position of Executive Chair since the IPO. From Just Energy's IPO to March 2005, Ms. MacDonald also held the position of Chief Executive Officer.

Hugh D. Segal
Master of Massey College
Hugh Segal is currently serving as the Master of Massey College. Prior to this appointment, Mr. Segal was a member of the Senate of Canada for eight years and a Senior Fellow at the School of Policy Studies, Queen's University. Mr. Segal has been a director of Just Energy since 2001 but will not be standing for re-election in 2015.

Michael J.L. Kirby
Corporate Director
Michael Kirby is the Chairman of Partners of Mental Health, a national mental health charity. Mr. Kirby was a member of the Senate of Canada from 1984 to 2006. Mr. Kirby has been a director of Just Energy since 2001 but will not be standing for re-election in 2015.

John A. Brussa
Partner, Burnet, Duckworth & Palmer LLP
John Brussa is a partner in the Calgary-based law firm of Burnet, Duckworth & Palmer LLP, specializing in the area of energy and taxation. He is also a director of a number of energy and energy-related corporations and income funds. Mr. Brussa has been a director of Just Energy since 2001.

Gordon D. Giffin
Senior Partner, McKenna Long & Aldridge LLP
Gordon Giffin is a senior partner in the Washington, D.C. and Atlanta, Georgia based law firm McKenna Long & Aldridge LLP. Mr. Giffin served as the United States Ambassador to Canada from August 1997 to April 2001 and has been a director of Just Energy since 2006 but will not be standing for re-election in 2015.

William F. Weld
Principal, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
William Weld is a member of the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., specializing in government strategies, corporate governance and compliance, and international business best practices. In addition, Mr. Weld served two terms as Governor of Massachusetts, elected in 1990 and re-elected in 1994. Mr. Weld has been a director of Just Energy since 2012.

George Sladoje
Principal, Sladoje Consulting
George Sladoje serves as principal, Sladoje Consulting, where he specializes in providing regulatory and compliance consulting to organizations dealing in electricity and gas trading and has provided marketing services to grid operators across the United States. Mr. Sladoje served as CEO of NASDAQ OMX Commodities Clearing Company until 2011. He is also a CPA with previous working experience at a big 8 accounting firm. Mr. Sladoje has been a director of Just Energy since 2012.

Brett A. Perlman
President, Vector Advisors
Brett Perlman is currently President of Vector Advisors, a management consulting firm that provides services to telecommunications and energy clients. Prior to this, he served as Commissioner of the Public Utility Commission of Texas from 1999 to 2003. In this role, he was responsible for leading the successful restructuring of Texas' $17 billion electric utility industry and $4 billion telecommunications industry as these opened to competition. Mr. Perlman has been a director of Just Energy since 2013.

R. Scott Gahn
President, Gulf Coast Security Services
Scott Gahn is currently the President of Gulf Coast Security Services, Inc., a Houston-based security firm. Mr. Gahn has a long history in the deregulated energy industry having sat on the Texas ERCOT board from 2005 to 2008 and having been involved in the sale of deregulated and regulated electricity and natural gas for 27 years. Mr. Gahn was appointed a director of Just Energy in 2014.

Executive Officers (from left to right): Pat McCullough, Chief Financial Officer; Deb Merril, Co-Chief Executive Officer; Rebecca MacDonald, Executive Chair; James Lewis, Co-Chief Executive Officer; and Jonah Davids, Executive Vice President and General Counsel.

Officers

Our experienced management team is responsible for establishing and implementing the Company's long-range goals, strategies, plans and policies, subject to the Board's direction and oversight. To ensure that management acts in the best interest of shareholders, we mandate high share ownership for all senior managers and align bonuses with strict performance measurements determined by our Board.

James Lewis
Co-Chief Executive Officer

James Lewis was appointed to the position of Co-Chief Executive Officer of Just Energy Group Inc. in April 2014. Mr. Lewis joined Just Energy in 2007 and brings 17 years of experience in the energy marketing industry. Prior to the position of Co-CEO, Mr. Lewis held the position of Chief Operating Officer, responsible for administrative operations including supply, call centre operations and the Consumer Energy division.

Deb Merril
Co-Chief Executive Officer

Deb Merril was appointed to her current role of Co-Chief Executive Officer in April 2014. Ms. Merril joined Just Energy in 2007 and, prior to her current role, she served as President of the Hudson Energy Commercial division, a position held since the acquisition of Hudson in 2010. In this role, she was responsible for the fast-growing commercial business in the United States, Canada and the U.K. Ms. Merril has 20 years of retail energy experience.

Pat McCullough
Chief Financial Officer

Pat McCullough was appointed as Chief Financial Officer of Just Energy Group Inc. in August 2014. Prior to this, Mr. McCullough was Chief Executive Officer at Amonix, a California-based designer and manufacturer of concentrated photovoltaic ("CPV") solar power systems. He had served as CFO of Amonix since May 2010. Prior to that, he was CFO at IMI Severe Service from May 2007 and Division CFO for Johns Manville (a Berkshire Hathaway Company) from April 2005, and held various roles with Ford Motor Company, culminating as Deputy General Manager and CFO of a $1 billion+ joint venture in Shanghai, China.

Jonah Davids
Executive Vice President and General Counsel

Jonah Davids joined the Company in December 2007. Prior to this position at Just Energy he held the position of Senior Counsel and Vice President. Before joining Just Energy, Mr. Davids practised corporate and commercial law at McMillan LLP.

2015 Highlights

Record **gross customer additions** of **1,441,000**

Customer base reached **4,686,000, up 6%**

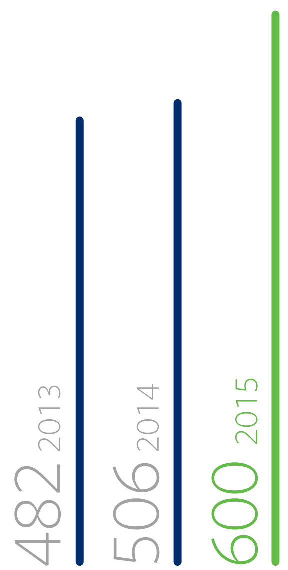
Gross margin **increased 19%** year over year

Base EBITDA up 8% year over year

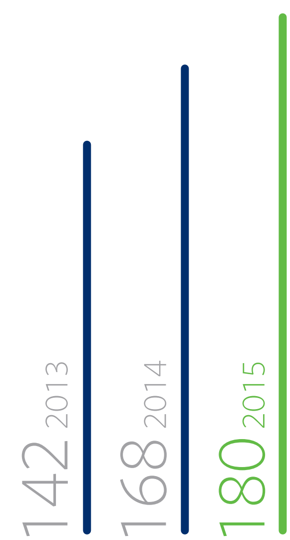
Base Funds from continuing operations up 4% year over year

Net debt reduced by 27% to $676.5 million through disposition of non-strategic assets

Gross Margin (C$ millions)



Base EBITDA (C$ millions)



Customer Aggregation

	April 1, 2014	Additions	Attrition	Failed to renew	**March 31, 2015**	% increase (decrease)
Consumer Energy						
Gas	747,000	186,000	(169,000)	(40,000)	**724,000**	(3)%
Electricity	1,198,000	489,000	(342,000)	(84,000)	**1,261,000**	5%
Total Consumer RCEs	1,945,000	675,000	(511,000)	(124,000)	**1,985,000**	2%
Commercial Energy						
Gas	204,000	67,000	(12,000)	(28,000)	**231,000**	13%
Electricity	2,261,000	699,000	(176,000)	(314,000)	**2,470,000**	9%
Total Commercial RCEs	2,465,000	766,000	(188,000)	(342,000)	**2,701,000**	10%
Total RCEs	4,410,000	1,441,000	(699,000)	(466,000)	**4,686,000**	6%

Gross customer additions totalled 1,441,000 in fiscal 2015, a 5% increase from the record 1,377,000 customers added the year before. Net additions were 276,000, a 47% increase over the 188,000 net customer additions in 2014. The increase in net additions was largely a result of higher customer additions and fewer customers lost on renewal. Overall, the Commercial customer base grew 10% versus a year earlier while the Consumer base increased by 2%.

Attrition

	Fiscal 2015	Fiscal 2014
Consumer	27%	27%
Commercial	7%	6%
Total attrition	16%	15%

The 16% combined attrition rate was a 1% improvement over the prior year. While Consumer attrition rates remained consistent year over year, Commercial rates increased by 1%. The increase in attrition is a result of increased competition. The Company continues to focus on maintaining its profitable customers and ensuring that variable rate customers meet base profitability profiles even if this results in higher attrition.

Renewals

	Fiscal 2015	Fiscal 2014
Consumer	77%	75%
Commercial	63%	64%
Total renewals	67%	68%

The 67% renewal rate was down slightly from a rate of 68% the year earlier. The Consumer renewal rate showed a 2% improvement, while the Commercial rate decreased by 1%. The year over year decline reflected a very competitive market for Commercial renewals and Just Energy's focus on maintaining average customer's profitability rather than pursuing low margin growth.

Embedded Gross Margin

As at March 31 (millions of dollars)
Management's estimate of the future embedded gross margin is as follows:

	Fiscal 2015	Fiscal 2014	2015 vs. 2014 variance
Energy marketing	$ 1,874.9	$ 1,718.9	9%

Management's estimate of the embedded gross margin within its customer contracts rose by 9% from the previous year. A higher number of customers and the strengthening of the U.S. dollar compared to the Canadian dollar were offset somewhat by more conservative renewal contract margin assumptions in the coming five years. Embedded gross margin indicates the margin expected to be realized over the next five years from existing customers. As our mix of customers continues to reflect a higher proportion of commercial volume, the embedded gross margin may, depending on currency rates, grow at a slower pace than customer growth; however, the underlying costs necessary to realize this margin will also decline.

Outlook

Just Energy has seen its operations change as an evolution is in process in the way consumers and businesses purchase and consume energy. A priority has been placed on delivering new products through existing and newly developed channels to these consumers. The strong financial results from fiscal 2015 show the early success of this strategy.

The Company foresees near-term growth in the customer base in line with that experienced over the past three years. Keys to that growth will be improved attrition and continued strong renewal rates. New product offerings including bundles have, since their introduction, shown lower attrition and this is expected to spread to the overall book in the future.

Just Energy has provided Base EBITDA guidance for fiscal 2016 anticipating results within a range of $193 million to $203 million for the year. The midpoint of the range would result in 10% Base EBITDA growth for the year.

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Management's discussion and analysis ("MD&A") – May 13, 2015

Overview

The following discussion and analysis is a review of the financial condition and results of operations of Just Energy Group Inc. ("JE" or "Just Energy" or the "Company") for the year ended March 31, 2015, and has been prepared with all information available up to and including May 13, 2015. This analysis should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2015. The financial information contained herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars. Quarterly reports, the annual report and supplementary information can be found on Just Energy's corporate website at www.justenergygroup.com. Additional information can be found on SEDAR at www.sedar.com or at the U.S. Securities and Exchange Commission's website at www.sec.gov.

Just Energy is a corporation established under the laws of Canada and holds securities and distributes the income of its directly and indirectly owned operating subsidiaries and affiliates. Just Energy is an energy management solutions provider specializing in electricity, natural gas, solar and green energy. The Company operates in the United States, Canada and the United Kingdom, offering a wide range of energy products and home energy management services including long-term fixed-price, variable-priced, and flat-bill programs, smart thermostats, and residential solar panel installations. Just Energy is the parent company of Amigo Energy, Commerce Energy, Green Star Energy, Hudson Energy, Tara Energy and TerraPass.

By fixing the price of natural gas and electricity under its fixed-price or price-protected program contracts for a period of up to five years, Just Energy offsets its customers' exposure to changes in the price of these essential commodities. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Just Energy derives its margin or gross profit from the difference between the price at which it is able to sell the commodities to its customers and the related price at which it purchases the associated volumes from its suppliers.

Just Energy also offers green products through its JustGreen program and conservation solutions through smart thermostats. The JustGreen electricity product offers customers the option of having all or a portion of their electricity sourced from renewable green sources such as wind, run of the river hydro or biomass. The JustGreen gas product offers carbon offset credits that allow customers to reduce or eliminate the carbon footprint of their homes or businesses. Additional green products allow customers to offset their carbon footprint without buying energy commodity products and can be offered in all states and provinces without being dependent on energy deregulation.

Smart thermostats are offered as a bundled product with commodity contracts as well as a stand-alone unit. The smart thermostats are manufactured and distributed by ecobee Inc. ("ecobee"), a company in which Just Energy holds a 10% equity interest.

Just Energy markets its product offerings through a number of sales channels including door-to-door marketing, broker and affinity relationships, and online marketing. The online marketing of gas and electricity contracts is primarily conducted through Just Ventures LLC and Just Ventures L.P. (collectively, "Just Ventures"), a joint venture in which Just Energy holds a 50% equity interest.

Included in this MD&A is an analysis of the above operations. On November 5, 2014, Just Energy announced that it had closed the sale of Hudson Energy Solar Corp. and its subsidiaries ("HES"). The sale of National Energy Corporation, operating as National Home Services ("NHS") closed on November 24, 2014. Both the commercial solar and home services divisions were classified as discontinued operations with the financial results from operations for prior periods restated to reflect results from continuing and discontinued operations for comparative purposes.

On January 12, 2015, Just Energy announced an agreement with Clean Power Finance ("CPF") to address the U.S. residential solar market. This agreement unites Just Energy's strengths in customer acquisitions and experience with CPF solar finance and fulfillment capabilities. CPF's online platform allows Just Energy to sell residential solar finance products and connects the Company with a national network of qualified solar installation professionals. Under the agreement, Just Energy will act as an originator of residential solar deals that are financed and installed via CPF. Just Energy will also be able to sell complementary energy management solutions to solar customers.

Forward-looking information

This MD&A contains certain forward-looking information pertaining to customer additions and renewals, customer consumption levels, EBITDA, Base EBITDA, Funds from Operations, Base Funds from Operations and treatment under governmental regulatory regimes. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to, levels of customer natural gas and electricity consumption, extreme weather conditions, rates of customer additions and renewals, customer attrition, fluctuations in natural gas and electricity prices, changes in regulatory regimes, decisions by regulatory authorities, competition, the results of litigation, and dependence on certain suppliers. Additional information on these and other factors that could affect Just Energy's operations, financial results or dividend levels are included in the Annual Information Form and other reports on file with security regulatory authorities, which can be accessed on our corporate website at www.justenergygroup.com, through the SEDAR website at www.sedar.com or on the U.S. Securities and Exchange Commission's website at www.sec.gov.

Key terms

"$100m convertible debentures" refers to the $100 million in convertible debentures issued by the Company to finance the purchase of Fulcrum Retail Holdings, LLC, effective October 1, 2011. See "Debt and financing for continuing operations" on page 40 for further details.

"$330m convertible debentures" refers to the $330 million in convertible debentures issued by Just Energy to finance the purchase of Hudson Energy Services, LLC, effective May 1, 2010. See "Debt and financing for continuing operations" on page 40 for further details.

"$150m convertible bonds" refers to the US$150 million in convertible bonds issued in January 2014. Net proceeds were used to redeem Just Energy's outstanding $90 million convertible debentures on March 19, 2014 and pay down Just Energy's line of credit. See "Debt and financing for continuing operations" on page 40 for further details.

"attrition" means customers whose contracts were terminated prior to the end of the term either at the option of the customer or by Just Energy.

"customer" does not refer to an individual customer but instead to an RCE (see key term below).

"failed to renew" means customers who did not renew expiring contracts at the end of their term.

"gross margin per RCE" refers to the energy gross margin realized on Just Energy's customer base, including gains/losses from the sale of excess commodity supply.

"LDC" means a local distribution company; the natural gas or electricity distributor for a regulatory or governmentally defined geographic area.

"RCE" means residential customer equivalent, which is a unit of measurement equivalent to a customer using, as regards natural gas, 2,815 m^3 (or 106 GJs or 1,000 Therms or 1,025 CCFs) of natural gas on an annual basis and, as regards electricity, 10 MWh (or 10,000 kWh) of electricity on an annual basis, which represents the approximate amount of gas and electricity, respectively, used by a typical household in Ontario, Canada.

NON-IFRS FINANCIAL MEASURES

Just Energy's consolidated financial statements are prepared in compliance with IFRS. All non-IFRS financial measures do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

EBITDA

"EBITDA" refers to earnings before finance costs, taxes, depreciation and amortization. This is a non-IFRS measure that reflects the pre-tax profitability of the business.

BASE EBITDA

"Base EBITDA" refers to EBITDA adjusted to exclude the impact of mark to market gains (losses) arising from IFRS requirements for derivative financial instruments on future supply positions as well as reflecting an adjustment for share-based compensation. This measure reflects operational profitability as the non-cash share-based compensation expense is treated as an equity issuance for the purpose of this calculation, as it will be settled in shares and the mark to market gains (losses) are associated with supply already sold in the future at fixed prices.

Just Energy ensures that customer margins are protected by entering into fixed-price supply contracts. Under current IFRS, the customer contracts are not marked to market but there is a requirement to mark to market the future supply contracts. This creates unrealized gains (losses) depending upon current supply pricing. Management believes that these short-term mark to market non-cash gains (losses) do not impact the long-term financial performance of Just Energy and management has therefore excluded it from the Base EBITDA calculation.

FUNDS FROM OPERATIONS

"Funds from Operations" refers to the cash flow generated by operations. Funds from Operations is calculated by Just Energy as gross margin adjusted for cash items including administrative expenses, selling and marketing expenses, bad debt expenses, finance costs, corporate taxes, capital taxes and other cash items. Funds from Operations also includes a seasonal adjustment for the gas markets in Ontario, Quebec, Manitoba and Michigan in order to include cash received from LDCs for gas not yet consumed by end customers.

BASE FUNDS FROM OPERATIONS/BASE FFO

"Base Funds from Operations" or "Base FFO" refers to the Funds from Operations reduced by capital expenditures purchased to maintain productive capacity. Capital expenditures to maintain productive capacity represent the capital spend relating to capital assets and a portion of investment relating to contract initiation costs.

BASE FUNDS FROM OPERATIONS PAYOUT RATIO

The payout ratio for Base Funds from Operations means dividends declared and paid as a percentage of Base Funds from Operations.

EMBEDDED GROSS MARGIN

"Embedded gross margin" is a rolling five-year measure of management's estimate of future contracted energy gross margin. The energy marketing embedded gross margin is the difference between existing energy customer contract prices and the cost of supply for the remainder of the term, with appropriate assumptions for customer attrition and renewals. It is assumed that expiring contracts will be renewed at target margin renewal rates.

Embedded gross margin indicates the margin expected to be realized from existing customers. It is intended only as a directional measure for future gross margin. It is not discounted to present value nor is it intended to take into account administrative and other costs necessary to realize this margin.

Financial highlights

For the years ended March 31
(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2015	**% increase (decrease)**	Fiscal 2014	% increase (decrease)	Fiscal 2013
Sales	**$ 3,895,940**	**10%**	$ 3,534,614	20%	$ 2,957,647
Gross margin	**600,069**	**19%**	505,531	5%	482,168
Administrative expenses	**154,222**	**32%**	116,713	(1)%	118,136
Selling and marketing expenses	**225,243**	**19%**	189,890	(12)%	215,328
Finance costs	**73,680**	**6%**	69,441	19%	58,154
Profit (loss) from continuing operations[1]	**(576,377)**	**NMF[3]**	170,566	NMF[3]	629,714
Profit (loss) from discontinued operations	**132,673**	**NMF[3]**	(33,625)	NMF[3]	(105,091)
Profit (loss)[1]	**(443,704)**	**NMF[3]**	136,941	NMF[3]	524,623
Profit (loss) per share from continuing operations available to shareholders – basic	**(4.01)**		1.15		4.54
Profit (loss) per share from continuing operations available to shareholders – diluted	**(4.01)**		1.11		3.79
Dividends/distributions	**86,723**	**(30)%**	123,429	(31)%	178,400
Base EBITDA from continuing operations[2]	**180,426**	**8%**	167,663	18%	142,481
Base Funds from continuing operations[2]	**92,472**	**4%**	88,577	10%	80,810
Payout ratio on Base Funds from continuing operations[2]	**94%**		139%		221%
Embedded gross margin[2]	**1,874,900**	**9%**	1,718,900	4%	1,654,400
Total customers (RCEs)	**4,686,000**	**6%**	4,410,000	4%	4,222,000

1 Profit (loss) includes the impact of unrealized gains (losses), which represents the mark to market of future commodity supply acquired to cover future customer demand. The supply has been sold to customers at fixed prices, minimizing any realizable impact of mark to market gains and losses.
2 See "Non-IFRS financial measures" on page 24.
3 Not a meaningful figure.

Continuing operations

CONSUMER DIVISION

The sale of gas and electricity to customers with annual consumption equivalent to 15 RCEs and less is undertaken by the Consumer division. Marketing of the energy products of this division is primarily done door-to-door through independent contractors, online marketing and telemarketing efforts. Consumer customers make up 42% of Just Energy's customer base, which is currently focused on longer-term price-protected and variable rate offerings of commodity products as well as JustGreen. To the extent that certain markets are better served by shorter-term or enhanced variable rate products, the Consumer division's sales channels also offer these products. In addition, the Consumer division markets smart thermostats, offering the thermostats as a stand-alone unit or bundled with certain commodity products.

COMMERCIAL DIVISION

Customers with annual consumption over 15 RCEs are served by the Commercial division. These sales are made through three main channels: sales through the broker channel using the commercial platform; door-to-door commercial independent contractors; and inside commercial sales representatives. Commercial customers make up 58% of Just Energy's customer base. Products offered to commercial customers can range from standard fixed-price offerings to "one off" offerings, which are tailored to meet the customer's specific needs. These products can be either fixed or floating rate or a blend of the two, and normally have terms of less than five years. Gross margin per RCE for this division is lower than Consumer margins but customer aggregation costs and ongoing customer care costs per RCE are lower as well. Commercial customers have significantly lower attrition rates than those of Consumer customers.

ABOUT THE ENERGY MARKETS

Natural gas

Just Energy offers natural gas customers a variety of products ranging from month-to-month variable-price offerings to five-year fixed-price contracts. For fixed-price contracts, Just Energy purchases gas supply through physical or financial transactions with market counterparts in advance of marketing, based on forecast customer aggregation for residential and small Commercial customers. For larger Commercial customers, gas supply is generally purchased concurrently with the execution of a contract. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion.

The LDC provides historical customer usage which, when normalized to average weather, enables Just Energy to purchase the expected normal customer load. Furthermore, Just Energy mitigates exposure to weather variations through active management of the gas portfolio, which involves, but is not limited to, the purchase of options including weather derivatives. Just Energy's ability to successfully mitigate weather effects is limited by the degree to which weather conditions deviate from normal. To the extent that balancing requirements are outside the forecast purchase, Just Energy bears the financial responsibility for fluctuations in customer usage. To the extent that supply balancing is not fully covered through active management or the options employed, Just Energy's realized customer gross margin may be reduced or increased depending upon market conditions at the time of balancing.

Ontario, Quebec, Manitoba and Michigan

In Ontario, Quebec, Manitoba and Michigan, the volumes delivered for a customer typically remain constant throughout the year. Just Energy does not recognize sales until the customer actually consumes the gas. During the winter months, gas is consumed at a rate that is greater than delivery and, in the summer months, deliveries to LDCs exceed customer consumption. Just Energy receives cash from the LDCs as the gas is delivered, which is even throughout the year.

Alberta

In Alberta, the volume of gas delivered is based on the estimated consumption for each month. Therefore, the amount of gas delivered in winter months is higher than in the spring and summer months. Consequently, cash received from customers and the LDC will be higher in the winter months.

Other gas markets

In New York, Illinois, Indiana, Ohio, California, Georgia, New Jersey, Pennsylvania, British Columbia, Saskatchewan and the United Kingdom, the volume of gas delivered is based on the estimated consumption and storage requirements for each month. Therefore, the amount of gas delivered in winter months is higher than in the spring and summer months. Consequently, cash flow received from these states/provinces is greatest during the third and fourth (winter) quarters, as cash is normally received from the LDCs in the same period as customer consumption.

Electricity

In Ontario, Alberta, New York, Texas, Illinois, Pennsylvania, New Jersey, Maryland, Michigan, California, Ohio, Delaware, Massachusetts and the United Kingdom, Just Energy offers a variety of solutions to its electricity customers, including fixed-price and variable-price products on both short-term and longer-term electricity contracts. Some of these products provide customers with price-protection programs for the majority of their electricity requirements. Just Energy uses historical usage data for all enrolled customers to predict future customer consumption and to help with long-term supply procurement decisions.

Just Energy purchases power supply through physical or financial transactions with market counterparties in advance of marketing to residential and small Commercial customers based on forecast customer aggregation. Power supply is generally purchased concurrently with the execution of a contract for larger Commercial customers. The LDC provides historical customer usage, which, when normalized to average weather, enables Just Energy to purchase the expected normal customer load. Furthermore, Just Energy mitigates exposure to weather variations through active management of the power portfolio, which involves, but is not limited to, the purchase of options including weather derivatives.

The Company's ability to successfully mitigate weather effects is limited by the degree to which weather conditions deviate from normal. In certain markets, to the extent that balancing requirements are outside the forecast purchase, Just Energy bears the financial responsibility for excess or short supply caused by fluctuations in customer usage. To the extent that supply balancing is not fully covered through customer pass-throughs or active management or the options employed, Just Energy's customer gross margin may be impacted depending upon market conditions at the time of balancing.

JustGreen

Customers also have the ability to choose an appropriate JustGreen program to supplement their electricity and natural gas contracts, providing an effective method to offset their carbon footprint associated with the respective commodity consumption.

JustGreen programs for electricity customers involve the purchase of power from green generators (such as wind, solar, run of the river hydro or biomass) via power purchase agreements and renewable energy certificates. JustGreen programs for gas customers involve the purchase of carbon offsets from carbon capture and reduction projects.

The Company currently sells JustGreen gas in the eligible markets of Ontario, British Columbia, Alberta, Saskatchewan, Michigan, New York, Ohio, Illinois, New Jersey, Maryland, Pennsylvania and California. JustGreen electricity is sold in Ontario, Alberta, New York, Texas, Maryland, Massachusetts, Ohio and Pennsylvania. Of all Consumer customers who contracted with Just Energy in the past year, 31% took JustGreen for some or all of their energy needs. On average, these customers elected to purchase 89% of their consumption as green supply. For comparison, as reported in fiscal 2014, 29% of Consumer customers who contracted with Just Energy chose to include JustGreen for an average of 84% of their consumption. Overall, JustGreen now makes up 12% of the Consumer gas portfolio, compared with 11% a year ago. JustGreen makes up 20% of the Consumer electricity portfolio, down from 21% a year ago.

Discontinued operations

HOME SERVICES DIVISION

On November 24, 2014, Just Energy announced that it had closed the sale of NHS to Reliance Comfort Limited Partnership ("Reliance"). NHS operates in Ontario and Quebec and provides residential customers with a long-term water heater, furnace and air conditioning rental, offering high efficiency conventional and power vented tank and tankless water heaters and high efficiency furnaces and air conditioners. The purchase price was $505 million subject to certain potential adjustments including working capital balances. Additionally, as a condition of closing, proceeds from the purchase were used to pay the outstanding NHS debt and the remaining interest in a royalty agreement.

COMMERCIAL SOLAR DIVISION

On November 5, 2014, Just Energy announced the close of the sale of its shares of HES, its commercial solar development business, to SunEdison Inc. and its subsidiary, TerraForm Power Inc. The sale of HES resulted in the assumption or repayment by the purchaser of approximately US$33 million in outstanding debt plus the payment of approximately US$23 million cash at closing subject to working capital and other adjustments.

EBITDA

For the years ended March 31
(thousands of dollars)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Reconciliation to consolidated statements of income (loss)			
Profit (loss) for the period from continuing operations	**$ (576,377)**	$ 170,566	$ 629,714
Add (subtract):			
Finance costs	**73,680**	69,441	58,154
Provision for (recovery of) income taxes	**(28,889)**	48,190	55,362
Amortization	**76,040**	69,469	102,723
Profit attributable to non-controlling interest	**(6,352)**	(5,459)	5,685
EBITDA from continuing operations	**$ (461,898)**	$ 352,207	$ 851,638
Add:			
Change in fair value of derivative instruments	**635,204**	(186,142)	(719,750)
Share-based compensation	**7,120**	1,598	10,593
Base EBITDA from continuing operations	**$ 180,426**	$ 167,663	$ 142,481
EBITDA			
Gross margin per consolidated financial statements	**$ 600,069**	$ 505,531	$ 482,168
Add (subtract):			
Administrative expenses	**(154,222)**	(116,713)	(118,136)
Selling and marketing expenses	**(225,243)**	(189,890)	(215,328)
Bad debt expense	**(62,077)**	(46,051)	(30,806)
Amortization included in cost of sales/selling and marketing expenses	**30,647**	17,324	14,893
Other income	**(2,396)**	2,921	4,005
Profit attributable to non-controlling interest	**(6,352)**	(5,459)	5,685
Base EBITDA from continuing operations	**$ 180,426**	$ 167,663	$ 142,481

The year ended March 31, 2015 saw significant improvement in all operating measures. Sales increased by 10% reflecting a 6% growth in customer base and higher U.S. selling prices after currency conversion to Canadian dollars. Gross margin was up 19% due to higher sales and higher realized margin per customer compared with fiscal 2014, which was adversely impacted by the Polar Vortex of the previous winter. Base EBITDA from continuing operations ("Base EBITDA") amounted to $180.4 million, an increase of 8% from $167.7 million in the prior year. Management had provided guidance of $163.0 million to $173.0 million of Base EBITDA for fiscal 2015 and updated that guidance to the upper end of that range following the third quarter. Actual results exceeded the upper end of the range by $7.4 million based on strong fourth quarter results offsetting higher than anticipated operating costs, which included significant one-time costs associated with legal and regulatory expenses.

Administrative expenses increased by 32% from $116.7 million to $154.2 million. The increase over the prior year included growth in operating costs needed to support the growing customer base, higher exchange rates on U.S. dollar denominated administrative costs and an increase in bonus accruals. Higher administrative costs were anticipated within the Company's fiscal 2015 guidance. However, over and above guidance expectations, Just Energy recorded additional legal and regulatory expenses in the amount of $14.5 million, including a settlement reached with the Massachusetts Attorney General's Office ("AGO").

Selling and marketing expenses for the year ended March 31, 2015 were $225.2 million, a 19% increase from $189.9 million reported in the prior comparable year. While customer additions were increased by 5% year over year to a record 1.4 million, the increase in selling and marketing expense is becoming more directly correlated to the growing portion of the customer base for which selling costs are recorded over the life of the contract (Commercial broker and online sales channels). The amortization of contract initiation costs for commercial customer aggregation in past periods increased by $12.4 million while residual commissions from customers signed through the Company's online sales channel increased by $16.4 million in fiscal 2015. Excluding these increases, selling and marketing costs would have been up 3%, in line with the growth in additions.

Bad debt expense was $62.1 million for the year ended March 31, 2015, an increase of 35% from $46.1 million recorded for the prior comparable year. This represents approximately 2.4% of revenue in the jurisdictions where the Company bears the credit risk, up from the 2.1% of revenue reported for the year ended March 31, 2014, both within management's targeted range of 2% to 3%. Higher losses in fiscal 2015 were attributable to customer defaults from Polar Vortex bills which were far higher than those seen in the past winters.

For the year ended March 31, 2013, gross margin was $482.2 million, an increase of 2% over the prior year due to the 9% increase in customer base being offset by lower consumption resulting from warmer than normal winter weather in the third and fourth quarters. Administrative, selling and marketing, and bad debt expenses amounted to $118.1 million, $215.3 million and $30.8 million, respectively. For fiscal 2013, Base EBITDA from continuing operations amounted to $142.5 million, a decrease of 19% from the prior year, as a result of lower than expected gross margin being offset by higher operating expenditures.

For more information on the changes in the results from operations, please refer to "Gross margin" on page 35 and "Administrative expenses", "Selling and marketing expenses", "Bad debt expense" and "Finance costs", which are further clarified on pages 36 through 38.

EMBEDDED GROSS MARGIN

Management's estimate of the future embedded gross margin is as follows:

(millions of dollars)

	Fiscal 2015	Fiscal 2014	2015 vs. 2014 variance	Fiscal 2013	2014 vs. 2013 variance
Energy marketing	**$ 1,874.9**	$ 1,718.9	9%	$ 1,654.4	4%

Management's estimate of the embedded gross margin within its customer contracts amounted to $1,874.9 million as of March 31, 2015, an increase of 9% compared to embedded gross margin as of March 31, 2014. Higher number of customers and the strengthening of the U.S. dollar against the Canadian dollar during the year were offset somewhat by more conservative contract margin assumptions in the coming five years.

Embedded gross margin indicates the margin expected to be realized over the next five years from existing customers. It is intended only as a directional measure for future gross margin. It is not discounted to present value nor is it intended to take into account administrative and other costs necessary to realize this margin. As our mix of customers continues to reflect a higher proportion of Commercial volume the embedded gross margin may, depending on currency rates, grow at a slower pace than customer growth; however, the underlying costs necessary to realize this margin will also decline.

In fiscal 2014, embedded gross margin increased by 4% to $1,718.9 million. The embedded gross margin for Energy Marketing increased 4% due to a 9% increase in customer base, the majority of which were Commercial customers which generate lower gross margin.

Funds from Operations

For the years ended March 31 (thousands of dollars)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Cash inflow from continuing operations	**$ 96,212**	$ 165,398	$ 93,510
Add (subtract):			
Changes in non-cash working capital	**44,458**	(45,765)	5,481
Cash flows used in operating activities of discontinued operations	**(20,902)**	(6,652)	(18,127)
Losses attributable to non-controlling interest	**(6,352)**	(5,459)	5,685
Tax adjustment	**(2,845)**	(4,815)	1,178
Funds from continuing operations	**$ 110,571**	$ 102,707	$ 87,727
Less: maintenance capital expenditures	**(18,099)**	(14,130)	(6,917)
Base Funds from continuing operations	**$ 92,472**	$ 88,577	$ 80,810
Base Funds from continuing operations			
Gross margin from consolidated financial statements	**$ 600,069**	$ 505,531	$ 482,168
Add (subtract):			
Adjustment required to reflect net cash receipts from gas sales	**(2,698)**	(6,186)	(4,536)
Administrative expenses	**(154,222)**	(116,713)	(118,136)
Selling and marketing expenses	**(225,243)**	(189,890)	(215,328)
Bad debt expense	**(62,077)**	(46,051)	(30,806)
Current income tax provision	**(8,859)**	(3,358)	(2,060)
Amortization included in cost of sales/selling and marketing expenses	**30,647**	17,324	14,896
Other income	**(2,396)**	2,921	4,005
Financing charges, non-cash	**15,609**	14,271	10,534
Finance costs	**(73,680)**	(69,441)	(58,154)
Other non-cash adjustments	**(6,579)**	(5,701)	5,144
Funds from continuing operations	**$ 110,571**	$ 102,707	$ 87,727
Less: maintenance capital expenditures	**(18,099)**	(14,130)	(6,917)
Base Funds from continuing operations	**$ 92,472**	$ 88,577	$ 80,810
Base Funds from continuing operations payout ratio	**94%**	139%	221%
Dividends/distributions			
Dividends	**$ 84,945**	$ 120,142	$ 173,646
Distributions for share-based awards	**1,778**	3,287	4,754
Total dividends/distributions	**$ 86,723**	$ 123,429	$ 178,400

Base Funds from continuing operations ("Base FFO") for the year ended March 31, 2015 were $92.5 million, an increase of 4% compared with Base FFO of $88.6 million for the year ended March 31, 2014. The increase in Base FFO was lower than the increase in Base EBITDA as the increase of $12.8 million for EBITDA was offset by a $5.5 million increase in cash taxes due to stronger operating results and $3.0 million owing from the completion of prior period audits. A $2.9 million increase in cash-based finance costs (interest) also reduced the year over year Base FFO increase. The $178.5 million net proceeds from the closing of the NHS sale were received on November 24, 2014 and were used to reduce debt.

Dividends and distributions for the year ended March 31, 2015 were $86.7 million, a decrease of 30% from the prior fiscal year as a result of a reduction in the annual dividend from $0.84 to $0.50 effective with the July 2014 dividend. The payout ratio on Base Funds from continuing operations was 94% for the year ended March 31, 2015, compared to 139% reported in fiscal 2014. The pro forma payout ratio based on the $0.50 dividend rate would have been 81% for fiscal 2015.

Selected consolidated financial data from continuing operations

The results from operations have been reclassified for fiscal 2014 and 2013 to present HES and NHS as discontinued operations as it was available for sale and sold in fiscal 2015.

For the years ended March 31
(thousands of dollars, except per share amounts)

Statements of operations	Fiscal 2015	Fiscal 2014	Fiscal 2013
Sales	**$ 3,895,940**	$ 3,534,614	$ 2,957,647
Gross margin	**600,069**	505,531	482,168
Profit (loss) from continuing operations	**(576,377)**	170,566	629,174
Profit (loss) from continuing operations per share – basic	**(4.01)**	1.15	4.54
Profit (loss) from continuing operations per share – diluted	**(4.01)**	1.11	3.79

As at March 31

Balance sheet data	Fiscal 2015	Fiscal 2014	Fiscal 2013
Total assets	**$ 1,297,190**	$ 1,642,650	$ 1,528,942
Long-term liabilities	**980,711**	1,023,832	916,748

2015 COMPARED WITH 2014

Sales increased by 10% to $3,895.9 million in fiscal 2015, compared with $3,534.6 million in the prior fiscal year. The sales increase is a result of the 6% increase in the customer base and a strengthening of the U.S. dollar against the Canadian dollar.

For the year ended March 31, 2015, gross margin increased by 19% to $600.1 million from $505.5 million reported in fiscal 2014. Gross margin for the Consumer Energy division increased $450.2 million, up 21% while the gross margin for the Commercial Energy division increased by 13% to $149.8 million. The overall increase in margin is driven by a 6% increase in the customer base, higher currency exchange related impact on related margins for U.S. customers and comparison against the price spikes resulting from extreme winter weather in fiscal 2014.

The loss from continuing operations for fiscal 2015 amounted to $576.4 million, compared to a profit of $170.6 million in fiscal 2014. The loss from continuing operations is attributable to the change in fair value of the derivative instruments on the Company's supply portfolio, which showed a loss of $635.2 million in fiscal 2015, versus a gain of $186.1 million in fiscal 2014. Under IFRS, there is a requirement to mark to market the future supply contracts, creating unrealized non-cash gains or losses depending on the supply pricing, but the related future customer revenues are not marked to market (which would create an offsetting gain or loss to the supply gain or loss). Just Energy views Base EBITDA and FFO as the better measures of operating performance.

Total assets decreased by 21% to $1,297.2 million in fiscal 2015. The decrease in total assets is a result of the sales of the Home Services and Commercial Solar divisions in November 2015, which resulted in a decrease in total assets of approximately $401.8 million.

Total long-term liabilities as of March 31, 2015 were $980.7 million, representing a 4% decrease over fiscal 2014. The decrease in total long-term liabilities is primarily a result of the sale of the Home Services division and the use of its proceeds from the sale to reduce long-term debt.

2014 COMPARED WITH 2013

Sales increased by 20% to $3,534.6 million in fiscal 2014, compared with $2.957.6 million in the prior fiscal year. The sales increase is a result of the 4% increase in the customer base as well as higher commodity prices and higher consumption per customer resulting from colder than normal winter weather.

For the year ended March 31, 2014, gross margin increased by 5% to $505.5 million from $482.2 million reported in fiscal 2013. Gross margin for the Consumer Energy division increased by 12% as a result of higher variable product margins in fiscal 2014 as well as the increased gas consumption from the colder than normal winter temperatures. The margin from the higher consumption was offset by payouts on weather index derivatives intended to "collar" the effects of higher and lower consumption. Gross margin for the Commercial Energy division decreased by 12% to $132.9 million. Uncharacteristically, electricity prices saw a winter spike similar to gas prices due to excess consumption being supplied by spot prices driven by gas-fuelled electricity costs. The Commercial Energy division was most heavily impacted by higher capacity costs in its northeast U.S. markets and the volatility in supply prices resulting from the extreme weather throughout North America during the fourth quarter of fiscal 2014. As a result, Just Energy had to meet the increased demand of its customers at their contracted fixed prices while procuring extra supply at extremely high supply prices.

Profit from continuing operations for fiscal 2014 amounted to $170.6 million, compared to $629.7 million in fiscal 2013. The change in profit from continuing operations is primarily attributable to the change in fair value of the derivative instruments on the Company's supply portfolio, which showed a gain of $186.1 million in fiscal 2014, versus a gain of $719.6 million in fiscal 2013. Under IFRS, the customer margins are not marked to market but there is a requirement to mark to market the future supply contracts, creating unrealized non-cash gains or losses depending on the supply pricing.

Excluding the year over year impact of the change in fair value of the derivative instruments, Just Energy's loss from continuing operations was $15.6 million in fiscal 2014, compared with a loss of $90.0 million in fiscal 2013. The change year over year is a result of a decrease in selling and marketing and other operating expenses of $25.4 million and $29.4 million, respectively. The decrease in selling and marketing expenses is reflecting lower per-aggregation cost, particularly due to a reduction in the costs associated with the network marketing division as the build-out was completed in fiscal 2013. Other operating expenses were lower primarily as a result of lower amortization of the gas and electricity contracts resulting from the contracts acquired in fiscal 2010 being fully amortized. The provision for income taxes for fiscal 2014 decreased by $7.2 million over the prior year, reflecting lower deferred tax expense due to a further decline of the cumulative mark to market losses from financial instruments.

Total assets increased by 7% to $1,642.7 million in fiscal 2014. The increase in total assets is primarily a result of additional capital expenditures related to the Home Services division.

Total long-term liabilities as of March 31, 2014 were $1,023.8 million, representing a 12% increase over fiscal 2013. The increase of long-term liabilities was primarily a net result of the $150 million convertible bond issuance, the redemption of the $90 million convertible debentures series, higher NHS financing reflecting higher installations and the reclassification of the reduced credit facility from current to long-term upon its renewal in October 2013.

Summary of quarterly results for continuing operations

(thousands of dollars, except per share amounts)

	Q4 Fiscal 2015	**Q3 Fiscal 2015**	**Q2 Fiscal 2015**	**Q1 Fiscal 2015**
Sales	**$ 1,209,879**	**$ 946,752**	**$ 918,260**	**$ 821,049**
Gross margin	**194,066**	**150,098**	**132,515**	**123,390**
Administrative expenses	**42,048**	**40,912**	**38,246**	**33,016**
Selling and marketing expenses	**63,980**	**52,968**	**53,088**	**55,207**
Finance costs	**16,684**	**19,525**	**18,700**	**18,771**
Profit (loss) for the period from continuing operations	**(64,976)**	**(371,403)**	**(94,255)**	**(45,743)**
Profit (loss) for the period	**(63,441)**	**(206,193)**	**(135,156)**	**(38,914)**
Profit (loss) for the period from continuing operations per share – basic	**(0.46)**	**(2.56)**	**(0.67)**	**(0.32)**
Profit (loss) for the period from continuing operations per share – diluted	**(0.46)**	**(2.56)**	**(0.67)**	**(0.32)**
Dividends/distributions paid	**18,596**	**18,572**	**18,622**	**30,933**
Base EBITDA from continuing operations	**67,914**	**50,592**	**31,734**	**30,186**
Base Funds from continuing operations	**31,947**	**21,179**	**23,756**	**15,590**
Payout ratio on Base Funds from continuing operations	**58%**	**88%**	**78%**	**198%**

	Q4 Fiscal 2014	Q3 Fiscal 2014	Q2 Fiscal 2014	Q1 Fiscal 2014
Sales	$ 1,132,750	$ 840,098	$ 833,710	$ 728,056
Gross margin	137,466	148,616	113,515	105,934
Administrative expenses	28,517	29,034	29,354	29,808
Selling and marketing expenses	46,870	45,373	46,805	50,842
Finance costs	19,191	16,805	16,600	16,845
Profit (loss) for the period from continuing operations	154,868	167,077	(111,810)	(39,569)
Profit (loss) for the period	109,377	179,608	(110,232)	(41,812)
Profit (loss) for the period from continuing operations per share – basic	1.06	1.15	(0.79)	(0.28)
Profit (loss) for the period from continuing operations per share – diluted	0.91	0.99	(0.79)	(0.28)
Dividends/distributions paid	30,932	30,891	30,850	30,756
Base EBITDA from continuing operations	56,552	62,130	28,257	20,724
Base Funds from continuing operations	17,327	37,379	23,472	10,399
Payout ratio on Base Funds from continuing operations	179%	83%	131%	296%

Just Energy's results reflect seasonality, as electricity consumption is slightly greater in the first and second quarters (summer quarters) and gas consumption is significantly greater during the third and fourth quarters (winter quarters). While quarter over quarter comparisons are relevant, sequential quarters will vary materially. The main impact of this will normally be higher Base EBITDA in the third and fourth quarters (assuming consumption based on normal winter weather) and lower Base EBITDA in the first and second quarters. This impact is lessening as current net customer additions are concentrated in electricity, which traditionally experiences less seasonality than natural gas.

Financial highlights

For the three months ended March 31
(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2015	% increase (decrease)	Fiscal 2014
Sales	**$ 1,209,879**	**7%**	$ 1,132,750
Gross margin	**194,066**	**41%**	137,466
Administrative expenses	**42,048**	**47%**	28,517
Selling and marketing expenses	**63,980**	**37%**	46,870
Finance costs	**16,684**	**(13)%**	19,191
Profit (loss) from continuing operations[1]	**(64,976)**	**NMF[3]**	154,868
Profit (loss) from discontinued operations	**1,535**	**NMF[3]**	(45,491)
Profit (loss)[1]	**(63,441)**	**NMF[3]**	109,377
Profit (loss) per share from continuing operations available to shareholders – basic	**(0.46)**		1.06
Profit (loss) per share from continuing operations available to shareholders – diluted	**(0.46)**		0.91
Dividends/distributions	**18,596**	**(40)%**	30,932
Base EBITDA from continuing operations[2]	**67,914**	**20%**	56,552
Base Funds from continuing operations[2]	**31,947**	**84%**	17,327
Payout ratio on Base Funds from continuing operations[2]	**58%**		179%

1 Profit (loss) includes the impact of unrealized gains (losses), which represents the mark to market of future commodity supply acquired to cover future customer demand. The supply has been sold to customers at fixed prices, minimizing any realizable impact of mark to market gains and losses.
2 See "Non-IFRS financial measures" on page 24.
3 Not a meaningful figure.

Analysis of the fourth quarter

FINANCIAL RESULTS

Sales increased by 7% to $1,209.9 million for the three months ended March 31, 2015 from $1,132.8 million recorded in the fourth quarter of fiscal 2014. The Consumer division's sales increased by 5% primarily as a result of the currency conversion impact on U.S. dollar denominated sales while the Commercial division's sales increased by 18%, primarily as a result of the 10% increase in customer base.

Gross margin was $194.1 million, an increase of 41% from the prior comparable quarter. The Consumer and Commercial divisions contributed increases of 41% and 43%, respectively, as a result of a 1% growth in the customer base, currency-driven higher margins on U.S.-based contracts and a comparison to the fourth quarter of fiscal 2014 which had heavy balancing charges related to the Polar Vortex.

Administrative expenses increased by 47% from $28.5 million to $42.0 million. Just Energy recorded a one-time additional legal expense in the amount of $6.5 million attributable to legal fees and settlement accruals for outstanding litigation. Excluding this, the quarter's administrative costs had an expected increase over fiscal 2014 due to lower expenses recorded in the prior period for bonus payments as well as the expected costs of the growth of the Company's business.

Selling and marketing expenses for the three months ended March 31, 2015 were $64.0 million, a 37% increase from $46.9 million reported in the prior comparable quarter. This increase is largely attributable to the higher residual commissions from customers signed through the Company's online and broker sales channels.

Finance costs for the three months ended March 31, 2015 amounted to $16.7 million, a decrease of 13% from $19.2 million reported for the three months ended March 31, 2014. The decrease in finance costs was a result of the reduction in long-term debt with the closing of the sale of NHS late in the third quarter.

As of March 31, 2015, Just Energy reported no debt outstanding for its credit facility while as of March 31, 2014, there was $69.5 million outstanding. In addition, Just Energy has the ability to make a normal course issuer bid ("NCIB") to purchase for cancellation a portion of its convertible debentures. As of March 31, 2015, Just Energy had purchased $1.6 million of the $330m convertible debentures.

The change in fair value of derivative instruments was negative, resulting in a non-cash loss of $101.6 million for the current quarter compared to a gain of $157.2 million in the prior comparative period, as market prices relative to Just Energy's future electricity supply contracts ended lower by an average of $2.56/MWh while future gas contracts decreased by an average of $0.03/GJ. The loss from continuing operations for the three months ended March 31, 2015 was $65.0 million, representing a loss per share of $0.46 on a basic and diluted basis. For the prior comparable quarter, the income from continuing operations was $154.9 million, representing a gain per share of $1.06 and $0.91 on a basic and diluted basis, respectively.

Base EBITDA from continuing operations was $67.9 million for the three months ended March 31, 2015, a 20% increase from $56.6 million in the prior comparable quarter. The increase in gross margin reflected sharply higher margins partially offset by higher operating expenses. Base FFO was $31.9 million for the fourth quarter of fiscal 2015, up 84% compared to $17.3 million in the prior comparable quarter as a result of the higher contribution from Base EBITDA and lower cash interest costs.

Dividends/distributions paid were $18.6 million, a decrease of 40% over the prior comparable period based on an annual dividend rate decrease from $0.84 to $0.50 per share effective July 1, 2014. The result was a quarterly payout ratio of 58%, down from 179% a year earlier.

MARKETING RESULTS

Gross Energy Marketing customer additions for the fourth quarter of fiscal 2015 were 292,000, down from 356,000 recorded for the three months ended March 31, 2014. Consumer customer additions totalled 149,000 for the fourth quarter of fiscal 2015, a 1% increase from the gross customer additions recorded in the prior comparable period. Commercial customer additions were 143,000 for the current quarter, a 31% decrease from 208,000 gross customer additions in the three months ended March 31, 2014. Overall customer additions for the fiscal year were at record levels and lower commercial additions in the fourth quarter reflected continued focus on targeting higher margin segments of that market.

Net additions for the three months ended March 31, 2015 were 24,000, compared with 50,000 in the prior comparable period.

Segmented Base EBITDA[1]

For the years ended March 31
(thousands of dollars)

			Fiscal 2015
	Consumer division	**Commercial division**	**Consolidated**
Sales	**$ 2,113,828**	**$ 1,782,112**	**$ 3,895,940**
Cost of sales	**(1,663,598)**	**(1,632,273)**	**(3,295,871)**
Gross margin	**450,230**	**149,839**	**600,069**
Add (subtract):			
Administrative expenses	**(121,170)**	**(33,052)**	**(154,222)**
Selling and marketing expenses	**(134,084)**	**(91,159)**	**(225,243)**
Bad debt expense	**(46,945)**	**(15,132)**	**(62,077)**
Amortization included in cost of sales/selling and marketing expenses	**–**	**30,647**	**30,647**
Other expenses	**(788)**	**(1,608)**	**(2,396)**
Profit attributable to non-controlling interest	**(6,352)**	**–**	**(6,352)**
Base EBITDA from continuing operations	**$ 140,891**	**$ 39,535**	**$ 180,426**

			Fiscal 2014
	Consumer division	Commercial division	Consolidated
Sales	$ 2,022,270	$ 1,512,344	$ 3,534,614
Cost of sales	(1,649,672)	(1,379,411)	(3,029,083)
Gross margin	372,598	132,933	505,531
Add (subtract):			
Administrative expenses	(84,646)	(32,067)	(116,713)
Selling and marketing expenses	(130,153)	(59,737)	(189,890)
Bad debt expense	(37,357)	(8,694)	(46,051)
Amortization included in cost of sales/selling and marketing expenses	–	17,324	17,324
Other income (expenses)	3,444	(523)	2,921
Profit attributable to non-controlling interest	(5,459)	–	(5,459)
Base EBITDA from continuing operations	$ 118,427	$ 49,236	$ 167,663

1 The definitions of each segment are provided on page 25.

Base EBITDA was $180.4 million for the year ended March 31, 2015, an increase of 8% from $167.7 million in the prior year. Consumer Energy contributed $140.9 million to Base EBITDA for the year ended March 31, 2015, an increase of 19% from $118.4 million in the year ended March 31, 2014. Overall, gross margin increased by 19% as a result of the 6% increase in the customer base as well as higher Canadian dollar selling prices on growing U.S. sales due to the impact of the stronger U.S. currency.

Consumer administrative costs were up 43% in fiscal 2015, due in part to the expected growth in operating costs needed to support the growing customer base and higher bonus payments as well as currency movements. Over and above these expected cost increases, Just Energy recorded additional legal and regulatory expenses in the amount of $14.5 million in one-time legal fees and accrual for outstanding litigation and the settlement reached with the Massachusetts AGO.

Commercial Energy contributed $39.5 million to Base EBITDA, a decrease of 20% from the year ended March 31, 2014, when the segment contributed $49.2 million. The increase in gross margin was offset by higher operating expenses, in particular, higher selling and marketing costs due to higher amortization of contract initiation costs and higher residual-based commission payments reflecting the expanding customer base.

Customer aggregation

	April 1, 2014	Additions	Attrition	Failed to renew	**March 31, 2015**	% increase (decrease)
Consumer Energy						
Gas	747,000	186,000	(169,000)	(40,000)	**724,000**	(3)%
Electricity	1,198,000	489,000	(342,000)	(84,000)	**1,261,000**	5%
Total Consumer RCEs	1,945,000	675,000	(511,000)	(124,000)	**1,985,000**	2%
Commercial Energy						
Gas	204,000	67,000	(12,000)	(28,000)	**231,000**	13%
Electricity	2,261,000	699,000	(176,000)	(314,000)	**2,470,000**	9%
Total Commercial RCEs	2,465,000	766,000	(188,000)	(342,000)	**2,701,000**	10%
Total RCEs	4,410,000	1,441,000	(699,000)	(466,000)	**4,686,000**	6%

Gross customer additions for the year ended March 31, 2015 were 1,441,000, an increase of 5% from the previous record 1,377,000 customers added in fiscal 2014. Consumer customer additions amounted to 675,000 for the year ended March 31, 2015, a 4% increase from 648,000 gross customer additions recorded in the prior comparable year. Commercial customer additions were 766,000 for fiscal 2015, a 5% increase from 729,000 gross customer additions in the prior comparable year.

Net additions were 276,000 for fiscal 2015, an increase of 47% from 188,000 net customer additions in fiscal 2014. The increase in net additions was largely a result of higher customer additions as well as fewer customers lost on renewal.

Overall, the Commercial customer base grew 10% versus a year earlier while the Consumer customer base increased by 2%. In addition to the customers referenced in the above table, the Consumer customer base also includes 43,000 smart thermostat customers. These smart thermostats are bundled with a commodity contract and are currently offered in Ontario, Alberta and Texas. Customers with bundled products have lower attrition and higher overall profitability. Further expansion of smart thermostats is a key driver for continued growth of Just Energy.

For the year ended March 31, 2015, 21% of total Consumer and Commercial Energy marketing customer additions were generated from door-to-door sales, 50% from commercial brokers and 29% through online and other non-door-to-door sales channels. In the prior year, 31% of new customers were generated using door-to-door sales, 45% from commercial brokers and 24% from online and other sales channels.

As of March 31, 2015, the U.S., Canadian and U.K. segments accounted for 72%, 24% and 4% of the customer base, respectively. At March 31, 2014, the U.S., Canadian and U.K. segments represented 72%, 26% and 2% of the customer base, respectively.

ATTRITION

	Fiscal 2015	Fiscal 2014
Consumer	**27%**	27%
Commercial	**7%**	6%
Total attrition	**16%**	15%

The combined attrition rate for Just Energy was 16% for the year ended March 31, 2015, a slight increase from the 15% overall rate reported a year prior. While Consumer renewal rates remained consistent at 27% year over year, the Commercial attrition rates increased by 1% to 7%. The increase in attrition is a result of increased competition. The Company continues to focus on maintaining its profitable customers and ensuring that variable rate customers meet base profitability profiles even if this results in higher attrition.

The Company carefully monitors the levels of customer complaints from its Consumer and Commercial divisions. The goal is to resolve all complaints registered within five days of receipt. Our corporate target is to have an outstanding complaint rate less than 0.05% of flowing customers at any time. As of March 31, 2015, the total outstanding rate was 0.02%.

RENEWALS

	Fiscal 2015	Fiscal 2014
Consumer	**77%**	75%
Commercial	**63%**	64%
Total renewals	**67%**	68%

The Just Energy renewal process is a multifaceted program that aims to maximize the number of customers who choose to renew their contract prior to the end of their existing contract term. Efforts begin up to 15 months in advance, allowing a customer to renew for an additional period. Overall, the renewal rate was 67% for the year ended March 31, 2015, down slightly from a renewal rate of 68% realized a year ago. The Consumer renewal rate showed an improvement of 2% to 77%, while the Commercial renewal rate decreased by 1% to 63%. The year over year decline reflected a very competitive market for Commercial renewals and Just Energy's focus on maintaining average customers' profitability rather than pursuing low margin growth.

ENERGY CONTRACT RENEWALS

This table shows the percentage of customers up for renewal in each of the following fiscal periods:

	Consumer		Commercial	
	Gas	Electricity	Gas	Electricity
2016	20%	36%	36%	40%
2017	15%	22%	22%	26%
2018	23%	19%	22%	21%
2019	20%	11%	10%	8%
Beyond 2019	22%	12%	10%	5%
Total	100%	100%	100%	100%

Note: All month-to-month customers, which represent 589,000 RCEs, are excluded from the table above.

Gross margin

For the years ended March 31 (thousands of dollars)

	Fiscal 2015			Fiscal 2014		
	Consumer	**Commercial**	**Total**	Consumer	Commercial	Total
Gas	**$ 165,770**	**$ 33,352**	**$ 199,122**	$ 116,955	$ 27,674	$ 144,629
Electricity	**284,460**	**116,487**	**400,947**	255,643	105,259	360,902
	$ 450,230	**$ 149,839**	**$ 600,069**	$ 372,598	$ 132,933	$ 505,531
Increase	**21%**	**13%**	**19%**			

CONSUMER ENERGY

Gross margin for the year ended March 31, 2015 for the Consumer Energy division was $450.2 million, an increase of 21% from the $372.6 million recorded in the prior year. Gas and electricity gross margins increased by 42% and 11%, respectively.

Average realized gross margin for the Consumer division for the year ended March 31, 2015 was $199/RCE, representing an 18% increase from $168/RCE reported in the prior year. The increase is largely due to margins reported without the adverse impact from the price spikes experienced in the fourth quarter of fiscal 2014 from the Polar Vortex. The gross margin/RCE ("GM/RCE") value includes an appropriate allowance for bad debt expense in Illinois, Texas, Georgia, Michigan, Pennsylvania and Massachusetts.

Gas

Gross margin for the year ended March 31, 2015 from gas customers in the Consumer division was $165.8 million, an increase of 42% from $117.0 million recorded in fiscal 2014. Gross margin increased despite the 3% decrease in customer base largely due to lower balancing costs in the current year and benefits from improved U.S. exchange rates, compared to the weak margin adversely impacted by higher commodity costs from the Polar Vortex in fiscal 2014.

Electricity

Gross margin from electricity customers in the Consumer Energy division was $284.5 million for the year ended March 31, 2015, an increase of 11% from $255.6 million recorded in the prior comparable quarter. The higher gross margin in fiscal 2015 is a result of the 5% increase in customer base over the past year, lower balancing costs in the current year, as well as a higher U.S. dollar and its impact on U.S. margins. Also contributing to the increase were higher margin contributions from the JustGreen product offerings and bundled products.

COMMERCIAL ENERGY

Gross margin for the Commercial division was $149.8 million, an increase of 13% from the $132.9 million recorded in the prior comparable year. The Commercial customer base increased by 10% during the past year.

Average realized gross margin for the year ended March 31, 2015 was $60/RCE, a slight decrease from $61/RCE due largely to higher bad debt expense. The GM/RCE value includes an appropriate allowance for bad debt expense in Illinois, Texas, Georgia, Michigan and California. While the percentage increase in the gross margin was greater than the increase in customers, GM/RCE was lower as a result of the higher bad debt expense.

Gas

Gas gross margin for the Commercial division was $33.4 million for the year ended March 31, 2015, up 21% from $27.7 million. The increase in gross margin resulted from the higher consumption from the 13% increase in customer base, higher margins on new commercial customers added in recent periods and effects of the higher U.S. dollar.

Electricity

Electricity gross margin for the Commercial division was $116.5 million, an increase of 11% from the $105.3 million recorded in the prior comparable year. The increase in gross margin is a result of the 9% increase in customer base and the higher U.S. dollar.

GROSS MARGIN ON NEW AND RENEWING CUSTOMERS

The table below depicts the annual margins on contracts for Consumer and Commercial customers signed during the year. This table reflects the gross margin (sales price less costs of associated supply and allowance for bad debt) earned on new additions and renewals including both the brown commodity and JustGreen supply.

Annual gross margin per customer

	Fiscal 2015	**Number of customers**	Fiscal 2014	Number of customers
Consumer customers added and renewed	**$ 191**	**983,000**	$ 166	1,032,000
Consumer customers lost	**184**	**635,000**	178	651,000
Commercial customers added and renewed	**79**	**1,171,000**	67	1,336,000
Commercial customers lost	**73**	**531,000**	82	531,000

For the year ended March 31, 2015, the average gross margin per RCE for the customers added and renewed by the Consumer division was $191/RCE, an increase from $166/RCE in the prior comparable year. The average gross margin per RCE for the Consumer customers lost during fiscal 2015 was $184/RCE, compared with $178/RCE in fiscal 2014. Higher new customer margins reflect strong margins on new products including bundled offerings.

For the Commercial division, the average gross margin per RCE for the customers signed during the year ended March 31, 2015 was $79/RCE compared to $67/RCE in fiscal 2014. Customers lost through attrition and failure to renew during the year ended March 31, 2015 were at an average gross margin of $73/RCE, a decrease from $82/RCE reported in fiscal 2014. The Company has pursued a plan where focus in the commercial market will be on higher margin segments while those with traditionally low margins are allowed to expire.

Overall consolidated results from continuing operations

ADMINISTRATIVE EXPENSES

For the years ended March 31 (thousands of dollars)

	Fiscal 2015	Fiscal 2014	% increase
Consumer Energy	**$ 121,170**	$ 84,646	43%
Commercial Energy	**33,052**	32,067	3%
Total administrative expenses	**$ 154,222**	$ 116,713	32%

The Consumer division's administrative expenses were $121.2 million for the year ended March 31, 2015, an increase of 43% from $84.6 million recorded in the prior comparable year. The Commercial division's administrative expenses were $33.1 million for fiscal 2015, a 3% increase from $32.1 million for the year ended March 31, 2014.

Administrative expenses increased by 32% from $116.7 million to $154.2 million. The increase over the prior comparable year included growth in operating costs needed to support the growing customer base and the impact of the U.S. exchange rate. Higher administrative costs were anticipated within the Company's fiscal 2015 guidance as expenditures on the U.K. expansion and higher accrued bonus payments based on improved performance were expected. However, over and above guidance expectations, Just Energy recorded additional legal and regulatory expenses in the amount of $14.5 million including the settlement reached with the Massachusetts Attorney General's Office ("AGO") as well as additional accruals associated with ongoing litigation matters.

SELLING AND MARKETING EXPENSES

For the years ended March 31 (thousands of dollars)

	Fiscal 2015	Fiscal 2014	% increase
Consumer Energy	**$ 134,084**	$ 130,153	3%
Commercial Energy	**91,159**	59,737	53%
Total selling and marketing expenses	**$ 225,243**	$ 189,890	19%

Selling and marketing expenses, which consist of commissions paid to independent sales contractors, brokers and independent representatives, as well as sales-related corporate costs were $225.2 million for the year ended March 31, 2015, an increase of 19% from $189.9 million in the prior comparable year. Energy marketing customer additions for the year ended March 31, 2015 were 1,441,000, an increase of 5% from the 1,377,000 energy marketing customer additions recorded in fiscal 2014.

The selling and marketing expenses for the Consumer Energy division were $134.1 million for the year ended March 31, 2015, an increase of 3% from $130.2 million recorded in the prior comparable year. During fiscal 2015, the customer additions by the Consumer Energy sales force totalled 675,000, a 4% increase from 648,000 customers added through these sales channels in the prior comparable year. Consumer customer additions through door-to-door sales channels decreased in fiscal 2015, but were replaced largely by online sales for which commission is paid on a residual basis. As a result, less commission for new contracts was paid up front and instead will be paid on a residual basis over the term of the contract.

The selling and marketing expenses for the Commercial Energy division were $91.2 million for the year ended March 31, 2014, up 53% from fiscal 2014. While customer additions were 5% higher in fiscal 2015, the additional expense is related to the 73% increase (to $29.3 million) in the amortization of past contract initiation costs, as well as higher residual-based commission payments reflecting the expanding customer base.

The aggregation costs per customer for consumer customers signed by independent representatives and commercial customers signed by brokers were as follows:

	Fiscal 2015		Fiscal 2014	
	Consumer	**Commercial**	Consumer	Commercial
Natural gas	**$183/RCE**	**$46/RCE**	$170/RCE	$34/RCE
Electricity	**$143/RCE**	**$28/RCE**	$131/RCE	$31/RCE
Average aggregation costs	**$153/RCE**	**$29/RCE**	$142/RCE	$32/RCE

The aggregation cost per RCE for the Consumer Energy division listed above includes a growing proportion of customers generated by affinity and online marketing programs where commissions are paid on a residual basis as the customer flows. The increase in costs in fiscal 2015 is a result of the foreign exchange impact on U.S. dollar denominated expenses as well as the upfront overhead expenses being allocated to fewer additions through door-to-door sales channels.

The $29 average aggregation cost for the Commercial division customers is based on the contracted average annual cost for the respective customer contracts. It should be noted that these commercial broker contracts are paid further commissions averaging $29 per year for each additional year that the customer flows. Assuming an average life of 2.8 years, this would add approximately $52 (1.8 x $29) to the year's $29 average aggregation cost reported above. For the prior year, the total aggregation costs through commercial brokers were $32/RCE.

BAD DEBT EXPENSE

In Illinois, Alberta, Texas, Delaware, Ohio, California, Michigan and Georgia, Just Energy assumes the credit risk associated with the collection of customer accounts. In addition, for commercial direct-billed accounts in British Columbia, Just Energy is responsible for the bad debt risk. Credit review processes have been established to manage the customer default rate. Management factors default from credit risk into its margin expectations for all of the above-noted markets. During the year ended March 31, 2015, Just Energy was exposed to the risk of bad debt on approximately 66% of its sales, compared with 61% of sales during the year ended March 31, 2014. The increase in the amount of sales exposed to bad debt is due to the increase in customer base in markets where Just Energy assumes the credit risk.

Bad debt expense is included in the consolidated income statement under other operating expenses. Bad debt expense for the year ended March 31, 2015, was $62.1 million, an increase of 35% from $46.1 million expensed for the year ended March 31, 2014. The bad debt expense increase was primarily a result of a 16% increase in revenue as well as higher default rates for consumer customers in Texas. These customers experienced higher bills during the extreme winter weather experienced in the fourth quarter of fiscal 2014. These bills had high rates of default which were realized in fiscal 2015. Management attempts to maintain its default rate for bad debt within its target margins and continuously reviews and monitors the credit approval process to mitigate customer delinquency. For the year ended March 31, 2015, the bad debt expense represents 2.4% of relevant revenue, up from 2.1% reported in fiscal 2014.

Management expects that bad debt expense will remain in the range of 2% to 3% of relevant revenue. For each of Just Energy's other markets, the LDCs provide collection services and assume the risk of any bad debt owing from Just Energy's customers for a regulated fee.

FINANCE COSTS

Total finance costs for the year ended March 31, 2015 amounted to $73.6 million, an increase of 6% from $69.4 million during the year ended March 31, 2014. Removing the amortization of debt service costs, the finance costs for the year ended March 31, 2015 were $58.1 million, an increase of 5% from $55.2 million due to higher borrowing costs on the issuance of the US$150m convertible bonds, offset by the redemption of the C$90m convertible debentures in March 2014 and a small impact from the third quarter repayment of the credit facility using proceeds from the sale of NHS.

FOREIGN EXCHANGE

Just Energy has an exposure to U.S. dollar exchange rates as a result of its U.S. operations. Any changes in the applicable exchange rate may result in a decrease or increase in Other comprehensive income. For the year ended March 31, 2015, a foreign exchange unrealized loss of $13.1 million was reported in other comprehensive income versus a gain of $27.3 million in fiscal 2014. In addition to changes in the U.S. foreign exchange rate, this fluctuation is a result of the significant increase in the mark to market liability position of the Company's derivative financial instruments.

Overall, a stronger U.S. dollar increases the value of sales and gross margin in Canadian dollars but this is partially offset by higher operating costs denominated in U.S. dollars. Total estimated impact of the decline in the Canadian dollar versus the U.S. dollar was a favourable $9.2 million on Base EBITDA and $8.1 million on FFO for fiscal 2015.

Just Energy retains sufficient funds in the U.S. to support ongoing growth and surplus cash is repatriated to Canada. U.S. cross border cash flow is forecasted annually, and hedges for cross border cash flow are placed. Just Energy hedges between 50% and 90% of the next 12 months and between 0% and 50% for the following 12 months of cross border cash flows, depending on the level of certainty of the cash flow.

PROVISION FOR (RECOVERY OF) INCOME TAX

For the years ended March 31
(thousands of dollars)

	Fiscal 2015	Fiscal 2014
Current income tax expense	**$ 8,859**	$ 765
Future tax expense (recovery)	**(37,748)**	47,425
Provision for (recovery of) income tax	**$ (28,889)**	$ 48,190

Just Energy recorded a current income tax expense of $8.9 million for the year, versus $0.8 million of expense in fiscal 2014. The increase in current tax expense in the current fiscal year is due to improved operating results, the combined effect of the sale of Canadian and U.S. subsidiaries, and the conclusion of prior period Canadian federal tax and U.S. state tax audits settled in fiscal 2015.

During fiscal 2015, a deferred tax benefit of $37.7 million has been recorded, due to an increase in the cumulative mark to market losses from financial instruments as a result of a change in the fair value of these derivative financial instruments. In fiscal 2014, a deferred tax expense of $47.4 million was recognized, due to a decline in the cumulative mark to market losses from financial instruments as a result of a change in the fair value of these derivative financial instruments.

Just Energy is taxed as a taxable Canadian corporation. Therefore, the deferred tax asset or liability associated with Canadian assets and liabilities recorded on the consolidated balance sheets as at that date will be realized over time as the temporary differences between the carrying value of assets in the consolidated financial statements and their respective tax bases are realized. Current Canadian income taxes are accrued to the extent that there is taxable income in Just Energy and its underlying corporations. For fiscal 2015, Canadian corporations under Just Energy are subject to a tax rate of approximately 26%.

Under IFRS, Just Energy recognized income tax liabilities and assets based on the estimated tax consequences attributable to the temporary differences between the carrying value of the assets and liabilities on the consolidated financial statements and their respective tax bases, using substantively enacted income tax rates. A deferred tax asset will not be recognized if it is not anticipated that the asset will be realized in the foreseeable future. The effect of a change in the income tax rates used in calculating deferred income tax liabilities and assets is recognized in income during the period in which the change occurs.

Discontinued operations

HOME SERVICES DIVISION

On November 24, 2014, Just Energy announced that it had closed the sale of its shares of NHS to Reliance. NHS provides Ontario and Quebec residential customers with a long-term water heater, furnace and air conditioning rental, offering high efficiency conventional and power vented tank and tankless water heaters and high efficiency furnaces and air conditioners. The purchase price was $505 million subject to certain potential adjustments at closing including working capital balances. Additionally, as a condition of closing, Just Energy paid all outstanding NHS borrowings and the remaining interest in a royalty agreement.

Results of operations

For the period of April 1, 2014 to November 24, 2014, the Home Services division had sales of $58.8 million and gross margin of $47.6 million, compared with $76.4 million and $60.1 million, respectively, in the prior comparable year. NHS's operating profit included in discontinued operations was $168.1 million (including gain on sale of $191.2 million), compared with a loss of $4.4 million in the prior year.

COMMERCIAL SOLAR (HES)

On November 5, 2014, Just Energy announced the closing of the sale of HES to SunEdison, Inc. and its subsidiary, TerraForm Power Inc., a leading global solar technology manufacturer and provider of solar energy services.

For the period of April 1, 2014 to November 5, 2014, the Commercial Solar division had sales of $4.4 million compared with $3.9 million for the year ended March 31, 2014. The operating loss of HES included in the discontinued operations was $35.5 million compared to $46.8 million in fiscal 2014.

Liquidity and capital resources from continuing operations

SUMMARY OF CASH FLOWS

For the years ended March 31 (thousands of dollars)

	Fiscal 2015	Fiscal 2014
Operating activities from continuing operations	**$ 75,310**	$ 158,746
Investing activities from continuing operations	**152,278**	(45,123)
Financing activities from continuing operations, excluding dividends	**(77,865)**	10,252
Effect of foreign currency translation	**7,037**	1,276
Increase in cash before dividends	**156,760**	125,151
Dividends (cash payments)	**(83,041)**	(115,072)
Increase in cash	**73,719**	10,079
Decrease in cash from discontinued operations and cash reclassified to assets held for sale	**(15,306)**	(28,176)
Cash and cash equivalents – beginning of year	**20,401**	38,498
Cash and cash equivalents – end of year	**$ 78,814**	$ 20,401

OPERATING ACTIVITIES FROM CONTINUING OPERATIONS

Cash flow from continuing operating activities for the year ended March 31, 2015 was an inflow of $75.3 million, compared to $158.7 million in fiscal 2014. Cash flow from continuing operations decreased as a result of higher accounts receivable balances at March 31, 2015 as a result of higher revenues in the fourth quarter of fiscal 2015 versus the prior comparable period as well as lower inventory balances at the current year-end.

INVESTING ACTIVITIES FROM CONTINUING OPERATIONS

Just Energy purchased capital assets totalling $5.8 million during fiscal 2015, a decrease from $7.3 million in the prior year. Just Energy's capital spending from continuing operations related primarily to thermostats and office equipment. Contract initiation costs increased from $23.2 million to $29.8 million as a result of growth in the Commercial Energy division's customer additions from brokers, who receive commission payments up front for a period of 12 or more months.

FINANCING ACTIVITIES FROM CONTINUING OPERATIONS

Financing activities, excluding dividends, relates primarily to the issuance and repayment of long-term debt. For the year ended March 31, 2015, long-term debt of $71.1 million was repaid. The repayment of the credit facility was a result of the net cash received from the sale of NHS and HES. As of March 31, 2015, Just Energy has not drawn on its $210 million credit facility although certain letters of credit remain outstanding.

Just Energy's liquidity requirements are driven by the delay from the time that a customer contract is signed until cash flow is generated. For residential customers signed by independent contractors, approximately 60% of the commission payment is made following reaffirmation or verbal verification of the customer contract, with most of the remaining 40% being paid after the energy commodity begins flowing to the customer. Margins associated with these customers are realized over the term of the contract. For Commercial and Internet generated customers, commissions are paid either as the energy commodity flows throughout the contract or partially upfront once the customer begins to flow.

The elapsed period between the time a customer is signed and receipt of the first payment from the customer varies with each market. The time delays per market are approximately two to nine months. These periods reflect the time required by the various LDCs to enroll, flow the commodity, bill the customer and remit the first payment to Just Energy. In Alberta, Georgia and Texas and for commercial direct-billed customers, Just Energy receives payment directly.

DIVIDENDS (CASH AND SHARE PAYMENTS)

Just Energy reduced its dividend to an annual rate of $0.50 per share effective July 1, 2014 to be paid quarterly. Prior to this, the dividend rate was $0.84. The revised dividend policy provides that shareholders of record on the 15th day of March, June, September and December, or the first business day thereafter, receive dividends at the end of that month. During the year ended March 31, 2015, Just Energy paid cash dividends to its shareholders and distributions to holders of share-based awards in the amount of $83.0 million, compared to $115.1 million paid in the prior comparable year.

The dividend reinvestment plan ("DRIP") reduces the amount of cash dividends as a portion of dividends declared is paid through the issuance of additional shares. Under the program, Canadian resident shareholders could elect to receive their dividends in shares at a 2% discount on the prevailing market price rather than the cash equivalent. The program was suspended effective January 1, 2015.

Balance sheet as at March 31, 2015, compared to March 31, 2014

Cash increased from $20.4 million as at March 31, 2014, to $78.8 million. The utilization of the credit facility was paid down from $69.5 million as at March 31, 2014 to nil at March 31, 2015. The increase in cash and the decrease in the credit facility is primarily attributable to the proceeds from the sale of NHS in November 2015.

As of March 31, 2015, trade receivables and unbilled revenue amounted to $459.4 million and $219.6 million, respectively, compared to March 31, 2014, when the trade receivables and unbilled revenue amounted to $427.0 million and $170.7 million, respectively. Trade payables have increased from $485.5 million to $510.5 million during fiscal 2015 as a result of higher cost of sales in the current year.

In Ontario, Manitoba and Quebec, more gas has been consumed by customers than Just Energy has delivered to the LDCs. As a result, Just Energy has recognized an accrued gas receivable and accrued gas payable for $46.0 million and $28.9 million, respectively, as of March 31, 2015. These amounts decreased from $48.6 million and $34.6 million, respectively, as of March 31, 2014 as a result of lower consumption in the current year. In Michigan, more gas has been delivered to LDCs than consumed by customers, resulting in gas delivered in excess of consumption and a deferred revenue position of $1.1 million and $1.6 million, respectively, as of March 31, 2015. In addition, gas in storage increased from $2.4 million as at March 31, 2014 to $5.2 million as at March 31, 2015 due to lower consumption in fiscal 2015.

Other assets and other liabilities relate entirely to the fair value of the financial derivatives. The mark to market gains and losses can result in significant changes in profit and, accordingly, shareholders' equity from year to year due to commodity price volatility. Given that Just Energy has purchased this supply to cover future customer usage at fixed prices, management believes that these non-cash quarterly changes are not meaningful.

Intangible assets include the goodwill and acquired customer contracts, as well as other intangibles such as brand, broker network and information technology systems, primarily related to the acquisitions in 2009, 2010 and 2011. The total intangible asset balance decreased to $348.5 million as at March 31, 2015, from $404.9 million a year earlier as a result of the amortization and sale of NHS in fiscal 2015.

Long-term debt (excluding the current portion) has decreased from $930.0 million as at March 31, 2014 to $676.5 million at March 31, 2015, primarily due to the pay-down of debt using the proceeds from the sale of NHS and HES.

Debt and financing for continuing operations

(thousands of dollars)

	March 31, 2015	March 31, 2014
Just Energy credit facility	**$ –**	$ 69,500
$105m senior unsecured note	**105,000**	105,000
NHS financing	**–**	272,561
$330m convertible debentures	**310,083**	304,458
$100m convertible debentures	**91,445**	89,430
US$150m convertible bonds	**175,003**	149,572

The recognized value of the Canadian dollar denominated convertible debentures increased due to the reduced period until maturity and the lower likelihood of conversion. The U.S. dollar denominated convertible bonds saw their recognized value increase both for the reduced period until maturity and the appreciation of the U.S. dollar.

During fiscal 2015, Just Energy's long-term debt position significantly improved. Just Energy used the proceeds from the sale of NHS to repay the long-term debt of approximately $207.2 million associated with the Home Services division as well as repay the cash withdrawals on the credit facility. The debt associated with HES was transferred upon completion of the sale on November 5, 2014. As a result of these transactions, the long-term debt was reduced to $676.5 million as of March 31, 2015, compared with $930.0 million reported a year earlier.

Debt reduction remains a clear priority for management. While much has been accomplished to improve the overall balance sheet and debt position, management feels there is more that can be done. As such, management has defined a logical, financially prudent approach to further reducing debt. Just Energy is in a strong position to execute the deleveraging plan and believes the results will place the Company in a stronger, more financially flexible position that aligns with the corporate strategy of financial optimization through adherence to a capital-light, high return on invested capital structure.

JUST ENERGY CREDIT FACILITY

During fiscal 2015, the credit facility was reduced to $210 million from $290 million with the sale of NHS. The current syndicate of lenders includes Canadian Imperial Bank of Commerce, Royal Bank of Canada, National Bank of Canada, Toronto-Dominion Bank, The Bank of Nova Scotia, HSBC Bank Canada and Alberta Treasury Branches.

Under the terms of the credit facility, Just Energy is able to make use of Bankers' Acceptances and LIBOR advances at stamping fees that vary between 3.65% and 4.00%, prime rate advances at rates of interest that vary between bank prime plus 2.65% and 3.00%, and letters of credit at rates that vary between 3.65% and 4.00%. Interest rates are adjusted quarterly based on certain financial performance indicators.

Just Energy's obligations under the credit facility are supported by guarantees of certain subsidiaries and affiliates, excluding, primarily, the U.K. operations and secured by a pledge of the assets of Just Energy and the majority of its operating subsidiaries and affiliates. Just Energy is required to meet a number of financial covenants under the credit facility agreement. During the year, the Company requested and received amendments with respect to covenants within the credit facility. As at March 31, 2015, all of the covenants had been met.

$105M SENIOR UNSECURED NOTE

The $105m senior unsecured note bears interest at 9.75% and matures in June 2018. The $105m senior unsecured note is subject to certain financial and other covenants. As of March 31, 2015, all of these covenants have been met.

In conjunction with the covenant requirements associated with the issuance of senior unsecured notes, the following represents select financial disclosure for the "Restricted Subsidiaries" as defined within the Note Indenture, which generally excludes the U.K. operations.

	Fiscal 2015	Fiscal 2014
Base EBITDA	**$ 177,700**	$ 173,238
Selling and marketing expenses to add gross margin	**73,133**	43,187
Share-based compensation	**7,110**	1,518
Maintenance capital expenditures	**17,785**	8,734

$330M CONVERTIBLE DEBENTURES

To fund an acquisition in May 2010, Just Energy issued $330 million of convertible extendible unsecured subordinated debentures. The $330m convertible debentures bear an interest rate of 6% per annum payable semi-annually in arrears on June 30 and December 31 in each year, with maturity on June 30, 2017. Each $1,000 of principal amount of the $330m convertible debentures is convertible at any time prior to maturity or on the date fixed for redemption, at the option of the holder, into approximately 55.6 shares of Just Energy, representing a conversion price of $18 per share.

Prior to June 30, 2015, the debentures may be redeemed by Just Energy, in whole or in part, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, provided that the current market price on the date on which notice of redemption is given is not less than 125% of the conversion price. On or after June 30, 2015, and prior to the maturity date, the debentures may be redeemed by Just Energy, in whole or in part, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest.

During March 2015, the Company purchased and retired $1.6 million of convertible debentures. The Company paid $1.4 million, reduced the net book value by $1.5 million and the gain was recorded as a reduction to the interest expense.

$100M CONVERTIBLE DEBENTURES

On September 22, 2011, Just Energy issued $100 million of convertible unsecured subordinated debentures, which were used to fund an acquisition in October 2011. The $100m convertible debentures bear interest at an annual rate of 5.75%, payable semi-annually on March 31 and September 30 in each year, and have a maturity date of September 30, 2018. Each $1,000 principal amount of the $100m convertible debentures is convertible at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the last business day immediately preceding the date fixed for redemption, into 56.0 common shares of Just Energy, representing a conversion price of $17.85 per share.

Prior to September 30, 2016, the $100m convertible debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest, provided that the weighted average trading price of the common shares of Just Energy on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is at least 125% of the conversion price. On or after September 30, 2016, the $100m convertible debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest.

$150M CONVERTIBLE BONDS

On January 29, 2014, Just Energy issued US$150 million of European-focused senior unsecured convertible bonds, and the net proceeds were used to redeem Just Energy's outstanding $90m convertible debentures due September 30, 2014 and to pay down Just Energy's credit line. The $150m convertible bonds bear interest at an annual rate of 6.5%, payable semi-annually in arrears in equal installments on January 29 and July 29 in each year. The maturity date of the $150m convertible bonds is July 29, 2019. The long-term debt associated with the US$150 million convertible bonds increased from $149.6 million to $175 million primarily as a result of the decline in the Canadian dollar against the U.S. dollar during the past year.

A Conversion Right in respect of a bond may be exercised, at the option of the holder thereof, at any time (the "Conversion Period") (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from May 30, 2014 (being the date falling four months and one day after the closing date) to the close of business on the business day falling 22 business days prior to the final maturity date. The initial conversion price is US$9.3762 per common share (being C$10.2819 translated into US$ at the fixed exchange rate) but is subject to adjustments.

Contractual obligations

In the normal course of business, Just Energy is obligated to make future payments for contracts and other commitments that are known and non-cancellable.

PAYMENTS DUE BY PERIOD

(thousands of dollars)

	Total	Less than 1 year	1–3 years	4–5 years	After 5 years
Trade and other payables	$ 510,470	$ 510,470	$ –	$ –	$ –
Long-term debt (contractual cash flow)	723,433	23	328,420	394,990	–
Interest payments	150,554	40,365	88,790	21,399	–
Premises and equipment leasing	32,729	6,163	9,366	6,445	10,755
Long-term gas and electricity contracts	4,074,637	2,167,000	1,596,187	274,187	37,263
	$ 5,491,823	$ 2,724,021	$ 2,022,763	$ 697,021	$ 48,018

OTHER OBLIGATIONS

In the opinion of management, Just Energy has no material pending actions, claims or proceedings that have not been included in either its accrued liabilities or in the consolidated financial statements. In the normal course of business, Just Energy could be subject to certain contingent obligations that become payable only if certain events were to occur. The inherent uncertainty surrounding the timing and financial impact of any events prevents any meaningful measurement, which is necessary to assess any material impact on future liquidity. Such obligations include potential judgments, settlements, fines and other penalties resulting from actions, claims or proceedings.

Transactions with related parties

Just Energy does not have any material transactions with any individuals or companies that are not considered independent of Just Energy or any of its subsidiaries and/or affiliates.

Off balance sheet items

The Company has issued letters of credit in accordance with its credit facility totalling $134.8 million to various counterparties, primarily utilities in the markets where it operates, as well as suppliers.

Pursuant to separate arrangements with several bond agencies, The Hanover Insurance Group and Charter Brokerage LLC, Just Energy has issued surety bonds to various counterparties including states, regulatory bodies, utilities and various other surety bond holders in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain states or markets. Total surety bonds issued as at March 31, 2015 were $54.8 million.

Critical accounting estimates

The consolidated financial statements of Just Energy have been prepared in accordance with IFRS. Certain accounting policies require management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, cost of sales, selling and marketing, and administrative expenses. Estimates are based on historical experience, current information and various other assumptions that are believed to be reasonable under the circumstances. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

The following assessment of critical accounting estimates is not meant to be exhaustive. Just Energy might realize different results from the application of new accounting standards promulgated, from time to time, by various rule-making bodies.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Just Energy performed its annual impairment test as at March 31, 2015. Just Energy considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at March 31, 2015, the market capitalization of Just Energy was above the book value of its equity, indicating that a potential impairment of goodwill and intangibles with indefinite lives does not exist.

The recoverable amount of each of the units has been determined based on a value-in-use calculation using cash flow projections from financial budgets covering a five-year period. The projections for fiscal 2016 have been approved by the Audit Committee; the assumptions used in the following years have been approved by senior management. The calculation of the value-in-use for each unit is most sensitive to the following assumptions:

- Customer consumption assumptions used in determining gross margin;
- New customer additions, attrition and renewals;
- Selling and marketing costs;
- Discount rates; and
- Growth rates used to extrapolate cash flows beyond the budget period.

The gross margin and customer consumption included in the financial projections is based on normal weather. Management has estimated normal weather based on historical weather patterns covering 10 to 30 years. In the past, weather has deviated from normal, which can impact the expected performance of the Company. Past experience has shown that deviations from normal weather can have an impact of up to $35 million on expected margins. Derivative instruments are used to mitigate the risk of weather deviating from normal and are entered into prior to the start of a peak consumption season (winter and summer for gas and electricity markets, respectively). An average customer consumption growth rate of 3% was used in the projections. A 5% decrease in the consumption assumptions would not have an impact on the results of the impairment test.

New customer additions and attrition and renewal rate estimates are based on historical results and are adjusted for new marketing initiatives that are included in the budget. A 3% average increase in the overall customer base was used in the projections. A 5% decrease annually in the overall customer base would not have an impact on the results of the impairment test.

Selling and marketing costs fluctuate with customer additions, renewals and attrition. Selling and marketing costs used in the financial forecast are based on assumptions consistent with the above new customer additions, renewals and attritions. Rates used are based on historical information and are adjusted for new marketing initiatives included in the budget. An average increase of 3% was applied to selling costs in the projections. A further 5% increase annually in selling and marketing costs would not have an impact on the results of the impairment test.

Discount rates represent the current market assessment of the risks specific to the Company, regarding the time value of money and individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of Just Energy and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by Just Energy's investors and the cost of debt is based on the interest bearing borrowings the Company is obliged to service. Just Energy used a discount rate of 11%. A 5% increase in the WACC would not have an impact on the results of the impairment test.

In addition to the above assumptions, the expected forecasted performance assumes that there will not be any new legislation that will have a negative impact on Just Energy's ability to market its products in the jurisdictions in which it currently operates. Any changes in legislation would only impact the respective jurisdiction. This item is out of the control of management and cannot be predicted. Management has used all information available to prepare its financial projections.

DEFERRED TAXES

In accordance with IFRS, Just Energy uses the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized on the differences between the carrying amounts of assets and liabilities and their respective income tax basis.

Preparation of the consolidated financial statements involves determining an estimate of, or provision for, income taxes in each of the jurisdictions in which Just Energy operates. The process also involves making an estimate of taxes currently payable and taxes expected to be payable or recoverable in future periods, referred to as deferred income taxes. Deferred income taxes result from the effects of temporary differences due to items that are treated differently for tax and accounting purposes. The tax effects of these differences are reflected in the consolidated statements of financial position as deferred income tax assets and liabilities. An assessment must also be made to determine the likelihood that our future taxable income will be sufficient to permit the recovery of deferred income tax assets. To the extent that such recovery is not probable, deferred income tax assets must be reduced. The reduction of the deferred income tax asset can be reversed if the estimated future taxable income improves. No assurances can be given as to whether any reversal will occur or as to the amount or timing of any such reversal. Management must exercise judgment in its assessment of continually changing tax interpretations, regulations and legislation to ensure deferred income tax assets and liabilities are complete and fairly presented. Assessments and applications differing from our estimates could materially impact the amount recognized for deferred income tax assets and liabilities.

Deferred income tax assets of $25.4 million and $1.7 million have been recorded on the consolidated statements of financial position as at March 31, 2015 and March 31, 2014, respectively. These assets primarily relate to mark to market losses on our derivative financial instruments. Management believes there will be sufficient taxable income that will permit the use of these future tax assets in the tax jurisdictions where they exist. When evaluating the future tax position, Just Energy assesses its ability to use deferred tax assets based on expected taxable income in future periods. As at March 31, 2015, a valuation allowance of $271 million was taken against the Company's deferred tax assets in the U.S. If the Company's taxable income is higher than expected these deferred tax assets will be used.

Deferred income tax liabilities of $32.9 million have been recorded on the consolidated statements of financial position as at March 31, 2014. These liabilities are primarily due to the excess of the book value of property, plant and equipment over their tax basis.

Fluctuations in deferred tax balances are primarily driven by changes in the fair value of derivative financial instruments. Any increase or decrease in the fair value of the derivative financial instruments will decrease or increase the net tax asset position by the effective tax rate of the entity.

SUBSIDIARIES

Subsidiaries that are not wholly owned by Just Energy require judgment in determining the amount of control that Just Energy has over that entity and the appropriate accounting treatments. In these consolidated financial statements, management has determined that Just Energy controls Just Ventures and, therefore, has treated the 50% that is not owned by Just Energy as a non-controlling interest.

USEFUL LIFE OF KEY PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Each significant component is depreciated over its estimated useful life. A component can be separately identified as an asset and is expected to provide a benefit of greater than one year. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence and regulations. The useful lives of property, plant and equipment and depreciation rates used are reviewed at least annually to ensure they continue to be appropriate.

Depreciation and amortization expense from continuing operations for the year ended March 31, 2015, recorded in the consolidated statements of loss, was $76.0 million, compared with $69.5 million for the year ended March 31, 2014.

Fair value of financial instruments and risk management

Just Energy has entered into a variety of derivative financial instruments as part of the business of purchasing and selling gas, electricity and JustGreen supply. Just Energy enters into contracts with customers to provide electricity and gas at fixed prices and provide comfort to certain customers that a specified amount of energy will be derived from green generation or carbon destruction. These customer contracts expose Just Energy to changes in market prices to supply these commodities. To reduce the exposure to the commodity market price changes, Just Energy uses derivative financial and physical contracts to secure fixed-price commodity supply to cover its estimated fixed-price delivery or green commitment.

Just Energy's objective is to minimize commodity risk, other than consumption changes, usually attributable to weather. Accordingly, it is Just Energy's policy to hedge the estimated fixed-price requirements of its customers with offsetting hedges of natural gas and electricity at fixed prices for terms equal to those of the customer contracts. The cash flow from these supply contracts is expected to be effective in offsetting Just Energy's price exposure and serves to fix acquisition costs of gas and electricity to be delivered under the fixed-price or price-protected customer contracts. Just Energy's policy is not to use derivative instruments for speculative purposes.

Just Energy's U.S. and U.K. operations introduce foreign exchange-related risks. Just Energy enters into foreign exchange forwards in order to hedge its exposure to fluctuations in cross border cash flows.

The consolidated financial statements are in compliance with IAS 32, Financial Instruments: Presentation; IAS 39, Financial Instruments: Recognition and Measurement; and IFRS 7, Financial Instruments: Disclosure. Effective July 1, 2008, Just Energy ceased the utilization of hedge accounting. Accordingly, all the mark to market changes on Just Energy's derivative instruments are recorded on a single line on the consolidated income statement. Due to commodity volatility and to the size of Just Energy, the quarterly swings in mark to market on these positions will increase the volatility in Just Energy's earnings.

The Company's financial instruments are valued based on the following fair value ("FV") hierarchy:

LEVEL 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted unadjusted market prices.

LEVEL 2

Fair value measurements that require inputs other than quoted prices in Level 1, either directly or indirectly, are classified as Level 2 in the FV hierarchy. This could include the use of statistical techniques to derive the FV curve from observable market prices. However, in order to be classified under Level 2, inputs must be substantially observable in the market. Just Energy values its New York Mercantile Exchange ("NYMEX") financial gas fixed-for-floating swaps under Level 2.

LEVEL 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs are classified as Level 3 in the FV hierarchy. For the electricity supply contracts, Just Energy uses quoted market prices as per available market forward data and applies a price-shaping profile to calculate the monthly prices from annual strips and hourly prices from block strips for the purposes of mark to market calculations. The profile is based on historical settlements with counterparties or with the system operator and is considered an unobservable input for the purposes of establishing the level in the FV hierarchy. For the natural gas supply contracts, Just Energy uses three different market observable curves: i) Commodity (predominately NYMEX), ii) Basis and iii) Foreign exchange. NYMEX curves extend for over five years (thereby covering the length of Just Energy's contracts); however, most basis curves only extend 12 to 15 months into the future. In order to calculate basis curves for the remaining years, Just Energy uses extrapolation, which leads natural gas supply contracts to be classified under Level 3.

For the share swap, Just Energy uses a forward interest rate curve along with a volume weighted average share price. The Eurobond conversion feature is valued using an option pricing model.

Fair value measurement input sensitivity

The main cause of changes in the fair value of derivative instruments are changes in the forward curve prices used for the fair value calculations. Below is a sensitivity analysis of these forward curves. Other inputs, including volatility and correlations, are driven off historical settlements.

COMMODITY PRICE RISK

Just Energy is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly, thresholds for open positions in the gas and electricity portfolios which also feed a Value at Risk limit. Should any of the limits be exceeded, they are closed expeditiously or express approval to continue to hold is obtained. Just Energy's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, and volatility and liquidity of markets. Just Energy enters into derivative instruments in order to manage exposures to changes in commodity prices. The derivative instruments used are designed to fix the price of supply for estimated customer commodity demand and thereby fix margins such that shareholder dividends can be appropriately established. Derivative instruments are generally transacted over the counter. The inability or failure of Just Energy to manage and monitor the above market risks could have a material adverse effect on the operations and cash flows of Just Energy. Just Energy mitigates the exposure to variances in customer requirements that are driven by changes in expected weather conditions, through active management of the underlying portfolio, which involves, but is not limited to, the purchase of options including weather derivatives. Just Energy's ability to mitigate weather effects is limited by the degree to which weather conditions deviate from normal.

COMMODITY PRICE SENSITIVITY – ALL DERIVATIVE FINANCIAL INSTRUMENTS

If all the energy prices associated with derivative financial instruments including natural gas, electricity, verified emission-reduction credits and renewable energy certificates had risen (fallen) by 10%, assuming that all the other variables had remained constant, income before income taxes for the year ended March 31, 2015 would have increased (decreased) by $260.2 million ($256.2 million) primarily as a result of the change in fair value of Just Energy's derivative instruments.

COMMODITY PRICE SENSITIVITY – LEVEL 3 DERIVATIVE FINANCIAL INSTRUMENTS

If the energy prices associated with only Level 3 derivative instruments including natural gas, electricity, verified emission-reduction credits and renewable energy certificates had risen (fallen) by 10%, assuming that all the other variables had remained constant, income before income taxes for the year ended March 31, 2015 would have increased (decreased) by $240.9 million ($237.2 million) primarily as a result of the change in fair value of Just Energy's derivative instruments.

RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for uncollectible accounts reflects Just Energy's best estimates of losses on the accounts receivable balances. Just Energy determines the allowance for doubtful accounts on customer receivables by applying loss rates based on historical results to the outstanding receivable balance. Just Energy is exposed to customer credit risk on its continuing operations in Alberta, Texas, Illinois, British Columbia, New York, California, Michigan and Georgia and commercial direct-billed accounts in British Columbia, New York and Ontario. Credit review processes have been implemented to perform credit evaluations of customers and manage customer default. If a significant number of customers were to default on their payments, it could have a material adverse effect on the operations and cash flows of Just Energy. Management factors default from credit risk in its margin expectations for all the above markets.

Revenues related to the sale of energy are recorded when energy is delivered to customers. The determination of energy sales to individual customers is based on systematic readings of customer meters generally on a monthly basis. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated, and corresponding unbilled revenue is recorded. The measurement of unbilled revenue is affected by the following factors: daily customer usage, losses of energy during delivery to customers and applicable customer rates.

Increases in volumes delivered to the utilities' customers and favourable rate mix due to changes in usage patterns in the period could be significant to the calculation of unbilled revenue. Changes in the timing of meter reading schedules and the number and type of customers scheduled for each meter reading date would also have an effect on the measurement of unbilled revenue; however, total operating revenues would remain materially unchanged.

Just Energy common shares

As at May 13, 2015, there were 146,559,176 common shares of Just Energy outstanding.

Normal course issuer bid

During the 12-month period beginning March 17, 2014 and ending March 16, 2015, Just Energy had the ability to make a normal course issuer bid ("NCIB") to purchase for cancellation up to $33 million of the $330m convertible debentures, representing approximately 10% of the public float.

On March 13, 2015, Just Energy announced the approval from the TSX to renew its NCIB for the $330m convertible debentures and filed an NCIB for the $100m convertible debentures as well as for the common shares. Under each NCIB, Just Energy may purchase debentures and common shares representing 10% of the outstanding public float at close of business February 27, 2015 up to daily and total limits. As of March 31, 2015, Just Energy had purchased $1.6 million of the $330m convertible debentures.

Just Energy believes that the debentures and common shares may trade in a range that may not fully reflect their value. As a result, Just Energy believes that the purchase of the debentures and common shares from time to time can be undertaken at prices that make the acquisition of such securities an appropriate use of Just Energy's available funds. In addition, purchases under each of the NCIBs may increase the liquidity of the debentures and common shares and will enable Just Energy to deleverage its balance sheet. Just Energy intends to continue to buy back debentures and common shares when the circumstances present themselves in a way that maximizes value for Just Energy. The Company's current priority is the repurchase of debentures at attractive prices.

Accounting standards issued but not yet applied

IFRS 9, Financial Instruments ("IFRS 9"), was issued by the IASB on July 24, 2014, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. IFRS 9 also uses a new model for hedge accounting aligning the accounting treatment with risk management activities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the impact of IFRS 9 on the consolidated financial statements.

IFRS 11, Joint Arrangements ("IFRS 11") – Accounting for Acquisition of Interest requires an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles on business combination accounting in IFRS 3, Business Combinations, and other IFRSs that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRSs in relation to business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation. The amendments also clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be remeasured if the joint operator retains joint control. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company does not expect this standard to have any impact on the consolidated financial statements.

IFRS 15, Revenue Recognition ("IFRS 15"), establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or industry. The standard will also provide guidance on the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. The standard also outlines increased disclosures that will be required, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgments and estimates made. Management is currently evaluating the impact of IFRS 15 on the consolidated financial statements.

IAS 27, Equity Method ("IAS 27"), in separate financial statements will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. The Company does not expect this standard to have any impact on the consolidated financial statements. Two new annual improvements including Annual Improvements to IFRS 2010–2012 Cycle and Annual Improvements to IFRS 2011–2013 Cycle included amendments effective immediately as well as those effective with fiscal years beginning January 1, 2015. Just Energy does not expect these amendments to have any impact on the consolidated financial statements.

IAS 16 and IAS 38, Property, Plant and Equipment and Intangible Assets ("IAS 16 & 38") – Clarification of acceptable methods of depreciation and amortization clarifies the principle in IAS 16 & 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. Just Energy does not expect these amendments to have any impact on the consolidated financial statements.

Risk factors

Described below are the principal risks and uncertainties that Just Energy can foresee. It is not an exhaustive list, as some future risks may be as yet unknown and other risks, currently regarded as immaterial, could turn out to be material.

MARKET RISK

Market risk is a potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity.

Commodity price risk

Just Energy's cost to serve its retail energy customers is exposed to fluctuations in commodity prices. Although Just Energy enters into commodity derivative instruments with its suppliers to manage the commodity price risks, it is exposed to commodity price risk where estimated customer requirements do not match actual customer requirements or where it is not able to exactly purchase the estimated customer requirements. In such cases, Just Energy may suffer a loss if it is required to sell excess supply in the spot market (compared to its weighted average cost of supply) or to purchase additional supply in the spot market. Such losses could have a material adverse impact on Just Energy's operating results, cash flow and liquidity.

A key risk to Just Energy's business model is a sudden and significant drop in the commodity market price resulting in increase in customer churn, regulatory pressure and resistance on enforcement of liquidation damages and enactment of provisions to reset the customer price to current market price levels, which could have significant impact on Just Energy's business.

Commodity volume balancing risk

Depending on several factors including weather, Just Energy's customers may use more or less commodity than the volume purchased by Just Energy for delivery to them. Just Energy bears the financial responsibility, is exposed to market risk and, furthermore, may also be exposed to penalties by the LDCs for balancing the customer volume requirements. Although Just Energy manages the volume balancing risk through balancing language in some of its retail energy contracts, enters into weather derivative transactions to mitigate weather risk, and leverages natural gas storage facilities to manage daily delivery requirements, increased costs and/or losses resulting from occurrences of volume imbalance net of Just Energy's risk management activities could have a material adverse impact on Just Energy's operating results, cash flow and liquidity.

Interest rate risk

Just Energy is exposed to interest rate risk associated with its credit facility. Current exposure to interest rate risk associated with its credit facility does not economically warrant the use of derivative instruments.

Foreign exchange rate risk

Just Energy is exposed to foreign exchange risk on repatriation of U.S. dollar denominated and U.K. pound denominated income against Canadian dollar denominated dividends. In addition, Just Energy is exposed to translation risk on U.S. dollar and U.K. pound denominated earnings and foreign investments. Just Energy enters into foreign exchange derivative instruments to manage the cash flow risk on repatriation of foreign funds. Currently, Just Energy does not enter into derivative instruments to manage foreign exchange translation risk. Large fluctuations in foreign exchange rates may have a significant impact on Just Energy's earnings and cash flow. In particular, a significant rise in the relative value of the Canadian dollar to the U.S. dollar or U.K. pound could materially reduce reported earnings and cash flow.

LIQUIDITY RISK

Just Energy is at risk of not being able to settle its future debt obligations including convertible debentures and commercial notes. Increase in liquidity risk may put Just Energy's cash dividend at risk or require Just Energy to raise additional funds. Liquidity risk may cause Just Energy to close down, sell or otherwise dispose of all or part of the business of Just Energy's subsidiaries.

Credit agreement and other debt

Just Energy maintains a credit facility of up to $210 million for working capital purposes, pursuant to a credit agreement with various lenders (the "Credit Agreement"). The lenders under the Credit Agreement, together with certain suppliers of Just Energy and its affiliates, are party to the Credit Agreement and related security agreement which provide for a joint security interest over all customer contracts. There are various covenants pursuant to the Credit Agreement that govern activities of Just Energy and its affiliates. The restrictions in the Credit Agreement may adversely affect Just Energy's ability to finance its future operations and capital needs and to pursue available business opportunities. Should Just Energy or its subsidiary default under the terms of the Credit Agreement, the credit facility thereunder may become unavailable and may materially reduce Just Energy's liquidity. There can be no assurance that Just Energy would be able to obtain alternative financing or that such financing would be on terms favourable to Just Energy. In addition, Just Energy may not be able to extend, renew or refinance the credit facility on terms favourable to Just Energy, or at all, which would materially and adversely affect Just Energy's liquidity position, in which case Just Energy could be forced to sell assets or secure additional financing to make up for any shortfall in its payment obligations under unfavourable circumstances.

Just Energy has significant levels of other debt, including convertible debentures and bonds and a senior unsecured note, which could further limit Just Energy's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, restructuring, acquisitions or general corporate purposes, which could make Just Energy more vulnerable to economic downturns and adverse industry developments or limit flexibility in planning for or reacting to changes in its business. There can be no assurance that Just Energy would be able to refinance or replace such debt on terms favourable to Just Energy, or at all, which would materially and adversely affect Just Energy's liquidity position.

Working capital requirements (availability of credit)

In several markets where Just Energy operates, payment is provided to Just Energy by LDCs only when the customer has paid the LDC for the consumed commodity, rather than when the commodity is delivered. Just Energy also manages natural gas storage facilities where Just Energy must inject natural gas in advance of payment. These factors, along with seasonality in energy consumption, create a working capital requirement necessitating the use of Just Energy's available credit. In addition, Just Energy and its subsidiaries are required to post collateral to LDCs and Electricity System Operators. Any changes in payment terms managed by LDCs, any increase in cost of carrying natural gas storage inventory, and any increase in collateral posting requirements could result in significant liquidity risk to Just Energy.

Earnings seasonality and volatility

Just Energy's business is seasonal in nature. In addition to regular seasonal fluctuations in its earnings, there is significant volatility in its earnings associated with the requirement to mark its commodity contracts to market. The earnings volatility associated with seasonality and mark to market accounting may affect the ability of Just Energy to access capital and increase its liquidity risk.

Cash dividends are not guaranteed

The ability to pay dividends and the actual amount of dividends will depend upon numerous factors, including profitability; fluctuations in working capital; debt service requirements (including compliance with Credit Agreement obligations); and the sustainability of margins. Cash dividends are not guaranteed and will fluctuate with the performance of Just Energy and the availability of cash liquidity from ongoing business operations.

Share ownership dilution

Just Energy may issue additional or an unlimited number of common shares and up to 50,000,000 preferred shares without the approval of shareholders, which would dilute existing shareholders' interests.

SUPPLY COUNTERPARTY RISK

Counterparty risk is a loss that Just Energy would incur if a counterparty fails to perform under its contractual obligations.

Credit risk

Just Energy enters into long-term derivative contracts with its counterparties. If a derivative counterparty were to default on its contractual obligations, Just Energy would be required to replace its contracted commodities or instruments at prevailing market prices, which would negatively affect related customer margin or cash flows.

Supply delivery risk

Just Energy's business model is based on contracting for supply of electricity or natural gas to deliver to its customers. Failure by Just Energy's supply counterparties to deliver these commodities to Just Energy due to business failure, supply shortage, force majeure, or any other failure of such counterparties to perform their obligations under the applicable contracts would put Just Energy at risk of not meeting its delivery requirements with LDCs, thereby resulting in penalties, price risk, liquidity and collateral risk, and may have a significant impact on the business, financial condition, results of operations and cash flows of Just Energy.

LEGAL AND REGULATORY RISK

Legal and regulatory risk is a potential loss that may be incurred as a result of changes in regulations or legislation affecting Just Energy's business model, costs or operations, as well as being a risk of potential litigation against Just Energy resulting in impact to Just Energy's cash flow.

Regulatory environment

Just Energy may receive complaints from consumers which may involve sanctions from regulatory and legal authorities. The most significant potential sanction is the suspension or revocation of a licence which would prevent Just Energy from selling in a particular jurisdiction.

Changes to consumer protection legislation may impact Just Energy's business model and may include additional measures that require additional administration together with potential impacts to contracting, renewal and retention rates.

Just Energy's business model involves entering into derivative financial instruments to manage commodity price and supply risk. Financial reforms in the U.S., Canada and Europe may require Just Energy to comply with certain aspects of reporting, record keeping, position limits and other risk mitigation and price transparency rules that result in increased scrutiny of commodity procurement activities. Costs resulting from Just Energy's compliance with certain new regulatory requirements as well as increased costs of doing business with Just Energy's counterparties, which may be subject to even greater regulatory requirements, could have a material impact on Just Energy's business.

Litigation

In addition to the litigation referenced herein (see "Legal proceedings" on page 50) and occurring in the ordinary course of business, Just Energy may in the future be subject to class actions and other actions arising in relation to its consumer contracts and marketing practices. This litigation is, and any such additional litigation could be, time consuming and expensive and could distract the executive team from the conduct of Just Energy's daily business and may result in costly settlement arrangements. An adverse resolution or reputational damage of any specific lawsuit could have a material adverse effect on Just Energy's business or results of operations and the ability to favourably resolve other lawsuits.

In certain jurisdictions, independent contractors that contract with Just Energy to provide door-to-door sales have made claims, either individually or as a class, that they are entitled to employee benefits such as minimum wage or overtime pursuant to legislation, even though they have entered into a contract with Just Energy that provides that they are not entitled to benefits normally available to employees. Just Energy's position has been confirmed in some instances and overturned by regulatory bodies and courts in others, and some of these decisions are under appeal. Should the regulatory bodies or claimants be ultimately successful, Just Energy would be required to remit unpaid tax amounts plus interest and might be assessed a penalty, which amounts could be substantial.

RETAIL RISK

Retail customer risk is a potential loss that may be incurred as a result of change in customer behaviour and from an increase in competition in the retail energy industry.

Consumer contract attrition and renewal rates

Just Energy may experience an increase in attrition rates and lower acceptance rates on renewal requests due to commodity price volatility, increased competition or change in customer behaviour. There can be no assurance that the historical rates of annual attrition will not increase substantially in the future or that Just Energy will be able to renew its existing energy contracts at the expiry of their terms. Any such increase in attrition or failure to renew could have a material adverse impact on Just Energy's business, financial condition, operating results, cash flow, liquidity and prospects.

Customer credit risk

Just Energy has credit risk in various markets where bills are sent directly to customers for energy consumption from Just Energy. If a significant number of direct bill customers were to default on their payments, it could have a material adverse effect on the results operations, cash flow and liquidity of Just Energy.

For the remaining customers, the LDCs provide collection services and assume the risk of any bad debts owing from Just Energy's customers for a fee. There is no assurance that the LDCs that provide these services will continue to do so in the future which would mean that Just Energy would have to accept additional customer credit risk.

Competition

A number of companies and incumbent utility subsidiaries compete with Just Energy in the residential, commercial and small industrial market. It is possible that new entrants may enter the market as marketers and compete directly for the customer base that Just Energy targets, slowing or reducing its market share. If the LDCs are permitted by changes in the current regulatory framework to sell natural gas or electricity at prices at other than cost, their existing customer bases could provide them with a significant competitive advantage. This could limit the number of customers available for marketers including Just Energy and impact Just Energy's growth and retention.

BUSINESS OPERATIONS RISKS

Business operations risk is a potential loss occurring from an unplanned interruption or cyber-attack, manual or system errors, and business earnings risk unique to the retail energy sales industry.

Cyber risk

Just Energy's business requires retaining important customer information that is considered private, such as name, address, banking and payment information, drivers' licences, and Social Security and Social Insurance numbers. Although Just Energy protects this information with restricted access and enters into cyber risk insurance policies, there could be a significant adverse impact to the business, reputation and customer relations should the private information be compromised due to a cyber-attack on Just Energy's Information Technology systems.

Just Energy is also subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for non-compliance. Just Energy's failure to comply with federal, state, provincial and foreign laws regarding privacy and protection of data could lead to significant fines and penalties imposed by regulators, as well as claims by our customers. There can be no assurance that the limitations of liability in Just Energy's contracts would be enforceable or adequate or would otherwise protect Just Energy from any such liabilities or damages with respect to any particular claim. The successful assertion of one or more large claims against Just Energy that exceeds its available insurance coverage could have an adverse effect on our business, financial condition and results of operations.

Information Technology systems

Just Energy relies on Information Technology ("IT") systems to store critical information, generate financial forecasts, report financial results and make applicable securities law filings. Just Energy also relies on IT systems to make payments to suppliers, pay commissions to brokers and independent contractors, enroll new customers, send monthly bills to customers and collect payments from customers. Failure of these systems could have a material adverse effect on Just Energy's business and financial prospects or cause it to fail to meet its reporting obligations, which could result in a suspension or delisting of its common shares.

Model risk

The approach to calculation of market value and customer forecasts requires data-intensive modelling used in conjunction with certain assumptions when independently verifiable information is not available. Although Just Energy uses industry standard approaches and validates its internally developed models, should underlying assumptions prove incorrect or an embedded modelling error go undetected in the vetting process, this could result in incorrect estimates and thereby have a material adverse impact on Just Energy's business, financial condition, results of operations, cash flow and liquidity.

Accounting estimates risks

Just Energy makes accounting estimates and judgments in the ordinary course of business. Such accounting estimates and judgments will affect the reported amounts of Just Energy's assets and liabilities at the date of its financial statements and the reported amounts of its operating results during the periods presented. Additionally, Just Energy interprets the accounting rules in existence as of the date of its financial statements when the accounting rules are not specific to a particular event or transaction. If the underlying estimates are ultimately proven to be incorrect, or if Just Energy's auditors or regulators subsequently interpret Just Energy's application of accounting rules differently, subsequent adjustments could have a material adverse effect on Just Energy's operating results for the period or periods in which the change is identified. Additionally, subsequent adjustments could require Just Energy to restate historical financial statements.

Risks from adoption of new accounting standards or interpretations

Implementation of and compliance with changes in accounting rules and interpretations could adversely affect Just Energy's operating results or cause unanticipated fluctuations in its results in future periods. The accounting rules and regulations that Just Energy must comply with are complex and continually changing. While Just Energy believes that its financial statements have been prepared in accordance with IFRS, Just Energy cannot predict the impact of future changes to accounting principles or Just Energy's accounting policies on its financial statements going forward.

Risks from deficiencies in internal control over financial reporting

Just Energy may face risks if there are deficiencies in its internal control over financial reporting and disclosure controls and procedures. The Board of Directors, in coordination with the Audit Committee, is responsible for assessing the progress and sufficiency of internal control over financial reporting and disclosure controls and procedures and makes adjustments as necessary. Any deficiencies, if uncorrected, could result in Just Energy's financial statements being inaccurate and in future adjustments or restatements of Just Energy's historical financial statements, which could adversely affect the business, financial condition and results of operations of Just Energy.

Outsourcing and third party service agreements

Just Energy has outsourcing arrangements to support its call centre's requirements for business continuity plans and independence for regulatory purposes, billing and settlement arrangements for certain jurisdictions, scheduling responsibilities in certain jurisdictions, and operational support for its operations in the United Kingdom. Contract data input is also outsourced as is some corporate business continuity, IT development and disaster recovery functions. Should the outsourced counterparties not deliver their contracted services, Just Energy may experience service and operational gaps that adversely impact customer retention and aggregation and cash flows.

In most jurisdictions in which Just Energy operates, the LDCs currently perform billing and collection services. If the LDCs cease to perform these services, Just Energy would have to seek a third party billing provider or develop internal systems to perform these functions. This could be time consuming and expensive.

Disruption to infrastructure

Customers are reliant upon the LDCs to deliver their contracted commodity. LDCs are reliant upon the continuing availability of their distribution infrastructure. Any disruptions in this infrastructure as a result of a hurricane, act of terrorism or otherwise could result in counterparties' default and thereafter Just Energy enacting the force majeure clauses of their contracts. Under such severe circumstances there could be no revenue or margin for the affected areas.

Additionally, any disruptions to Just Energy's operations or sales office may also have a significant impact on business and financial prospects. Although Just Energy has insurance policies that cover business interruption and natural calamities, in certain cases the insurance coverage may not be sufficient to cover the potential loss.

OTHER RISKS

Share price volatility risk

The common shares currently trade on the TSX and the NYSE. The trading price of the common shares has in the past been, and may be in the future be, subject to significant fluctuations. These fluctuations may be caused by events related or unrelated to Just Energy's operating performance and beyond its control. Factors such as actual or anticipated fluctuations in Just Energy's operating results (including as a result of seasonality and volatility caused by mark to market accounting for commodity contracts), fluctuations in the share prices of other companies operating in business sectors comparable to those in which Just Energy operates, outcomes of litigation or regulatory proceedings, or changes in estimates of future operating results by securities analysts, among other things, may have a significant impact on the market price of the common shares. In addition, the stock market has experienced volatility which often has been unrelated to the operating performance of the affected companies. These market fluctuations may materially and adversely affect the market price of the common shares, which may make it more difficult for holders of common shares to sell their shares.

Management retention risk

Just Energy's future success will depend on, among other things, its ability to keep the services of its management and to hire other highly qualified employees at all levels. Just Energy will compete with other potential employers for employees, and may not be successful in hiring and keeping the services of executives and other employees that it needs. The loss of the services of, or the inability to hire, executives or key employees could hinder Just Energy's business operations and growth.

Legal proceedings

The State of California has filed a number of complaints with the Federal Energy Regulatory Commission ("FERC") against many suppliers of electricity, including Commerce Energy Inc. ("CEI"), a subsidiary of the Company, with respect to events stemming from the 2001 energy crisis in California. On March 18, 2010, the assigned Administrative Law Judge granted a motion to strike the claim for all parties in one of the complaints (in favour of the suppliers), holding that California did not prove that the reporting errors masked the accumulation of market power. California has appealed the decision. On June 13, 2012, FERC denied the plaintiff's request for a rehearing, affirming its initial decision. California appealed to the United States District Courts for the Ninth Circuit and oral arguments were heard on February 26, 2015. On April 29, 2015, the appeals court remanded the case back to FERC on grounds that the agency erred in assessing whether market power had resulted in unjust and unreasonable prices, when it only considered power generation market share. The Ninth Circuit said FERC failed to consider other evidence of market power presented by California (e.g., sellers' actual market positions, gaming, anomalous bidding behaviour and other market manipulation), whether such market power was masked by the reporting deficiencies at issue, and to determine whether the prices in the market were "just and reasonable" as required under the Federal Power Act. CEI continues to vigorously contest this matter.

In August 2013, Fulcrum Power Services L.P. ("FPS") filed a lawsuit against the Company, Just Energy (US) Corp. and Fulcrum, for up to $20 million in connection with Fulcrum failing to achieve an earn-out target under the purchase and sales agreement dated August 24, 2011 for the purchase of Fulcrum from FPS. FPS alleges that the Company conducted itself in a manner that was intended to or reasonably likely to reduce or avoid the achievement of the earn-out target. In October 2013, the Company's motion to compel arbitration was successful. The arbitration is scheduled to commence on June 1, 2015. Just Energy will continue to vigorously defend itself against this claim through the arbitration process.

In March 2012, Davina Hurt and Dominic Hill filed a lawsuit against Commerce Energy Inc., Just Energy Marketing Corp. and the Company (collectively referred to as "Just Energy") in the Ohio federal court claiming entitlement to payment of minimum wage and overtime under Ohio wage claim laws and the federal Fair Labor Standards Act ("FLSA") on their own behalf and similarly situated door-to-door sales representatives who sold for Commerce in certain regions of the United States. The Court granted the plaintiffs' request to certify the lawsuit as a class action. Approximately 1,800 plaintiffs opted into the federal minimum wage and overtime claims, and approximately 8,000 plaintiffs were certified as part of the Ohio state overtime claims. A jury trial on the liability phase was completed on October 6, 2014. The jury reached a verdict that supports the plaintiffs' class and collective action that certain individuals were not properly classified as outside salespeople in order to qualify for an exemption under the minimum wage and overtime requirements pursuant to the FLSA and Ohio wage and hour laws. Potential amounts owing have yet to be determined and will be subject to a separate damage phase proceeding which remains unscheduled by the Court. On January 9, 2015, the Court struck the plaintiffs' damage expert report based primarily on the fact that the report relied on an unreliable survey. Just Energy disagrees with the result of the October trial and is of the opinion that it is not supported by existing law and precedent. Just Energy strongly believes it complied with the law, continues to vigorously defend the claims and intends to appeal adverse findings.

In August 2013, Levonna Wilkins, a former door-to-door independent contractor for Just Energy Illinois Corp. ("Just Energy Illinois") filed a lawsuit against Just Energy Illinois, Commerce Energy, Inc., Just Energy Marketing Corp. and the Company (collectively referred to as "Just Energy") in the Illinois federal district court claiming entitlement to payment of minimum wage and overtime under Illinois wage claim laws and the federal FLSA on her own behalf and similarly situated door-to-door sales representatives who sold in Illinois. On March 13, 2015, the Court granted Wilkins' request to certify the lawsuit as a class action to include a class made up of Illinois sales representatives who sold for Just Energy Illinois and Commerce. Just Energy filed a motion for reconsideration objecting to the class definition and requested that the Court revise its ruling to exclude sales representatives who sold for Commerce. Just Energy will continue to vigorously contest this matter.

Controls and procedures

An evaluation was performed under the supervision and with the participation of Company's management, including the Co-Chief Executive Officers and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and Canadian Securities Administrators, as of March 31, 2015. Based on that evaluation, the Company's management, including the Co-Chief Executive Officers and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of March 31, 2015.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorization of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management has used the criteria established in the 1992 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission to assess, with the participation of the Co-Chief Executive Officers and Chief Financial Officer, the effectiveness of the Company's internal control over financial reporting. Based on this assessment management has concluded that as at March 31, 2015, the Company's internal control over financial reporting was effective based on the applicable criteria. The effectiveness of the Company's internal control over financial reporting has been audited by the independent auditors, Ernst & Young LLP, a registered public accounting firm that has also audited the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2015. Their Report of Internal Controls under Standards of the Public Company Accounting Oversight Board (United States), included in the Consolidated Financial Statements, expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of March 31, 2015.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the year and quarter ended March 31, 2015, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Corporate governance

Just Energy is committed to maintaining transparency in its operations and ensuring its approach to governance meets all recommended standards. Full disclosure of Just Energy's compliance with existing corporate governance rules is available at www.justenergygroup.com and is included in Just Energy's Management Proxy Circular. Just Energy actively monitors the corporate governance and disclosure environment to ensure timely compliance with current and future requirements.

Outlook

Fiscal 2015 was a remarkable year for Just Energy, as the Company delivered excellent financial results and made significant progress towards achieving its objective of becoming a premier, world-class provider of energy management solutions. The energy management industry is bringing value-add products to market that address the transformation in how energy will be consumed in the future. The retail energy industry has historically been viewed as offering only opaque financial instruments that yielded little value and which consumers didn't fully understand. Today, technology and innovative products make it a dynamic industry adding real value to consumers and providing significant growth opportunities for companies with sales and marketing expertise that can provide exceptional customer service.

Just Energy has the longevity, size, independence, and forward-thinking solutions to capitalize on this emerging opportunity and disrupt the traditional utility model. The Company made significant strides along many of the critical objectives it set out to accomplish in fiscal 2015. However, there is more to be done along these objectives in order to fully establish the platform upon which to transform the Company and execute the strategy effectively – a strategy that will position Just Energy to fully participate in this changing macro dynamic in how individuals will consume energy and manage their energy needs in the future.

Fiscal 2015 marked the 18th consecutive year of net customer additions for Just Energy, reflecting the Company's ability to meet the evolving, modern demands of today's consumers. The Company now serves over two million individual customers, consuming the equivalent energy of 4.7 million residential customers. The Company foresees near-term growth in its customer base in line with that experienced over the past three years. Keys to that growth will be improved attrition and continued strong renewal rates. New product offerings including bundling have shown lower attrition as compared with single product offerings. Just Energy will look to broaden its geographical reach through new product innovation.

It's important to note that the Company has the ability to grow its large, established base business, and grow earnings per customer at the same time. The margin per customer improvements achieved in fiscal 2015 in both the residential and commercial business are directly related to the ongoing commitment to Just Energy's margin improvement initiative. While competition is certain to come and go from the space over time, the Company believes it can continue to drive margin improvement that can be sustained over the long term as a result of the Company's innovative new products with more appeal and value for customers. This has continued to allow Just Energy to increase its margin without sacrificing customers. As such, the Company expects to continue replacing lost customers by signing new, higher margin customers throughout fiscal 2016. This improved profitability per customer adds to the Company's future margins over and above growth in the customer base.

Going forward, Just Energy expects administrative cost growth to be lower than margin growth. However, the majority of the Company's expenses are denominated in U.S. dollars, offsetting some of the positive impact on margin.

Selling and marketing expense is transforming with the evolution of Just Energy's sales channels. These costs grew by 19% in fiscal 2015, compared to customer addition growth of 5% year over year. This reflects a shift from largely upfront commission structures in the door-to-door channel to residual commissions for online and broker sales. Selling and marketing costs are expected to grow more quickly than customers and margins until the mix of selling channels stabilizes.

The result of the expected customer growth, continued margin improvements and ongoing cost controls will drive Base EBITDA growth in fiscal 2016. Just Energy has provided a Base EBITDA guidance range for fiscal 2016 of $193 million to $203 million for the full year. The midpoint of the range would result in 10% Base EBITDA growth over the strong performance of fiscal 2015.

During fiscal 2016, Just Energy expects to become a federal tax payer in Canada. The Company estimates its Canadian federal tax liability will be approximately $15 million. Moving forward, the Company will be a cash tax payer. Just Energy is currently conducting business in the United States, Canada and the United Kingdom and is working to create a tax efficient solution in those jurisdictions.

As reported in the consolidated statements of financial position, Just Energy's cash and long-term debt were $78.8 million and $676.5 million, respectively, as of March 31, 2015, resulting in a ratio of net debt to Base EBITDA of 3.3 times.

Debt reduction remains a clear priority for Just Energy. During the year the Company took swift action to improve the financial position of the business by reducing the long-term debt by 27%, from $930.0 million at fiscal 2014 year-end to $676.5 million as of March 31, 2015. While these improvements significantly improved the Company's financial footing and flexibility, and adhere to the commitment to maintain a capital-light business model, the Company feels there is more to be done to further strengthen the balance sheet and improve the debt position. As such, management has defined a logical, financially prudent approach to further reducing debt that also recognizes certain restrictions on the debt. The Company is already in discussions with the parties involved to reach a mutually agreeable resolution. One of the first steps in further deleveraging is renewing the credit facility. Initial discussions with the participating lenders are positive and management expects to finalize and close on the credit facility renewal during the fiscal second quarter.

Base Funds from Operations were up 4% in fiscal 2015, with lower growth compared to EBITDA as a result of higher cash taxes and finance costs. The result was a payout ratio of 94%, down from 139% in fiscal 2014. Recognizing the pro forma $0.50 annual dividend, the payout ratio would have been 81% in fiscal 2015. The Company anticipates lower finance costs based on lower debt in the coming year, with higher cash taxes as the sale of NHS absorbs future tax benefits.

In fiscal 2015, Just Energy reached a very unique, strategic agreement with Clean Power Finance ("CPF") to enter the high-growth residential solar markets in a manner that leverages Just Energy's core competencies in sales and marketing, tapping into Just Energy's two million captive customers and the ten million doors the Just Energy team knocks on annually. CPF's online platform allows Just Energy to sell residential solar finance products and connects the Company with a national network of qualified solar installation professionals. Under the agreement, Just Energy will act as an originator of residential solar deals that are financed and installed via CPF. Just Energy will also be able to sell complementary energy management solutions to solar customers.

The Just Energy solar pilot program was launched in California and New York during March and May, respectively. While it is still early in the pilot phase of the business, the initial results and feedback have been positive. The Company is successfully selling solar deals in California and ramping up in New York. The solar plan is to continue to carefully expand the solar footprint to other states where it makes economic sense while pushing the industry forward to develop more value-add, customer friendly products. The Company expects to begin reporting the financial contributions from solar as a separate reporting segment during fiscal 2016.

In summary, Just Energy is in a very solid position and poised for success in 2016. The core business is healthy and growing as seen by its record number of new customer additions. The Company is committed to achieving measureable financial improvement through prudent financial management and customer margin expansion. It has a clear strategy for the future, which will serve as the springboard to capturing significant global opportunities. Just Energy has a leading market position in all of its geographic territories, and its sales and marketing expertise will allow the Company to meet the evolving demands of its target customers.

Management’s responsibility for financial reporting

The accompanying consolidated financial statements of Just Energy Group Inc. and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated financial statements include some amounts that are based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Financial information presented elsewhere in this annual report has been prepared on a consistent basis with that in the consolidated financial statements.

Just Energy Group Inc. maintains systems of internal accounting and administrative controls. These systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company assets are properly accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and is composed entirely of non-management directors. The Audit Committee meets periodically with management and the external auditors, to discuss auditing, internal controls, accounting policy and financial reporting matters. The committee reviews the consolidated financial statements with both management and the external auditors and reports its findings to the Board of Directors before such statements are approved by the Board.

The consolidated financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) on behalf of the shareholders. The external auditors have full and free access to the Audit Committee, with and without the presence of management, to discuss their audit and their findings as to the integrity of the financial reporting and the effectiveness of the system of internal controls.

On behalf of Just Energy Group Inc.

/s/ James Lewis

James Lewis
Co-Chief Executive Officer

/s/ Deb Merril

Deb Merril
Co-Chief Executive Officer

/s/ Pat McCullough

Pat McCullough
Chief Financial Officer

Toronto, Canada
May 14, 2015

Management's report on internal control over financial reporting

The management of Just Energy Group Inc. ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting, and has designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Management has used "Internal Control – Integrated Framework" to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (COSO). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the design and operation of the Company's internal control over financial reporting as of March 31, 2015, and has concluded that such internal control over financial reporting is effective.

Ernst & Young LLP, the independent auditors appointed by the shareholders of the Company who have audited the consolidated financial statements, have also audited internal control over financial reporting and have issued their report on the following page of this annual report.

/s/ James Lewis

James Lewis
Co-Chief Executive Officer

/s/ Deb Merril

Deb Merril
Co-Chief Executive Officer

/s/ Pat McCullough

Pat McCullough
Chief Financial Officer

Toronto, Canada
May 14, 2015

Independent auditors' report of registered public accounting firm

To the Board of Directors and Shareholders
of Just Energy Group Inc.

We have audited the accompanying consolidated financial statements of Just Energy Group Inc., which comprise the consolidated statements of financial position as at March 31, 2015 and 2014, and the consolidated statements of income (loss), comprehensive income (loss), changes in shareholders' deficit and cash flows for the years ended March 31, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Just Energy Group Inc. as at March 31, 2015 and 2014 and its financial performance and its cash flows for the years ended March 31, 2015 and 2014 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

OTHER MATTER

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Just Energy Group Inc.'s internal control over financial reporting as of March 31, 2015, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated May 14, 2014 expressed an unqualified opinion on Just Energy Group Inc.'s internal control over financial reporting.

/s/ Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Canada
May 14, 2015

Independent auditors' report of registered public accounting firm

To the Board of Directors and Shareholders
of Just Energy Group Inc.

We have audited Just Energy Group Inc.'s internal control over financial reporting as of March 31, 2015, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the "COSO criteria"). Just Energy Group Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying management certification report on internal control over financial reporting. Our responsibility is to express an opinion on Just Energy Group Inc.'s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Just Energy Group Inc. maintained, in all material respects, effective internal control over financial reporting as of March 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Just Energy Group Inc. as at March 31, 2015 and 2014, and the consolidated statements of income (loss), comprehensive income (loss), shareholders' deficit and cash flows for the years ended March 31, 2015 and 2014, and our report dated May 14, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Canada
May 14, 2015

Consolidated statements of financial position

As at March 31 (in thousands of Canadian dollars)

	Notes	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	5	**$ 23,815**	$ 176,720
Intangible assets	6	**348,511**	404,928
Contract initiation costs		**20,440**	75,731
Other non-current financial assets	11	**1,091**	31,696
Non-current receivables		**–**	11,175
Investments	9	**9,627**	9,224
Deferred tax asset	16	**25,374**	1,676
		428,858	711,150
Current assets			
Inventory		**–**	9,205
Gas delivered in excess of consumption		**1,064**	7
Gas in storage		**5,167**	2,387
Current trade and other receivables		**459,427**	426,971
Accrued gas receivables		**45,992**	48,634
Unbilled revenues		**219,630**	170,661
Prepaid expenses and deposits		**22,875**	21,699
Other current financial assets	11	**4,834**	103,502
Corporate tax recoverable		**13,067**	9,754
Restricted cash	7	**17,462**	12,017
Cash and cash equivalents		**78,814**	20,401
		868,332	825,238
Assets classified as held for sale		**–**	106,262
		868,332	931,500
TOTAL ASSETS		**$ 1,297,190**	$ 1,642,650
DEFICIT AND LIABILITIES			
Deficit attributable to equity holders of the parent			
Deficit		**$ (1,828,495)**	$ (1,294,987)
Accumulated other comprehensive income	12	**56,393**	71,997
Shareholders' capital	13	**1,063,423**	1,033,557
Equity component of convertible debentures		**25,795**	25,795
Contributed surplus		**44,062**	65,569
Shareholders' deficit		**(638,822)**	(98,069)
Non-controlling interest		**–**	6,427
TOTAL DEFICIT		**(638,822)**	(91,642)
Non-current liabilities			
Long-term debt	15	**676,480**	930,027
Provisions	17	**4,307**	3,760
Deferred lease inducements		**604**	813
Other non-current financial liabilities	11	**299,320**	56,297
Deferred tax liability	16	**–**	32,935
		980,711	1,023,832
Current liabilities			
Trade and other payables		**510,470**	485,471
Accrued gas payable		**28,944**	34,589
Deferred revenue		**1,573**	82
Income taxes payable		**13,152**	6,280
Current portion of long-term debt	15	**23**	51,999
Provisions	17	**14,899**	3,052
Other current financial liabilities	11	**386,240**	77,135
		955,301	658,608
Liabilities relating to assets classified as held for sale		**–**	51,852
		955,301	710,460
TOTAL LIABILITIES		**1,936,012**	1,734,292
TOTAL DEFICIT AND LIABILITIES		**$ 1,297,190**	$ 1,642,650

Commitments and Guarantees (Note 26)

See accompanying notes to the consolidated financial statements

Approved on behalf of Just Energy Group Inc.

/s/ Rebecca MacDonald

Rebecca MacDonald
Executive Chair

/s/ Michael Kirby

Michael Kirby
Corporate Director

Consolidated statements of income (loss)

For the years ended March 31
(in thousands of Canadian dollars, except where indicated and per share amounts)

	Notes	2015	2014
CONTINUING OPERATIONS			
Sales	19	**$ 3,895,940**	$ 3,534,614
Cost of sales	18(b)	**3,295,871**	3,029,083
GROSS MARGIN		**600,069**	505,531
EXPENSES			
Administrative expenses		**154,222**	116,713
Selling and marketing expenses		**225,243**	189,890
Other operating expenses	18(a)	**114,590**	99,794
		494,055	406,397
Operating profit before the following		**106,014**	99,134
Finance costs	15	**(73,680)**	(69,441)
Change in fair value of derivative instruments	11	**(635,204)**	186,142
Other income (loss)		**(2,396)**	2,921
Income (loss) before income taxes		**(605,266)**	218,756
Provision for (recovery of) income taxes	16	**(28,889)**	48,190
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**$ (576,377)**	$ 170,566
DISCONTINUED OPERATIONS			
Income (loss) from discontinued operations	8	**132,673**	(33,625)
PROFIT (LOSS) FOR THE YEAR		**$ (443,704)**	$ 136,941
Attributable to:			
Shareholders of Just Energy		**$ (446,785)**	$ 135,907
Non-controlling interest	10	**3,081**	1,034
PROFIT (LOSS) FOR THE YEAR		**$ (443,704)**	$ 136,941
Earnings (loss) per share from continuing operations	21		
Basic		**$ (4.01)**	$ 1.15
Diluted		**$ (4.01)**	$ 1.11
Earnings (loss) per share from discontinued operations			
Basic		**$ 0.94**	$ (0.20)
Diluted		**$ 0.91**	$ (0.20)
Earnings (loss) per share available to shareholders	21		
Basic		**$ (3.07)**	$ 0.95
Diluted		**$ (3.07)**	$ 0.94

See accompanying notes to the consolidated financial statements

Consolidated statements of comprehensive income (loss)

For the years ended March 31 (in thousands of Canadian dollars)

	Notes	2015	2014
PROFIT (LOSS) FOR THE YEAR		**$ (443,704)**	$ 136,941
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:	12		
Unrealized gain (loss) on translation of foreign operations from continuing operations		**(13,139)**	27,287
Unrealized gain on translation of foreign operations from discontinued operations		**–**	2,556
Realized loss on translation of foreign operations sold		**(2,465)**	–
Amortization of deferred unrealized loss on discontinued hedges, net of income taxes of nil (2014 – $207)		**–**	(5,001)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years, net of tax		**(15,604)**	24,842
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX		**$ (459,308)**	$ 161,783
Total comprehensive income (loss) attributable to:			
Shareholders of Just Energy		**$ (462,389)**	$ 160,749
Non-controlling interest		**3,081**	1,034
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX		**$ (459,308)**	$ 161,783

See accompanying notes to the consolidated financial statements

Consolidated statements of changes in shareholders' deficit

For the years ended March 31 (in thousands of Canadian dollars)

	Notes	2015	2014
ATTRIBUTABLE TO THE SHAREHOLDERS			
Accumulated earnings			
Accumulated earnings, beginning of year		**$ 216,218**	$ 87,496
Loss on acquisition of non-controlling interest		**–**	(7,185)
Income (loss) for the period, attributable to shareholders		**(446,785)**	135,907
Accumulated earnings (deficit), end of year		**(230,567)**	216,218
DIVIDENDS			
Dividends, beginning of year		**(1,511,205)**	(1,387,776)
Dividends	25	**(86,723)**	(123,429)
Dividends, end of year		**(1,597,928)**	(1,511,205)
DEFICIT		**$ (1,828,495)**	$ (1,294,987)
ACCUMULATED OTHER COMPREHENSIVE INCOME	12		
Accumulated other comprehensive income, beginning of year		**$ 71,997**	$ 47,155
Other comprehensive income (loss)		**(15,604)**	24,842
Accumulated other comprehensive income, end of year		**$ 56,393**	$ 71,997
SHAREHOLDERS' CAPITAL	13		
Shareholders' capital, beginning of year		**$ 1,033,557**	$ 1,018,082
Share-based compensation awards exercised		**26,272**	7,240
Dividend reinvestment plan		**3,594**	8,235
Shareholders' capital, end of year		**$ 1,063,423**	$ 1,033,557
EQUITY COMPONENT OF CONVERTIBLE DEBENTURES			
Balance, beginning of year		**$ 25,795**	$ 25,795
Balance, end of year		**$ 25,795**	$ 25,795
CONTRIBUTED SURPLUS			
Balance, beginning of year		**$ 65,569**	$ 70,893
Reclassification of non-controlling interest on dissolution of entity		**(2,443)**	–
Add: Share-based compensation awards	18(a)	**7,120**	1,796
Non-cash deferred share grant distributions		**88**	120
Less: Share-based compensation awards exercised		**(26,272)**	(7,240)
Balance, end of year		**$ 44,062**	$ 65,569
NON-CONTROLLING INTEREST			
Balance, beginning of year		**$ 6,427**	$ (702)
Disposal of non-controlling interest		**(5,602)**	–
Reclassification of non-controlling interest on dissolution of entity		**2,443**	–
Investment by non-controlling shareholders		**–**	11,063
Foreign exchange impact on non-controlling interest		**66**	1,176
Distributions to non-controlling shareholders		**(6,415)**	(6,144)
Income attributable to non-controlling interest		**3,081**	1,034
Balance, end of year		**$ –**	$ 6,427
TOTAL DEFICIT		**$ (638,822)**	$ (91,642)

See accompanying notes to the consolidated financial statements

Consolidated statements of cash flows

For the years ended March 31 (in thousands of Canadian dollars)

	Notes	2015	2014
Net inflow (outflow) of cash related to the following activities			
OPERATING			
Income (loss) from continuing operations before income taxes		**$ (605,266)**	$ 218,756
Items not affecting cash			
Amortization of intangible assets and related supply contracts	18(a)	**41,814**	47,994
Amortization of contract initiation costs		**29,249**	16,884
Amortization of property, plant and equipment	18(a)	**3,579**	4,151
Amortization included in cost of sales	18(b)	**1,398**	440
Share-based compensation	18(a)	**7,120**	1,598
Financing charges, non-cash portion		**15,609**	14,271
Other		**(227)**	(242)
Change in fair value of derivative instruments		**635,204**	(186,142)
Cash inflow (outflow) from operating activities of discontinued operations		**20,902**	6,652
		754,648	(94,394)
Adjustment required to reflect net cash receipts from gas sales	27	**(2,698)**	(6,186)
Net change in non-cash working capital balances	28	**(44,458)**	45,765
		102,226	163,941
Income taxes recovered (paid)		**(6,014)**	1,457
Cash inflow from operating activities		**96,212**	165,398
INVESTING			
Purchase of property, plant and equipment		**(5,769)**	(7,294)
Purchase of intangible assets		**(7,632)**	(7,480)
Proceeds on disposal of subsidiaries		**195,510**	–
Acquisition of minority interest		**–**	(7,185)
Contract initiation costs		**(29,831)**	(23,164)
Cash outflow from investing activities of discontinued operations		**(18,713)**	(68,120)
Cash inflow (outflow) from investing activities		**133,565**	(113,243)
FINANCING			
Dividends paid		**(83,041)**	(115,072)
Issuance of long-term debt		**310,279**	601,534
Repayment of long-term debt		**(381,359)**	(573,894)
Debt issuance costs		**(370)**	(11,245)
Distributions to minority shareholder		**(6,415)**	(6,143)
Cash inflow (outflow) from financing activities of discontinued operations		**(15,560)**	38,443
Cash outflow from financing activities		**(176,466)**	(66,377)
Effect of foreign currency translation on cash balances		**7,037**	1,276
Net cash inflow (outflow)		**60,348**	(12,946)
Cash and cash equivalents reclassified to assets held for sale		**(1,935)**	(5,151)
Cash and cash equivalents, beginning of year		**20,401**	38,498
Cash and cash equivalents, end of year		**$ 78,814**	$ 20,401
Supplemental cash flow information:			
Interest paid		**$ 56,505**	$ 57,097

See accompanying notes to the consolidated financial statements

Notes to the consolidated financial statements

For the year ended March 31, 2015
(in thousands of Canadian dollars, except where indicated and per share amounts)

1 ORGANIZATION

Just Energy Group Inc. ("JEGI", "Just Energy" or the "Company") is a corporation established under the laws of Canada to hold securities and to distribute the income of its directly or indirectly owned operating subsidiaries and affiliates. The registered office of Just Energy is First Canadian Place, 100 King Street West, Toronto, Ontario, Canada. The consolidated financial statements consist of Just Energy and its subsidiaries and affiliates. The consolidated financial statements were approved by the Board of Directors on May 14, 2015.

2 OPERATIONS

Just Energy's business involves the sale of natural gas and/or electricity to residential and commercial customers under long-term fixed-price, price-protected or variable-priced contracts. Just Energy markets its gas and electricity contracts in Canada, the United States and the United Kingdom under the following trade names: Just Energy, Hudson Energy, Commerce Energy, Amigo Energy, Tara Energy, Green Star Energy and TerraPass. By fixing the price of natural gas or electricity under its fixed-price or price-protected program contracts for a period of up to five years, Just Energy's customers offset their exposure to changes in the price of these essential commodities. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Just Energy derives its margin or gross profit from the difference between the price at which it is able to sell the commodities to its customers and the related price at which it purchases the associated volumes from its suppliers.

In addition, Just Energy markets smart thermostats, offering the thermostats as a stand-alone unit or bundled with certain commodity products. Just Energy also offers green products through its JustGreen programs. The JustGreen electricity product offers customers the option of having all or a portion of their electricity sourced from renewable green sources such as wind, run of the river hydro or biomass. The JustGreen gas product offers carbon offset credits that allow customers to reduce or eliminate the carbon footprint of their homes or businesses. Additional green products allow customers to offset their carbon footprint without buying energy commodity products and can be offered in all states and provinces without being dependent on energy deregulation.

Just Energy markets its product offerings through a number of sales channels including door-to-door marketing, broker and affinity relationships, and online marketing. The online marketing of gas and electricity contracts is primarily conducted through Just Ventures LLC and Just Ventures L.P. (collectively, "Just Ventures"), a joint venture in which Just Energy holds a 50% equity interest.

During the year ended March 31, 2015 and further described in Note 8, Just Energy disposed of its National Home Services ("NHS") and Hudson Energy Solar Corp. ("HES") divisions.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation and statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements are presented in Canadian dollars, the functional currency of Just Energy, and all values are rounded to the nearest thousand, except where indicated. The Company's consolidated financial statements are prepared on the historical cost basis of accounting, except as disclosed in the accounting policies set out below.

(b) Principles of consolidation

The consolidated financial statements include the accounts of Just Energy and its directly or indirectly owned subsidiaries as at March 31, 2015. Subsidiaries are consolidated from the date of acquisition and control, and continue to be consolidated until the date that such control ceases. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee. The financial statements of the subsidiaries are prepared for the same reporting period as Just Energy, using consistent accounting policies. All intercompany balances, income, expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

(c) Cash and cash equivalents and restricted cash

All highly liquid temporary cash investments with an original maturity of three months or less when purchased are considered to be cash equivalents. For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Restricted cash includes cash and cash equivalents, where the availability of funds is restricted by debt arrangements or held in escrow as part of prior acquisition agreements.

(d) Accrued gas receivables/accrued gas payable or gas delivered in excess of consumption/deferred revenue

Accrued gas receivables are stated at fair value and result when customers consume more gas than has been delivered by Just Energy to local distribution companies ("LDCs"). Accrued gas payable represents the obligation to the LDCs with respect to gas consumed by customers in excess of that delivered to the LDCs.

Gas delivered to LDCs in excess of consumption by customers is stated at the lower of cost and net realizable value. Collections from customers in advance of their consumption of gas result in deferred revenue.

Assuming normal weather and consumption patterns, during the winter months customers will have consumed more than what was delivered, resulting in the recognition of unbilled revenues/accrued gas payable; however, in the summer months, customers will have consumed less than what was delivered, resulting in the recognition of gas delivered in excess of consumption/deferred revenue.

These adjustments are applicable solely to the Ontario, Manitoba, Quebec, Saskatchewan and Michigan gas markets.

(e) Gas in storage

Gas in storage represents the gas delivered to the LDCs in Illinois, Indiana, New York, Ohio, Georgia, Maryland, California and Alberta. The balance will fluctuate as gas is injected or withdrawn from storage.

Gas in storage is valued at the lower of cost and net realizable value with cost being determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, net of any accumulated depreciation and impairment losses. Cost includes the purchase price and, where relevant, any costs directly attributable to bringing the asset to the location and condition necessary and/or the present value of all dismantling and removal costs. Where major components of property, plant and equipment have different useful lives, the components are recognized and depreciated separately. Just Energy recognizes in the carrying amount, the cost of replacing part of an item when the cost is incurred and if it is probable that the future economic benefits embodied with the item can be reliably measured. When significant parts of property, plant and equipment are required to be replaced at intervals, Just Energy recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statements of income as a general and administrative expense when incurred. Depreciation is provided over the estimated useful lives of the assets as follows:

Asset category	Depreciation method	Rate/useful life
Furniture and fixtures	Declining balance	20%
Office equipment	Declining balance	20%
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	Term of lease
Thermostats	Straight-line	5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statements of income.

The useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(g) Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over Just Energy's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Any negative difference is recognized directly in the consolidated statements of income.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Just Energy's operating segments that are expected to benefit from the synergies of the combination, irrespective of whether other assets and liabilities of the acquiree are assigned to those segments.

(h) Intangible assets

Intangible assets acquired outside of a business combination are measured at cost on initial recognition. Intangible assets acquired in a business combination are recorded at fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and/or accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and amortization period of an intangible asset with a finite useful life is reviewed at least once annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense related to intangible assets with finite lives is recognized in the consolidated statements of income in the expense category associated with the function of the intangible assets.

Intangible assets consist of gas customer contracts, electricity customer contracts, sales network, brand and goodwill, acquired through business combinations and asset purchases, as well as software, commodity billing and settlement systems and information technology system development.

Internally generated intangible assets are capitalized when the product or process is technically and commercially feasible, the future economic benefit is measurable, Just Energy can demonstrate how the asset will generate future economic benefits and Just Energy has sufficient resources to complete development. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

The brand and goodwill are considered to have indefinite useful lives and are not amortized, but rather tested annually for impairment. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the consolidated statements of income when the asset is derecognized.

Intangible asset category	Amortization method	Rate
Customer contracts	Straight-line	Term of contract
Contract initiation costs	Straight-line	Term of contract
Commodity billing and settlement systems	Straight-line	5 years
Sales network and affinity relationships	Straight-line	5–8 years
Information technology system development	Straight-line	5 years
Software	Straight-line	1 year
Other intangible assets	Straight-line	5 years

(i) Impairment of non-financial assets

Just Energy assesses whether there is an indication that an asset may be impaired at each reporting date. If such an indication exists or when annual testing for an asset is required, Just Energy estimates the asset's recoverable amount. The recoverable amounts of goodwill and intangible assets with an indefinite useful life are estimated at least annually. The recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value-in-use. Value-in-use is determined by discounting estimated future pre-tax cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the asset. In determining fair value less costs to sell, an appropriate valuation model has to be used. The recoverable amount of assets that do not generate independent cash flows is determined based on the cash-generating unit to which the asset belongs.

An impairment loss is recognized in the consolidated statements of income if an asset's carrying amount or that of the cash-generating unit to which it is allocated is higher than its recoverable amount. Impairment losses of cash-generating units are first charged against the value of assets in proportion to their carrying amount.

In the consolidated statements of income, an impairment loss is recognized in the expense category associated with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, Just Energy estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the consolidated statements of income.

Goodwill is tested for impairment annually at year-end and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each segment to which the goodwill relates. Where the recoverable amount of the segment is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

(j) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception date and whether fulfillment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset.

Just Energy as a lessee

Operating lease payments are recognized as an expense in the consolidated statements of income on a straight-line basis over the lease term.

Just Energy as a lessor

Leases where Just Energy does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

(k) Financial instruments

Financial assets and liabilities

Just Energy classifies its financial assets as either (i) financial assets at fair value through profit or loss, (ii) loans and receivables or (iii) other financial assets, and its financial liabilities as either (i) financial liabilities at fair value through profit or loss or (ii) other financial liabilities. Appropriate classification of financial assets and liabilities is determined at the time of initial recognition or when reclassified in the consolidated statements of financial position.

Financial instruments are recognized on the trade date, which is the date on which Just Energy commits to purchase or sell the asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as fair value through profit and loss if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into that are not designated as hedging instruments in hedge relationships as defined by IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). Included in this class are primarily physical delivered energy contracts, for which the own-use exemption could not be applied, financially settled energy contracts and foreign currency forward contracts.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 11. Related realized and unrealized gains and losses are included in the consolidated statements of income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category include receivables. Loans and receivables are initially recognized at fair value net of transaction costs. They are subsequently measured at amortized cost using the effective interest method less any impairment. The effective interest amortization is included in finance costs in the consolidated statements of income.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or when Just Energy has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

Just Energy assesses whether there is objective evidence that a financial asset is impaired at each reporting date. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows that can be reliably estimated.

For financial assets carried at amortized cost, Just Energy first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If Just Energy determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in income or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of other income in the consolidated statements of income.

Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating costs in the consolidated statements of income.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by Just Energy that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Included in this class are primarily physically delivered energy contracts, for which the own-use exemption could not be applied, financially settled energy contracts and foreign currency forward contracts.

Gains or losses on liabilities held-for-trading are recognized in the consolidated statements of income.

Other financial liabilities
Other financial liabilities are measured at amortized cost using the effective interest rate method. Financial liabilities include long-term debt issued and are initially measured at fair value. Fair value is the consideration received, net of transaction costs incurred, trade and other payables and bank indebtedness. Transaction costs related to the long-term debt instruments are included in the value of the instruments and amortized using the effective interest rate method. The effective interest expense is included in finance costs in the consolidated statements of income.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of income.

(l) Derivative instruments
Just Energy enters into fixed-term contracts with customers to provide electricity and gas at fixed prices. These customer contracts expose Just Energy to changes in consumption as well as changes in the market prices of gas and electricity. To reduce its exposure to movements in commodity prices, Just Energy enters into derivative contracts.

Just Energy analyzes all its contracts, of both a financial and non-financial nature, to identify the existence of any "embedded" derivatives. Embedded derivatives are accounted for separately from the underlying contract at the inception date when their economic characteristics are not closely related to those of the host contract and the host contract is not carried as held-for-trading or designated as fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

All derivatives are recognized at fair value on the date on which the derivative is entered into and are re-measured to fair value at each reporting date. Derivatives are carried in the consolidated statements of financial position as other financial assets when the fair value is positive and as other financial liabilities when the fair value is negative. Just Energy does not utilize hedge accounting; therefore, changes in the fair value of these derivatives are recorded directly to the consolidated statements of income and are included within change in fair value of derivative instruments.

(m) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is currently an enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(n) Fair value of financial instruments
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques that are recognized by market participants. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models. An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 11.

(o) Revenue recognition
Revenue is recognized when significant risks and rewards of ownership are transferred to the customer. In the case of gas and electricity, transfer of risks and rewards is upon consumption of the commodity. Just Energy recognizes revenue from thermostat leases, based on rental rates over the term commencing from the installation date.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes.

The Company assumes credit risk for all customers in Alberta, Illinois, Texas, Michigan, California, Georgia, Delaware and Ohio and for certain large-volume customers in British Columbia. In these markets, the Company ensures that credit review processes are in place prior to the commodity flowing to the customer.

(p) Foreign currency translation
Functional and presentation currency
Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). For U.S. based subsidiaries, this is U.S. dollars and for subsidiaries based in the U.K. it is British pounds. The consolidated financial statements are presented in Canadian dollars, which is the parent company's presentation and functional currency.

Transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income except when deferred in other comprehensive income ("OCI") as qualifying net investment hedges.

Translation of foreign operations

The results and consolidated financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position; and
- income and expenses for each consolidated statement of income are translated at the exchange rates prevailing at the dates of the transactions.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other foreign currency instruments designated as hedges of such investments, are recorded to other comprehensive income.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in accumulated other comprehensive income are recognized in the consolidated statements of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(q) Earnings per share amounts

The computation of earnings per share is based on the weighted average number of shares outstanding during the year. Diluted earnings per share are computed in a similar way to basic earnings per share except that the weighted average number of shares outstanding is increased to include additional shares assuming the exercise of stock options, restricted share grants ("RSGs"), performance bonus incentive grants ("PBGs"), deferred share grants ("DSGs") and convertible debentures, if dilutive.

(r) Share-based compensation plans

Equity-based compensation liability

Just Energy accounts for its share-based compensation as equity-settled transactions. The cost of share-based compensation is measured by reference to the fair value at the date on which it was granted. Awards are valued at the grant date and are not adjusted for changes in the prices of the underlying shares and other measurement assumptions. The cost of equity-settled transactions is recognized, together with the corresponding increase in equity, over the period in which the performance or service conditions are fulfilled, ending on the date on which the relevant grantee becomes fully entitled to the award. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting period reflects the extent to which the vesting period has expired and Just Energy's best estimate of the number of the shares that will ultimately vest. The expense or credit recognized for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

When options, RSGs, PBGs and DSGs are exercised or exchanged, the amounts credited to contributed surplus are reversed and credited to shareholders' capital.

The RSG plan is an equity-settled plan with the exception of the cash-out option offered. It provides employees who (i) hold a position below director or (ii) wish to exchange 500 or fewer RSGs to receive cash in lieu of shares. The Company records this financial liability as fair value through profit and loss. Fair value is based on the number of RSGs eligible for the cash-out option and the underlying price of Just Energy's shares. As at March 31, 2015, the Company recorded $356 (2014 – $560) to other current liabilities with an offsetting adjustment to change in fair value of derivative financial instruments.

(s) Employee future benefits

In Canada, Just Energy offers a long-term wealth accumulation plan (the "Plan") for all permanent full-time and permanent part-time employees (working more than 26 hours per week). The Plan consists of two components, a Deferred Profit Sharing Plan ("DPSP") and an Employee Profit Sharing Program ("EPSP"). For participants of the DPSP, Just Energy contributes an amount equal to a maximum of 2% per annum of an employee's base earnings. For the EPSP, Just Energy contributes an amount up to a maximum of 2% per annum of an employee's base earnings towards the purchase of shares of Just Energy, on a matching one for one basis.

For U.S. employees, Just Energy has established a long-term savings plan (the "Plan") for all permanent full-time and part-time employees (working more than 30 hours per week) of its subsidiaries. The Plan consists of two components, a 401(k) and an Employee Unit Purchase Plan ("EUPP"). For participants who are enrolled only in the EUPP, Just Energy contributes an amount up to a maximum of 3% per annum of an employee's base earnings towards the purchase of Just Energy shares, on a matching one for one basis. For participants who are enrolled only in the 401(k), Just Energy contributes an amount up to a maximum of 4% per annum of an employee's base earnings, on a matching one for one basis. In the event an employee participates in both the EUPP and 401(k), the maximum Just Energy will contribute is 5% total, comprising 3% to the EUPP and 2% to the 401(k).

Participation in the plans in Canada or the U.S. is voluntary. For the 401(k) plan there is a two-year vesting period beginning from the date of hire and for the EUPP there is a six-month vesting period from the employee's enrollment date in the plan.

Employees enrolled in the 401(k) plan only receive up to a 4% match. Employees enrolled in the EUPP only receive up to a 3% match. Employees enrolled in both the 401(k) plan and EUPP receive up to a 5% match, comprising 3% to the EUPP and 2% to the 401(k). During the year, Just Energy contributed $2,647 (2014 – $2,507) to the plans, which was paid in full during the year.

Obligations for contributions to the Plan are recognized as an expense in the consolidated statements of income when the employee makes a contribution.

(t) Income taxes

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, based on the tax rates and laws enacted or substantively enacted at the dates of the consolidated financial statements.

Just Energy follows the liability method of accounting for deferred income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated tax consequences attributable to the temporary differences between the carrying value of the assets and liabilities in the consolidated financial statements and their respective tax bases.

Deferred tax assets and liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax asset/liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(u) Provisions

Provisions are recognized when Just Energy has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where Just Energy expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statements of income.

(v) Selling and marketing expenses and contract initiation costs

Commissions and various other costs related to obtaining and renewing customer contracts are charged to income in the period incurred except as disclosed below:

Commissions related to obtaining and renewing commercial customer contracts are paid in one of the following ways: all or partially upfront or as a residual payment over the term of the contract. If the commission is paid all or partially upfront, it is recorded as contract initiation costs and amortized in selling and marketing expenses over the term for which the associated revenue is earned. If the commission is paid as a residual payment, the amount is expensed as earned.

In addition, commissions related to leasing thermostats are capitalized as part of the cost of the equipment.

(w) Green provision and certificates
Just Energy is a retailer of green energy and records a provision to its regulators as green energy sales are recognized. A corresponding cost is included in cost of sales. Just Energy measures its provision based on the extent of green certificates that it holds or has committed to purchase and has recorded this obligation net of its green certificates. Any provision balance in excess of the green certificates held or Just Energy has committed to purchase is measured at fair value. Green certificates are purchased by Just Energy to settle its obligation with the regulators. Just Energy measures these green certificates at cost.

As at March 31, 2015, the net liability position was $18,552 (2014 – net asset of $5,514).

(x) Non-current assets held for sale and discontinued operations
Just Energy classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for the held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statements of income. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

(y) New standards, interpretations and amendments adopted by the Company during the year
Effective April 1, 2014, Just Energy adopted IFRIC 21, Levies ("IFRIC 21"). This standard provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. A liability is recognized progressively if the obligating event occurs over a period of time or, if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. The adoption of this standard did not have a material impact on consolidated financial statements.

4 (I) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities. The estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances, the results of which form the basis for making the assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Judgments made by management in the application of IFRS that have a significant impact on the consolidated financial statements relate to the following:

Impairment of non-financial assets
Just Energy's impairment test is based on value-in-use calculations that use a discounted cash flow model. The cash flows are derived from the budget for the next five years and are sensitive to the discount rate used as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Deferred taxes
Significant management judgment is required to determine the amount of deferred tax assets and liabilities that can be recognized, based upon the likely timing and the level of future taxable income realized, including the usage of tax-planning strategies.

Useful life of key property, plant and equipment and intangible assets
The amortization method and useful lives reflect the pattern in which management expects the assets' future economic benefits to be consumed by Just Energy.

Provisions for litigation
Significant management judgment is required to determine the amount of provisions to record a liability relating to litigation.

Provisions are recognized when Just Energy has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statements of income. Refer to Note 17 for further information.

Trade receivables
Just Energy reviews its individually significant receivables at each reporting date to assess whether an impairment loss should be recorded in the consolidated statements of loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, Just Energy makes judgments about the borrower's financial situation and the fair value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Fair value of financial instruments
Where the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 11 for further details about the assumptions as well as a sensitivity analysis.

Subsidiaries
Subsidiaries that are not wholly owned by Just Energy require judgment determining the amount of control that Just Energy has over that entity and the appropriate accounting treatments. In these consolidated financial statements, management has determined that Just Energy controls Just Ventures and, therefore, has treated the 50% that is not owned by Just Energy as a non-controlling interest.

(II) ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. Just Energy intends to adopt these standards, if applicable, when they become effective.

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB on July 24, 2014, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. IFRS 9 also uses a new model for hedge accounting aligning the accounting treatment with risk management activities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the impact of IFRS 9 on the consolidated financial statements.

IFRS 11, Joint Arrangements ("IFRS 11") Accounting for Acquisition of Interest requires an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles on business combination accounting in IFRS 3, Business Combinations, and other IFRSs, that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRSs in relation to business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation. The amendments also clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be remeasured if the joint operator retains joint control. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company does not expect this standard to have any impact on the consolidated financial statements.

IFRS 15, Revenue Recognition ("IFRS 15") establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or industry. The standard will also provide guidance on the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. The standard also outlines increased disclosures that will be required, including disaggregation of total revenue, information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates made. Management is currently evaluating the impact of IFRS 15 on the consolidated financial statements.

IAS 27, Equity Method ("IAS 27") in separate financial statements will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. Just Energy does not expect this standard to have any impact on the consolidated financial statements. Two new annual improvements including Annual Improvements to IFRS 2010–2012 Cycle and Annual Improvements to 2011–2013 Cycle included amendments effective immediately as well as those effective with fiscal years beginning January 1, 2015. Just Energy does not expect these amendments to have any impact on the consolidated financial statements.

IAS 16 and IAS 38, Property, Plant and Equipment and Intangible Assets ("IAS 16 & 38") Clarification of acceptable methods of depreciation and amortization clarify the principle in IAS 16 & 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. Just Energy does not expect these amendments to have any impact on the consolidated financial statements.

5 PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2015

	Computer equipment	**Buildings**	**Furniture and fixtures**	**Vehicles**	**Office equipment**	**Home services equipment**	**Thermo-stats**	**Leasehold improve-ments**	**Solar equipment**	**Total**
Cost:										
Opening balance – April 1, 2014	**$ 13,691**	**$ –**	**$ 6,864**	**$ 22**	**$ 21,157**	**$ 190,618**	**$ 6,402**	**$ 9,079**	**$ –**	**$ 247,833**
Additions (disposals)	**2,368**	**–**	**51**	**–**	**1,040**	**–**	**2,291**	**19**	**–**	**5,769**
Transfer from NHS	**–**	**–**	**–**	**–**	**–**	**–**	**3,365**	**–**	**–**	**3,365**
Disposal on sale of subsidiary	**(598)**	**–**	**(254)**	**(18)**	**(95)**	**(190,618)**	**(2,024)**	**(527)**	**–**	**(194,134)**
Exchange differences	**473**	**–**	**311**	**1**	**469**	**–**	**296**	**95**	**–**	**1,645**
Ending balance, March 31, 2015	**15,934**	**–**	**6,972**	**5**	**22,571**	**–**	**10,330**	**8,666**	**–**	**64,478**
Accumulated amortization:										
Opening balance – April 1, 2014	**(9,263)**	**–**	**(5,004)**	**(17)**	**(13,536)**	**(35,380)**	**(784)**	**(7,129)**	**–**	**(71,113)**
Amortization charge to cost of sales	**–**	**–**	**–**	**–**	**–**	**–**	**(1,398)**	**–**	**–**	**(1,398)**
Amortization charge for the year	**(1,413)**	**–**	**(335)**	**–**	**(1,357)**	**–**	**–**	**(474)**	**–**	**(3,579)**
Transfer from NHS	**–**	**–**	**–**	**–**	**–**	**–**	**(961)**	**–**	**–**	**(961)**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**	**164**	**–**	**–**	**164**
Disposal on sale of subsidiary	**726**	**–**	**170**	**13**	**–**	**35,380**	**340**	**345**	**–**	**36,974**
Exchange differences	**(253)**	**–**	**(161)**	**(1)**	**(207)**	**–**	**(39)**	**(89)**	**–**	**(750)**
Ending balance, March 31, 2015	**(10,203)**	**–**	**(5,330)**	**(5)**	**(15,100)**	**–**	**(2,678)**	**(7,347)**	**–**	**(40,663)**
Net book value, March 31, 2015	**$ 5,731**	**$ –**	**$ 1,642**	**$ –**	**$ 7,471**	**$ –**	**$ 7,652**	**$ 1,319**	**$ –**	**$ 23,815**

As at March 31, 2014

	Computer equipment	Buildings	Furniture and fixtures	Vehicles	Office equipment	Home services equipment	Thermo-stats	Leasehold improve-ments	Solar equipment	Total
Cost:										
Opening balance – April 1, 2013	$ 11,729	$ 670	$ 6,590	$ 22	$ 19,216	$ 163,704	$ 835	$ 8,974	$ 101,003	$ 312,743
Additions (disposals)	1,709	(695)	94	–	1,691	26,914	5,474	45	–	35,232
Transfer to discontinued operations	(4)	–	–	–	–	–	–	–	(101,003)	(101,007)
Exchange differences	257	25	180	–	250	–	93	60	–	865
Ending balance, March 31, 2014	13,691	–	6,864	22	21,157	190,618	6,402	9,079	–	247,833
Accumulated amortization:										
Opening balance – April 1, 2013	(7,510)	(56)	(4,422)	(14)	(11,720)	(23,003)	(21)	(6,516)	(1,478)	(54,740)
Amortization charge to cost of sales	–	–	–	–	–	(12,385)	(751)	–	–	(13,136)
Amortization charge for the year	(1,622)	(18)	(502)	(3)	(1,699)	–	–	(587)	–	(4,431)
Disposals	–	76	–	–	–	–	–	–	–	76
Transfer to discontinued operations	2	–	–	–	–	–	–	–	1,478	1,480
Exchange differences	(133)	(2)	(80)	–	(117)	8	(12)	(26)	–	(362)
Ending balance, March 31, 2014	(9,263)	–	(5,004)	(17)	(13,536)	(35,380)	(784)	(7,129)	–	(71,113)
Net book value, March 31, 2014	$ 4,428	$ –	$ 1,860	$ 5	$ 7,621	$ 155,238	$ 5,618	$ 1,950	$ –	$ 176,720

6 INTANGIBLE ASSETS

As at March 31, 2015

	Gas contracts	Electricity contracts	Water heater contracts	Goodwill	Sales network and affinity relationships	Brand	Software	IT system development	Other	Total
Cost:										
Opening balance – April 1, 2014	**$ 116,787**	**$ 272,553**	**$ 51,839**	**$ 264,036**	**$ 136,404**	**$ 25,899**	**$ 23,430**	**$ 26,399**	**$ 9,753**	**$ 927,100**
Transfer to discontinued operations	**–**	**–**	**(51,839)**	**(283)**	**–**	**–**	**(294)**	**–**	**(57)**	**(52,473)**
Additions	**–**	**–**	**–**	**–**	**–**	**–**	**4,601**	**2,009**	**1,022**	**7,632**
Exchange differences	**4,355**	**39,718**	**–**	**14,015**	**19,878**	**3,772**	**1,482**	**3,345**	**1,041**	**87,606**
Ending balance, March 31, 2015	**121,142**	**312,271**	**–**	**277,768**	**156,282**	**29,671**	**29,219**	**31,753**	**11,759**	**969,865**
Accumulated amortization:										
Opening balance – April 1, 2014	**(116,787)**	**(260,673)**	**(11,640)**	**–**	**(85,874)**	**–**	**(19,987)**	**(19,739)**	**(7,472)**	**(522,172)**
Transfer to discontinued operations	**–**	**–**	**11,640**	**–**	**–**	**–**	**18**	**–**	**43**	**11,701**
Amortization charge for the year	**–**	**(7,292)**	**–**	**–**	**(24,738)**	**–**	**(4,631)**	**(5,052)**	**(101)**	**(41,814)**
Amortization in mark to market	**–**	**(5,016)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,016)**
Exchange differences	**(4,355)**	**(39,290)**	**–**	**–**	**(15,204)**	**–**	**(1,193)**	**(2,973)**	**(1,038)**	**(64,053)**
Ending balance, March 31, 2015	**(121,142)**	**(312,271)**	**–**	**–**	**(125,816)**	**–**	**(25,793)**	**(27,764)**	**(8,568)**	**(621,354)**
Net book value, March 31, 2015	**$ –**	**$ –**	**$ –**	**$ 277,768**	**$ 30,466**	**$ 29,671**	**$ 3,426**	**$ 3,989**	**$ 3,191**	**$ 348,511**

As at March 31, 2014

	Gas contracts	Electricity contracts	Water heater contracts	Goodwill	Sales network and affinity relationships	Brand	Software	IT system development	Other	Total
Cost:										
Opening balance – April 1, 2013	$ 114,367	$ 250,487	$ 51,235	$ 256,382	$ 125,361	$ 23,802	$ 17,534	$ 23,470	$ 7,829	$ 870,467
Transfer to discontinued operations	–	–	–	–	–	–	(3)	–	–	(3)
Additions	–	–	604	–	–	–	4,980	1,163	1,342	8,089
Exchange differences	2,420	22,066	–	7,654	11,043	2,097	919	1,766	582	48,547
Ending balance, March 31, 2014	116,787	272,553	51,839	264,036	136,404	25,899	23,430	26,399	9,753	927,100
Accumulated amortization:										
Opening balance – April 1, 2013	(96,073)	(228,651)	(7,129)	–	(56,921)	–	(13,634)	(14,131)	(6,595)	(423,134)
Transfer to discontinued operations	–	–	–	–	–	–	3	–	–	3
Amortization charge for the year	(8,238)	(6,724)	(4,511)	–	(22,851)	–	(5,545)	(4,339)	(302)	(52,510)
Amortization in mark to market	(10,056)	(4,668)	–	–	–	–	–	–	–	(14,724)
Exchange differences	(2,420)	(20,630)	–	–	(6,102)	–	(811)	(1,269)	(575)	(31,807)
Ending balance, March 31, 2014	(116,787)	(260,673)	(11,640)	–	(85,874)	–	(19,987)	(19,739)	(7,472)	(522,172)
Net book value, March 31, 2014	$ –	$ 11,880	$ 40,199	$ 264,036	$ 50,530	$ 25,899	$ 3,443	$ 6,660	$ 2,281	$ 404,928

The capitalized internally developed costs relate to the development of new customer billing and analysis software solutions for the different energy markets of Just Energy. All research costs and development costs not eligible for capitalization have been expensed and are recognized in administrative expenses.

7 RESTRICTED CASH

(i) As part of the disposal of the Solar division, Just Energy was required to transfer cash into restricted bank accounts. The Company has indemnified the buyer for certain obligations. The cash will be released as these are satisfied. As of March 31, 2015, these restricted cash balances were $6,177.

(ii) As part of a prior acquisition, Just Energy was required to transfer $11,152 into a restricted cash account. The balance as of March 31, 2015 was $11,285 (2014 – $9,832).

(iii) Restricted cash in the prior year was required as security relating to the lender of NHS. The balance of this account in the prior year was $2,185.

8 DISCONTINUED OPERATIONS

(i) NHS

On November 24, 2014, Just Energy closed the sale of 100% of its shares in NHS to Reliance Comfort Limited Partnership ("Reliance"). The purchase price was $505,000, reduced by the outstanding debt balances, early termination charges and the settlement of the royalty.

The results of NHS are presented below:

	From April 1, 2014 to Nov. 24, 2014	For the year ended March 31, 2014
Sales	**$ 58,836**	$ 76,444
Cost of sales	**11,259**	16,376
Gross margin	**47,577**	60,068
Expenses		
Administrative, selling and operating expenses	**34,589**	38,864
Operating income (loss)	**12,988**	21,204
Finance costs	**(14,180)**	(21,328)
Profit (loss) from discontinued operations before income taxes	**(1,192)**	(124)
Other loss	**(30)**	–
Provision for income taxes	**(21,838)**	(4,250)
Gain on disposal of net assets	**191,201**	–
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**$ 168,141**	$ (4,374)
Earnings (loss) per share		
Basic earnings (loss) per share from discontinued operations	**$ 1.16**	$ (0.02)
Diluted earnings (loss) per share from discontinued operations	**$ 1.13**	$ (0.02)

(ii) Commercial Solar

On November 5, 2014, Just Energy announced that it had closed the sale of its shares of Hudson Solar Corp. ("HES"), its Commercial Solar development business, to SunEdison, Inc. and its subsidiary, TerraForm Power Inc. The sale of HES resulted in the assumption or repayment by the purchaser of approximately US$33,000 in outstanding debt. Of the total sale price of US$22,900, Just Energy received approximately US$17,500 in cash, incurred approximately US$1,700 in costs and approximately US$5,000 is being held in escrow as indemnification to the buyer for certain liabilities. In addition, Just Energy is entitled to other consideration of approximately US$2,000 related to cash grants that have been filed and additional contingent consideration based on the Solar Renewable Energy Credit ("SREC") price and production of projects that were under construction as of the closing date. The maximum amount of contingent consideration that can be earned is US$3,000. As at closing, Just Energy recorded an amount of US$1,500 relating to this contingent consideration. Changes in the fair value of the contingent consideration will be recorded in the consolidated income statement as a change in fair value of derivative instruments. As at March 31, 2015, the fair value of the contingent consideration was approximately US$1,545 and is included in other current assets.

The results of HES are presented below:

	From April 1, 2014 to Nov. 5, 2014	For the year ended March 31, 2014
Sales	**$ 4,355**	$ 3,894
Cost of sales	**–**	3,802
Gross margin	**4,355**	92
Expenses		
Administrative and operating expenses	**8,729**	6,682
Operating income (loss)	**(4,374)**	(6,590)
Finance costs	**(3,100)**	(7,677)
Loss from discontinued operations before undernoted	**(7,474)**	(14,267)
Change in fair value of derivative instruments	**(225)**	2,500
Other loss	**(148)**	(3)
Provision for income taxes	**(5)**	–
Realized foreign exchange gain on disposal	**2,465**	–
Loss on disposal of net assets, net of impairment loss previously recognized	**(30,081)**	(35,058)
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**$ (35,468)**	$ (46,828)
Loss per share		
Basic and diluted loss per share from discontinued operations	**$ (0.22)**	$ (0.30)

(iii) Disposal of TGF

In March 2013, Just Energy formally commenced the process to dispose of Terra Grain Fuels, Inc. ("TGF"). The business of TGF had been operating in an unpredictable product environment, making it difficult for management to derive real growth and profitability from the segment. In addition, it had been viewed as a non-core business since it was acquired with the Universal Energy acquisition in 2009. Effective December 24, 2013, Just Energy sold TGF for a nominal amount and was released from all of its obligations. Previously, tax losses generated prior to the disposal were restricted by TGF's lenders and were treated as unrecognized deferred tax assets. In order to retain a portion of these tax losses and as part of the disposal, Just Energy transferred approximately $6,250 to TGF. Just Energy expects to utilize the retained tax losses in future periods and has recognized a future tax recovery of $24,151, which has been recorded as part of the loss from discontinued operations.

The results of TGF for the period up to the date of disposal are presented below:

	For the year ended March 31, 2014
Sales	$ 82,982
Cost of sales	70,280
Gross margin	12,702
Expenses	
Administrative and operating expenses	5,131
Operating income	7,571
Finance costs	(4,511)
Profit (loss) from discontinued operations before the undernoted	3,060
Loss on disposal of net assets	(8,653)
Future income tax recovery	24,151
Transaction costs	(981)
PROFIT FROM DISCONTINUED OPERATIONS	$ 17,577
Earnings per share	
Basic earnings per share from discontinued operations	$ 0.12
Diluted earnings per share from discontinued operations	$ 0.12

9 INVESTMENTS

(i) In August 2012, the Company issued a US$2,500 promissory note to the non-controlling shareholder of a subsidiary. The promissory note receivable matures on August 24, 2037, and bears interest at the annual federal rate established by the Internal Revenue Service. Interest earned on this promissory note is recorded in other income.

(ii) In August 2012, Just Energy through a subsidiary acquired an interest in ecobee Inc., a private company that designs, manufactures and distributes smart thermostats, for an amount of $6,460. The Company markets these smart thermostats in all its core markets, bundling the thermostats with commodity and home service products. As at March 31, 2015, Just Energy owns approximately 10% of ecobee Inc. The fair value of this investment is not disclosed because it cannot be determined reliably.

10 MINORITY INTEREST

Financial information of subsidiaries that have non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	**2015**	2014
Just Ventures (a)	**50%**	50%
Amigo Power LLC (b)	**–**	67%
Hudson Solar Entities (c)	**–**	49%–51%

(a) Just Energy has a 50% interest in Just Ventures. These entities operate out of North Carolina and are involved in the marketing of Just Energy products primarily through Internet- and telemarketing-based efforts. The non-controlling shareholder also has a 50% interest in these entities. Management has determined that Just Energy controls these entities due to its ability to affect the variable returns from these entities as a result of its control over the structuring and pricing of products, determining credit risk, servicing and billing customers and the level of input on the marketing activity in given regions.

The non-controlling shareholder had the ability to sell part or all of its interest in Just Ventures (the "Put") or sell customer contracts signed by Just Ventures to Just Energy. The amount was based on a predetermined formula that approximates the profitability of these contracts. During fiscal 2014 the non-controlling shareholder exercised this right and put approximately 20,400 contracts to Just Energy for approximately $7,150. This payment was treated as the acquisition of the non-controlling interest associated with the underlying contract. As a result, the payment has been treated as an equity transaction. During the year, this Put expired.

(b) Just Energy and the non-controlling shareholders decided to dissolve this entity during the current fiscal year. The non-controlling interest balance has been reclassified to retained earnings.

(c) Up until the date of acquisition, Just Energy through its Solar division had interests in entities with minority shareholders. In these structures Just Energy had equity interests of between 49% and 51%. Management had determined that Just Energy controls these entities due to its ability to affect the variable returns from these entities as a result of its control over negotiating power purchase agreements and managing the relevant activities of the underlying solar assets over their useful life. These entities are included in the discontinued operations as disclosed in Note 8.

Name	**2015**	2014
Accumulated balances of non-controlling interest		
Just Ventures	**$ –**	$ –
Amigo Power LLC	**–**	(2,385)
Hudson Solar Entities	**–**	8,812
Profit (loss) allocated to non-controlling interest		
Just Ventures	**$ 6,415**	$ 6,144
Amigo Power LLC	**(64)**	(685)
Hudson Solar Entities	**(3,271)**	(4,425)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

	Just Ventures	Amigo	Solar
Summarized financial information for 2015:			
Gross margin	**$ 43,139**	**$ 1,866**	**$ –**
Selling and marketing expenses	**30,309**	**4,855**	**–**
Administrative expenses	**–**	**110**	**–**
Profit from continuing operations	**12,830**	**(3,079)**	**–**
Loss from discontinued operations	**–**	**–**	**488**
Cash flows provided by (used in) operating activities	**12,830**	**(3,079)**	**(1,020)[1]**
Cash flows used in investing activities	**–**	**–**	**(26)[1]**
Cash flows provided by financing activities	**(12,830)**	**–**	**1,194[1]**

	Just Ventures	Amigo	Solar
Summarized financial information for 2014:			
Gross margin	$ 28,690	$ 648	$ –
Selling and marketing expenses	16,402	2,599	–
Administrative expenses	–	125	–
Loss from continuing operations	12,288	(2,076)	–
Loss from discontinued operations	–	–	(662)
Assets	–	–	31,210[2]
Liabilities	–	–	11,700[2]
Cash flows provided by (used in) operating activities	12,288	(2,076)	(1,701)[1]
Cash flows used in investing activities	–	–	(14,490)[1]
Cash flows provided by financing activities	(12,288)	–	13,180[1]

1 These are classified with cash flows from discontinued operations.
2 The assets and liabilities were classified as held for sale in the prior year.

11 FINANCIAL INSTRUMENTS

(a) Fair value of derivative financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Management has estimated the value of financial swaps, physical forwards and option contracts for electricity, natural gas, carbon and renewable energy certificates, and generation and transmission capacity contracts using a discounted cash flow method, which employs market forward curves that are either directly sourced from third parties or are developed internally based on third party market data. These curves can be volatile, thus leading to volatility in the mark to market with no immediate impact to cash flows. Gas options have been valued using the Black option value model using the applicable market forward curves and the implied volatility from other market traded options.

The following table illustrates gains (losses) related to Just Energy's derivative financial instruments classified as fair value through profit or loss and recorded on the consolidated statements of financial position as other assets and other liabilities, with their offsetting values recorded in change in fair value of derivative instruments.

Change in fair value of derivative instruments

	For the year ended March 31, 2015	For the year ended March 31, 2014
Physical forward contracts and options (i)	**$ (434,755)**	$ 79,920
Financial swap contracts and options (ii)	**(201,734)**	121,691
Foreign exchange forward contracts	**(1,317)**	(572)
Amortization of deferred unrealized gains on discontinued hedges	**–**	5,208
Share swap	**(5,372)**	3,736
Amortization of derivative financial instruments related to acquisitions	**(5,062)**	(14,724)
Liability associated with exchangeable shares and equity-based compensation	**204**	(146)
Eurobond conversion feature	**10,440**	–
Other derivative options	**2,392**	(8,971)
Change in fair value of derivative instruments	**$ (635,204)**	$ 186,142

The following table summarizes certain aspects of the derivative financial assets and liabilities recorded in the consolidated statements of financial position as at March 31, 2015:

	Other financial assets (current)	Other financial assets (non-current)	Other financial liabilities (current)	Other financial liabilities (non-current)
Physical forward contracts and options (i)	**$ 2,508**	**$ 119**	**$ 272,731**	**$ 174,495**
Financial swap contracts and options (ii)	**369**	**529**	**111,022**	**100,383**
Foreign exchange forward contracts	**–**	**–**	**2,375**	**–**
Share swap	**–**	**–**	**–**	**17,551**
Eurobond conversion feature	**–**	**–**	**–**	**6,891**
Other derivative options	**1,957**	**443**	**112**	**–**
As at March 31, 2015	**$ 4,834**	**$ 1,091**	**$ 386,240**	**$ 299,320**

The following table summarizes certain aspects of the derivative financial assets and liabilities recorded in the consolidated financial statements as at March 31, 2014:

	Other financial assets (current)	Other financial assets (non-current)	Other financial liabilities (current)	Other financial liabilities (non-current)
Physical forward contracts and options (i)	$ 61,169	$ 26,600	$ 34,191	$ 18,404
Financial swap contracts and options (ii)	42,333	4,853	28,159	20,572
Foreign exchange forward contracts	–	–	1,058	–
Share swap	–	–	12,179	–
Cash-out option on stock-based compensation	–	–	560	–
Eurobond conversion feature	–	–	–	17,321
Other derivative options	–	243	988	–
As at March 31, 2014	$ 103,502	$ 31,696	$ 77,135	$ 56,297

Below is a summary of the financial instruments classified through profit and loss as at March 31, 2015, to which Just Energy has committed:

(i) Physical forward contracts and options consist of:

- Electricity contracts with a total remaining volume of 38,414,525 MWh, a weighted average price of $55.49 and expiry dates up to December 31, 2020.
- Natural gas contracts with a total remaining volume of 73,064,462 GJs, a weighted average price of $3.68 and expiry dates up to March 31, 2019.
- Renewable energy certificates and emission reduction credit contracts with a total remaining volume of 8,042,571 MWh and 1,245,513 tonnes, respectively, a weighted average price of $18.86/REC and $3.84/tonne, respectively, and expiry dates up to December 31, 2023.
- Electricity generation capacity contracts with a total remaining volume of 8,460 MWCap, a weighted average price of $8,517.87/MWCap and expiry dates up to April 30, 2018.

(ii) Financial swap contracts and options consist of:

- Electricity contracts with a total remaining volume of 18,962,561 MWh, an average price of $48.20 and expiry dates up to December 31, 2019.
- Natural gas contracts with a total remaining volume of 124,047,147 GJs, an average price of $4.07/GJ and expiry dates up to December 31, 2019.
- Electricity generation capacity contracts with a total remaining volume of 22,175 MWCap, a weighted average price of $343.67 and expiry dates up to April 30, 2017.

These derivative financial instruments create a credit risk for Just Energy since they have been transacted with a limited number of counterparties. Should any counterparty be unable to fulfill its obligations under the contracts, Just Energy may not be able to realize the other assets' balance recognized in the consolidated financial statements.

Share swap agreement

The Company has entered into a share swap agreement to manage the risks associated with the Company's restricted share grant and deferred share grant plans. The value, on inception, of the 2,500,000 shares under this share swap agreement was approximately $33,803. Net monthly settlements received under the share swap agreement are recorded in other income. The Company marks to market the fair value of the share swap agreement and has included that value as other current financial liabilities on the consolidated statements of financial position. Changes in the fair value of the share swap agreement are recorded through the consolidated statements of loss as a change in fair value of derivative instruments.

Fair value ("FV") hierarchy derivatives

Level 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted unadjusted market prices.

Level 2

Fair value measurements that require observable inputs other than quoted prices in Level 1, either directly or indirectly, are classified as Level 2 in the FV hierarchy. This could include the use of statistical techniques to derive the FV curve from observable market prices. However, in order to be classified under Level 2, inputs must be directly or indirectly observable in the market. Just Energy values its New York Mercantile Exchange ("NYMEX") financial gas fixed-for-floating swaps under Level 2.

Level 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs are classified as Level 3 in the FV hierarchy. For the supply contracts, Just Energy uses quoted market prices as per available market forward data and applies a price-shaping profile to calculate the monthly prices from annual strips and hourly prices from block strips for the purposes of mark to market calculations. The profile is based on historical settlements with counterparties or with the system operator and is considered an unobservable input for the purposes of establishing the level in the FV hierarchy. For the natural gas supply contracts, Just Energy uses three different market observable curves: i) Commodity (predominately NYMEX), ii) Basis and iii) Foreign exchange. NYMEX curves extend for over five years (thereby covering the length of Just Energy's contracts); however, most basis curves only extend 12 to 15 months into the future. In order to calculate basis curves for the remaining years, Just Energy uses extrapolation, which leads natural gas supply contracts to be classified under Level 3.

For the share swap, Just Energy uses a forward interest rate curve along with a volume weighted average share price. The Eurobond conversion feature is valued using an option pricing model.

The Company's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There was no transfer into or out of Level 1, Level 2 or Level 3 during the years ended March 31, 2015 or 2014.

Fair value measurement input sensitivity

The main cause of changes in the fair value of derivative instruments is changes in the forward curve prices used for the fair value calculations. Just Energy provides a sensitivity analysis of these forward curves under the market risk section of this note. Other inputs, including volatility and correlations, are driven off historical settlements.

The following table illustrates the classification of derivative financial assets (liabilities) in the FV hierarchy as at March 31, 2015:

	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	$ –	$ –	$ 5,925	$ 5,925
Financial liabilities				
Derivative financial liabilities	–	(55,711)	(629,849)	(685,560)
Total net derivative assets (liabilities)	**$ –**	**$ (55,711)**	**$ (623,924)**	**$ (679,635)**

The following table illustrates the classification of derivative financial assets (liabilities) in the FV hierarchy as at March 31, 2014:

	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	$ –	$ –	$ 135,198	$ 135,198
Discontinued operations (Note 8)	–	–	106,262	106,262
Financial liabilities				
Derivative financial liabilities	–	(10,990)	(122,442)	(133,432)
Discontinued operations (Note 8)	–	–	(51,852)	(51,852)
Total net derivative assets (liabilities)	$ –	$ (10,990)	$ 67,166	$ 56,176

Key assumptions used when determining the significant unobservable inputs included in Level 3 of the FV hierarchy consist of:

(i) up to 5% price-extrapolation to calculate monthly prices that extend beyond the market observable 12–15 month forward curve,

(ii) discount for counterparty non-performance risk up to 5%, and

(iii) discount rate in the range of 6% to 8%.

The following table illustrates the changes in net fair value of financial assets (liabilities) classified as Level 3 in the FV hierarchy for the years ended March 31, 2015 and March 31, 2014:

	March 31, 2015	March 31, 2014
Balance, beginning of year	**$ 67,166**	$ (148,646)
Total gains (losses)	**(336,308)**	37,799
Purchases	**(347,062)**	49,006
Sales	**46,662**	(14,972)
Settlements	**(54,382)**	89,569
Discontinued operations	**–**	54,410
Balance, end of year	**$ (623,924)**	$ 67,166

(b) Classification of non-derivative financial assets and liabilities

As at March 31, 2015 and 2014, the carrying value of cash and cash equivalents, restricted cash, current trade and other receivables, unbilled revenues and trade and other payables approximates their fair value due to their short-term nature.

Long-term debt recorded at amortized cost has a fair value as of March 31, 2015 of $664,874 (March 31, 2014 – $985,920).

The carrying value of long-term debt approximates its fair value as the interest payable on outstanding amounts is at rates that vary with bankers' acceptances, LIBOR, Canadian bank prime rate or U.S. prime rate, with the following exceptions:

(i) the $328.4 million, $100 million and US$150 million convertible debentures, which are fair valued based on market value; and

(ii) the fair value of the $105 million senior unsecured note is based on discounting future cash flows using a discount rate consistent with the above convertible debentures.

The $328.4 million, $100 million and US$150 million convertible debentures are classified as Level 1 and the $105 million senior unsecured note is classified as Level 2 of the FV hierarchy.

(c) Management of risks arising from financial instruments

The risks associated with Just Energy's financial instruments are as follows:

(i) Market risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which Just Energy is exposed are discussed below.

Foreign currency risk

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates and exposure as a result of investments in U.S. operations.

A portion of Just Energy's income is generated in U.S. dollars and is subject to currency fluctuations. The performance of the Canadian dollar relative to the U.S. dollar could positively or negatively affect Just Energy's income. Due to its growing operations in the U.S., Just Energy expects to have a greater exposure to U.S. fluctuations in the future than in prior years. Just Energy has economically hedged between 0% and 50% of certain forecasted cross border cash flows that are expected to occur within the next 13 to 24 months and between 50% and 90% of forecasted cross border cash flows that are expected to occur within the next 12 months. The level of hedging is dependent on the source of the cash flow and the time remaining until the cash repatriation occurs.

Just Energy may, from time to time, experience losses resulting from fluctuations in the values of its foreign currency transactions, which could adversely affect its operating results. Translation risk is not hedged.

With respect to translation exposure, if the Canadian dollar had been 5% stronger or weaker against the U.S. dollar for the year ended March 31, 2015, assuming that all the other variables had remained constant, loss for the period would have been $26,700 higher/lower and other comprehensive loss would have been $22,700 lower/higher.

Interest rate risk

Just Energy is also exposed to interest rate fluctuations associated with its floating rate credit facility. Just Energy's current exposure to interest rates does not economically warrant the use of derivative instruments. The Company's exposure to interest rate risk is relatively immaterial and temporary in nature. Just Energy does not currently believe that long-term debt exposes it to material interest rate risks but has set out parameters to actively manage this risk within its Risk Management Policy.

A 1% increase (decrease) in interest rates would have resulted in a decrease (increase) of approximately $889 (2014 – $1,148) in income before income taxes for the years ended March 31, 2015 and 2014.

Commodity price risk

Just Energy is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly, thresholds for open positions in the gas and electricity portfolios which also feed a Value at Risk limit. Should any of the limits be exceeded, they are closed expeditiously or express approval to continue to hold is obtained. Just Energy's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, and volatility and liquidity of markets. Just Energy enters into derivative instruments in order to manage exposures to changes in commodity prices. The derivative instruments that are used are designed to fix the price of supply for estimated customer commodity demand and thereby fix margins such that shareholder dividends can be appropriately established. Derivative instruments are generally transacted over the counter. The inability or failure of Just Energy to manage and monitor the above market risks could have a material adverse effect on the operations and cash flows of Just Energy. Just Energy mitigates the exposure to variances in customer requirements that are driven by changes in expected weather conditions through active management of the underlying portfolio, which involves, but is not limited to, the purchase of options including weather derivatives. Just Energy's ability to mitigate weather effects is limited by the degree to which weather conditions deviate from normal.

Commodity price sensitivity – all derivative financial instruments

If all the energy prices associated with derivative financial instruments including natural gas, electricity, verified emission-reduction credits and renewable energy certificates had risen (fallen) by 10%, assuming that all of the other variables had remained constant, income before income taxes for the year ended March 31, 2015 would have increased (decreased) by $260,181 ($256,214) primarily as a result of the change in fair value of Just Energy's derivative financial instruments.

Commodity price sensitivity – Level 3 derivative financial instruments

If the energy prices associated with only Level 3 derivative financial instruments including natural gas, electricity, verified emission-reduction credits and renewable energy certificates had risen (fallen) by 10%, assuming that all of the other variables had remained constant, income before income taxes for the year ended March 31, 2015 would have increased (decreased) by $240,936 ($237,155) primarily as a result of the change in fair value of Just Energy's derivative financial instruments.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Just Energy is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

In Alberta, Texas, Illinois, British Columbia, California, Michigan, Delaware, Ohio, Georgia and the United Kingdom, Just Energy has customer credit risk and, therefore, credit review processes have been implemented to perform credit evaluations of customers and manage customer default. If a significant number of customers were to default on their payments, it could have a material adverse effect on the operations and cash flows of Just Energy. Management factors default from credit risk in its margin expectations for all the above markets.

The aging of the accounts receivable from the above markets was as follows:

	March 31, 2015	March 31, 2014
Current	**$ 146,044**	$ 104,297
1–30 days	**40,911**	36,236
31–60 days	**11,116**	10,405
61–90 days	**6,140**	6,809
Over 91 days	**46,277**	51,517
	$ 250,488	$ 209,264

Changes in the allowance for doubtful accounts were as follows:

	March 31, 2015	March 31, 2014
Balance, beginning of year	**$ 60,997**	$ 40,190
Reduction due to disposal of subsidiaries	**(1,282)**	–
Provision for doubtful accounts	**62,077**	47,161
Bad debts written off	**(60,375)**	(25,845)
Other	**(3,103)**	(509)
Balance, end of year	**$ 58,314**	$ 60,997

In the remaining markets, the local distribution companies ("LDCs") provide collection services and assume the risk of any bad debts owing from Just Energy's customers for a fee. Management believes that the risk of the LDCs failing to deliver payment to Just Energy is minimal. There is no assurance that the LDCs providing these services will continue to do so in the future.

Counterparty credit risk

Counterparty credit risk represents the loss that Just Energy would incur if a counterparty fails to perform under its contractual obligations. This risk would manifest itself in Just Energy replacing contracted supply at prevailing market rates, thus impacting the related customer margin. Counterparty limits are established within the Risk Management Policy. Any exceptions to these limits require approval from the Board of Directors of Just Energy. The Risk Department and Risk Committee monitor current and potential credit exposure to individual counterparties and also monitor overall aggregate counterparty exposure. However, the failure of a counterparty to meet its contractual obligations could have a material adverse effect on the operations and cash flows of Just Energy.

As at March 31, 2015, the estimated counterparty credit risk exposure amounted to $5,925, representing the risk relating to the Company's derivative financial assets and accounts receivable.

(iii) Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. Just Energy manages this risk by monitoring detailed weekly cash flow forecasts covering a rolling six-week period, monthly cash forecasts for the next 12 months, and quarterly forecasts for the following two-year period to ensure adequate and efficient use of cash resources and credit facilities.

The following are the contractual maturities, excluding interest payments, reflecting undiscounted disbursements of Just Energy's financial liabilities as at March 31, 2015:

	Carrying amount	**Contractual cash flows**	**Less than 1 year**	**1–3 years**	**4–5 years**	**More than 5 years**
Trade and other payables	**$ 510,470**	**$ 510,470**	**$ 510,470**	**$ –**	**$ –**	**$ –**
Long-term debt[1]	**676,503**	**723,433**	**23**	**328,420**	**394,990**	**–**
Derivative instruments	**685,560**	**4,074,637**	**2,167,000**	**1,596,187**	**274,187**	**37,263**
	$ 1,872,533	**$ 5,308,540**	**$ 2,677,493**	**$ 1,924,607**	**$ 669,177**	**$ 37,263**

1 Included in long-term debt are the $328,420 and $100,000 relating to convertible debentures and US$150,000 relating to convertible bonds, which may be settled through the issuance of shares at the option of the holder or Just Energy upon maturity.

As at March 31, 2014:

	Carrying amount	Contractual cash flows	Less than 1 year	1–3 years	4–5 years	More than 5 years
Trade and other payables	$ 485,471	$ 485,471	$ 485,471	$ –	$ –	$ –
Long-term debt[1]	982,026	1,043,061	51,999	166,276	605,103	219,683
Derivative instruments	133,432	3,112,996	1,668,975	1,183,717	257,893	2,411
	$ 1,600,929	$ 4,641,528	$ 2,206,445	$ 1,349,993	$ 862,996	$ 222,094

1 Included in long-term debt are the $328,420 and $100,000 relating to convertible debentures and US$150,000 relating to convertible bonds, which may be settled through the issuance of shares at the option of the holder or Just Energy upon maturity.

In addition to the amounts noted above, at March 31, 2015, the contractual net interest payments over the term of the long-term debt with scheduled repayment terms are as follows:

	Less than 1 year	1–3 years	4–5 years	More than 5 years
Interest payments	$ 40,365	$ 88,790	$ 21,399	$ –

(iv) Supplier risk

Just Energy purchases the majority of the gas and electricity delivered to its customers through long-term contracts entered into with various suppliers. Just Energy has an exposure to supplier risk as the ability to continue to deliver gas and electricity to its customers is reliant upon the ongoing operations of these suppliers and their ability to fulfill their contractual obligations. Just Energy has applied a discount factor to determine the fair value of its financial assets in the amount of $1,822 to accommodate for its counterparties' risk of default.

12 ACCUMULATED OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2015

	Foreign currency translation adjustments	**Cash flow hedges**	**Total**
Balance, beginning of year	**$ 71,997**	**$ –**	**$ 71,997**
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Unrealized foreign currency translation adjustment	**(13,139)**	**–**	**(13,139)**
Realized loss on translation of foreign operations sold	**(2,465)**	**–**	**(2,465)**
Balance, end of year	**$ 56,393**	**$ –**	**$ 56,393**

For the year ended March 31, 2014

	Foreign currency translation adjustments	Cash flow hedges	Total
Balance, beginning of year	$ 42,154	$ 5,001	$ 47,155
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Unrealized foreign currency translation adjustment	29,843	–	29,843
Amortization of deferred unrealized gain on discontinued hedges, net of income taxes of $207	–	(5,001)	(5,001)
Balance, end of year	$ 71,997	$ –	$ 71,997

13 SHAREHOLDERS' CAPITAL

Just Energy is authorized to issue an unlimited number of common shares and 50,000,000 preference shares issuable in series, both with no par value. Shares outstanding have no preferences, rights or restrictions attached to them. Details of issued and outstanding shareholders' capital as at March 31, 2015, with comparatives as at March 31, 2014, are as follows:

	Year ended March 31, 2015		Year ended March 31, 2014	
	Shares	**Amount**	Shares	Amount
Issued and outstanding				
Balance, beginning of year	**143,751,476**	**$ 1,033,557**	142,029,340	$ 1,018,082
Share-based awards exercised	**2,203,869**	**26,272**	550,382	7,240
Dividend reinvestment plan	**603,831**	**3,594**	1,171,754	8,235
Balance, end of year	**146,559,176**	**$ 1,063,423**	143,751,476	$ 1,033,557

Dividend reinvestment plan

Under Just Energy's dividend reinvestment plan ("DRIP"), Canadian shareholders holding a minimum of 100 common shares can elect to receive their dividends in common shares rather than cash at a 2% discount to the simple average closing price of the common shares for the five trading days preceding the applicable dividend payment date, providing that the common shares are issued from treasury, as was the case, and not purchased on the open market.

Just Energy suspended the DRIP program effective January 1, 2015.

14 SHARE-BASED COMPENSATION PLANS

(a) Stock option plan

Just Energy may grant awards under its 2010 share option plan (formerly the 2001 Unit Option Plan) to directors, officers, full-time employees and service providers (non-employees) of Just Energy and its subsidiaries and affiliates. In accordance with the share option plan, Just Energy may grant options to a maximum of 11,300,000 shares. As at March 31, 2015, there were 814,166 options still available for grant under the plan. Of the options issued, 500,000 options remain outstanding at March 31, 2015 with an exercise price of $7.88. The exercise price of the share options equals the closing market price of the Company's shares on the last business day preceding the grant date. The share options vest over periods ranging from three to five years from the grant date and expire after five or ten years from the grant date.

There has been no change in the number of options outstanding since the prior year. As at March 31, 2015, there are 500,000 options with an exercise price of $7.88 and all are vested with a remaining life of eight years.

(b) Restricted share grants

Just Energy grants awards under the 2010 Restricted Share Grants Plan (formerly the 2004 unit appreciation rights, "UARs") in the form of fully paid RSGs to senior officers, employees and service providers of its subsidiaries and affiliates. As at March 31, 2015, there were 28,024 RSGs (2014 – 1,067,060) still available for grant under the plan. Of the RSGs issued, 2,156,034 remain outstanding as at March 31, 2015 (2014 – 2,745,718). Except as otherwise provided, (i) the RSGs vest from one to five years from the grant date providing, in most cases, on the applicable vesting date the RSG grantee continues as a senior officer, employee or service provider of Just Energy or any affiliate thereof; (ii) the RSGs expire no later than ten years from the grant date; (iii) a holder of RSGs is entitled to payments at the same rate as dividends paid to JEGI shareholders; and (iv) when vested, the holder of an RSG may exchange one RSG for one common share.

There are 500,000 RSGs granted to senior management that do not receive dividend payments. In addition to a continued employment condition for vesting, there are certain share price targets that must be met.

RSGs available for grant

	2015	2014
Balance, beginning of year	**1,067,060**	708,676
Less: Granted	**(1,039,036)**	(234,903)
Add: Cancelled/forfeited	**–**	593,287
Balance, end of year	**28,024**	1,067,060

The average grant date fair value of RSGs granted in the year was $6.28 (2014 – $7.51).

(c) Performance bonus grants

Just Energy grants awards under the 2013 performance bonus incentive plan (the "PBG Plan") in the form of fully paid PBGs to senior officers, employees, consultants and service providers of its subsidiaries and affiliates. As at March 31, 2015, there were 3,106,896 (2014 – 3,570,784) PBGs still available for grant under the PBG plan. Of the PBGs issued, 301,114 remain outstanding as at March 31, 2015 (2014 – 374,168). Except as otherwise provided, (i) the PBGs will entitle the holder to be paid in three equal installments as one-third on each of the first, second and third anniversaries of the grant date providing, in most cases, on the applicable vesting date the PBG grantee continues as a senior officer, employee, consultant or service provider of Just Energy or any affiliate thereof; (ii) the PBGs expire no later than three years from the grant date; (iii) a holder of PBGs is entitled to payments at the same rate as dividends paid to JEGI shareholders; and (iv) when vested, Just Energy, at its sole discretion, shall have the option of settling payment for the PBGs, to which the holder is entitled in the form of either cash or in common shares.

PBGs available for grant

	2015	2014
Balance, beginning of year	**3,570,784**	–
Add: Increase in PBGs available for grant	**–**	4,000,000
Less: Granted	**(665,973)**	(839,296)
Add: Cancelled/forfeited	**202,085**	410,080
	3,106,896	3,570,784

The weighted average grant date fair value of PBGs granted in the year was $6.47 (2014 – $11.40).

(d) Deferred share grants

Just Energy grants awards under its 2010 Directors' Compensation Plan (formerly the 2004 Directors' deferred unit grants, "DUGs") to all independent directors on the basis that each director is required to annually receive $15 of their compensation entitlement in DSGs and/or common shares and may elect to receive all or any portion of the balance of their annual compensation in DSGs and/or common shares. The holders of DSGs and/or common shares are also granted additional DSGs/common shares on a monthly basis equal to the monthly dividends paid to the shareholders of Just Energy. The DSGs vest on the earlier of the date of the director's resignation or three years following the date of grant and expire ten years following the date of grant. As at March 31, 2015, there were 178,136 DSGs (2014 – 200,470) available for grant under the plan. Of the DSGs issued, 132,324 DSGs remain outstanding as at March 31, 2015.

DSGs available for grant

	2015	2014
Balance, beginning of year	**200,470**	25,006
Add: Increase in DSGs available for grant	**–**	200,000
Less: Granted during the year	**(22,334)**	(24,536)
Balance, end of year	**178,136**	200,470

The weighted average grant date fair value of DSGs granted in the year was $5.89 (2014 – $7.24).

15 LONG-TERM DEBT AND FINANCING

	March 31, 2015	March 31, 2014
Credit facility (a)	**$ –**	$ 69,500
Less: debt issue costs (a)	**–**	(2,449)
$105 million senior unsecured note (b)	**105,000**	105,000
Less: debt issue costs (b)	**(5,051)**	(6,221)
NHS financing	**–**	272,561
$330 million convertible debentures (c)	**310,083**	304,458
$100 million convertible debentures (d)	**91,445**	89,430
US$150 million convertible bonds (e)	**175,003**	149,572
Capital leases (f)	**23**	175
	676,503	982,026
Less: Current portion	**(23)**	(51,999)
	$ 676,480	$ 930,027

Future annual minimum repayments are as follows:

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
$105 million senior unsecured note (b)	$ –	$ –	$ 105,000	$ –	$ 105,000
$330 million convertible debentures (c)	–	328,420	–	–	328,420
$100 million convertible debentures (d)	–	–	100,000	–	100,000
US$150 million convertible bonds (e)	–	–	189,990	–	189,990
Capital leases (f)	23	–	–	–	23
	$ 23	$ 328,420	$ 394,990	$ –	$ 723,433

The following table details the finance costs for the year ended March 31. Interest is expensed at the effective interest rate.

	For the year ended March 31, 2015	For the year ended March 31, 2014
Credit facility (a)	**$ 13,982**	$ 13,780
$105 million senior unsecured note (b)	**11,443**	11,759
$90 million convertible debentures	**–**	7,605
$330 million convertible debentures (c)	**26,832**	26,330
$100 million convertible debentures (d)	**7,764**	7,601
US$150 million convertible bonds (e)	**13,651**	2,192
Capital lease interest (f)	**8**	22
Unwinding of discount on provisions (Note 17)	**–**	152
	$ 73,680	$ 69,441

(a) As at March 31, 2015, Just Energy has a $210 million credit facility to meet working capital requirements. The syndicate of lenders includes Canadian Imperial Bank of Commerce, Royal Bank of Canada, National Bank of Canada, The Toronto-Dominion Bank, The Bank of Nova Scotia, HSBC Bank Canada and Alberta Treasury Branches.

Interest is payable on outstanding loans at rates that vary with Bankers' Acceptance rates, LIBOR, Canadian bank prime rate or U.S. prime rate. Under the terms of the operating credit facility, Just Energy is able to make use of Bankers' Acceptances and LIBOR advances at stamping fees that vary between 3.65% and 4.00%. Prime rate advances are at rates of interest that vary between bank prime plus 2.65% and 3.00% and letters of credit are at rates that vary between 3.65% and 4.00%. Interest rates are adjusted quarterly based on certain financial performance indicators.

As at March 31, 2015, the Canadian prime rate was 2.85% and the U.S. prime rate was 3.25%. As at March 31, 2015, Just Energy had drawn $nil (March 31, 2014 – $69,500) against the facility and total letters of credit outstanding amounted to $134,813 (March 31, 2014 – $123,593). As at March 31, 2015, the unamortized debt issue costs relating to the facility are $nil (March 31, 2014 – $2,449). As at March 31, 2015, Just Energy has $75,187 of the facility remaining for future working capital and security requirements. Just Energy's obligations under the credit facility are supported by guarantees of certain subsidiaries and affiliates and secured by a general security agreement and a pledge of the assets and securities of Just Energy and the majority of its operating subsidiaries and affiliates excluding, primarily, the U.K. operations. Just Energy is required to meet a number of financial covenants under the credit facility agreement. During the year ended March 31, 2015, the Company requested and received amendments with respect to covenants within the credit facility. As at March 31, 2015, the Company was compliant with all of these covenants.

(b) In December 2012, Just Energy issued $105 million in senior unsecured notes ("$105 million senior unsecured note") bearing interest at 9.75% and maturing in June 2018. As at March 31, 2015, unamortized debt issue costs are $5,051. These costs will be charged to operations as finance costs over the term of the debt. The $105 million senior unsecured note is subject to certain financial and other covenants. As at March 31, 2015, all of these covenants have been met.

In conjunction with the covenant requirements associated with the issuance of the $105 million senior unsecured note, the following represents select financial disclosure for the "Restricted Subsidiaries" as defined within the Note Indenture, which excludes the U.K. operations.

	Three months ended March 31, 2015	Year ended March 31, 2015
Sales	$ 1,123,866	$ 3,643,501
Gross margin	186,454	576,919
Finance costs	16,684	73,680
Loss for the year	(76,345)	(540,028)
Non-cash financing costs	3,061	15,609
Share-based compensation	919	7,110
Income tax paid	2,642	6,014

(c) In May 2010, Just Energy issued $330 million of convertible extendible unsecured subordinated debentures (the "$330 million convertible debentures"). The $330 million convertible debentures bear interest at a rate of 6% per annum payable semi-annually in arrears on June 30 and December 31, with a maturity date of June 30, 2017. Each $1,000 principal amount of the $330 million convertible debentures is convertible at any time prior to maturity or on the date fixed for redemption, at the option of the holder, into approximately 55.6 common shares of the Company, representing a conversion price of $18 per share. During the year ended March 31, 2015, interest expense amounted to $26,832. Prior to June 30, 2015, the $330 million convertible debentures may be redeemed by the Company, in whole or in part, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, provided that the current market price (as defined herein) on the date on which notice of redemption is given is not less than 125% of the conversion price ($22.50). On and after June 30, 2015, and prior to maturity, the $330 million convertible debentures may be redeemed by Just Energy, in whole or in part, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest.

The Company may, at its own option, on not more than 60 days' and not less than 40 days' prior notice, subject to applicable regulatory approval and provided that no event of default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the $330 million convertible debentures that are to be redeemed or that are to mature, by issuing and delivering to the holders thereof that number of freely tradable common shares determined by dividing the principal amount of the $330 million convertible debentures being repaid by 95% of the current market price on the date of redemption or maturity, as applicable.

The conversion feature of the $330 million convertible debentures has been accounted for as a separate component of shareholders' deficit in the amount of $33,914. Upon initial recognition of the convertible debentures, Just Energy recorded a deferred tax liability of $15,728 and reduced the value of the equity component of convertible debentures by this amount. The remainder of the net proceeds of the $330 million convertible debentures has been recorded as long-term debt, which is being accreted up to the face value of $330,000 over the term of the $330 million convertible debentures using an effective interest rate of 8.8%. If the $330 million convertible debentures are converted into common shares, the value of the conversion will be reclassified to share capital along with the principal amount converted.

During March 2015, the Company purchased and retired $1,580 of these convertible debentures. The Company paid $1,407, reduced the net book value by $1,492 and recorded the gain as a reduction to the interest expense.

(d) In September 2011, Just Energy issued $100 million of convertible unsecured subordinated debentures (the "$100 million convertible debentures"), which was used to fund an acquisition. The $100 million convertible debentures bear interest at an annual rate of 5.75%, payable semi-annually on March 31 and September 30 in each year and have a maturity date of September 30, 2018. Each $1,000 principal amount of the $100 million convertible debentures is convertible at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the last business day immediately preceding the date fixed for redemption into 56.0 common shares of Just Energy, representing a conversion price of $17.85. Prior to September 30, 2016, the $100 million convertible debentures may be redeemed by the Company, in whole or in part, on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest, provided that the weighted average trading price of the common shares is at least 125% of the conversion price. On or after September 30, 2016, the $100 million convertible debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest.

The Company may, at its option, on not more than 60 days' and not less than 30 days' prior notice, subject to applicable regulatory approval and provided no event of default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the $100 million convertible debentures that are to be redeemed or that are to mature, by issuing and delivering to the holders thereof that number of freely tradable common shares determined by dividing the principal amount of the $100 million convertible debentures being repaid by 95% of the current market price on the date of redemption or maturity, as applicable.

The conversion feature of the $100 million convertible debentures has been accounted for as a separate component of shareholders' deficit in the amount of $10,188. Upon initial recognition of the convertible debentures, Just Energy recorded a deferred tax liability of $2,579 and reduced the equity component of the convertible debenture by this amount. The remainder of the net proceeds of the $100 million convertible debentures has been recorded as long-term debt, which is being accreted up to the face value of $100,000 over the term of the $100 million convertible debentures using an effective interest rate of 8.6%. If the $100 million convertible debentures are converted into common shares, the value of the conversion will be reclassified to share capital along with the principal amount converted.

(e) On January 29, 2014, Just Energy issued US$150 million of European-focused senior convertible unsecured convertible bonds (the "$150 million convertible bonds"). The $150 million convertible bonds bear interest at an annual rate of 6.5%, payable semi-annually in arrears in equal installments on January 29 and July 29 in each year with a maturity date of July 29, 2019. The Company incurred transaction costs of $6,075 and has shown these costs net of the $150 million convertible bonds.

A Conversion Right in respect of a bond may be exercised, at the option of the holder thereof, at any time from May 30, 2014 to July 7, 2019. The initial conversion price is US$9.3762 per common share (being C$10.2819) but is subject to adjustments. In the event of the exercise of a conversion right, the Company may, at its option, subject to applicable regulatory approval and provided no event of default has occurred and is continuing, elect to satisfy its obligation in cash equal to the market value of the underlying shares to be received.

As a result of the debt being denominated in a different functional currency than that of Just Energy, the conversion feature is recorded as a financial liability instead of a component of equity. Therefore, the conversion feature of the $150 million convertible bonds has been accounted for as a separate financial liability with an initial value of US$8,517. The remainder of the net proceeds of the $150 million convertible bonds has been recorded as long-term debt, which is being accreted up to the face value of $150,000 over the term of the $150 million convertible bonds using an effective interest rate of 8.8%. At each reporting period, the conversion feature is recorded at fair value with changes in fair value recorded through profit or loss. As at March 31, 2015, the fair value of this conversion feature is US$5,440 and is included in other non-current financial liabilities.

(f) The Company, through its subsidiaries, leases certain computer and office equipment and software. These financing arrangements bear interest at a rate of 9% and mature by June 30, 2015.

16 INCOME TAXES

(a) Tax expense

	2015	2014
Tax recognized in profit or loss	**$ 8,856**	$ 765
Current tax expense	**8,856**	765
Deferred tax expense		
Origination and reversal of temporary differences	**$ (236,104)**	$ 53,865
Expense (benefit) arising from a previously unrecognized tax loss or temporary difference	**198,359**	(6,440)
Deferred tax expense (benefit)	**(37,745)**	47,425
Provision for (recovery of) income taxes	**$ (28,889)**	$ 48,190

(b) Reconciliation of the effective tax rate

The provision for income taxes represents an effective rate different than the Canadian corporate statutory rate of 26.50% (2014 – 26.50%). The differences are as follows:

	2015	2014
Income (loss) before income taxes from continuing operations	**$ (605,266)**	$ 218,756
Combined statutory Canadian federal and provincial income tax rate	**26.50%**	26.50%
Income tax expense (benefit) based on statutory rate	**$ (160,395)**	$ 57,970
Increase (decrease) in income taxes resulting from:		
Cost (benefit) of mark to market loss and other temporary differences not recognized	**$ 198,359**	$ (6,440)
Variance between combined Canadian tax rate and the tax rate applicable to U.S. earnings	**(66,345)**	3,388
Other permanent items	**(508)**	(6,728)
Total income tax expense (benefit)	**$ (28,889)**	$ 48,190

(c) Recognized deferred tax assets and liabilities

Recognized deferred tax assets and liabilities are attributed to the following:

	2015	2014
Mark to market losses on derivative instruments	**$ 52,053**	$ 15,685
Tax losses and excess of tax basis over book basis	**7,362**	25,105
Partnership loss deferred for tax purposes	**117**	329
Total deferred tax asset	**59,532**	41,119
Offset of deferred taxes	**(34,154)**	(39,698)
Net deferred tax asset	**$ 25,378**	$ 1,421
Partnership income deferred for tax purposes	**$ (23,483)**	$ (30,479)
Mark to market gains on derivative instruments	**(413)**	(657)
Book to tax differences on other assets	**(959)**	(32,956)
Convertible debentures	**(9,303)**	(8,286)
Total deferred tax liability	**(34,158)**	(72,378)
Offset of deferred taxes	**34,154**	39,698
Net deferred tax liability	**$ (4)**	$ (32,680)

(d) Movement in deferred tax balances

	Balance April 1, 2014	Recognized in profit or loss	Disposal	Recognized in OCI	Foreign exchange impact	Balance March 31, 2015
Partnership income deferred for tax	**$ (30,151)**	**$ 6,784**	**$ –**	**$ –**	**$ –**	**$ (23,367)**
Book to tax differences – customer contracts	**(5,139)**	**–**	**–**	**–**	**–**	**(5,139)**
Book to tax differences on other assets	**(2,716)**	**(17,822)**	**32,075**	**–**	**–**	**11,537**
Mark to market gains (losses) on derivative instruments	**15,032**	**36,009**	**605**	**–**	**–**	**51,646**
Convertible debentures	**(8,286)**	**(1,017)**	**–**	**–**	**–**	**(9,303)**
	$ (31,260)	**$ 23,954**	**$ 32,680**	**$ –**	**$ –**	**$ 25,374**

	Balance April 1, 2013	Recognized in profit or loss	Disposal	Recognized in OCI	Foreign exchange impact	Balance March 31, 2014
Partnership income deferred for tax	$ (15,259)	$ (14,892)	$ –	$ –	$ –	$ (30,151)
Book to tax differences – customer contracts	(9,846)	4,707	–	–	–	(5,139)
Book to tax differences on other assets	(17,126)	14,410	–	–	–	(2,716)
Mark to market (losses) gains on derivative instruments	45,965	(31,073)	–	162	(22)	15,032
Convertible debentures	(10,203)	1,917	–	–	–	(8,286)
	$ (6,469)	$ (24,931)	$ –	$ 162	$ (22)	$ (31,260)

(e) Unrecognized deferred tax assets

Deferred tax assets not reflected as at March 31 are as follows:

	2015	2014
Losses available for carryforward	**$ 71,441**	$ 3,269
Mark to market on losses on derivative instruments	**189,950**	17,403
Excess of tax over book basis	**6,726**	8,778
Excess of tax over book – customer contracts	**2,894**	8,778

Losses available for carryforward (recognized and unrecognized) are set to expire as follows:

	2015
2028	$ –
2029	–
After 2030 and thereafter	179,502
Total	$ 179,502

17 PROVISIONS

		2015		2014
Cost				
Balance, beginning of year	**$**	**6,812**	$	6,836
Discontinued operations		**(558)**		(504)
Provisions made during the year		**16,233**		645
Provisions reversed and used during the year		**(4,177)**		(844)
Unwinding of discount		**–**		152
Foreign exchange impact		**896**		527
Balance, end of year	**$**	**19,206**	$	6,812
Current		**14,899**		3,052
Non-current		**4,307**		3,760
	$	**19,206**	$	6,812

Legal issues

The provision for legal issues included above captures the expected cash outflows from major claims and for several smaller litigation matters. Just Energy's subsidiaries are party to a number of legal proceedings. Just Energy believes that each proceeding constitutes a routine legal matter incidental to the business conducted by Just Energy and that the ultimate disposition of the proceedings will not have a material adverse effect on its consolidated income, cash flows or financial position.

The State of California has filed a number of complaints with the Federal Energy Regulatory Commission ("FERC") against many suppliers of electricity, including Commerce Energy Inc. ("CEI"), a subsidiary of the Company, with respect to events stemming from the 2001 energy crisis in California. The suppliers involved in the claim include entities which owned generation facilities and those that did not own generation facilities. Pursuant to the complaints, the State of California is challenging the FERC's enforcement of its market-based rate system. Although CEI did not own generation facilities, the State of California claims as to CEI, as well as other suppliers that also did not own generation facilities, include that CEI was unjustly enriched by the run-up in charges caused by the alleged market manipulation of other market participants. On March 18, 2010, the assigned Administrative Law Judge granted a motion to strike the claim for all parties in one of the complaints (in favour of the suppliers), holding that California did not prove that the reporting errors masked the accumulation of market power. California has appealed the decision. On June 13, 2012, FERC denied the plaintiff's request for a rehearing, affirming its initial decision. California appealed to the United States District Courts for the Ninth Circuit and oral arguments were heard on February 26, 2015. On April 29, 2015, the appeals court remanded the case back to FERC on grounds that the agency erred in assessing whether market power had resulted in unjust and unreasonable prices, when it only considered power generation market share. The Ninth Circuit said FERC failed to consider other evidence of market power presented by California (e.g., sellers' actual market positions, gaming, anomalous bidding behaviour and other market manipulation), whether such market power was masked by the reporting deficiencies at issue, and to determine whether the prices in the market were "just and reasonable" as required under the Federal Power Act. CEI continues to vigorously contest this matter.

In August 2013, Fulcrum Power Services L.P. ("FPS") filed a lawsuit against the Company, Just Energy (US) Corp. and Fulcrum, for up to $20 million in connection with Fulcrum failing to achieve an earn-out target under the purchase and sales agreement dated August 24, 2011 for the purchase of Fulcrum from FPS. FPS alleges that the Company conducted itself in a manner that was intended to or reasonably likely to reduce or avoid the achievement of the earn-out target. In October 2013, the Company's motion to compel arbitration was successful. The arbitration is scheduled to commence on June 1, 2015. Just Energy will continue to vigorously defend itself against this claim through the arbitration process.

In March 2012, Davina Hurt and Dominic Hill filed a lawsuit against Commerce Energy Inc., Just Energy Marketing Corp. and the Company (collectively referred to as "Just Energy") in the Ohio federal court claiming entitlement to payment of minimum wage and overtime under Ohio wage claim laws and the federal Fair Labor Standards Act ("FLSA") on their own behalf and similarly situated door-to-door sales representatives who sold for Commerce in certain regions of the United States. The Court granted the plaintiffs' request to certify the lawsuit as a class action. Approximately 1,800 plaintiffs opted into the federal minimum wage and overtime claims, and approximately 8,000 plaintiffs were certified as part of the Ohio state overtime claims. A jury trial on the liability phase was completed on October 6, 2014. The jury reached a verdict that supports the plaintiffs' class and collective action that certain individuals were not properly classified as outside salespeople in order to qualify for an exemption under the minimum wage and overtime requirements pursuant to the FLSA and Ohio wage and hour laws. Potential amounts owing have yet to be determined and will be subject to a separate damage phase proceeding, which remains unscheduled by the Court. On January 9, 2015, the Court struck plaintiffs' damage expert report based primarily on the fact that the report relied on an unreliable survey. Just Energy disagrees with the result of the October trial and is of the opinion that it is not supported by existing law and precedent. Just Energy strongly believes it complied with the law, continues to vigorously defend the claims and intends to appeal adverse findings.

In August 2013, Levonna Wilkins, a former door-to-door independent contractor for Just Energy Illinois Corp. ("Just Energy Illinois") filed a lawsuit against Just Energy Illinois, Commerce Energy, Inc., Just Energy Marketing Corp. and the Company (collectively referred to as "Just Energy") in the Illinois federal district court claiming entitlement to payment of minimum wage and overtime under Illinois wage claim laws and the federal Fair Labor Standards Act ("FLSA") on her own behalf and similarly situated door-to-door sales representatives who sold in Illinois. On March 13, 2015, the Court granted Wilkins' request to certify the lawsuit as a class action to include a class made up of Illinois sales representatives who sold for Just Energy Illinois and Commerce. Just Energy filed a motion for reconsideration objecting to the class definition and requested that the Court revise its ruling to exclude sales representatives who sold for Commerce. Just Energy will continue to vigorously contest this matter.

18 OTHER INCOME, EXPENSES AND ADJUSTMENTS

(a) Other operating expenses

	Note	**For the year ended March 31, 2015**	For the year ended March 31, 2014
Amortization of gas contracts		**$ –**	$ 8,238
Amortization of electricity contracts		**7,292**	6,724
Amortization of other intangible assets		**34,522**	33,032
Amortization of property, plant and equipment		**3,579**	4,151
Bad debt expense		**62,077**	46,051
Share-based compensation	14	**7,120**	1,598
		$ 114,590	$ 99,794

(b) Amortization and energy costs included in cost of sales in the consolidated statements of income

	For the year ended March 31, 2015	For the year ended March 31, 2014
Amortization	**$ 1,398**	$ 440
Direct energy costs and other	**3,294,473**	3,028,643
	$ 3,295,871	$ 3,029,083

(c) Included in change in fair value of derivative instruments

	For the year ended March 31, 2015	For the year ended March 31, 2014
Amortization of gas contracts	**$ –**	$ 10,056
Amortization of electricity contracts	**5,016**	4,668

(d) Employee benefits expense

	For the year ended March 31, 2015	For the year ended March 31, 2014
Wages, salaries and commissions	**$ 202,119**	$ 183,954
Benefits	**28,750**	21,973
	$ 230,869	$ 205,927

19 REPORTABLE BUSINESS SEGMENTS

Just Energy's reportable segments include the following: Consumer Energy and Commercial Energy. During fiscal 2014, TGF was disposed of and HES was classified as available for sale (see Note 8). In addition, during fiscal 2015, NHS was classified as held for sale and the sales of NHS and HES were finalized in November 2014 (see Note 8).

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Allocations made between segments for shared assets or allocated expenses are based on the number of customers in the respective segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Just Energy is not considered to have any key customers.

For the year ended March 31, 2015

	Consumer division	Commercial division	Ethanol	Home Services	Commercial Solar	Consolidated
Sales	$ 2,113,828	$ 1,782,112	$ –	$ –	$ –	$ 3,895,940
Gross margin	450,230	149,839	–	–	–	600,069
Amortization of property, plant and equipment	3,350	229	–	–	–	3,579
Amortization of intangible assets	16,490	25,324	–	–	–	41,814
Administrative expenses	121,170	33,052	–	–	–	154,222
Selling and marketing expenses	134,084	91,159	–	–	–	225,243
Other operating expenses	53,984	15,213	–	–	–	69,197
Operating profit (loss) for the year	$ 121,152	$ (15,138)	$ –	$ –	$ –	$ 106,014
Finance costs	(34,630)	(39,050)	–	–	–	(73,680)
Change in fair value of derivative instruments	(258,394)	(376,810)	–	–	–	(635,204)
Other loss	(788)	(1,608)	–	–	–	(2,396)
Recovery of income taxes	(21,675)	(7,214)	–	–	–	(28,889)
Profit (loss) from continuing operations	$ (150,985)	$ (425,392)	$ –	$ –	$ –	$ (576,377)
Discontinued operations	–	–	–	168,141	(35,468)	132,673
Profit (loss) for the year	$ (150,985)	$ (425,392)	$ –	$ 168,141	$ (35,468)	$ (443,704)
Capital expenditures	$ 3,775	$ 1,994	$ –	$ 11,843	$ 8,334	$ 25,946
Total goodwill	$ 140,869	$ 136,899	$ –	$ –	$ –	$ 277,768
Total assets	$ 740,552	$ 556,638	$ –	$ –	$ –	$ 1,297,190
Total liabilities	$ 1,354,666	$ 581,346	$ –	$ –	$ –	$ 1,936,012

For the year ended March 31, 2014

	Consumer division	Commercial division	Ethanol	Home Services	Commercial Solar	Consolidated
Sales	$ 2,022,270	$ 1,512,344	$ –	$ –	$ –	$ 3,534,614
Gross margin	372,598	132,933	–	–	–	505,531
Amortization of property, plant and equipment	2,930	1,221	–	–	–	4,151
Amortization of intangible assets	23,260	24,734	–	–	–	47,994
Administrative expenses	84,646	32,067	–	–	–	116,713
Selling and marketing expenses	130,153	59,737	–	–	–	189,890
Other operating expenses	38,997	8,652	–	–	–	47,649
Operating profit for the year	$ 92,612	$ 6,522	$ –	$ –	$ –	$ 99,134
Finance costs	(30,068)	(39,373)	–	–	–	(69,441)
Change in fair value of derivative instruments	175,440	10,702	–	–	–	186,142
Other income (loss)	3,444	(523)	–	–	–	2,921
Provision for income taxes	45,267	2,923	–	–	–	48,190
Profit (loss) from continuing operations	$ 196,161	$ (25,595)	$ –	$ –	$ –	$ 170,566
Discontinued operations	–	–	17,577	(4,374)	(46,828)	(33,625)
Profit (loss) for the year	$ 196,161	$ (25,595)	$ 17,577	$ (4,374)	$ (46,828)	$ 136,941
Capital expenditures	$ 4,796	$ 2,498	$ –	$ 28,246	$ 23,526	$ 59,066
As at March 31, 2014						
Total goodwill	$ 133,761	$ 129,992	$ –	$ 283	$ –	$ 264,036
Total assets	$ 876,164	$ 363,125	$ –	$ 297,098	$ 106,263	$ 1,642,650
Total liabilities	$ 824,629	$ 545,818	$ –	$ 311,993	$ 51,852	$ 1,734,292

Geographic information

Revenue from external customers:

	For the year ended March 31, 2015	For the year ended March 31, 2014
Canada	**$ 685,700**	$ 757,965
United States	**2,977,578**	2,706,486
United Kingdom	**232,662**	70,163
Total revenue per consolidated statements of income	**$ 3,895,940**	$ 3,534,614

The revenue is based on the location of the customer.

Non-current assets

Non-current assets by geographic segment consist of property, plant and equipment and intangible assets and are summarized as follows:

	As at March 31, 2015	As at March 31, 2014
Canada	$ 194,318	$ 386,561
United States	177,358	194,346
United Kingdom	650	741
Total	$ 372,326	$ 581,648

20 IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES

Goodwill acquired through business combinations and intangible assets with indefinite lives have been allocated to one of two cash-generating units, which are also operating and reportable segments, for impairment testing. These units are the Consumer division and Commercial division.

For impairment testing, goodwill and brand have been allocated as follows:

	Consumer division		Commercial division		Home services		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
Goodwill	$ 140,869	$ 133,761	$ 136,899	$ 129,992	$ –	$ 283	$ 277,768	$ 264,036
Brand	15,706	12,190	13,966	13,709	–	–	29,672	25,899
	$ 156,575	$ 145,951	$ 150,865	$ 143,701	$ –	$ 283	$ 307,440	$ 289,935

Just Energy performed its annual impairment test as at March 31, 2015. Just Energy considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at March 31, 2015, the market capitalization of Just Energy was above the book value of its equity, indicating that a potential impairment of goodwill and intangible assets with indefinite lives does not exist.

The recoverable amount of each of the cash-generating units has been determined based on a value-in-use calculation using cash flow projections from financial budgets covering a five-year period. The projections for the first three years have been approved by the Audit Committee; the assumptions used in the following two years have been approved by the senior management. The calculation of the value-in-use for each unit is most sensitive to the following assumptions:

- Customer consumption assumptions used in determining gross margin
- New customer additions and attrition and renewals
- Selling costs
- Discount rates
- Growth rates used to extrapolate cash flows beyond the budget period

Customer consumption is forecasted using normalized historical correlation between weather and customer consumption and weather projections. Just Energy uses weather derivatives to mitigate the risk that weather will deviate from expectations. An average customer consumption growth rate of 3% was used in the projections. A 5% decrease in the consumption assumptions would not have an impact on the results of the impairment test.

New customer additions and attrition and renewal rate estimates are based on historical results and are adjusted for new marketing initiatives that are included in the budget. A 3% average increase in the overall customer base was used in the projections. A 5% decrease annually in the overall customer base would not have an impact on the results of the impairment test.

Selling costs fluctuate with customer additions, renewals and attrition. Selling costs used in the financial forecast are based on assumptions consistent with the above new customer additions, renewals and attritions. Rates used are based on historical information and are adjusted for new marketing initiatives included in the budget. An average increase of 3% was applied to selling costs in the projections. A 5% increase annually in selling costs would not have an impact on the results of the impairment test.

Discount rates represent the current market assessment of the risks specific to the Company, regarding the time value of money and individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of Just Energy and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by Just Energy's investors and the cost of debt is based on the interest bearing borrowings the Company is obliged to service. Just Energy used a discount rate of 11%. A 5% increase in the WACC would not have an impact on the results of the impairment test.

Financial projections used in the budget period, which covers years 1, 2 and 3, have been approved by the Executive Committee. The results in years 4 and 5 are based on year 3 results adjusted for inflation. An isolated 5% decrease in the growth rates used to extrapolate cash flows beyond the budget period would not have an impact on the results of the impairment test. As a result of the above there has not been an impairment.

21 EARNINGS (LOSS) PER SHARE

	For the year ended March 31, 2015	For the year ended March 31, 2014
BASIC EARNINGS (LOSS) PER SHARE		
Earnings (loss) from continuing operations available to shareholders	**$ (582,728)**	$ 165,107
Earnings (loss) available to shareholders	**(446,785)**	135,907
Basic shares outstanding	**145,326,685**	143,044,739
Basic earnings (loss) per share from continuing operations available to shareholders	**$ (4.01)**	$ 1.15
Basic earnings (loss) per share available to shareholders	**$ (3.07)**	$ 0.95
DILUTED EARNINGS (LOSS) PER SHARE		
Earnings (loss) from continuing operations available to shareholders	**$ (582,728)**	$ 165,107
Earnings (loss) available to shareholders	**(446,785)**	135,907
Adjustment for dilutive impact of convertible debentures	**32,771**[1]	32,411[1]
Adjusted earnings (loss) from continuing operations available to shareholders	**$ (549,957)**	$ 197,518
Adjusted earnings (loss) available to shareholders	**$ (414,014)**	$ 168,318
Basic shares outstanding	**145,326,685**	143,044,739
Dilutive effect of:		
Restricted share grants	**3,067,822**[1]	3,760,097
Deferred share grants	**165,277**[1]	165,047
Convertible debentures	**39,929,189**[1]	26,653,035[1]
Shares outstanding on a diluted basis	**188,488,973**	173,622,918
Diluted earnings (loss) per share from continuing operations available to shareholders	**$ (4.01)**	$ 1.11
Diluted earnings (loss) per share available to shareholders	**$ (3.07)**	$ 0.94

1 The assumed conversion into shares results in an anti-dilutive position in the current year; whereas the assumed conversion into shares results in an anti-dilutive position only for the $150 million convertible bonds in the prior year; therefore, these items have not been included in computation of dilutive earnings (loss) per share.

22 CAPITAL DISCLOSURE

Just Energy defines capital as shareholders' equity (excluding accumulated other comprehensive income) and long-term debt. Just Energy's objectives when managing capital are to maintain flexibility by:

(i) enabling it to operate efficiently;

(ii) providing liquidity and access to capital for growth opportunities; and

(iii) providing returns and generating predictable cash flow for dividend payments to shareholders.

Just Energy manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year over year sustainable and profitable growth. Just Energy's capital management objectives have remained unchanged from the prior year. Just Energy is not subject to any externally imposed capital requirements other than financial covenants in its long-term debt, and as at March 31, 2015 and 2014, all of these covenants have been met.

23 GUARANTEES

(a) Officers and directors

Corporate indemnities have been provided by Just Energy to all directors and certain officers of its subsidiaries and affiliates for various items including, but not limited to, all costs to settle suits or actions due to their association with Just Energy and its subsidiaries and/or affiliates, subject to certain restrictions. Just Energy has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. Each indemnity, subject to certain exceptions, applies for so long as the indemnified person is a director or officer of one of Just Energy's subsidiaries and/or affiliates. The maximum amount of any potential future payment cannot be reasonably estimated.

(b) Operations

In the normal course of business, Just Energy and/or Just Energy's subsidiaries and affiliates have entered into agreements that include guarantees in favour of third parties, such as purchase and sale agreements, leasing agreements and transportation agreements. These guarantees may require Just Energy and/or its subsidiaries to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The maximum payable under these guarantees is estimated to be $58,165.

24 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL REMUNERATION

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial or operating decisions. The definition includes subsidiaries and other persons.

Subsidiaries
Transactions between Just Energy and its subsidiaries meet the definition of related party transactions. These transactions are eliminated on consolidation and are not disclosed in these consolidated financial statements.

Key management personnel
Just Energy's key management personnel and persons connected with them are also considered to be related parties for disclosure purposes. Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of Just Energy and comprise the Chair of the Board of Directors, the Co-Chief Executive Officers and the Chief Financial Officer.

During the years ended March 31, 2015 and 2014, Just Energy recorded the following as an expense related to these individuals:

	2015	2014
Salaries and benefits	**$ 6,747**	$ 3,200
Share-based compensation	**2,371**	(1,771)[1]
	$ 9,118	$ 1,429

1 This reflects the forfeiture on RSGs following the CEO resignation in March 2014.

As at March 31, 2015, these key management personnel held approximately 1,489,200 RSGs/PBGs (2014 – 1,538,200).

25 DIVIDENDS PAID

For the year ended March 31, 2015, dividends of $0.50 (2014 – $0.84) per share were declared by Just Energy. These dividends amounted to $86,723 (2014 – $123,429), which was approved throughout the period by the Board of Directors and was paid out during the year.

26 COMMITMENTS AND GUARANTEES

Commitments for each of the next five years and thereafter are as follows:

As at March 31, 2015

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
Premises and equipment leasing	$ 6,163	$ 9,366	$ 6,445	$ 10,755	$ 32,729
Long-term gas and electricity contracts	2,167,000	1,596,187	274,187	37,263	4,074,637
	$ 2,173,163	$ 1,605,553	$ 280,632	$ 48,018	$ 4,107,366

Just Energy has entered into leasing contracts for office buildings and administrative equipment. These leases have a leasing period of between one and eight years. No purchase options are included in any major leasing contracts. Just Energy is also committed under long-term contracts with customers to supply gas and electricity. These contracts have various expiry dates and renewal options.

Guarantees
Pursuant to separate arrangements with various entities, Just Energy has issued surety bonds to various counterparties including states, regulatory bodies, utilities and various other surety bond holders in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain states or markets. Total surety bonds issued as at March 31, 2015 amounted to $54,807.

As at March 31, 2015, Just Energy had total letters of credit outstanding in the amount of $134,813 (Note 15(a)).

27 ADJUSTMENTS REQUIRED TO REFLECT NET CASH RECEIPTS FROM GAS SALES

	2015	2014
Changes in:		
Accrued gas receivables	**$ 2,713**	$ (16,493)
Gas delivered in excess of consumption	**(983)**	8,642
Accrued gas payable	**(5,799)**	6,886
Deferred revenue	**1,371**	(5,221)
	$ (2,698)	$ (6,186)

28 CHANGES IN NON-CASH WORKING CAPITAL

	2015	2014
Accounts receivable and unbilled revenues	**$ (95,662)**	$ (143,807)
Gas in storage	**(2,331)**	6,431
Prepaid expenses and deposits	**(27,058)**	(5,200)
Trade and other payables and provisions	**80,593**	188,341
	$ (44,458)	$ 45,765

Corporate Information

Corporate office

Just Energy Group Inc.
First Canadian Place
100 King Street West
Suite 2630, P.O. Box 355
Toronto, ON M5X 1E1

Investor relations

905-795 3560
info@justenergy.com

Auditors

Ernst & Young LLP
Toronto, ON Canada

Transfer agent and registrar

Computershare Investor Services Inc.
100 University Avenue
Toronto, ON M5J 2Y1

Shares listed

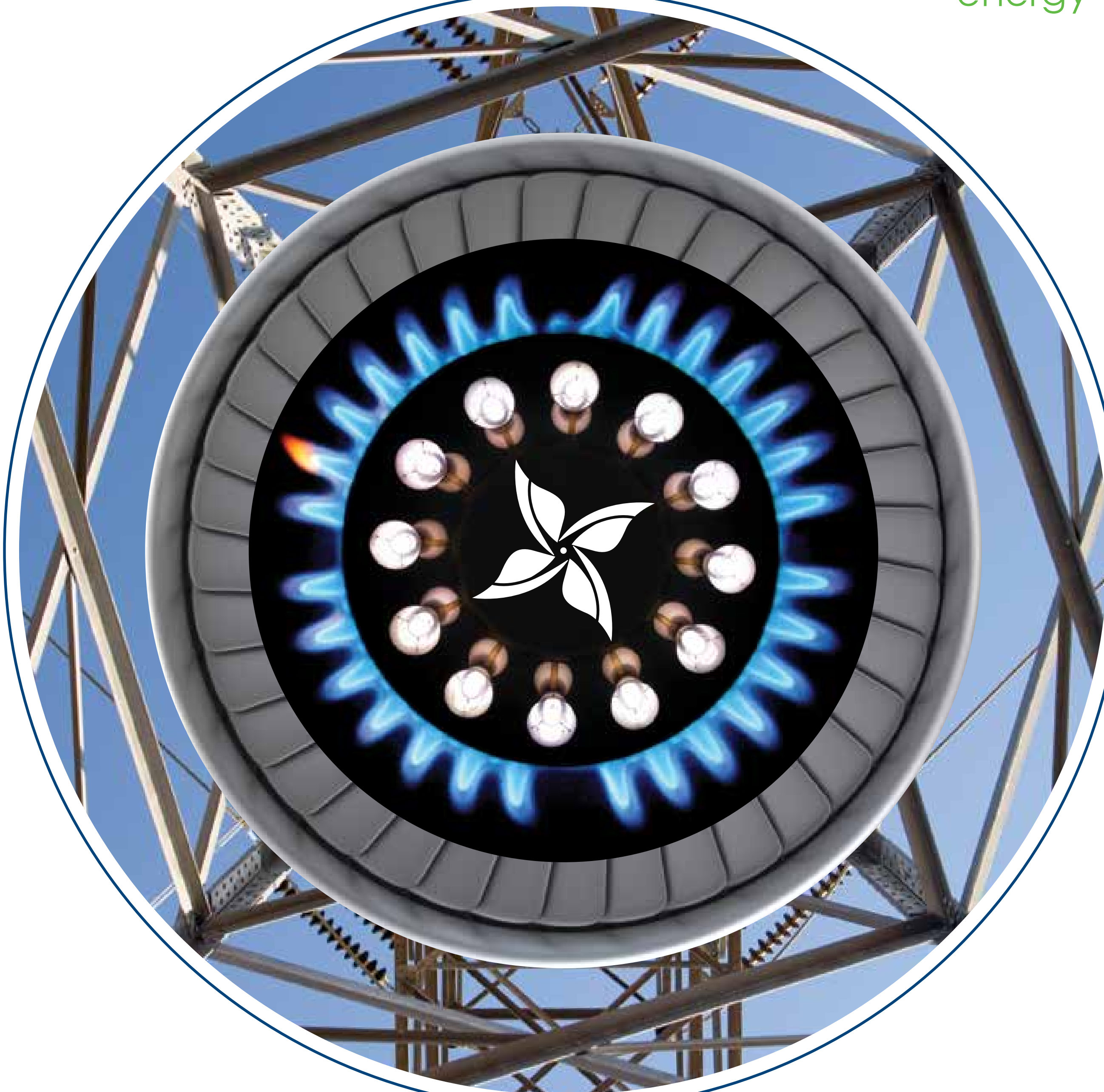
Toronto Stock Exchange
Trading symbol: JE

New York Stock Exchange
Trading symbol: JE

Annual general meeting

Thursday, June 25, 2015
3:00 p.m.
TSX Broadcast Centre
130 King Street West
Toronto, ON

justenergygroup.com



INSIGHT ACTION RESULTS

ANNUAL REPORT 2016

GROWTH IN KEY METRICS

$4,106 MILLION

Grew sales by 5% over last year

$702 MILLION

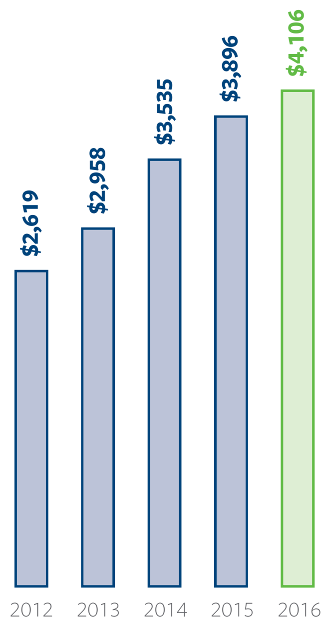
Increased gross margin by 17% year over year

$208 MILLION

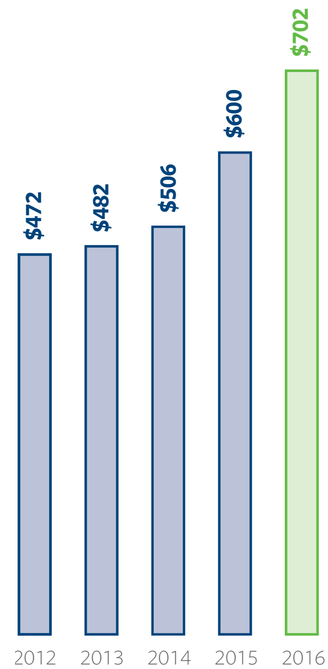
Improved Base EBITDA by 15% year over year

At Just Energy, we are guided by a clear vision of the future – of where the energy sector is going, what customers will want next and where market opportunities can be found. What sets us apart from the rest of our industry is the ability to transform that insight into action by developing effective strategies and compelling products that capitalize on change and deliver tangible results and real value to our customers and our investors.

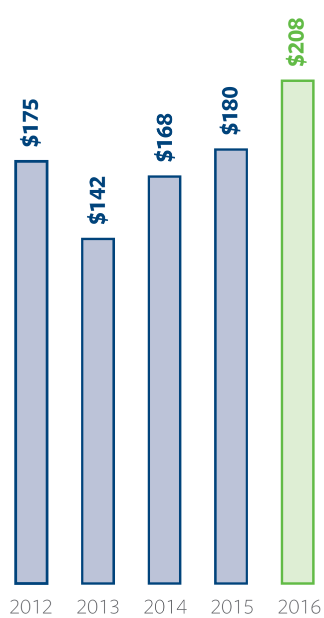
REVENUE
(C$ MILLIONS)



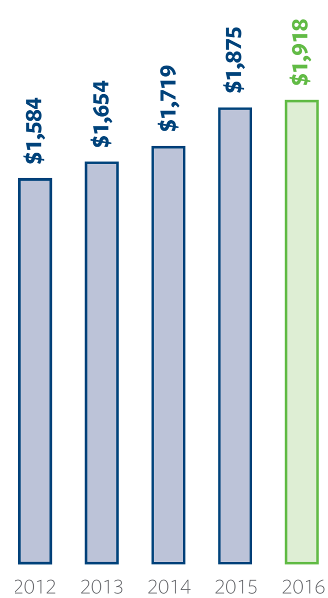
GROSS MARGIN
(C$ MILLIONS)



BASE EBITDA
(C$ MILLIONS)



EMBEDDED GROSS MARGIN (C$ MILLIONS)



Established in 1997, Just Energy (NYSE:JE, TSX:JE) is an energy management solutions provider specializing in electricity, natural gas, solar and green energy. With offices located across the United States, Canada and the United Kingdom, Just Energy serves two million residential and commercial customers.

Just Energy is an energy management solutions provider with a diverse geographic, product and leadership position in green energy sales and product innovation.

Market Position

ACTIVE IN 20 deregulated utility commodity MARKETS in North America

4th LARGEST North American RESIDENTIAL RETAILER*

9th LARGEST commercial retailer IN THE U.S.*

* DNV Kema Market Report, June 2015

Consumer

Description

- Targets residential and small commercial customers
- Operates in the U.S., Canada and the U.K.
- 1,884,000 RCEs

Main Products

- Fixed price
- Flat bill
- Variable price
- Rooftop solar
- Carbon offset solutions

Gross Margin ($ and %)

- $538,646,000
- 77%

Commercial

Description

- Targets mid-size commercial customers (15 RCEs or more)
- Operations in the U.S., Canada and the U.K.
- 2,636,000 RCEs

Main Products

- Fixed price
- Variable price
- JustGreen
- Carbon offset solutions

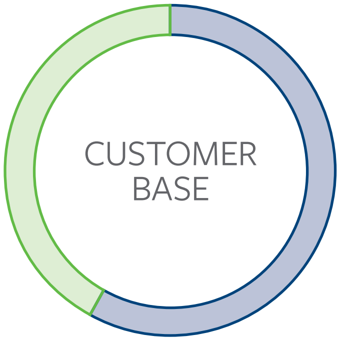
Gross Margin ($ and %)

- $163,642,000
- 23%

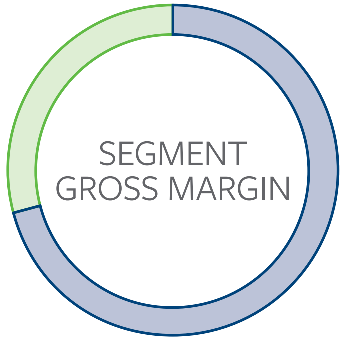
Just Energy measures its energy customer base in residential customer equivalents ("RCEs") based on the average natural gas or electricity consumption of a typical household.

Our Brands

2016 Business Mix

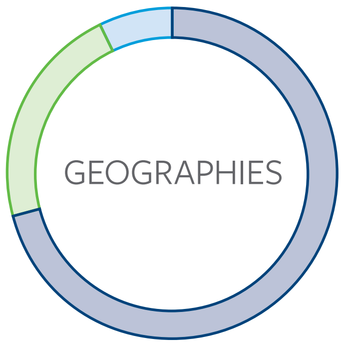


- Commercial 58%
- Consumer 42%



- Electricity 71%
- Natural gas 29%

- Commercial brokerage 52%
- Online and other 28%
- Door-to-door 20%



- U.S. 71%
- Canada 22%
- U.K. 7%

Vision and Pillars

Just Energy stands by its vision to be the gold standard in retail energy, delivering stability, value and innovation in every customer, shareholder, employee and community relationship. Our vision serves as the framework for every aspect of our business.

Value

Striving to deliver the highest satisfaction and greatest benefit to every customer, shareholder, employee and community partner.

Stability

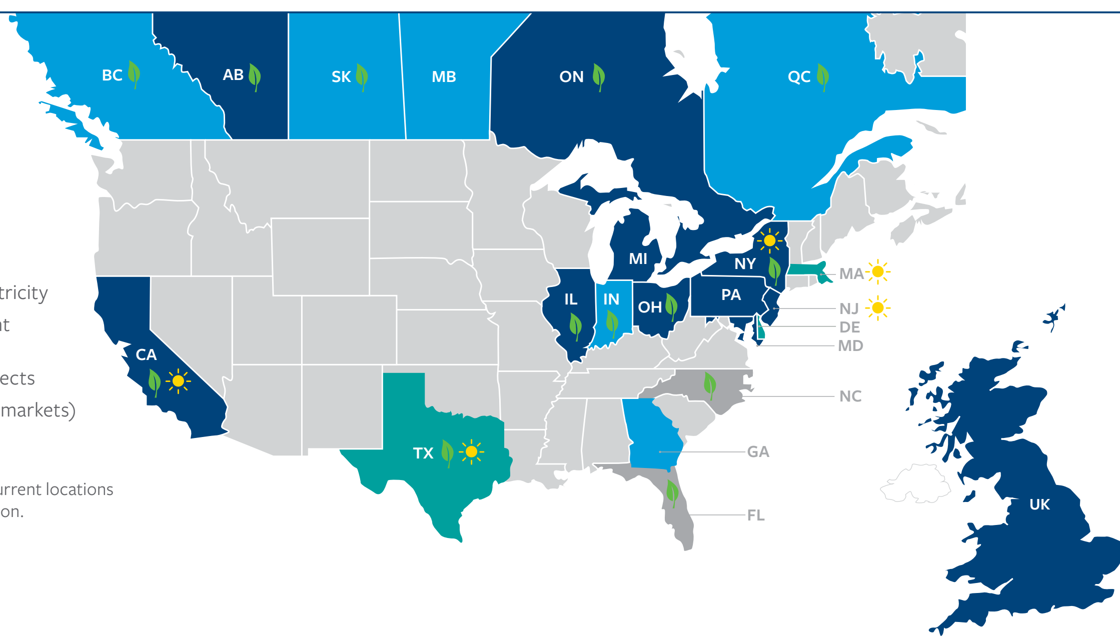
Ensuring we consistently deliver dependable, predictable products and service, reliable investor returns and a strong commitment to community.

Innovation

Challenging ourselves daily to explore forward-thinking solutions and progressive options to deliver gold-standard products and services.

Just Energy Group Markets

- Natural gas
- Electricity
- Both natural gas and electricity
- Just Energy Solar* current and 12 month plan
- Investments in green projects
- TerraPass (available in all markets)



* Just Energy Solar represents current locations as well as planned solar expansion.

POSITIONED FOR GROWTH

Rebecca MacDonald
Executive Chair, Just Energy *(Centre)*

James Lewis
Co-Chief Executive Officer *(Left)*

Deb Merril
Co-Chief Executive Officer *(Right)*

Dear fellow shareholders:

Fiscal year 2016 was a tremendous year for Just Energy on a number of fronts. Our business performed very well, exceeding our expectations and delivering strong top- and bottom-line results while generating meaningful cash flow. In parallel with delivering strong results, we were able to take strategic measures to position the Company for continued long-term success and set the course toward achieving our objective of becoming a premier world-class provider of energy management solutions.

Over the past two years, we have taken strong action to improve our financial position in order to capture more accretive profits and cash flows that will support our growth strategy. We've been successful in reducing debt; selling capital-intensive, non-core assets; enhancing customer margins; and achieving a sustainable dividend payout ratio. We have also continued to build on our core strengths, such as our world-class risk management practices, to deliver stable, predictable results even in the midst of market volatility.

This positive change is resulting in improved scale and leverage in our model. This was evident in our ability to take 5% top-line sales growth and deliver 17% gross margin and 15% base EBITDA growth during the year. Our improved profitability is also supporting our ability to generate significant cash flows and improve base funds from operations, which grew by 49% in 2016. We're confident these consistent, performance-driven results are the new normal at Just Energy.

Embracing Industry Change

The strong foundation upon which we enter fiscal 2017 has the Company positioned to participate in the significant growth opportunities that exist in our changing industry. The energy management solutions industry is in the midst of a significant transformation as consumers demand value added products that address the changing manner in which energy will be consumed. Just Energy is at the forefront of this movement, and we are excited about the possibilities that these trends bring to our Company and our shareholders.

We are guided by a clear vision of the future – of where the energy sector is going, what customers will want next, and where market opportunities exist. What sets us apart from the rest of our industry is our ability to transform that insight into action by developing effective strategies and compelling products that capitalize on change and deliver real value.

We continue to see a rapid evolution in the way people buy, consume and manage energy. Today, we can give customers access to technology, data and solutions that wouldn't have seemed possible even just a few years ago. Historically, our customers wanted the peace of mind that comes with locking in energy prices. However, today's customers also want more value, choices and control. We embrace this change by challenging ourselves daily to explore forward-thinking solutions and progressive options to deliver gold-standard products and services.

Our future success and growth plans centre on continued geographic expansion, structuring superior product value propositions, and enhancing the portfolio of energy management offerings.

Our geographic expansion plans are focused in Europe where we are actively evaluating new markets. Our United Kingdom business is thriving and we're successfully adding consumer and commercial customers in a profitable manner. We believe this early success validates our ability to compete outside of North America and we plan to take this experience and expand into two new European nations this year.

A large part of our ongoing success will be driven by our ability to provide innovative products that take advantage of technological advances and offer a superior value proposition to our customers. New products like our "Unlimited Plan" are driving incremental margins because customers value predictability. Our bundled product offerings still hold great appeal and command premium pricing with higher value products that provide customers more control over their energy consumption. We were one of the first major energy retailers to offer green energy and our "Just Green" offering continues to gain traction. We reached 60,000 SmartStat thermostat customers as well this year. We also started bundling energy efficient LED light bulbs with our commodity products, and we added air filters to our suite of options. Each of these innovative products is gaining more appeal and delivering more value to customers which in turn is allowing us to price our solutions at premiums while retaining customers for longer durations.

In summary, it has been an incredible year for our Company, and one we feel places us squarely on the best path to becoming the premier world-class provider of energy management solutions. Our business is healthy and the key performance indicators for our business – earnings, gross margin and cash flow – are strong and growing even stronger with visibility to sustained profitability over the long term. We have a leading market position in all of our geographic territories and our sales and marketing expertise will allow us to grow with the evolving needs of our target customers.

We're committed to delivering another year of double-digit earnings growth, maintaining our stable dividend, pursuing prudent geographic expansion and further strengthening the Company's financial and strategic position in the coming year. Through prudent fiscal management and a clear strategy, we are in an excellent position heading into a very promising 2017.

We want to thank the entire Board for their continued support of the strategy and business, and all of our employees for their ongoing dedication and hard work.

Yours truly,

/s/ Rebecca MacDonald	/s/ Deb Merril	/s/ James Lewis
Rebecca MacDonald	**Deb Merril**	**James Lewis**
Executive Chair	Co-Chief Executive Officer	Co-Chief Executive Officer

"Our business is healthy and the key performance indicators for our business – earnings, gross margin and cash flow – are strong and growing even stronger with visibility to sustained profitability over the long term."

CUSTOMERS ARE AT THE CENTRE OF EVERYTHING WE DO

4.5 MILLION

residential customer equivalents (“RCEs”)

66%

fixed-price contracts

34%

of new residential customers added a renewable energy component to their commodity contract

Just Energy came to the market with a new way for consumers to enjoy peace of mind and energy price security. We were one of the first major energy retailers to offer green energy products, and we are breaking new ground in energy management solutions. A customer-centric approach to innovation and new products drives our success and ensures that we deliver high-demand, high-value products that fit with what we know best.

Fixed price	66%
Variable price	26%
Index	3%
Flat bill	5%

Products People Want

We continue to see a rapid evolution in the way people buy, use and manage energy. Historically, our customers wanted the peace of mind and energy price security that comes with locking in energy prices for up to five years. Most still do. However, today's customers also want more value, choice and control.

Just Energy's target residential customers are the "domestic CEOs" – the people responsible for creating a comfortable, efficient, budget-friendly home for their family. Through a strong commitment to product and technological innovation, we are able to offer options that bring more value to them than traditional industry products – whether it be fixed pricing, green products, energy management tools, rebates for reducing their consumption, or other features.

Our commercial customers are typically small and mid-size businesses and institutions that need stability and predictability in their energy costs. Just Energy has succeeded in the commercial market by offering everything from standard fixed offerings to "one off" agreements tailored to a customer's specific needs. Products can be either fixed or floating rate, or a blend of the two, and normally have terms of less than five years.

Unlimited Plan Fits the Bill

The Unlimited Plan is our latest product innovation. Launched in seven markets and three countries, it's a flat-bill product that fills an industry gap and has been well received by residential customers. The Unlimited Plan offers them a fixed monthly supply price for natural gas and electricity, eliminating both rate and volume risk from their bills. We position it as a way to weatherproof your bill – no matter how harsh the winter weather, your energy bill remains the same. While the Unlimited Plan goes by different names in different markets, the end result is the same: no surprises, comfort without compromise, and peace of mind all year long.

Customer Promise

Today's customers expect outstanding service and we are committed to meeting their expectations. In addition to hiring exceptional people, and providing strong training, we are introducing a new brand promise that addresses many of our customers' biggest concerns head on:

No surprises – If your rate changes, we will inform you at least 30 days in advance.

No exit fee – If you need to cancel your contract, call us first and we will waive the exit fee.

No waiting – If you call us and we put you on hold for more than five minutes, we will send you a gift (to be rolled out in fiscal 2017).

Anytime switching – If you don't like your current energy product, just call us and we will put you on the program that's right for you.

Product Offerings

Fixed-price contracts
- Minimal exposure to fluctuations in commodity prices
- Allow customers to lock in their supply rates at their discretion for up to five years

Variable-price contracts
- Exposure to commodity price fluctuations
- Ability to lower rates as pricing decreases
- Option to lock in fixed price at any time if market rates start to rise

Green products
- Electricity provided by renewable sources
- Carbon offset credits
- Smart thermostats

Flat-bill contracts (Consumer only)
- Flat monthly charge regardless of usage
- Offer cost stability and predictability

Solar products (Consumer only)
- Rooftop solar panel installations
- Access to network of complementary services

Bundled options (Consumer only)
- Combine complementary products and energy efficiency tools such as smart thermostats

WE'RE ENERGIZED BY INNOVATION

Today, we can give people access to technology, data and solutions that wouldn't have seemed possible just a few years ago. It's an exciting time for our industry, and Just Energy is at the forefront when it comes to creating innovative approaches for helping customers reduce their energy footprints and manage budgets by controlling their home or offices' appliances and energy consumption.

Energy Management Solutions

We are evolving our product portfolio to take advantage of technological advances. This can range from innovations such as smart thermostats to energy usage disaggregation algorithms that make the home more efficient and give consumers more control and more visibility into how they use energy.

Smart thermostats are a key driver of growth, and we are bundling them with commodity contracts to add value to our offerings. The WiFi-enabled thermostat uses data points to make intelligent and personalized heating and cooling decisions, adjusting the temperature based on a family's lifestyle or automatically lowering electricity usage during peak demand times when prices are highest. Users can program their thermostat from anywhere, including their smartphone.

In fiscal 2016, we started bundling energy efficient LED light bulbs with commodity products. We also added air filters to our suite of options, promoting the fact that regularly changing air filters saves on energy and HVAC repairs and improves indoor air quality.

In Ontario, we introduced an energy management bundle for non-commodity products. The program includes the smart thermostat, personalized energy consumption insights and reports, LED light bulbs and a rebate for energy usage reductions, and carbon offsets. Customers can track and monitor their daily energy use and are offered incentives if they upgrade to a commodity bundle.

Thanks to technological advances, we have reached a point where solar power is a viable option for millions of homeowners.

Residential Solar

Our newly launched residential solar business caters to the growing renewable energy customer base and brings high margin growth opportunities for Just Energy.

We signed a long-term agreement with Clean Power Finance (recently rebranded as Spruce) in which we sell solar products, earning origination income ahead of installation, and Spruce is responsible for product design and development, equipment, installation and maintenance. We launched pilots in California and New York and, based on the response so far, we are planning continued expansion in these regions. We expect the solar business to contribute $10 million towards our double-digit percentage Base EBITDA growth target for fiscal 2017.

With a 1.9 million-strong residential customer base and a sales force that knocks on more than 10 million doors annually, Just Energy is positioned as the partner of choice in the burgeoning residential solar industry. We believe that we can push the industry forward to develop more value-added customer-friendly products.

TerraPass and Green Energy Products

JustGreen was one of the first major energy retailers to offer green energy and our business continues to grow. With the recently signed Paris Agreement on climate change, countries and governments have strengthened their resolve to reduce carbon emissions, and businesses and individual households are doing the same. Approximately 34% of new residential customers added a renewable component to their commodity contract.

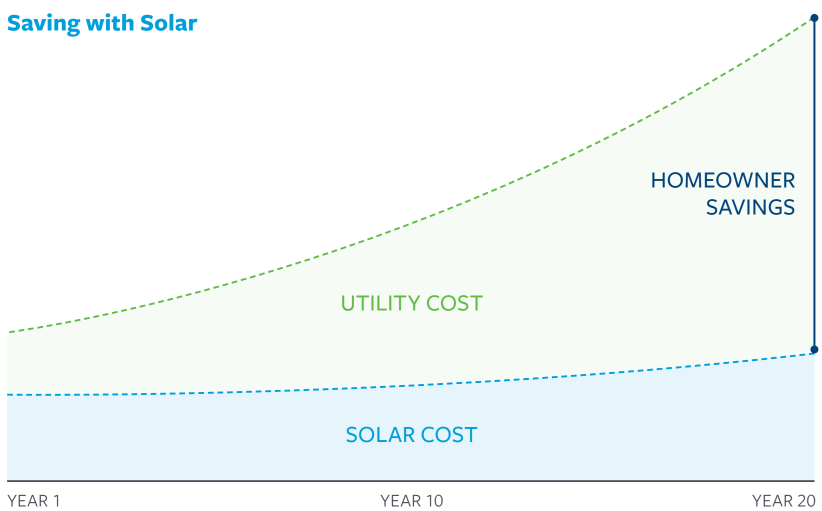
Our green electricity products give customers the option of having all or a portion of their commodity energy supply derived from certified renewable sources such as wind, run of river hydro, solar or biomass. Our gas product offers carbon offset credits from green sources such as methane capture projects. We also own the retail division of TerraPass, a company widely regarded for its carbon offset initiatives.

60,000
smart thermostat customers

$42.8 MILLION
spent by Just Energy customers on green energy

16,000
LED light bulbs shipped, saving close to $2.5 million in energy costs

Saving with Solar



LED light bulbs typically use 75% less energy than traditional incandescent bulbs and last 35–50 times longer.*

* Source: energystar.gov

INTRODUCING A PROVEN MODEL TO NEW MARKETS

Just Energy started in Canada in 1997, as deregulation opened natural gas and electricity markets, and expanded into the U.S. in 2004 and the United Kingdom in 2012. We've developed an eye for evaluating market opportunities and a skill for quickly establishing ourselves as an innovative, competitive and reliable supplier wherever we operate. Now, as we pursue further growth abroad, we're applying the same winning formula.

308,000
customers in the U.K.

193%
compound annual growth rate of U.K. sales over the past four years

200%
year over year growth in U.K. EBITDA

Success in the U.K.

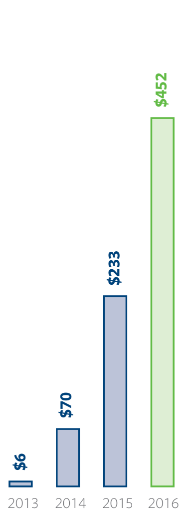
Just Energy's entry into the U.K. has been an unqualified success. While relatively mature, the U.K. market was seen as a good fit for our commercial business model and we signed our first deal in 2012.

In 2013, we signed a five-year strategic supply agreement with Shell Energy Europe Limited, providing us with long-term supply security and ensuring our ability to grow and offer competitive products in this new market. Also that year, we began selling residential supply under the Green Star Energy brand. Green Star Energy offers a fresh alternative to "the big six energy companies" that were created with the privatization of the U.K. energy sector in 1990. With a strong emphasis on offering simple, cost-effective natural gas and electricity products and providing exceptional customer service, the business has taken off.

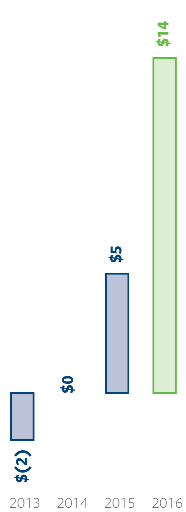
In fiscal 2016, our U.K. customers represented 7% of our total customer base. We have seen a 193% compound annual growth rate of sales over the past four years.

The key to success has been our ability to leverage our North American expertise, systems and processes, as well as our supplier relationships. We are also starting to bring some of our innovative North American products, like the new Unlimited Plan, to the U.K. which is opening new opportunities for Just Energy.

U.K. SALES (C$ MILLIONS)



U.K. EBITDA (C$ MILLIONS)

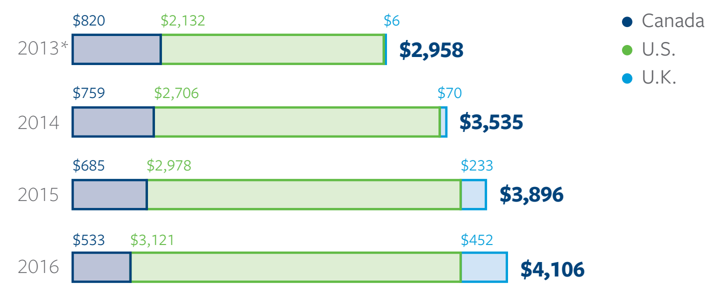


Green Star Energy was named Energy Provider of the Year 2016 by Consumer MoneyFacts.

Taking the Next Step

Our early success in the U.K. – a market considered hard to penetrate because it has been deregulated for longer than most – validates our model and our ability to compete outside of North America. We are currently evaluating marketing opportunities in continental Europe that offer strong demographics, clear participation and industry trends, and a favourable regulatory landscape. We expect to enter two new countries in fiscal 2017 and 2018.

HISTORICAL REVENUES BY GEOGRAPHY (C$ MILLIONS)



* 2013 revenues exclude $53 million of Home Services revenue.

Platform for Success

Our commercial business operates as Hudson Energy in the U.K. Just as in North America, the majority of sales are generated through a network of non-exclusive, independent brokers.

Our web-based sales portal, Hudson Connex, is a key asset that attracts brokers and has enabled us to gain a foothold in the market. The technology lets brokers generate comparative rates for customers within minutes, as opposed to days or weeks as was typical in the market. It also allows them to deliver customer-specific pricing and contract documents on demand, and it provides tools to manage their customer accounts after a sale is completed.

Unparalleled Supplier Relationships

Our longstanding relationships with leading commodity suppliers provide Just Energy with stability and competitive advantage. We have eight major supplier relationships responsible for 90% of our supply.

For renewable energy, we try to make our purchases from wind farms, and solar, biomass and landfill gas projects located in the local jurisdiction in which the products are sold. We have contracts with over 100 counterparties, from which we purchase renewable energy credits and carbon offsets. Our purchases help green developers finance their projects.

STRENGTHENING OUR FINANCIAL FOUNDATION

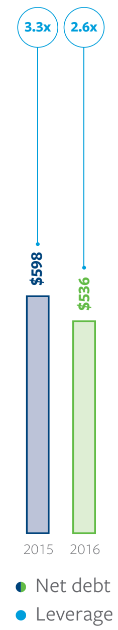
Over the past two years, we have taken strong action to improve our financial position and thereby support our growth strategy – reducing debt, selling capital-intensive, non-core assets, enhancing customer margins and lowering our dividend payout ratio. We have also continued to build on strengths, like our world-class risk management practices, to deliver stable, predictable results even in the midst of market volatility.

Improving Our Balance Sheet and Debt Position

To achieve the financial flexibility we need to pursue our growth strategy, debt reduction has been a clear priority. Solid cash flows have supported deleveraging. In the past two years, we also divested National Home Services, which dramatically decreased capital spending, and we lowered the dividend payout ratio – while upholding our commitment to an annual dividend. Our laser focus on improving the balance sheet enabled us to reduce net debt to 2.6 times EBITDA at year-end, compared to 3.3 a year earlier.

To support our efforts, we renegotiated a credit facility with a syndicate of lenders in fiscal 2016, increasing capacity, lengthening the term by three years and improving the lending rate. Our ability to do so reflects strong lender confidence in our business model and outlook, and will enable further debt reduction. The new facility, combined with continued strong earnings and cash flow generation, is more than sufficient to meet Just Energy's capital liquidity needs and expected growth investment requirements for the next three years.

NET DEBT AND LEVERAGE[1]
(C$ MILLIONS)



1 Net debt excludes restricted cash.

Annual Gross Margin Per Customer

	Fiscal 2016	Number of customers	Fiscal 2015	Number of customers
Consumer customers added and renewed	**$207**	888,000	$191	983,000
Consumer customers lost	**$196**	592,000	$184	635,000
Commercial customers added and renewed	**$84**	1,202,000	$79	1,171,000
Commercial customers lost	**$66**	732,000	$73	531,000

Customer Margin Enhancement

Efforts to improve margin per customer are enabling Just Energy to convert solid top-line sales growth into significant increases in Base EBITDA. Higher residential margins are a particularly positive trend as these customers are largely locked into five-year contract terms.

Product innovation is at the heart of our ability to increase margins. New products like the Unlimited Plan drive greater than average margin because customers see value in its predictability. Bundled products also hold greater appeal and command premium prices. By packaging a smart thermostat with a commodity contract, for instance, we can offer a higher value product that gives customers more control over their energy consumption – and drives lower attrition and higher profitability for us.

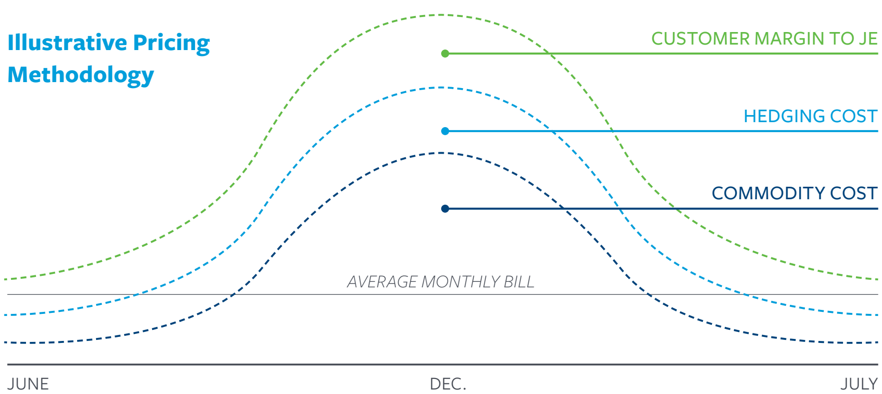
Another important factor in our customer margin improvement has been our strong emphasis on leveraging "big data". We have vast customer data assets, and we use advanced analytics to help us retain – and secure new – higher margin customers. At the same time, we have been able to remove lower margin commercial customers from our books.

Sound Risk Management

Just Energy's world-class risk management competency has helped us manage through sluggish economies, declining commodity prices, heightened competition and abnormal weather.

A team of 25 in-house experts minimizes commodity risk through a proven, and continually refined, hedging strategy. Commodity supply is purchased in advance of marketing, based on forecasted customer aggregation, for Consumer customers. We continually monitor and work to match commodity supply with contract terms, adjusting the hedge position as necessary in response to usage data and weather effects. Excess supply is immediately sold if commodity consumption lags and we make selective use of options to protect against weather variances and price spikes. All pricing, demand forecasting and hedging activity are subject to the Board-approved Risk Management Policy.

Illustrative Pricing Methodology



Predictability allows Just Energy to lock in commodity costs, pass through hedging costs and drive desired margins.

WE CARE ABOUT OUR COMMUNITIES

$50,000

grants awarded to three youth organizations as part of the Community Action Grants program

600

schoolchildren benefited from our Supplies 4 School program in the Dominican Republic

100

smart thermostats donated to Habitat for Humanity ReStore

We have made a strong commitment to promoting the health and well-being of people living in the markets we serve. Just Energy Foundation, our main vehicle for community giving, supports Canadian and U.S. hospitals, health organizations, food programs, children's programs and other charitable organizations that work to help our communities' most vulnerable residents.

Community Action Grants

Just Energy Foundation has teamed up with MLSE Foundation on the Community Action Grants program, in which each Maple Leaf Sports and Entertainment sport (hockey, basketball and soccer) awards a $50,000 grant to a charity that gives disadvantaged youth the opportunity to play that sport.

To date, the program has provided $50,000 grants to the Christie Ossington Neighbourhood Centre (March 2015), YouthLink (May 2015), Malvern Family Resource Centre (June 2015) and Boys & Girls Clubs of Hamilton (February 2016).

Goodwill Ambassador Program

Our Goodwill Ambassador Program ("GAP") gives every Just Energy employee one day off during the year to volunteer at the charity of his or her choice. So far, more than 70 employees have volunteered their time to assist local organizations such as food banks and shelters for the poor, homeless and vulnerable.

Many of our people teamed up to participate in Habitat for Humanity home builds for low-income families, as part of their GAP day. Teams took part in a Build Day Canada in Brampton, Ontario, in July, and a Build Day USA in Houston, Texas, in October. At the Brampton event, Just Energy donated 100 refurbished smart thermostats to the Habitat for Humanity ReStore, which sells home furnishings.

Sales Initiatives

Several of our sales teams and offices took it upon themselves to lend a helping hand – at home and away. Among them, our offices in Cambridge, Ontario, and Corpus Christi and Westchase in Texas ran Back to School supply drives, collecting and donating backpacks filled with school supplies and offering free haircuts to underprivileged children. The Philadelphia office prepared and distributed food three times during December and then turned the activity into a monthly initiative.

When the sales team got together for a leadership summit in Nashville, Tennessee, they spent part of their time assisting the Nashville Rescue Mission, a non-profit that offers food, clothing and shelter to homeless and recovery programs. Half of the team worked in the warehouse sorting donations, while others built bikes and wagons or filled backpacks for kids.

Nearly 400 Just Energy sales representatives attending a sales meeting in the Dominican Republic delivered school supplies and food to more than 600 students in four elementary schools as part of the Supplies 4 School program.

Innovative Sustainability Program

In 2015, TerraPass announced an innovative three-year partnership with the City of Palo Alto Utilities to launch and maintain its new PaloAltoGreen Gas program. It is the first-ever Green-e Climate certified gas offset program offered by a municipal-level utility. Through the voluntary PaloAltoGreen Gas program, utility customers can pay a small premium on their utility bill each month to offset the carbon emissions associated with their natural gas use.

See the Supplies 4 School video on our Facebook page at bit.ly/1TaWbGH

DIRECTORS AND OFFICERS

Just Energy's Board of Directors and management team believe that good governance supports the Company's long-term success, providing oversight and accountability, strengthening processes, and helping secure the confidence of our many stakeholders. Our corporate governance meets all the recommended standards established by the Canadian Securities Administrators.

Board of Directors

Our Board of Directors comprises the Executive Chair, Chief Executive Officers and a majority of non-management directors. The Board is monitored by a lead independent director. Board committees are composed of external directors only. Corporate governance details can be found in the Just Energy 2016 Management Proxy Circular.

Rebecca MacDonald
Executive Chair
Rebecca MacDonald was a founder of Just Energy Group Inc. and has held the position of Executive Chair since the IPO. From Just Energy's IPO to March 2005, Ms. MacDonald also held the position of Chief Executive Officer.

James Lewis
Co-Chief Executive Officer of Just Energy
James Lewis has been a senior executive of Just Energy since 2007. Mr. Lewis brings to his position as Co-President and Co-Chief Executive Officer of Just Energy more than 17 years of experience in the retail energy industry. Before assuming his latest role, Mr. Lewis served as Chief Operating Officer ("COO") for the Company, with accountability for corporate-wide strategic planning, policy and program development. Mr. Lewis was appointed a director of Just Energy in 2015.

Deb Merril
Co-Chief Executive Officer of Just Energy
Deb Merril is the Co-President and Co-Chief Executive Officer of Just Energy. She has been an officer of Just Energy since 2007. With more than 20 years of experience in the retail energy industry, Ms. Merril was appointed to her current role of Co-President and Co-Chief Executive Officer of Just Energy in April 2014. Prior to this, Ms. Merril led the organization's Commercial business as President of Hudson Energy. Ms. Merril was appointed a director of Just Energy in 2015.

Ryan Barrington-Foote
Managing Director, Accounting, The Jim Pattison Group
Ryan Barrington-Foote is currently the Managing Director, Accounting, at The Jim Pattison Group, where he has worked since 2001 with oversight responsibility for accounting and tax-related functions. From 1996–2001, he was associated with KPMG, where he earned his CA ("CPA") designation in 2001. Mr. Barrington-Foote has been a director of Just Energy since 2015.

John A. Brussa
Partner, Burnet, Duckworth & Palmer LLP
John Brussa is a partner in the Calgary-based law firm of Burnet, Duckworth & Palmer, specializing in the area of energy and taxation. He is also a director of a number of energy and energy-related corporations and income funds. Mr. Brussa has been a director of Just Energy since 2001.

R. Scott Gahn
President, Gulf Coast Security Services
Mr. Gahn is currently the President of Gulf Coast Security Services, Inc., a Houston-based security firm. Mr. Gahn has a long history in the deregulated energy industry, having sat on the Texas ERCOT board from 2005 to 2008 and having been involved in the sale of deregulated and regulated electricity and natural gas for 27 years. Mr. Gahn was appointed a director of Just Energy in 2013.

H. Clark Hollands
Corporate Director
H. Clark Hollands is a Chartered Accountant. He obtained his CA designation in 1977 and his FCA designation in 2008. He spent 25 years of his professional career as an international tax partner with KPMG in Vancouver, advising many significant Canadian-based multinational groups and large public companies on their international tax arrangements. Mr. Hollands has been a director of Just Energy since 2015.

Brett A. Perlman
President, Vector Advisors
Mr. Perlman is President of Vector Advisors, a management consulting firm that provides services to telecommunications and energy clients. He is also currently a fellow in the Advanced Leadership Initiative at Harvard University, where he is focused on climate change. Prior to this, he served as Commissioner of the Public Utility Commission of Texas from 1999 to 2003. In this role, he was responsible for leading the successful restructuring of Texas' $17 billion electric utility industry and $4 billion telecommunications industry as these opened to competition. Mr. Perlman has been a director of Just Energy since 2013.

George Sladoje
Principal, Sladoje Consulting
Mr. Sladoje serves as principal, Sladoje Consulting, where he specializes in providing regulatory and compliance consulting to organizations dealing in electricity and gas trading and has provided marketing services to grid operators across the United States. Mr. Sladoje served as CEO of NASDAQ OMX Commodities Clearing Company until 2011. He is also a CPA with previous working experience at a Big 8 accounting firm. Mr. Sladoje has been a director of Just Energy since 2012.

David F. Wagstaff
Corporate Director
David F. Wagstaff, a Chartered Accountant, is a seasoned financial executive with a broad range of experience in operational and financial restructuring, mergers and acquisitions, and investment evaluation and analysis including active participation on a number of private company, public and not-for-profit boards over the past 25 years. Mr. Wagstaff is the former Vice President and Chief Financial Officer of Jetport Inc. of Burlington, Ontario. Mr. Wagstaff has been a director of Just Energy since 2015.

William F. Weld
Principal, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Mr. Weld is a member of the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo P.C. specializing in government strategies, corporate governance and compliance, and international business best practices. In addition, Mr. Weld served two terms as Governor of Massachusetts, elected in 1990 and re-elected in 1994. Prior to his terms as governor, Mr. Weld was a federal prosecutor and served as Assistant U.S. Attorney for the U.S. Justice Department. Mr. Weld has been a director of Just Energy since 2012.

Officers

Just Energy's experienced management team is responsible for establishing and implementing the Company's long-range goals, strategies, plans and policies, subject to the Board's direction and oversight. To ensure that management acts in the best interest of shareholders, we mandate high share ownership for all senior managers and align bonuses with strict performance measurements determined by our Board.

Rebecca MacDonald
Executive Chair

James Lewis
Co-Chief Executive Officer

Deb Merril
Co-Chief Executive Officer

Pat McCullough
Chief Financial Officer

Jonah Davids
Executive Vice President, General Counsel and Corporate Secretary

Ash Rajendra
Chief Information Officer

Morgan Smith
Chief Sales Officer

Executive Officers (from left to right): Jonah Davids, Executive Vice President, General Counsel and Corporate Secretary; Ash Rajendra, Chief Information Officer; James Lewis, Co-Chief Executive Officer; Rebecca MacDonald, Executive Chair; Deb Merril, Co-Chief Executive Officer; Pat McCullough, Chief Financial Officer; Morgan Smith, Chief Sales Officer.

2016 HIGHLIGHTS

Sales of $4,105.9 million, up **5%** year over year

Base Funds from operations **up 49%** year over year

Gross margin rose 17% year over year

Cash increased by 62% in fiscal 2016

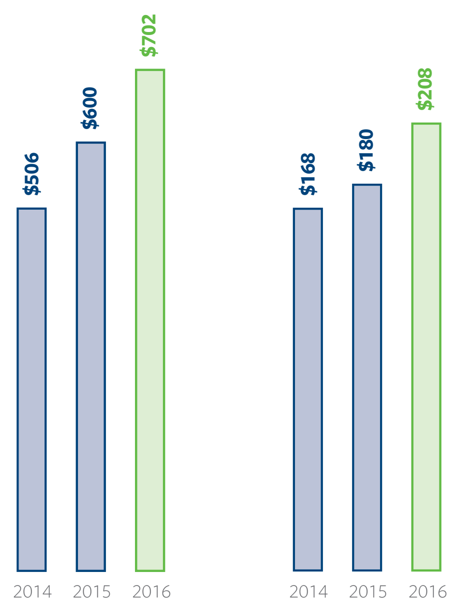
Base EBITDA increased 15% year over year*

Book value net debt was **2.6x EBITDA** at year-end, compared to 3.3x a year earlier

* Includes $17.9 million of prepaid commission expense. Excluding this additional expense item, Base EBITDA increased by 25% to $225.5 million compared to fiscal 2015.

GROSS MARGIN (C$ MILLIONS)

BASE EBITDA (C$ MILLIONS)



Customer Aggregation

	April 1, 2015[1]	Additions	Attrition	Failed to renew	March 31, 2016	% increase (decrease)
Consumer Energy						
Gas	713,000	146,000	(153,000)	(38,000)	**668,000**	(6)%
Electricity	1,240,000	377,000	(306,000)	(95,000)	**1,216,000**	(2)%
Total Consumer RCEs	1,953,000	523,000	(459,000)	(133,000)	**1,884,000**	(4)%
Commercial Energy						
Gas	242,000	86,000	(29,000)	(55,000)	**244,000**	1%
Electricity	2,491,000	549,000	(183,000)	(465,000)	**2,392,000**	(4)%
Total Commercial RCEs	2,733,000	635,000	(212,000)	(520,000)	**2,636,000**	(4)%
Total RCEs	4,686,000	1,158,000	(671,000)	(653,000)	**4,520,000**	(4)%

1 The balance as of April 1, 2015 has been adjusted for customers who have either grown above 15 RCEs (becoming a Commercial customer) or have fallen below 15 RCEs (becoming a Consumer customer) during the fiscal year 2015.

Gross customer additions totalled 1,158,000, a 20% decrease from the 1,441,000 customers added the year before. The decline reflected market conditions in which commodity prices were lower and, therefore, more competitive across all markets, as well as our increased focus on the profitability of a customer, which resulted in fewer customer additions but higher margin contribution from each new customer added. Additionally, the low, stable (no volatility) market conditions that have been going on for two years now have meant less customer switching.

Attrition

	Fiscal 2016	Fiscal 2015
Consumer	26%	27%
Commercial	9%	7%
Total attrition	16%	16%

The 16% combined attrition rate was consistent with the prior year. While Consumer attrition rates decreased by one percentage point from a year ago, Commercial attrition rates increased by two percentage points as a result of increased competition. The Company continues to focus on maintaining its profitable customers and ensuring that variable rate customers meet base profitability profiles even if this results in higher attrition.

Renewals

	Fiscal 2016	Fiscal 2015
Consumer	74%	77%
Commercial	57%	63%
Total renewals	62%	67%

The overall renewal rate of 62% was down five percentage points from the previous year, with a three percentage point decline in the Consumer rate and a six percentage point decrease in the Commercial rate. The decline reflected a very competitive market for Commercial renewals with competitors pricing aggressively and Just Energy's focus on improving retained customers' profitability rather than pursuing low margin growth.

Embedded Gross Margin

(millions of dollars)

	Fiscal 2016	Fiscal 2015	2016 vs. 2015 variance
Energy marketing	$ 1,917.6	$ 1,874.9	2%

Management's estimate of the future embedded gross margin within our customer contracts rose by 2% compared to the previous year. Higher margins earned on the customers signed in the current fiscal year as well as the foreign currency impact contributed to the growth. Embedded gross margin indicates the margin expected to be realized over the next five years from existing customers. As our mix of customers continues to reflect a higher proportion of Commercial volume, the embedded gross margin may, depending on currency rates, grow at a slower pace than customer growth; however, the underlying costs necessary to realize this margin will also decline.

Outlook

The fiscal 2016 earnings results exceeded management's expectations based on the targets provided. To reflect the progress in repositioning the business, management believes that the Company will achieve fiscal 2017 Base EBITDA in the range of $223 million to $233 million, showing continued double-digit year over year percentage growth.

Our objectives remain unchanged. The profitability and cash generation Just Energy delivered in fiscal 2016 are inherent to the repositioned business model and thus provide management with confidence and freedom to commit to future dividend distributions and balance sheet restructuring.

We foresee continued, sustainable growth that will be driven by an expanded geographical footprint, continued product innovation, and bringing new energy management solutions to market that align with customer demands.

FINANCIAL TABLE OF CONTENTS

Management's discussion and analysis ("MD&A") – May 18, 2016

Overview

The following discussion and analysis is a review of the financial condition and results of operations of Just Energy Group Inc. ("JE" or "Just Energy" or "the Company") for the year ended March 31, 2016 and has been prepared with all information available up to and including May 18, 2016. This analysis should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2016. The financial information contained herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars. Quarterly reports, the annual report and supplementary information can be found on Just Energy's corporate website at www.justenergygroup.com. Additional information can be found on SEDAR at www.sedar.com or on the U.S. Securities and Exchange Commission's website at www.sec.gov.

Just Energy is a corporation established under the laws of Canada and holds securities and distributes the income of its directly and indirectly owned operating subsidiaries and affiliates. Just Energy is an energy management solutions provider specializing in electricity, natural gas, and solar and green energy. The Company operates in the United States, Canada and the United Kingdom, offering a wide range of energy products and home energy management services including long-term fixed-price, variable-price and flat-bill programs, smart thermostats and residential solar panel installations. Just Energy is the parent company of Amigo Energy, Commerce Energy, Green Star Energy, Hudson Energy, Just Energy Solar, Tara Energy and TerraPass.

By fixing the price of natural gas and electricity under its fixed-price or price-protected program contracts for a period of up to five years, Just Energy offsets its customers' exposure to changes in the price of these essential commodities. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Just Energy derives its margin or gross profit from the difference between the price at which it is able to sell the commodities to its customers and the related price at which it purchases the associated volumes from its suppliers. Flat-bill programs keep monthly natural gas and/or electricity supply costs consistent each month for customers for a term of up to five years based on a maximum annual household usage.

Just Energy also offers green products through its JustGreen program and conservation solutions through smart thermostats. The JustGreen electricity product offers customers the option of having all or a portion of their electricity sourced from renewable green sources such as wind, run of the river hydro or biomass. The JustGreen gas product offers carbon offset credits that allow customers to reduce or eliminate the carbon footprint of their homes or businesses. Additional green products allow customers to offset their carbon footprint without buying energy commodity products and can be offered in all states and provinces without being dependent on energy deregulation.

Smart thermostats are offered as a bundled product with commodity contracts as well as a stand-alone unit. The smart thermostats are manufactured and distributed by ecobee Inc. ("ecobee"), a company in which Just Energy holds a 10% equity interest.

Just Energy markets its product offerings through a number of sales channels including broker and affinity relationships, door-to-door marketing and online marketing. The online marketing of gas and electricity contracts is primarily conducted through Just Ventures LLC and Just Ventures L.P. (collectively, "Just Ventures"), a joint venture in which Just Energy holds a 50% equity interest.

Just Energy began selling residential solar finance products through its partnership with Spruce Finance Inc. ("Spruce"), formerly Clean Power Finance. Under the agreement, Just Energy acts as an originator of residential solar deals that are financed and installed via Spruce. Just Energy is also able to sell complementary energy management solutions to solar customers.

Forward-looking information

This MD&A contains certain forward-looking information pertaining to customer additions and renewals, customer consumption levels, EBITDA, Base EBITDA, Funds from Operations, Base Funds from Operations and treatment under governmental regulatory regimes. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to, levels of customer natural gas and electricity consumption, extreme weather conditions, rates of customer additions and renewals, customer attrition, fluctuations in natural gas and electricity prices, changes in regulatory regimes, decisions by regulatory authorities, competition, the results of litigation and dependence on certain suppliers. Additional information on these and other factors that could affect Just Energy's operations, financial results or dividend levels is included in the Annual Information Form and other reports on file with security regulatory authorities, which can be accessed on our corporate website at www.justenergygroup.com, or through the SEDAR website at www.sedar.com or at the U.S. Securities and Exchange Commission's website at www.sec.gov.

Key terms

"$100m convertible debentures" refers to the $100 million in convertible debentures issued by the Company to finance the purchase of Fulcrum Retail Holdings, LLC, effective October 1, 2011. See "Debt and financing for continuing operations" on page 39 for further details.

"$330m convertible debentures" refers to the $330 million in convertible debentures issued by Just Energy to finance the purchase of Hudson Energy Services, LLC, effective May 1, 2010. See "Debt and financing for continuing operations" on page 39 for further details.

"$150m convertible bonds" refers to the US$150 million in convertible bonds issued in January 2014. Net proceeds were used to redeem Just Energy's outstanding $90 million convertible debentures on March 19, 2014 and pay down Just Energy's line of credit. See "Debt and financing for continuing operations" on page 39 for further details.

"attrition" means customers whose contracts were terminated prior to the end of the term either at the option of the customer or by Just Energy.

"customer" does not refer to an individual customer but instead to an RCE (see key term below).

"failed to renew" means customers who did not renew expiring contracts at the end of their term.

"gross margin per RCE" refers to the energy gross margin realized on Just Energy's customer base, including gains/losses from the sale of excess commodity supply.

"LDC" means a local distribution company; the natural gas or electricity distributor for a regulatory or governmentally defined geographic area.

"RCE" means residential customer equivalent, which is a unit of measurement equivalent to a customer using, as regards natural gas, 2,815 m^3 (or 106 GJs or 1,000 Therms or 1,025 CCFs) of natural gas on an annual basis and, as regards electricity, 10 MWh (or 10,000 kWh) of electricity on an annual basis, which represents the approximate amount of gas and electricity, respectively, used by a typical household in Ontario, Canada.

NON-IFRS FINANCIAL MEASURES

Just Energy's consolidated financial statements are prepared in compliance with IFRS. All non-IFRS financial measures do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

EBITDA

"EBITDA" refers to earnings before finance costs, taxes, depreciation and amortization. This is a non-IFRS measure that reflects the operational profitability of the business.

BASE EBITDA

"Base EBITDA" refers to EBITDA adjusted to exclude the impact of mark to market gains (losses) arising from IFRS requirements for derivative financial instruments on future supply positions as well as reflecting an adjustment for share-based compensation. This measure reflects operational profitability as the non-cash share-based compensation expense is treated as an equity issuance for the purpose of this calculation, as it will be settled in shares and the mark to market gains (losses) are associated with supply already sold in the future at fixed prices.

Just Energy ensures that customer margins are protected by entering into fixed-price supply contracts. Under current IFRS, the customer contracts are not marked to market but there is a requirement to mark to market the future supply contracts. This creates unrealized gains (losses) depending upon current supply pricing. Management believes that these short-term mark to market non-cash gains (losses) do not impact the long-term financial performance of Just Energy and management has therefore excluded them from the Base EBITDA calculation.

FUNDS FROM OPERATIONS

"Funds from Operations" refers to the cash flow generated by operations. Funds from Operations is calculated by Just Energy as gross margin adjusted for cash items including administrative expenses, selling and marketing expenses, bad debt expenses, finance costs, corporate taxes, capital taxes and other cash items. Funds from Operations also includes a seasonal adjustment for the gas markets in Ontario, Quebec, Manitoba and Michigan in order to include cash received from LDCs for gas not yet consumed by end customers.

BASE FUNDS FROM OPERATIONS/BASE FFO

"Base Funds from Operations" or "Base FFO" refers to the Funds from Operations reduced by capital expenditures purchased to maintain productive capacity. Capital expenditures to maintain productive capacity represent the capital spend relating to capital and intangible assets.

BASE FUNDS FROM OPERATIONS PAYOUT RATIO

The payout ratio for Base Funds from Operations means dividends declared and paid as a percentage of Base Funds from Operations.

EMBEDDED GROSS MARGIN

"Embedded gross margin" is a rolling five-year measure of management's estimate of future contracted energy gross margin. The energy marketing embedded gross margin is the difference between existing energy customer contract prices and the cost of supply for the remainder of the term, with appropriate assumptions for customer attrition and renewals. It is assumed that expiring contracts will be renewed at target margin renewal rates.

Embedded gross margin indicates the margin expected to be realized from existing customers. It is intended only as a directional measure for future gross margin. It is not discounted to present value nor is it intended to take into account administrative and other costs necessary to realize this margin.

Financial highlights

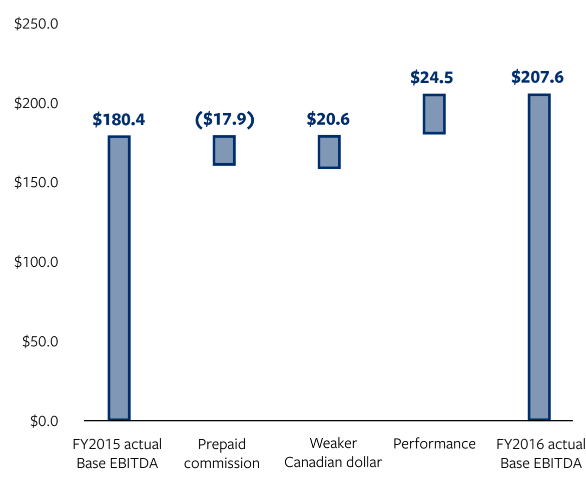
For the years ended March 31
(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2016	**% increase (decrease)**	Fiscal 2015	% increase (decrease)	Fiscal 2014
Sales	**$ 4,105,860**	**5%**	$ 3,895,940	10%	$ 3,534,614
Gross margin	**702,288**	**17%**	600,069	19%	505,531
Administrative expenses	**170,330**	**10%**	154,222	32%	116,713
Selling and marketing expenses	**257,349**	**14%**	225,243	19%	189,890
Finance costs	**72,540**	**(2)%**	73,680	6%	69,441
Profit (loss) from continuing operations[1]	**82,494**	**NMF[3]**	(576,377)	NMF[3]	170,566
Profit (loss) from discontinued operations	**–**	**NMF[3]**	132,673	NMF[3]	(33,625)
Profit (loss)[1]	**82,494**	**NMF[3]**	(443,704)	NMF[3]	136,941
Profit (loss) per share from continuing operations available to shareholders – basic	**0.44**		(4.01)		1.15
Profit (loss) per share from continuing operations available to shareholders – diluted	**0.43**		(4.01)		1.11
Dividends/distributions	**74,792**	**(14)%**	86,723	(30)%	123,429
Base EBITDA[2]	**207,629**	**15%**	180,426	8%	167,663
Base Funds from Operations[2]	**138,199**	**49%**	92,472	4%	88,577
Payout ratio on Base Funds from Operations[2]	**54%**		94%		139%
Embedded gross margin[2]	**1,917,600**	**2%**	1,874,900	9%	1,718,900
Total customers (RCEs)	**4,520,000**	**(4)%**	4,686,000	6%	4,410,000

1 Profit (loss) includes the impact of unrealized gains (losses), which represents the mark to market of future commodity supply acquired to cover future customer demand. The supply has been sold to customers at fixed prices, minimizing any realizable impact of mark to market gains and losses.
2 See "Non-IFRS financial measures" on page 22.
3 Not a meaningful figure.

Just Energy delivered another year of strong operating and financial performance with sales of $4,105.9 million, 5% higher than the prior comparable year; gross margin of $702.3 million, 17% higher than the prior comparable year; and Base EBITDA of $207.6 million, 15% better than fiscal 2015. The Company's reported Base EBITDA in fiscal 2016 includes $17.9 million of prepaid commission expense, reflecting the change in classification of prepaid commissions as a current asset effective fiscal 2016. Excluding this additional expense item, Base EBITDA increased by 25% to $225.5 million in comparison to fiscal 2015. Of this $45.1 million year over year improvement in Base EBITDA, $20.6 million was due to the foreign currency impact and $24.5 million was driven by operational performance improvements. Base FFO was $138.2 million, up 49%, compared to $92.5 million in fiscal 2015. The Company's financial highlights for the year ended March 31, 2016 are shown in the accompanying graph.

FY2016 BASE EBITDA
(MILLIONS)



Continuing operations

CONSUMER DIVISION

The sale of gas and electricity to customers with annual consumption equivalent to 15 RCEs and less is undertaken by the Consumer division. Marketing of the energy products of this division is primarily done through online marketing, door-to-door marketing and telemarketing efforts. Consumer customers make up 42% of Just Energy's customer base, which is currently focused on longer-term price-protected, flat-bill and variable rate offerings of commodity products as well as JustGreen. To the extent that certain markets are better served by shorter-term or enhanced variable rate products, the Consumer division's sales channels also offer these products. In addition, the Consumer division markets smart thermostats, offering the thermostats as a stand-alone unit or bundled with certain commodity products.

COMMERCIAL DIVISION

Customers with annual consumption equivalent to over 15 RCEs are served by the Commercial division. These sales are made through three main channels: sales through the broker channel using the commercial platform; door-to-door commercial independent contractors; and inside commercial sales representatives. Commercial customers make up 58% of Just Energy's customer base. Products offered to Commercial customers can range from standard fixed-price offerings to "one-off" offerings, which are tailored to meet the customer's specific needs. These products can be either fixed or floating rate or a blend of the two, and normally have terms of less than five years. Gross margin per RCE for this division is lower than Consumer margins but customer aggregation costs and ongoing customer care costs per RCE are lower as well. Commercial customers have significantly lower attrition rates than those of Consumer customers.

RESIDENTIAL SOLAR DIVISION

Just Energy has entered into a partnership with Spruce (formerly Clean Power Finance) where Just Energy acts as an originator of residential solar deals that are financed and installed by Spruce. This agreement unites Just Energy's strengths in customer acquisitions and experience with Spruce's solar finance and fulfillment capabilities. Spruce's online platform allows Just Energy to sell residential solar finance products and connects the Company with a national network of qualified solar installation professionals. Under the agreement, Just Energy acts as an originator of residential solar deals that are financed and installed via Spruce. Just Energy is also able to sell complementary energy management solutions to solar customers.

Just Energy began marketing solar energy solutions in California and New York in fiscal 2016 with the results of operations included in the Consumer division.

ABOUT THE ENERGY MARKETS

Natural gas

Just Energy offers natural gas customers a variety of products ranging from month-to-month variable-price offerings to five-year fixed-price contracts. Just Energy purchases gas supply through physical or financial transactions with market counterparts in advance of marketing, based on forecast customer aggregation for residential and small Commercial customers. For larger Commercial customers, gas supply is generally purchased concurrently with the execution of a contract. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Flat-bill products allow predictability by removing the price and the volume risk from customers' bills and guaranteeing the same price every month for their energy supply.

The LDC provides historical customer usage which, when normalized to average weather, enables Just Energy to purchase the expected normal customer load. Furthermore, Just Energy mitigates exposure to weather variations through active management of the gas portfolio, which involves, but is not limited to, the purchase of options including weather derivatives. Just Energy's ability to successfully mitigate weather effects is limited by the degree to which weather conditions deviate from normal. To the extent that balancing requirements are outside the forecast purchase, Just Energy bears the financial responsibility for fluctuations in customer usage. To the extent that supply balancing is not fully covered through active management or the options employed, Just Energy's realized customer gross margin may be reduced or increased depending upon market conditions at the time of balancing.

Ontario, Quebec, Manitoba and Michigan
In Ontario, Quebec, Manitoba and Michigan, the volumes delivered for a customer typically remain constant throughout the year. Just Energy does not recognize sales until the customer actually consumes the gas. During the winter months, gas is consumed at a rate that is greater than delivery and, in the summer months, deliveries to LDCs exceed customer consumption. Just Energy receives cash from the LDCs as the gas is delivered, which is even throughout the year.

Alberta and British Columbia
In Alberta and British Columbia, the volume of gas delivered is based on the estimated consumption for each month. Therefore, the amount of gas delivered in winter months is higher than in the spring and summer months. Consequently, cash received from customers and the LDC will be higher in the winter months.

Other gas markets
In New York, Illinois, Indiana, Ohio, California, Georgia, New Jersey, Pennsylvania, Saskatchewan and the United Kingdom, the volume of gas delivered is based on the estimated consumption and storage requirements for each month. Therefore, the amount of gas delivered in winter months is higher than in the spring and summer months. Consequently, cash flow received from these states/provinces is greatest during the third and fourth (winter) quarters, as cash is normally received from the LDCs in the same period as customer consumption.

Electricity

In Ontario, Alberta, New York, Texas, Illinois, Pennsylvania, New Jersey, Maryland, Michigan, California, Ohio, Delaware, Massachusetts and the United Kingdom, Just Energy offers a variety of solutions to its electricity customers, including fixed-price, flat-bill and variable-price products on both short-term and longer-term electricity contracts. Some of these products provide customers with price-protection programs for the majority of their electricity requirements. Just Energy uses historical usage data for all enrolled customers to predict future customer consumption and to help with long-term supply procurement decisions. The flat-bill product provides price and volume protection by guaranteeing the same price every month regardless of price fluctuations or changes in usage.

Just Energy purchases power supply through physical or financial transactions with market counterparties in advance of marketing to residential and small Commercial customers based on forecast customer aggregation. Power supply is generally purchased concurrently with the execution of a contract for larger Commercial customers. The LDC provides historical customer usage, which, when normalized to average weather, enables Just Energy to purchase the expected normal customer load. Furthermore, Just Energy mitigates exposure to weather variations through active management of the power portfolio, which involves, but is not limited to, the purchase of options including weather derivatives.

The Company's ability to successfully mitigate weather effects is limited by the degree to which weather conditions deviate from normal. In certain markets, to the extent that balancing requirements are outside the forecast purchase, Just Energy bears the financial responsibility for excess or short supply caused by fluctuations in customer usage. To the extent that supply balancing is not fully covered through customer pass-throughs or active management or the options employed, Just Energy's customer gross margin may be impacted depending upon market conditions at the time of balancing.

JustGreen

Customers also have the ability to choose an appropriate JustGreen program to supplement their electricity and natural gas contracts, providing an effective method to offset their carbon footprint associated with the respective commodity consumption.

JustGreen programs for electricity customers involve the purchase of power from green generators (such as wind, solar, run of the river hydro or biomass) via power purchase agreements and renewable energy certificates. JustGreen programs for gas customers involve the purchase of carbon offsets from carbon capture and reduction projects.

The Company currently sells JustGreen gas in the eligible markets of Ontario, British Columbia, Alberta, Saskatchewan, Michigan, New York, Ohio, Illinois, New Jersey, Maryland, Pennsylvania and California. JustGreen electricity is sold in Ontario, Alberta, New York, Texas, Maryland, Massachusetts, Ohio, Illinois and Pennsylvania. Of all Consumer customers who contracted with Just Energy in the past year, 34% took JustGreen for some or all of their energy needs. On average, these customers elected to purchase 91% of their consumption as green supply. For comparison, as reported in the year ended March 31, 2015, 31% of Consumer customers who contracted with Just Energy chose to include JustGreen for an average of 89% of their consumption. As of March 31, 2016, JustGreen now makes up 12% of the Consumer gas portfolio, the same as a year ago. JustGreen makes up 21% of the Consumer electricity portfolio compared to 20% a year ago.

EBITDA

For the years ended March 31
(thousands of dollars)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Reconciliation to consolidated statements of income (loss)			
Profit (loss) for the period from continuing operations	**$ 82,494**	$ (576,377)	$ 170,566
Add (subtract):			
Finance costs	**72,540**	73,680	69,441
Provision for (recovery of) income taxes	**(318)**	(28,889)	48,190
Amortization	**42,652**	76,040	69,469
EBITDA	**$ 197,368**	$ (455,546)	$ 357,666
Add (subtract):			
Change in fair value of derivative instruments	**22,803**	635,204	(186,142)
Share-based compensation	**5,348**	7,120	1,598
Profit attributable to non-controlling interest	**(17,890)**	(6,352)	(5,459)
Base EBITDA	**$ 207,629**	$ 180,426	$ 167,663
EBITDA			
Gross margin per consolidated financial statements	**$ 702,288**	$ 600,069	$ 505,531
Add (subtract):			
Administrative expenses	**(170,330)**	(154,222)	(116,713)
Selling and marketing expenses	**(257,349)**	(225,243)	(189,890)
Bad debt expense	**(68,531)**	(62,077)	(46,051)
Amortization included in cost of sales/selling and marketing expenses	**21,983**	30,647	17,324
Other income (expenses)	**(2,542)**	(2,396)	2,921
Profit attributable to non-controlling interest	**(17,890)**	(6,352)	(5,459)
Base EBITDA	**$ 207,629**	$ 180,426	$ 167,663

Base EBITDA amounted to $207.6 million for the year ended March 31, 2016, an increase of 15% from $180.4 million in the prior year. Management had provided guidance of $193.0 million to $203.0 million of Base EBITDA for fiscal 2016. The result for fiscal 2016 includes the absorption of $17.9 million in additional deductions related to Commercial customer acquisition costs in fiscal 2016. The exclusion of these additional expenses would have resulted in Base EBITDA growth of 25% for the year ended March 31, 2016 as a result of operational improvements and the benefit from the currency translation of the U.S. operations' financial results.

For the year ended March 31, 2016, sales increased by 5%, reflecting higher selling prices for the U.S. markets after currency conversion to Canadian dollars. Gross margin was up 17% as a result of higher realized margin per customer in fiscal 2016 due to more disciplined pricing performance and the positive foreign exchange impact on gross margin earned in U.S. markets. Gross margin increased by $68.3 million over the prior year as a result of the weaker Canadian dollar with the remaining $33.9 million of additional gross margin resulting from operational improvements.

Administrative expenses for the year ended March 31, 2016 increased by 10% from $154.2 million to $170.3 million. The increase over the prior comparable year included higher costs required to support customer growth in the U.K. as well as the impact from the exchange rate on the U.S. dollar denominated administrative costs.

Selling and marketing expenses for the year ended March 31, 2016 were $257.3 million, a 14% increase from $225.2 million reported in the prior year. The increase in selling and marketing expenses is due to the impact of foreign exchange on the U.S.-based commission and overhead expenses, the start-up costs associated with the Residential Solar division, as well as the expenses becoming more directly correlated to the growing portion of the customer base for which selling costs are recorded over the life of the contract (commercial brokers and online sales channels).

Effective fiscal 2016, newly capitalized commissions will be classified as a current asset (prepaid expense) instead of a non-current asset (contract initiation costs). This change is a result of management's effort to reduce the average term of capitalized commission to 12 months going forward, which will reduce the outlay of cash at the time of contract signing. As the capitalized commission is expensed into selling and marketing costs over the term for which the associated revenue is earned, it will no longer be recognized as amortization and will therefore be included in the Base EBITDA calculation. For the year ended March 31, 2016, the commission expense recorded related to this change was $17.9 million.

Fiscal 2017 guidance includes deductions to Base EBITDA of approximately $40 million for prepaid commercial commissions, which would previously have been included as amortization within selling and marketing expenses. This represents a $22 million increase in this expense over fiscal 2016 and a go forward run rate for this incremental deduction in future years. Just Energy expects to offset this headwind with continued strong gross margin performance, U.K. growth and Just Solar contributions.

Bad debt expense was $68.5 million for the year ended March 31, 2016, an increase of 10% from $62.1 million recorded for fiscal 2015, resulting from higher revenue in markets for which there is a credit risk as well as the impact of the U.S. exchange rate. For the year ended March 31, 2016, the bad debt expense of $68.5 million represents approximately 2.3% of revenue in the jurisdictions where the Company bears the credit risk, compared with 2.4% in fiscal 2015, both of which are well within management's targeted range of 2% to 3%.

For more information on the changes in the results from operations, please refer to "Gross margin" on page 34 and "Administrative expenses", "Selling and marketing expenses", "Bad debt expense" and "Finance costs", which are further clarified on pages 35 to 37.

For comparative purposes, the table includes the results for the year ended March 31, 2015 and 2014. For the year ended March 31, 2015, gross margin was $600.1 million for the year, an increase of 19% over $505.5 million reported in fiscal 2014, primarily due to an increase in the customer base and higher realized margins per customer compared with fiscal 2014. In fiscal 2015, administrative, selling and marketing, and bad debt expenses amounted to $154.2 million, $225.2 million and $62.1 million, respectively, an increase of 32%, 19% and 35%, respectively. For fiscal 2015, Base EBITDA from continuing operations amounted to $180.4 million, an increase of 8% from $167.7 million in fiscal 2014, reflecting higher gross margin and operating economies of scale within the Company's cost structure.

EMBEDDED GROSS MARGIN

Management's estimate of the future embedded gross margin is as follows:

(millions of dollars)

	Fiscal 2016	Fiscal 2015	2016 vs. 2015 variance	Fiscal 2014	2015 vs. 2014 variance
Energy marketing	**$ 1,917.6**	$ 1,874.9	2%	$ 1,718.9	9%

Management's estimate of the future embedded gross margin within its customer contracts amounted to $1,917.6 million as of March 31, 2016, an increase of 2% compared to embedded gross margin as of March 31, 2015. Higher margins earned on the customers signed in the current fiscal year as well as the foreign currency impact contributed to the growth year over year.

Embedded gross margin indicates the margin expected to be realized over the next five years from existing customers. It is intended only as a directional measure for future gross margin. It is not discounted to present value nor is it intended to take into account administrative and other costs necessary to realize this margin. As our mix of customers continues to reflect a higher proportion of Commercial volume, the embedded gross margin may, depending on currency rates, grow at a slower pace than customer growth – however, the underlying costs necessary to realize this margin will also decline.

In fiscal 2015, embedded gross margin increased by 9% to $1,874.9 million. The embedded gross margin for Energy marketing increased 9% due to a higher number of customers and the strengthening of the U.S. dollar against the Canadian dollar during the year.

Funds from Operations

For the years ended March 31 (thousands of dollars)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Cash inflow from operations	**$ 187,106**	$ 96,212	$ 165,398
Add (subtract):			
Changes in non-cash working capital	**(18,710)**	44,458	(45,765)
Cash flows used in operating activities of discontinued operations	**–**	(20,902)	(6,652)
Losses attributable to non-controlling interest	**(17,890)**	(6,352)	(5,459)
Tax adjustment	**708**	(2,845)	(4,815)
Funds from Operations	**$ 151,214**	$ 110,571	$ 102,707
Less: Maintenance capital expenditures	**(13,015)**	(18,099)	(14,130)
Base Funds from Operations	**$ 138,199**	$ 92,472	$ 88,577
Base Funds from Operations			
Gross margin from consolidated financial statements	**$ 702,288**	$ 600,069	$ 505,531
Add (subtract):			
Adjustment required to reflect net cash receipts from gas sales	**14,895**	(2,698)	(6,186)
Administrative expenses	**(170,330)**	(154,222)	(116,713)
Selling and marketing expenses	**(257,349)**	(225,243)	(189,890)
Bad debt expense	**(68,531)**	(62,077)	(46,051)
Current income tax provision	**(13,890)**	(8,859)	(3,358)
Amortization included in cost of sales/selling and marketing expenses	**21,983**	30,647	17,324
Other income (expenses)	**(2,542)**	(2,396)	2,921
Financing charges, non-cash	**15,471**	15,609	14,271
Finance costs	**(72,540)**	(73,680)	(69,441)
Other non-cash adjustments	**(18,241)**	(6,579)	(5,701)
Funds from Operations	**$ 151,214**	$ 110,571	$ 102,707
Less: Maintenance capital expenditures	**(13,015)**	(18,099)	(14,130)
Base Funds from Operations	**$ 138,199**	$ 92,472	$ 88,577
Base Funds from Operations payout ratio	**54%**	94%	139%
Dividends/distributions			
Dividends	**$ 73,449**	$ 84,945	$ 120,142
Distributions for share-based awards	**1,343**	1,778	3,287
Total dividends/distributions	**$ 74,792**	$ 86,723	$ 123,429

Base Funds from continuing operations ("Base FFO") for the year ended March 31, 2016 were $138.2 million, an increase of 49% compared with Base FFO of $92.5 million for the year ended March 31, 2015. The increase in Base FFO was higher than the increase in Base EBITDA due to the adjustment required reflecting net cash receipts from gas sales being greater than the prior year as a result of the lower consumption resulting from the warmer winter weather in the current year.

Dividends and distributions for the year ended March 31, 2016 were $74.8 million, a decrease of 14% from the prior fiscal year as a result of a reduction in the annual dividend from $0.84 to $0.50 effective with the July 2014 dividend. The payout ratio on Base Funds from continuing operations was 54% for the year ended March 31, 2016, compared to 94% reported in fiscal 2015 resulting from higher free cash flow and lower dividends year over year. The payout ratio of 54% represents the lowest annual payout ratio since the Company's inception.

Selected consolidated financial data from continuing operations

The results from operations have been reclassified for fiscal 2014 to present Hudson Energy Solar Corp. ("HES") and National Home Services ("NHS") as discontinued operations, as they were available for sale and sold in fiscal 2015.

For the years ended March 31
(thousands of dollars, except per share amounts)

Statements of operations	**Fiscal 2016**	Fiscal 2015	Fiscal 2014
Sales	**$ 4,105,860**	$ 3,895,940	$ 3,534,614
Gross margin	**702,288**	600,069	505,531
Profit (loss) from continuing operations	**82,494**	(576,377)	170,566
Profit (loss) from continuing operations per share – basic	**0.44**	(4.01)	1.15
Profit (loss) from continuing operations per share – diluted	**0.43**	(4.01)	1.11

As at March 31

Balance sheet data	**Fiscal 2016**	Fiscal 2015	Fiscal 2014
Total assets	**$ 1,247,435**	$ 1,298,441	$ 1,642,650
Long-term liabilities	**954,672**	981,962	1,023,832

2016 COMPARED WITH 2015

Sales increased by 5% to $4,105.9 million in fiscal 2016, compared with $3,895.9 million in the prior fiscal year. The increase is primarily a result of the currency impact of converting U.S. dollar denominated sales into Canadian dollars.

For the year ended March 31, 2016, gross margin increased by 17% to $702.3 million from $600.1 million reported in fiscal 2015 as a result of higher realized margin per customer in fiscal 2016 due to more disciplined pricing performance and the positive foreign exchange impact on gross margin earned in U.S. markets. Gross margin increased by $68.3 million over the prior year as a result of the weaker Canadian dollar, with the remaining $33.9 million of additional gross margin resulting from operational improvements. Gross margin for the Consumer division increased to $538.6 million, up 20%, while gross margin for the Commercial division increased by 9% to $163.6 million.

The profit from continuing operations for fiscal 2016 amounted to $82.5 million, compared to a loss of $576.4 million in fiscal 2015. The profit from continuing operations increased as a result of stronger operational results in fiscal 2016. The increase year over year is further attributable to the change in fair value of the derivative instruments on the Company's supply portfolio, which resulted in a loss of $22.8 million in fiscal 2016 compared with a loss of $635.2 million in fiscal 2015. Under IFRS, there is a requirement to mark to market the future supply contracts, creating unrealized non-cash gains or losses depending on the supply pricing but the related future customer revenues are not marked to market (which would create an offsetting gain or loss to the supply gain or loss). Just Energy views Base EBITDA and FFO as the better measures of operating performance.

Total assets decreased by 4% to $1,247.4 million in fiscal 2016. Total long-term liabilities as of March 31, 2016 were $954.7 million, representing a 3% decrease over fiscal 2015. The decrease in total long-term liabilities is primarily a result of the use of cash flow to reduce long-term debt with $7.0 million of convertible debentures purchased and retired in fiscal 2016 along with the repayment of $25.0 million of senior unsecured notes, both of which were partially offset by the growth in valuation of the Eurobond due to the weakening of the Canadian currency.

2015 COMPARED WITH 2014

Sales increased by 10% to $3,895.9 million in fiscal 2015, compared with $3,534.6 million in the prior fiscal year. The sales increase is a result of the 6% increase in the customer base and a strengthening of the U.S. dollar against the Canadian dollar.

For the year ended March 31, 2015, gross margin increased by 19% to $600.1 million from $505.5 million reported in fiscal 2014. Gross margin for the Consumer Energy division increased $450.2 million, up 21%, while gross margin for the Commercial Energy division increased by 13% to $149.8 million. The overall increase in margin is driven by a 6% increase in the customer base, higher currency exchange related impact on related margins for U.S. customers and comparison against the price spikes resulting from extreme winter weather in fiscal 2014.

The loss from continuing operations for fiscal 2015 amounted to $576.4 million, compared to a profit of $170.6 million in fiscal 2014. The loss from continuing operations is attributable to the change in fair value of the derivative instruments in the Company's supply portfolio, which showed a loss of $635.2 million in fiscal 2015, versus a gain of $186.1 million in fiscal 2014. Under IFRS, there is a requirement to mark to market the future supply contracts, creating unrealized non-cash gains or losses depending on the supply pricing but the related future customer revenues are not marked to market (which would create an offsetting gain or loss to the supply gain or loss). Just Energy views Base EBITDA and FFO as the better measures of operating performance.

Total assets decreased by 21% to $1,298.4 million in fiscal 2015. The decrease in total assets is a result of sales of the Home Services and Commercial Solar divisions in November 2015, which resulted in a decrease in total assets of approximately $401.8 million.

Total long-term liabilities as of March 31, 2015 were $982.0 million, representing a 4% decrease over fiscal 2014. The decrease in total long-term liabilities is primarily a result of the sale of the Home Services division and the use of its proceeds from sale to reduce long-term debt.

Summary of quarterly results for continuing operations

(thousands of dollars, except per share amounts)

	Q4 Fiscal 2016	Q3 Fiscal 2016	Q2 Fiscal 2016	Q1 Fiscal 2016
Sales	**$ 1,075,880**	**$ 1,009,709**	**$ 1,087,256**	**$ 933,015**
Gross margin	**204,289**	**179,937**	**167,155**	**150,907**
Administrative expenses	**49,504**	**42,934**	**40,294**	**37,598**
Selling and marketing expenses	**62,259**	**67,061**	**65,248**	**62,781**
Finance costs	**20,312**	**17,731**	**17,641**	**16,856**
Profit (loss) for the period from continuing operations	**30,893**	**10,188**	**(88,258)**	**129,671**
Profit (loss) for the period	**30,893**	**10,188**	**(88,258)**	**129,671**
Profit (loss) for the period from continuing operations per share – basic	**0.16**	**0.04**	**(0.62)**	**0.87**
Profit (loss) for the period from continuing operations per share – diluted	**0.14**	**0.04**	**(0.62)**	**0.71**
Dividends/distributions paid	**18,730**	**18,662**	**18,701**	**18,699**
Base EBITDA	**67,345**	**55,724**	**45,685**	**38,875**
Base Funds from Operations	**43,822**	**26,783**	**37,775**	**29,819**
Payout ratio on Base Funds from Operations	**43%**	**70%**	**50%**	**63%**

	Q4 Fiscal 2015	Q3 Fiscal 2015	Q2 Fiscal 2015	Q1 Fiscal 2015
Sales	$ 1,209,879	$ 946,752	$ 918,260	$ 821,049
Gross margin	194,066	150,098	132,515	123,390
Administrative expenses	42,048	40,912	38,246	33,016
Selling and marketing expenses	63,980	52,968	53,088	55,207
Finance costs	16,684	19,525	18,700	18,771
Profit (loss) for the period from continuing operations	(64,976)	(371,403)	(94,255)	(45,743)
Profit (loss) for the period	(63,441)	(206,193)	(135,156)	(38,914)
Profit (loss) for the period from continuing operations per share – basic	(0.46)	(2.56)	(0.67)	(0.32)
Profit (loss) for the period from continuing operations per share – diluted	(0.46)	(2.56)	(0.67)	(0.32)
Dividends/distributions paid	18,596	18,572	18,622	30,933
Base EBITDA	67,914	50,592	31,734	30,186
Base Funds from Operations	31,947	21,179	23,756	15,590
Payout ratio on Base Funds from Operations	58%	88%	78%	198%

Just Energy's results reflect seasonality, as electricity consumption is slightly greater in the first and second quarters (summer quarters) and gas consumption is significantly greater during the third and fourth quarters (winter quarters). While quarter over quarter comparisons are relevant, sequential quarters will vary materially. The main impact of this will normally be higher Base EBITDA in the third and fourth quarters (assuming consumption based on normal winter weather) and lower Base EBITDA in the first and second quarters. This impact is lessening as current net customer additions are concentrated in electricity, which traditionally experiences less seasonality than natural gas.

Financial highlights

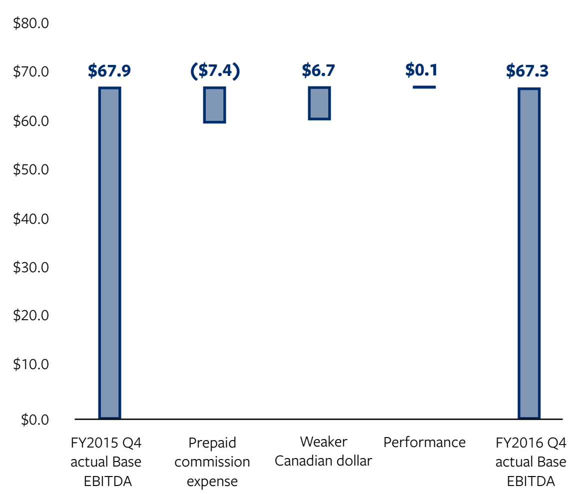
For the three months ended March 31
(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2016	**% increase (decrease)**	Fiscal 2015
Sales	**$ 1,075,880**	**(11)%**	$ 1,209,879
Gross margin	**204,289**	**5%**	194,066
Administrative expenses	**49,504**	**18%**	42,048
Selling and marketing expenses	**62,259**	**(3)%**	63,980
Finance costs	**20,312**	**22%**	16,684
Profit (loss) from continuing operations[1]	**30,893**	**NMF[3]**	(64,976)
Profit (loss) from discontinued operations	**–**	**NMF[3]**	1,535
Profit (loss)[1]	**30,893**	**NMF[3]**	(63,441)
Profit (loss) per share from continuing operations available to shareholders – basic	**0.16**		(0.46)
Profit (loss) per share from continuing operations available to shareholders – diluted	**0.14**		(0.46)
Dividends/distributions	**18,730**	**1%**	18,596
Base EBITDA from continuing operations[2]	**67,345**	**(1)%**	67,914
Base Funds from continuing operations[2]	**43,822**	**37%**	31,947
Payout ratio on Base Funds from continuing operations[2]	**43%**		58%

1 Profit (loss) includes the impact of unrealized gains (losses), which represents the mark to market of future commodity supply acquired to cover future customer demand. The supply has been sold to customers at fixed prices, minimizing any realizable impact of mark to market gains and losses.
2 See "Non-IFRS financial measures" on page 22.
3 Not a meaningful figure.

Just Energy delivered another quarter of strong operating and financial performance for the three months ended March 31, 2016. Despite sales decreasing by 11% to $1,075.9 million, due to lower consumption from the warmer winter weather, gross margin increased by 5% to $204.3 million with the payout from the winter weather hedge and improved margins on new customers signed over the past 12 months. Base EBITDA was $67.3 million, a 1% decrease from the prior comparable period. The Company's reported Base EBITDA for the three months ended March 31, 2016 includes $7.4 million of prepaid commission expense, reflecting the change in classification of prepaid commissions as a current asset effective April 1, 2016. Excluding this additional expense item, Base EBITDA increased by 10% to $74.7 million in comparison to fiscal 2015. Of this $6.8 million quarter over quarter improvement in Base EBITDA, $6.7 million was due to the foreign currency impact with the remaining $0.1 million driven by operational performance improvements.

FY2016 Q4 BASE EBITDA
(MILLIONS)



Analysis of the fourth quarter

Sales decreased by 11% to $1,075.9 million for the three months ended March 31, 2016 from $1,209.9 million recorded in the fourth quarter of fiscal 2015. The Consumer division's sales decreased by 15% due to market conditions as the commodity prices were lower and, therefore, more competitive across all markets as well as lower consumption from the warmer winter weather. The Commercial division's sales decreased by 6%, primarily a result of the lower consumption during the winter months as well as a decrease in customer base year over year.

Gross margin was $204.3 million, an increase of 5% from the prior comparable quarter as a result of an increase from foreign exchange and the increase in the U.K. customer base. Just Energy entered into weather index derivatives with the intention of offsetting gross margin fluctuations from warmer than normal weather. The warmer than normal temperatures in Just Energy's gas markets has resulted in a payout that largely offsets the negative impact from the warmer weather.

Administrative expenses for the three months ended March 31, 2016 increased by 18% from $42.0 million to $49.5 million as a result of an increase in U.S.-based currency expenditures as well as the costs to serve the growing customer base in the U.K.

Selling and marketing expenses for the three months ended March 31, 2016 were $62.3 million, a 3% decrease from $64.0 million reported in the prior comparable quarter. This decrease is largely attributable to lower commission expense resulting from lower gross customer additions in the current period partially offset by the foreign exchange impact of U.S.-based expenses.

Finance costs for the three months ended March 31, 2016 amounted to $20.3 million, an increase of 22% from $16.7 million reported for the three months ended March 31, 2015. The increase in finance costs was a result of the impact of foreign currency on the U.S. dollar-based interest costs for the US$150m convertible bonds as well as the one-time interest cost associated with the early redemption of $25 million of the senior unsecured notes outstanding. Just Energy has the ability to make a normal course issuer bid ("NCIB") to purchase for cancellation a portion of its convertible debentures. For the three months ended March 31, 2016, Just Energy purchased $1.1 million of the $330m convertible debentures under the NCIB program.

The change in fair value of derivative instruments resulted in a non-cash loss of $27.0 million for the fourth quarter of fiscal 2016 compared to a loss of $101.6 million in the prior comparative quarter, as a result of the change in commodity prices during the quarter along with the foreign exchange impact on change in fair value for the U.S. dollar-based commodity contracts. The income from continuing operations for the three months ended March 31, 2016 was $30.9 million, representing a gain per share of $0.16 on a basic and $0.14 per share on a diluted basis. For the prior comparable quarter, the loss from continuing operations was $65.0 million, representing a loss per share of $0.46 on a basic and diluted basis. Just Energy ensures that customer margins are protected by entering into fixed-price supply contracts. Under current IFRS, the customer contracts are not marked to market but there is a requirement to mark to market the future supply contracts. This creates unrealized gains (losses) depending upon current supply pricing. Management believes that these short-term mark to market non-cash gains (losses) do not impact the long-term financial performance of Just Energy.

Base EBITDA was $67.3 million for the three months ended March 31, 2016, a 1% decrease from $67.9 million in the prior comparable quarter. The Company's reported Base EBITDA in the fourth quarter of fiscal 2016 includes $7.4 million of prepaid commission expense, reflecting the change in classification of prepaid commissions to a current asset effective April 1, 2016. Excluding this additional expense item, Base EBITDA increased by 10% to $74.7 million for the fourth quarter of fiscal 2016. Of this $6.8 million year over year improvement in Base EBITDA, $6.7 million was due to the foreign currency impact from translation of the U.S. operations and $0.1 million was driven by operational performance improvements. Base FFO was $43.8 million for the fourth quarter of fiscal 2016, up 37% compared to $31.9 million in the prior comparable quarter as a result of the adjustment required to reflect net cash receipts from gas sales being greater than the prior year as a result of the lower consumption in the current quarter resulting from the warmer winter weather.

Dividends/distributions paid were $18.7 million, consistent with the prior comparable period based on an annual dividend rate of $0.50 per share. Payout ratio for the three months ended March 31, 2016 was 43%, compared with 58% in the prior comparable quarter. The payout ratio for the fourth quarter was the lowest in the Company's history.

Segmented Base EBITDA[1]

For the years ended March 31
(thousands of dollars)

			Fiscal 2016
	Consumer division	Commercial division	Consolidated
Sales	$ 2,177,538	$ 1,928,322	$ 4,105,860
Cost of sales	(1,638,892)	(1,764,680)	(3,403,572)
Gross margin	538,646	163,642	702,288
Add (subtract):			
Administrative expenses	(130,253)	(40,077)	(170,330)
Selling and marketing expenses	(163,153)	(94,196)	(257,349)
Bad debt expense	(59,689)	(8,842)	(68,531)
Amortization included in cost of sales/selling and marketing expenses	–	21,983	21,983
Other expenses	(1,853)	(689)	(2,542)
Profit attributable to non-controlling interest	(17,890)	–	(17,890)
Base EBITDA from operations	$ 165,808	$ 41,821	$ 207,629

1 The segment definitions are provided on page 24.

			Fiscal 2015
	Consumer division	Commercial division	Consolidated
Sales	$ 2,113,828	$ 1,782,112	$ 3,895,940
Cost of sales	(1,663,598)	(1,632,273)	(3,295,871)
Gross margin	450,230	149,839	600,069
Add (subtract):			
Administrative expenses	(121,170)	(33,052)	(154,222)
Selling and marketing expenses	(134,084)	(91,159)	(225,243)
Bad debt expense	(46,945)	(15,132)	(62,077)
Amortization included in cost of sales/selling and marketing expenses	–	30,647	30,647
Other expenses	(788)	(1,608)	(2,396)
Profit attributable to non-controlling interest	(6,352)	–	(6,352)
Base EBITDA from operations	$ 140,891	$ 39,535	$ 180,426

1 The segment definitions are provided on page 24.

Consumer Energy contributed $165.8 million to Base EBITDA for the year ended March 31, 2016, an increase of 18% from $140.9 million in the year ended March 31, 2015. Consumer gross margin increased by 20% as a result of the foreign exchange impact on U.S.-based sales and higher margin contribution per customer. Consumer administrative costs were up 7% in fiscal 2016 due in part to the expected growth in U.K. operating costs needed to support the growing customer base as well as the impact of foreign exchange.

Commercial Energy contributed $41.8 million to Base EBITDA, an increase of 6% from the year ended March 31, 2015, when the segment contributed $39.5 million. The increase in gross margin was offset by higher operating expenses, particularly as a result of the $17.9 million impact from the change in classification of prepaid commission costs. Excluding these additional costs, Base EBITDA for the Commercial operations would have increased by 51% to $59.7 million as a result of operational improvement initiatives and the foreign exchange impact from its U.S. markets.

Customer aggregation

	April 1, 2015[1]	Additions	Attrition	Failed to renew	**March 31, 2016**	% increase (decrease)
Consumer Energy						
Gas	713,000	146,000	(153,000)	(38,000)	**668,000**	(6)%
Electricity	1,240,000	377,000	(306,000)	(95,000)	**1,216,000**	(2)%
Total Consumer RCEs	1,953,000	523,000	(459,000)	(133,000)	**1,884,000**	(4)%
Commercial Energy						
Gas	242,000	86,000	(29,000)	(55,000)	**244,000**	1%
Electricity	2,491,000	549,000	(183,000)	(465,000)	**2,392,000**	(4)%
Total Commercial RCEs	2,733,000	635,000	(212,000)	(520,000)	**2,636,000**	(4)%
Total RCEs	4,686,000	1,158,000	(671,000)	(653,000)	**4,520,000**	(4)%

1 The balance as at April 1, 2015 has been adjusted for customers who have either grown above 15 RCEs (becoming a Commercial customer) or have fallen below 15 RCEs (becoming a Consumer customer) during the fiscal year 2015. At the beginning of each fiscal year, Just Energy will adjust the opening balances to reflect any changes in allocation of customers between the Consumer and Commercial divisions as a result of the increases or decreases in the annual consumption.

Gross customer additions for the year ended March 31, 2016 were 1,158,000, a decrease of 20% compared to 1,441,000 customers added in fiscal 2015. The customer additions were lower in the current year due to market conditions as the commodity prices were lower and therefore, more competitive across all markets, as well as an increased focus on the profitability of a customer resulting in fewer customer additions but higher margin contribution from each new customer added. Additionally, the low and stable market conditions (no volatility) that have prevailed for the past two years have resulted in less customer switching.

Consumer customer additions amounted to 523,000 for the year ended March 31, 2016, a 23% decrease from 675,000 gross customer additions recorded in the prior comparable year. The customer additions were lower in the current year due to market conditions, as the commodity prices were lower and, therefore, more competitive across all markets, as well as a decrease in customer additions through online and door-to-door marketing.

Commercial customer additions were 635,000 for the year ended March 31, 2016, a 17% decrease from 766,000 gross customer additions in the prior comparable year as a result of competitiveness in pricing and a more disciplined pricing strategy. Just Energy remains focused on increasing the gross margin per customer added for Commercial customers and, as a result, has been more selective in the margin added per customer.

Net additions were a negative 166,000 for fiscal 2016, compared with 276,000 net customer additions in fiscal 2015, primarily as a result of the lower customer additions in North America and lower renewal rates for Commercial operations. Just Energy continues to actively focus on improving retained customers' profitability rather than pursuing low margin growth.

In addition to the customers referenced in the table on the previous page, the Consumer customer base also includes 60,000 smart thermostat customers. These smart thermostats are bundled with a commodity contract and are currently offered in Ontario, Alberta and Texas. Customers with bundled products have lower attrition and higher overall profitability. Further expansion of smart thermostats is a key driver of continued growth for Just Energy.

For the year ended March 31, 2016, 52% of the total Consumer and Commercial customer additions were generated from commercial brokers, 28% through online and other non-door-to-door sales channels, and 20% from door-to-door sales. In the prior year, 50% of customer additions were generated from commercial brokers, 29% from online and other sales channels, and 21% using door-to-door sales.

The U.K. operations increased their customer base by 53% to 308,000 RCEs over the past year with strong growth for both their Consumer and Commercial customer bases. As of March 31, 2016, the U.S., Canadian and U.K. segments accounted for 71%, 22% and 7% of the customer base, respectively. At March 31, 2015, the U.S., Canadian and U.K. segments represented 72%, 24% and 4% of the customer base, respectively.

ATTRITION

	Fiscal 2016	Fiscal 2015
Consumer	**26%**	27%
Commercial	**9%**	7%
Total attrition	**16%**	16%

The combined attrition rate for Just Energy was 16% for the year ended March 31, 2016, consistent with the prior year. While the Consumer attrition rate decreased one percentage point to 26% from a year ago, the Commercial attrition rate increased by two percentage points to 9%. The increase in Commercial attrition was a result of increased competition over the past year. The Company continues to focus on maintaining its profitable customers and ensuring that variable rate customers meet base profitability profiles even if this results in higher attrition. The Consumer attrition includes the impact from higher customer defaults in markets where Just Energy bears collection risk.

The Company carefully monitors the levels of customer complaints from its Consumer and Commercial divisions. The goal is to resolve all complaints registered within five days of receipt. Our corporate target is to have an outstanding complaint rate of less than 0.05% of flowing customers at any time. As of March 31, 2016, the total outstanding rate was 0.01%.

RENEWALS

	Fiscal 2016	Fiscal 2015
Consumer	**74%**	77%
Commercial	**57%**	63%
Total renewals	**62%**	67%

The Just Energy renewal process is a multifaceted program that aims to maximize the number of customers who choose to renew their contract prior to the end of their existing contract term. Efforts begin up to 15 months in advance, allowing a customer to renew for an additional period. Overall, the renewal rate was 62% for fiscal 2016, down five percentage points from a renewal rate of 67% reported for fiscal 2015. The Consumer renewal rate decreased by three percentage points, while the Commercial renewal rate decreased by six percentage points to 57%. The decline reflected a very competitive market for Commercial renewals, with competitors pricing aggressively and Just Energy's focus on improving retained customers' profitability rather than pursuing low margin growth.

ENERGY CONTRACT RENEWALS

This table shows the customers up for renewal in the following fiscal periods:

	Consumer		Commercial	
	Gas	Electricity	Gas	Electricity
2017	19%	35%	32%	40%
2018	21%	28%	32%	34%
2019	24%	18%	19%	15%
2020	18%	9%	11%	7%
Beyond 2020	18%	10%	6%	4%
Total	100%	100%	100%	100%

Note: All month-to-month customers, who represent 531,000 RCEs, are excluded from the table above.

Gross margin

For the years ended March 31 (thousands of dollars)

			Fiscal 2016			Fiscal 2015
	Consumer	**Commercial**	**Total**	Consumer	Commercial	Total
Gas	**$ 172,582**	**$ 31,632**	**$ 204,214**	$ 165,770	$ 33,352	$ 199,122
Electricity	**366,064**	**132,010**	**498,074**	284,460	116,487	400,947
	$ 538,646	**$ 163,642**	**$ 702,288**	$ 450,230	$ 149,839	$ 600,069
Increase	**20%**	**9%**	**17%**			

CONSUMER ENERGY

Gross margin for the year ended March 31, 2016 for the Consumer division was $538.6 million, an increase of 20% from the $450.2 million recorded in the prior year. Gas and electricity gross margins increased by 4% and 29%, respectively.

Average realized gross margin for the Consumer division for the year ended March 31, 2016 was $243/RCE, representing a 22% increase from $199/RCE reported in the prior year. The increase is largely due to higher margins on new customers added as well as the foreign exchange impact from the weaker Canadian dollar. The gross margin/RCE value includes an appropriate allowance for bad debt expense in Illinois, Texas, Georgia, Michigan, Pennsylvania and Massachusetts.

Gas

Gross margin for the year ended March 31, 2016 from gas customers in the Consumer division was $172.6 million, an increase of 4% from $165.8 million recorded in fiscal 2015. The change is primarily a result of higher margins earned on variable rate products, the growth in the U.K. and the favourable impact from the exchange on the U.S. dollar denominated sales offsetting the decrease in margins from lower consumption.

Just Energy entered into weather index derivatives for the third and fourth quarters of fiscal 2016 with the intention of reducing gross margin fluctuations from warmer than normal weather. The warmer than normal temperatures in Just Energy's gas markets has resulted in a payout that largely offsets the negative impact from the warmer weather.

Electricity

Gross margin from electricity customers in the Consumer Energy division was $366.1 million for the year ended March 31, 2016, an increase of 29% from $284.5 million recorded in the prior year. The higher gross margin in fiscal 2016 is a result of higher fee-based revenues earned, higher margins contribution from the JustGreen product offerings, attractive pricing on variable rate products due to lower power prices, the positive impact of the foreign currency translation on gross margin earned in the U.S. markets and the growth in the U.K. market.

COMMERCIAL ENERGY

Gross margin for the Commercial division was $163.6 million, an increase of 9% from the $149.8 million recorded in the prior year. Gas and electricity gross margins decreased by 5% and increased by 13%, respectively. The overall growth in margin was due to operational improvements in place to increase the margin for new customers added and the positive impact from the currency translation on the contribution from the U.S. customer base.

Average realized gross margin for the year ended March 31, 2016 was $72/RCE, an increase of 20% from $60/RCE. The GM/RCE value includes an appropriate allowance for bad debt expense in Illinois, Texas, Georgia, Michigan and California.

Gas

Gas gross margin for the Commercial division was $31.6 million for the year ended March 31, 2016, a decrease of 5% from $33.4 million. The decrease in gross margin is a result of lower consumption due to warmer weather, although the majority of the margin impact from lower consumption was offset by the weather hedge.

Electricity

Electricity gross margin for the Commercial division was $132.0 million, an increase of 13% from the $116.5 million recorded in the prior comparable year. The increase in gross margin is a result of increased profitability on new customers and the favourable impact from the currency translation of U.S. dollar-based sales.

GROSS MARGIN ON NEW AND RENEWING CUSTOMERS

The table below depicts the annual margins on contracts for Consumer and Commercial customers signed during the year. This table reflects the gross margin (sales price less costs of associated supply and allowance for bad debt) earned on new additions and renewals including both brown commodities and JustGreen supply.

Annual gross margin per RCE

	Fiscal 2016	Number of customers	Fiscal 2015	Number of customers
Consumer customers added and renewed	**$ 207**	**888,000**	$ 191	983,000
Consumer customers lost	**196**	**592,000**	184	635,000
Commercial customers added and renewed	**84**	**1,202,000**	79	1,171,000
Commercial customers lost	**66**	**732,000**	73	531,000

For the year ended March 31, 2016, the average gross margin per RCE for the customers added and renewed by the Consumer division was $207/RCE, an increase from $191/RCE in fiscal 2015. The average gross margin per RCE for the Consumer customers lost during fiscal 2016 was $196/RCE, compared with $184/RCE in fiscal 2015. Higher new customer margins reflect strong margins on new products including bundled offerings as well as an impact from foreign currency translation.

For the Commercial division, the average gross margin per RCE for the customers signed during the year ended March 31, 2016 was $84/RCE compared to $79/RCE in the prior fiscal year. Customers lost through attrition and failure to renew during the year ended March 31, 2016 were at an average gross margin of $66/RCE, a decrease from $73/RCE reported in the prior year. The Company has pursued a plan where focus in the commercial market will be on higher margin segments while those with traditionally low margins are allowed to expire. Management will continue its margin optimization efforts by focusing on ensuring customers added meet its profitability targets.

Overall consolidated results

ADMINISTRATIVE EXPENSES

For the years ended March 31 (thousands of dollars)

	Fiscal 2016	Fiscal 2015	% increase
Consumer Energy	**$ 130,253**	$ 121,170	7%
Commercial Energy	**40,077**	33,052	21%
Total administrative expenses	**$ 170,330**	$ 154,222	10%

Administrative expenses increased by 10% from $154.2 million to $170.3 million. The Consumer division's administrative expenses were $130.3 million for the year ended March 31, 2016, an increase of 7% from $121.2 million recorded in the prior year. The Commercial division's administrative expenses were $40.1 million for fiscal 2016, a 21% increase from $33.1 million for the year ended March 31, 2015. The increase over the prior year was primarily driven by the impact of the U.S. exchange rate as well as higher operating costs for the growth in the U.K. operations to support its growing customer base.

SELLING AND MARKETING EXPENSES

For the years ended March 31 (thousands of dollars)

	Fiscal 2016	Fiscal 2015	% increase
Consumer Energy	$ 163,153	$ 134,084	22%
Commercial Energy	94,196	91,159	3%
Total selling and marketing expenses	**$ 257,349**	$ 225,243	14%

Selling and marketing expenses, which consist of commissions paid to independent sales contractors, brokers and independent representatives, as well as sales-related corporate costs, were $257.3 million for the year ended March 31, 2016, an increase of 14% from $225.2 million in fiscal 2015. The increase is largely attributable to the impact of foreign exchange on the U.S.-based commission and overhead expenses, the cost associated with the Residential Solar start-up as well as the expenses becoming more directly correlated to the growing portion of the customer base for which selling costs are recorded over the life of the contract (commercial broker and online sales channels).

The selling and marketing expenses for the Consumer Energy division were $163.2 million for the year ended March 31, 2016, an increase of 22% from $134.1 million recorded in fiscal 2015. These selling expenses increased despite customer additions being lower year over year due to the impact of the currency translation of U.S.-based expenses, the start-up costs associated with the Residential Solar division as well as the selling and marketing expenses becoming more directly correlated to the growth portion of the customer base for which selling costs are recorded over the life of the contract.

The selling and marketing expenses for the Commercial Energy division were $94.2 million for the year ended March 31, 2016, up 3% from fiscal 2015 selling expenses of $91.2 million. The increase in selling expenses is a result of higher foreign currency translation on U.S.-based commission and overhead expenses and the growth in the U.K.

The aggregation costs per customer for Consumer customers signed by independent representatives and Commercial customers signed by brokers were as follows:

	Fiscal 2015	Fiscal 2014
Consumer	**$ 204/RCE**	$ 153/RCE
Commercial	**$ 38/RCE**	$ 29/RCE

The average aggregation costs for the Consumer division increased to $204/RCE compared to $153/RCE in the prior year. The increase in cost in the current year is a result of the higher exchange associated with the U.S.-based expenses as well as higher allocations of overhead expense on a per RCE basis due to lower customer additions in fiscal 2016.

The $38 average aggregation cost for Commercial division customers is based on the expected average annual costs for the respective customer contracts. It should be noted that commercial broker contracts are paid further commissions averaging $38 per year for each additional year that the customer flows. Assuming an average life of 2.8 years, this would add approximately $68 (1.8 x $38) to the year's average aggregation cost reported above. For the prior year, the average aggregation costs for commercial brokers were $29/RCE. The lower costs in this prior year are a function of broker commissions being a percentage of lower margins as well as less impact from foreign exchange.

BAD DEBT EXPENSE

In Illinois, Alberta, Texas, Delaware, Ohio, California, Michigan and Georgia, Just Energy assumes the credit risk associated with the collection of customer accounts. In addition, for commercial direct-billed accounts in British Columbia, Just Energy is responsible for the bad debt risk. Credit review processes have been established to manage the customer default rate. Management factors default from credit risk into its margin expectations for all of the above-noted markets. During the year ended March 31, 2016, Just Energy was exposed to the risk of bad debt on approximately 74% of its sales, compared with 66% of sales during the year ended March 31, 2015.

Bad debt expense is included in the consolidated income statement under other operating expenses. Bad debt expense for the year ended March 31, 2016 was $68.5 million, an increase of 10% from $62.1 million expensed for the year ended March 31, 2015. Management integrates its default rate for bad debt within its margin targets and continuously reviews and monitors the credit approval process to mitigate customer delinquency. For the year ended March 31, 2016, the bad debt expense represents 2.3% of relevant revenue, down from 2.4% reported in fiscal 2015.

Management expects that bad debt expense will remain in the range of 2% to 3% of relevant revenue where the Company bears credit risk. For each of Just Energy's other markets, the LDCs provide collection services and assume the risk of any bad debt owing from Just Energy's customers for a regulated fee.

FINANCE COSTS

Total finance costs for the year ended March 31, 2016 amounted to $72.5 million, a decrease of 2% from $73.7 million during the year ended March 31, 2015. The decrease is a result of the 2% decrease in the long-term debt balance over the past year with lower borrowing costs under the credit facility due to the use of sale proceeds of National Home Services ("NHS") in the third quarter of fiscal 2015 to reduce borrowings, as well as a $7.0 million reduction in debt through the NCIB over the past year.

FOREIGN EXCHANGE

Just Energy has an exposure to U.S. dollar exchange rates as a result of its U.S. operations. Any changes in the applicable exchange rate may result in a decrease or increase in other comprehensive income. For the year ended March 31, 2016, a foreign exchange unrealized loss of $7.5 million was reported in other comprehensive income versus an unrealized loss of $13.1 million in fiscal 2015. In addition to changes in the U.S. foreign exchange rate, this fluctuation is a result of the significant increase in the mark to market liability position of the Company's derivative financial instruments.

Overall, a stronger U.S. dollar increases the value of sales and gross margin in Canadian dollars, but this is partially offset by higher operating costs denominated in U.S. dollars. Total estimated impact of the decline in the Canadian dollar versus the U.S. dollar was a favourable $19.1 million on Base EBITDA and $15.3 million on FFO for fiscal 2016.

Just Energy retains sufficient funds in the U.S. to support ongoing growth and surplus cash is repatriated to Canada. U.S. cross border cash flow is forecasted annually, and hedges for cross border cash flow are placed. Just Energy hedges between 50% and 90% of the next 12 months of cross border cash flows, depending on the level of certainty of the cash flow.

PROVISION FOR (RECOVERY OF) INCOME TAX

For the years ended March 31
(thousands of dollars)

	Fiscal 2016	Fiscal 2015
Current income tax expense	**$ 13,890**	$ 8,859
Deferred tax (recovery) provision	**(14,208)**	(37,748)
Provision for (recovery of) income tax	**$ (318)**	$ (28,889)

Just Energy recorded a current income tax expense of $13.9 million for the year, versus $8.9 million in fiscal 2015. The increase in current tax expense in fiscal 2016 is mainly due to improved operating results as well as Just Energy becoming a taxpayer in Canada and the U.K.

During fiscal 2016, a deferred tax benefit of $14.2 million was recorded, which is mainly due to deferred tax expense that was set up for Canadian operations in prior years was classified as a current income tax in fiscal 2016 as a result of Just Energy becoming taxable in Canada. In fiscal 2015, a deferred tax benefit of $37.7 million was recorded, which is due to a significant increase of cumulative mark to market losses from financial instruments during that year.

Just Energy is taxed as a taxable Canadian corporation. Therefore, the deferred tax asset or liability associated with Canadian assets and liabilities recorded on the consolidated balance sheets as at that date will be realized over time as the temporary differences between the carrying value of assets in the consolidated financial statements and their respective tax bases are realized. Current Canadian income taxes are accrued to the extent that there is taxable income in Just Energy and its underlying corporations. For fiscal 2016, Canadian and U.K. corporations under Just Energy are subject to a tax rate of approximately 26% and 20%, respectively.

Under IFRS, Just Energy recognized income tax liabilities and assets based on the estimated tax consequences attributable to the temporary differences between the carrying value of the assets and liabilities on the consolidated financial statements and their respective tax bases, using substantively enacted income tax rates. A deferred tax asset will not be recognized if it is not anticipated that the asset will be realized in the foreseeable future.

Discontinued operations

HOME SERVICES DIVISION

On November 24, 2014, Just Energy announced that it had closed the sale of its shares of NHS to Reliance Comfort Limited Partnership. NHS provided Ontario and Quebec residential customers with a long-term water heater, furnace and air conditioning rental, offering high efficiency conventional and power vented tank and tankless water heaters and high efficiency furnaces and air conditioners. The purchase price was $505 million subject to certain potential adjustments at closing including working capital balances. Additionally, as a condition of closing, Just Energy paid all outstanding NHS borrowings and the remaining interest in a royalty agreement.

Results of operations

For the period of April 1, 2014 to November 24, 2014, the Home Services division had sales of $58.8 million and gross margin of $47.6 million, compared with $76.4 million and $60.1 million, respectively, in fiscal 2014. NHS's operating profit included in discontinued operations was $168.1 million (including gain on sale of $191.2 million), for fiscal 2015.

COMMERCIAL SOLAR (HES)

On November 5, 2014, Just Energy announced the closing of the sale of HES to SunEdison, Inc. and its subsidiary, TerraForm Power Inc., a leading global solar technology manufacturer and provider of solar energy services.

For the period of April 1, 2014 to November 5, 2014, the Commercial Solar division had sales of $4.4 million compared with $3.9 million for the year ended March 31, 2014. The operating loss of HES included in the discontinued operations was $35.5 million compared to $46.8 million in fiscal 2014.

Liquidity and capital resources

SUMMARY OF CASH FLOWS

For the years ended March 31 (thousands of dollars)

	Fiscal 2016	Fiscal 2015
Operating activities from continuing operations	**$ 187,106**	$ 75,310
Investing activities from continuing operations	**(6,408)**	152,278
Financing activities from continuing operations, excluding dividends	**(53,481)**	(77,865)
Effect of foreign currency translation	**(3,703)**	7,037
Increase in cash before dividends	**123,514**	156,760
Dividends (cash payments)	**(74,732)**	(83,041)
Increase in cash	**48,782**	73,719
Decrease in cash from discontinued operations and cash reclassified to assets held for sale	**–**	(15,306)
Cash and cash equivalents – beginning of year	**78,814**	20,401
Cash and cash equivalents – end of year	**$ 127,596**	$ 78,814

OPERATING ACTIVITIES FROM CONTINUING OPERATIONS

Cash flow from continuing operating activities for the year ended March 31, 2016 was an inflow of $187.1 million, compared to $75.3 million in fiscal 2015. Cash flow from continuing operations increased as a result of both improved operational performance and the impact of the stronger dollar on U.S. operations.

INVESTING ACTIVITIES FROM CONTINUING OPERATIONS

Investing activities for the current year included purchases of capital and intangible assets totalling $6.9 million and $10.1 million, respectively, compared with $5.8 million and $7.6 million, respectively, in fiscal 2015. Just Energy's capital spending related primarily to smart thermostats for product bundling opportunities and office equipment. The $10.6 million change in restricted cash in the current year is related to the settlement of obligations from prior period acquisitions and dispositions.

In fiscal 2015, investing activities included proceeds on the disposal of subsidiaries in the amount of $195.5 million. Contract initiation cost additions decreased from $29.8 million in fiscal 2015 to $nil in fiscal 2016 as a result of a change in classification of upfront commission payments as prepaid commissions as a result of the shortening of the average upfront payment to approximately 12 months.

FINANCING ACTIVITIES FROM CONTINUING OPERATIONS

Financing activities, excluding dividends, relates primarily to the issuance and repayment of long-term debt. Just Energy early redeemed $25 million of the original $105 million principal on its senior unsecured note as well as purchased and retired $7.0 million of its outstanding convertible debentures through the normal course issuer bid. As of March 31, 2016, Just Energy had not drawn on its $277.5 million credit facility, although letters of credit totalling $130.0 million remain outstanding.

Just Energy's liquidity requirements are driven by the delay from the time that a customer contract is signed until cash flow is generated. The elapsed period between the time a customer is signed and receipt of the first payment from the customer varies with each market. The time delays per market are approximately two to nine months. These periods reflect the time required by the various LDCs to enroll, flow the commodity, bill the customer and remit the first payment to Just Energy. In Alberta, Georgia and Texas and for commercial direct-billed customers, Just Energy receives payment directly.

DIVIDENDS (CASH AND SHARE PAYMENTS)

Just Energy reduced its dividend to an annual rate of $0.50 per share effective July 1, 2014 to be paid quarterly. Prior to this, the annual dividend rate was $0.84 per share. The revised dividend policy provides that shareholders of record on the 15th day of March, June, September and December, or the first business day thereafter, receive dividends at the end of that month. During the year ended March 31, 2016, Just Energy paid cash dividends to its shareholders and distributions to holders of share-based awards in the amount of $74.7 million, compared to $83.0 million paid in the prior comparable year with the decrease being attributable to the decrease in annual dividend rate effective July 1, 2014.

The dividend reinvestment plan ("DRIP") reduces the amount of cash dividends as a portion of dividends declared is paid through the issuance of additional shares. Under the program, Canadian resident shareholders could elect to receive their dividends in shares at a 2% discount on the prevailing market price rather than the cash equivalent. The program was suspended effective January 1, 2015.

Balance sheet as at March 31, 2016, compared to March 31, 2015

Cash increased from $78.8 million as at March 31, 2015, to $127.6 million. The increase in cash is primarily attributable to strong operating performance. During fiscal 2016, Just Energy also repaid $25.0 million of the senior unsecured note and purchased and retired $7.0 million of convertible debentures.

As of March 31, 2016, trade receivables and unbilled revenue amounted to $362.3 million and $227.4 million, respectively, compared to March 31, 2015, when the trade receivables and unbilled revenue amounted to $459.4 million and $219.6 million, respectively. Trade payables decreased from $510.5 million to $458.9 million year over year. The lower accounts receivable and accounts payable balances reflect the lower consumption in the current year as a result of seasonally warmer winter weather.

In Michigan, more gas has been delivered to LDCs than consumed by customers, resulting in gas delivered in excess of consumption and a deferred revenue position of $6.3 million and $23.0 million, respectively, as of March 31, 2016. In Ontario, Manitoba and Quebec, more gas was consumed by customers than Just Energy had delivered to the LDCs. As a result, Just Energy has recognized an accrued gas receivable and accrued gas payable for $13.6 million and $11.3 million, respectively, as of March 31, 2016. These amounts decreased from $46.0 million and $28.9 million, respectively, as of March 31, 2015, as a result of the impact on consumption from the warmer winter weather in fiscal 2016.

Prepaid expenses and deposits increased from $22.9 million at March 31, 2015 to $62.3 million as of March 31, 2016. Effective fiscal 2016, newly capitalized commissions will be classified as a current asset (prepaid expense) instead of a non-current asset (contract initiation costs), which resulted in a $22.4 million increase in prepaid expense year over year and growth in the U.K. operations.

Other assets and other liabilities relate entirely to the fair value of the financial derivatives. The mark to market gains and losses can result in significant changes in profit and, accordingly, shareholders' equity from year to year due to commodity price volatility. Given that Just Energy has purchased this supply to cover future customer usage at fixed prices, management believes that these non-cash changes are not meaningful and will not be experienced as future costs or cash outflows.

Intangible assets include the goodwill and acquired customer contracts, as well as other intangibles such as brand, broker network and information technology systems, primarily related to the acquisitions in 2009, 2010 and 2011. The total intangible asset balance decreased to $345.9 million from $348.5 million during the year ended March 31, 2016 as a result of amortization of the intangible assets.

Long-term debt has decreased from $676.5 million as at March 31, 2015 to $660.5 million as at March 31, 2016, as a result of the $25 million repayment of the senior unsecured note along with the retirement of $7.0 million of convertible debentures. This decrease was offset by the higher valuation of the U.S.-based $150m convertible bonds as a result of change in the exchange rate to Canadian dollars. The book value of net debt was 2.6x for the Base EBITDA, significantly improved from 3.3x just one year ago.

Debt and financing for continuing operations

(thousands of dollars)

	March 31, 2016	March 31, 2015
Senior unsecured note	**$ 80,000**	$ 105,000
$330m convertible debentures	**311,028**	310,083
$100m convertible debentures	**93,637**	91,445
US$150m convertible bonds	**182,564**	175,003

JUST ENERGY CREDIT FACILITY

As at March 31, 2016, Just Energy has a credit facility of $277.5 million. The current syndicate of lenders includes Shell Energy North America (Canada) Inc./Shell Energy North America (U.S.), L.P., Canadian Imperial Bank of Commerce, National Bank of Canada, HSBC Bank Canada, Alberta Treasury Branches and Canadian Western Bank. The term of the credit facility expires on September 1, 2018.

Under the terms of the credit facility, Just Energy is able to make use of Bankers' Acceptances and LIBOR advances at a stamping fee of 3.75%, prime rate advances at rates of interest of bank prime plus 2.75%, and letters of credit at 3.75%. Interest rates are adjusted quarterly based on certain financial performance indicators.

As at March 31, 2016, the Canadian prime rate was 2.70% and the U.S. prime rate was 3.50%. As at March 31, 2016 and 2015, no amount has been drawn against the facility. Total letters of credit outstanding as of March 31, 2016 amounted to $130.0 million (March 31, 2015 – $134.8 million). As at March 31, 2016, Just Energy has $147.5 million of the facility remaining for future working capital and security requirements. Just Energy's obligations under the credit facility are supported by guarantees of certain subsidiaries and affiliates and secured by a general security agreement and a pledge of the assets and securities of Just Energy and the majority of its operating subsidiaries and affiliates excluding, primarily, the U.K. operations. Just Energy is required to meet a number of financial covenants under the credit facility agreement. As at March 31, 2016, the Company was compliant with all of these covenants.

Just Energy's obligations under the credit facility are supported by guarantees of certain subsidiaries and affiliates, excluding, primarily, the U.K. operations, and secured by a pledge of the assets of Just Energy and the majority of its operating subsidiaries and affiliates. Just Energy is required to meet a number of financial covenants under the credit facility agreement. As at March 31, 2016, all of the covenants had been met.

SENIOR UNSECURED NOTE

On March 31, 2016, Just Energy early redeemed $25 million of the original $105 million principal on its senior unsecured note, resulting in a balance outstanding of $80 million. The senior unsecured note bears interest at 9.75% and matures in June 2018. The senior unsecured note is subject to certain financial and other covenants and as of March 31, 2016, all of the covenants have been met.

In conjunction with the covenant requirements associated with the issuance of senior unsecured notes, the following represents select financial disclosure for the "Restricted Subsidiaries" as defined within the Note Indenture, which generally excludes the U.K. operations.

	Fiscal 2016	Fiscal 2015
Base EBITDA	**$ 195,937**	$ 177,700
Selling and marketing expenses to add gross margin	**118,333**	73,133
Share-based compensation	**5,345**	7,110
Maintenance capital expenditures	**12,285**	17,785

$330M CONVERTIBLE DEBENTURES

To fund an acquisition in May 2010, Just Energy issued $330 million of convertible extendible unsecured subordinated debentures. The $330 million convertible debentures bear an interest rate of 6% per annum payable semi-annually in arrears on June 30 and December 31 in each year, with maturity on June 30, 2017. Each $1,000 principal amount of the $330 million convertible debentures is convertible at any time prior to maturity or on the date fixed for redemption, at the option of the holder, into approximately 55.6 shares of Just Energy, representing a conversion price of $18 per share. The debentures may be redeemed by Just Energy, in whole or in part, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest.

During the year ended March 31, 2016, the Company purchased and retired $7.0 million (2015 – $1.6 million) of convertible debentures and has adjusted the net book value accordingly.

$100M CONVERTIBLE DEBENTURES

In September 2011, Just Energy issued $100 million of convertible unsecured subordinated debentures. The $100 million convertible debentures bear interest at an annual rate of 5.75%, payable semi-annually on March 31 and September 30 in each year, and have a maturity date of September 30, 2018. Each $1,000 principal amount of the $100 million convertible debentures is convertible at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the last business day immediately preceding the date fixed for redemption, into 56.0 common shares of Just Energy, representing a conversion price of $17.85 per share.

Prior to September 30, 2016, the $100 million convertible debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest, provided that the weighted average trading price of the common shares of Just Energy on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is at least 125% of the conversion price. On or after September 30, 2016, the $100 million convertible debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest.

$150M CONVERTIBLE BONDS

In January 2014, Just Energy issued US$150 million of European-focused senior unsecured convertible bonds, which bear interest at an annual rate of 6.5%, payable semi-annually in arrears in equal installments on January 29 and July 29 in each year. The maturity date of the $150m convertible bonds is July 29, 2019.

A Conversion Right in respect of a bond may be exercised, at the option of the holder thereof, at any time (the "Conversion Period") (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from May 30, 2014 (being the date falling four months and one day after the closing date) to the close of business on the business day falling 22 business days prior to the final maturity date. The initial conversion price is US$9.3762 per common share (being C$10.2819 translated into U.S. dollars at the fixed exchange rate) but is subject to adjustments.

Contractual obligations

In the normal course of business, Just Energy is obligated to make future payments for contracts and other commitments that are known and non-cancellable.

PAYMENTS DUE BY PERIOD

(thousands of dollars)

	Total	Less than 1 year	1–3 years	4–5 years	After 5 years
Trade and other payables	$ 458,922	$ 458,922	$ –	$ –	$ –
Long-term debt (contractual cash flow)	696,221	–	501,416	194,805	–
Interest payments	91,031	42,586	43,570	4,875	–
Premises and equipment leasing	30,287	6,216	9,565	6,493	8,013
Long-term gas and electricity contracts	3,808,888	2,099,984	1,442,238	231,227	35,439
	$ 5,085,349	$ 2,607,708	$ 1,996,789	$ 437,400	$ 43,452

OTHER OBLIGATIONS

In the opinion of management, Just Energy has no material pending actions, claims or proceedings that have not been included either in its accrued liabilities or in the consolidated financial statements. In the normal course of business, Just Energy could be subject to certain contingent obligations that become payable only if certain events were to occur. The inherent uncertainty surrounding the timing and financial impact of any events prevents any meaningful measurement, which is necessary to assess any material impact on future liquidity. Such obligations include potential judgments, settlements, fines and other penalties resulting from actions, claims or proceedings.

Transactions with related parties

Just Energy does not have any material transactions with any individuals or companies that are not considered independent of Just Energy or any of its subsidiaries and/or affiliates.

Off balance sheet items

The Company has issued letters of credit in accordance with its credit facility totalling $130.0 million to various counterparties, primarily utilities in the markets where it operates, as well as suppliers.

Pursuant to separate arrangements with several bond agencies, The Hanover Insurance Group and Charter Brokerage LLC, Just Energy has issued surety bonds to various counterparties including states, regulatory bodies, utilities and various other surety bond holders in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain states or markets. Total surety bonds issued as at March 31, 2016 were $52.9 million.

Critical accounting estimates

The consolidated financial statements of Just Energy have been prepared in accordance with IFRS. Certain accounting policies require management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, cost of sales, selling and marketing, and administrative expenses. Estimates are based on historical experience, current information and various other assumptions that are believed to be reasonable under the circumstances. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

The following assessment of critical accounting estimates is not meant to be exhaustive. Just Energy might realize different results from the application of new accounting standards promulgated, from time to time, by various rule-making bodies.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Just Energy performed its annual impairment test as at March 31, 2016. Just Energy considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at March 31, 2016, the market capitalization of Just Energy was above the book value of its equity, indicating that a potential impairment of goodwill and intangible assets with indefinite lives does not exist.

The recoverable amount of each of the cash generating units has been determined based on a value-in-use calculation using cash flow projections from financial budgets covering a five-year period. The projections for the first year have been approved by the Audit Committee; the assumptions used in the following years have been approved by the senior management. The calculation of the value-in-use for each unit is most sensitive to the following assumptions:

- Customer consumption assumptions used in determining gross margin;
- New customer additions, attrition and renewals;
- Selling and marketing costs;
- Discount rates; and
- Growth rates used to extrapolate cash flows beyond the budget period.

Customer consumption is forecasted using normalized historical correlation between weather and customer consumption and weather projections. Just Energy uses weather derivatives to mitigate the risk that weather will deviate from expectations. An average customer consumption growth rate of 10% was used in the projections. A 5% decrease in the consumption assumptions would not have an impact on the results of the impairment test.

New customer additions and attrition and renewal rate estimates are based on historical results and are adjusted for new marketing initiatives that are included in the budget. A 10% average increase in the overall customer base was used in the projections. A 5% decrease annually in the overall customer base would not have an impact on the results of the impairment test.

Selling costs fluctuate with customer additions, renewals and attrition. Selling costs used in the financial forecast are based on assumptions consistent with the above new customer additions, renewals and attritions. Rates used are based on historical information and are adjusted for new marketing initiatives included in the budget. An average increase of 10% was applied to selling costs in the projections. A 5% increase annually in selling costs would not have an impact on the results of the impairment test.

Discount rates represent the current market assessment of the risks specific to the Company, regarding the time value of money and individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of Just Energy and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by Just Energy's investors, and the cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Just Energy used a discount rate of 10%. A 5% increase in the WACC would not have an impact on the results of the impairment test.

In addition to the above assumptions, the expected forecasted performance assumes that there will not be any new legislation that will have a negative impact on Just Energy's ability to market its products in the jurisdictions in which it currently operates. Any changes in legislation would only impact the respective jurisdiction. This item is out of the control of management and cannot be predicted. Management has used all information available to prepare its financial projections.

DEFERRED TAXES

In accordance with IFRS, Just Energy uses the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized on the differences between the carrying amounts of assets and liabilities and their respective income tax basis.

Preparation of the consolidated financial statements involves determining an estimate of, or provision for, income taxes in each of the jurisdictions in which Just Energy operates. The process also involves making an estimate of taxes currently payable and taxes expected to be payable or recoverable in future periods, referred to as deferred income taxes. Deferred income taxes result from the effects of temporary differences due to items that are treated differently for tax and accounting purposes. The tax effects of these differences are reflected in the consolidated statements of financial position as deferred income tax assets and liabilities. An assessment must also be made to determine the likelihood that our future taxable income will be sufficient to permit the recovery of deferred income tax assets. To the extent that such recovery is not probable, deferred income tax assets must be reduced. The reduction of the deferred income tax asset can be reversed if the estimated future taxable income improves. No assurances can be given as to whether any reversal will occur or as to the amount or timing of any such reversal. Management must exercise judgment in its assessment of continually changing tax interpretations, regulations and legislation to ensure deferred income tax assets and liabilities are complete and fairly presented. Assessments and applications differing from our estimates could materially impact the amount recognized for deferred income tax assets and liabilities.

Deferred income tax assets of $41.0 million and $26.6 million have been recorded on the consolidated statements of financial position as at March 31, 2016 and March 31, 2015, respectively. These assets primarily relate to mark to market losses on our derivative financial instruments. Management believes there will be sufficient taxable income that will permit the use of these future tax assets in the tax jurisdictions where they exist. When evaluating the future tax position, Just Energy assesses its ability to use deferred tax assets based on expected taxable income in future periods. As at March 31, 2016, no deferred tax assets were recognized in the U.S.

Deferred income tax liabilities of $1.4 million and $1.3 million have been recorded on the consolidated statements of financial position as at March 31, 2016 and March 31, 2015, respectively. These liabilities are primarily due to unrealized foreign exchange gain, which, when realized, will be recognized for tax purposes.

Fluctuations in deferred tax balances are primarily driven by changes in the fair value of derivative financial instruments. Any increase or decrease in the fair value of the derivative financial instruments will decrease or increase the net tax asset position by the effective tax rate of the entity.

SUBSIDIARIES

Subsidiaries that are not wholly owned by Just Energy require judgment in determining the amount of control that Just Energy has over that entity and the appropriate accounting treatments. In these consolidated financial statements, management has determined that Just Energy controls Just Ventures and, therefore, has treated the 50% that is not owned by Just Energy as a non-controlling interest.

USEFUL LIFE OF KEY PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Each significant component is depreciated over its estimated useful life. A component can be separately identified as an asset and is expected to provide a benefit of greater than one year. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence and regulations. The useful lives of property, plant and equipment and depreciation rates used are reviewed at least annually to ensure they continue to be appropriate.

Depreciation and amortization expense from continuing operations for the year ended March 31, 2016 recorded in the consolidated statements of income (loss) was $42.7 million compared with $76.0 million for the year ended March 31, 2015.

Fair value of financial instruments and risk management

Just Energy has entered into a variety of derivative financial instruments as part of the business of purchasing and selling gas, electricity and JustGreen supply. Just Energy enters into contracts with customers to provide electricity and gas at fixed prices and provide comfort to certain customers that a specified amount of energy will be derived from green generation or carbon destruction. These customer contracts expose Just Energy to changes in market prices to supply these commodities. To reduce the exposure to the commodity market price changes, Just Energy uses derivative financial and physical contracts to secure fixed-price commodity supply to cover its estimated fixed-price delivery or green commitment.

Just Energy's objective is to minimize commodity risk, other than consumption changes, usually attributable to weather. Accordingly, it is Just Energy's policy to hedge the estimated fixed-price requirements of its customers with offsetting hedges of natural gas and electricity at fixed prices for terms equal to those of the customer contracts. The cash flow from these supply contracts is expected to be effective in offsetting Just Energy's price exposure and serves to fix acquisition costs of gas and electricity to be delivered under the fixed-price or price-protected customer contracts. Just Energy's policy is not to use derivative instruments for speculative purposes.

Just Energy's U.S. and U.K. operations introduce foreign exchange-related risks. Just Energy enters into foreign exchange forwards in order to hedge its exposure to fluctuations in cross border cash flows.

The consolidated financial statements are in compliance with IAS 32, Financial Instruments: Presentation; IAS 39, Financial Instruments: Recognition and Measurement; and IFRS 7, Financial Instruments: Disclosure. All the mark to market changes on Just Energy's derivative instruments are recorded on a single line on the consolidated income statement. Due to commodity volatility and to the size of Just Energy, the swings in mark to market on these positions will increase the volatility in Just Energy's earnings.

The Company's financial instruments are valued based on the following fair value ("FV") hierarchy:

LEVEL 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted unadjusted market prices.

LEVEL 2

Fair value measurements that require observable inputs other than quoted prices in Level 1, either directly or indirectly, are classified as Level 2 in the FV hierarchy. This could include the use of statistical techniques to derive the FV curve from observable market prices. However, in order to be classified under Level 2, inputs must be directly or indirectly observable in the market. Just Energy values its New York Mercantile Exchange ("NYMEX") financial gas fixed-for-floating swaps under Level 2.

LEVEL 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs are classified as Level 3 in the FV hierarchy. For the supply contracts, Just Energy uses quoted market prices as per available market forward data and applies a price-shaping profile to calculate the monthly prices from annual strips and hourly prices from block strips for the purposes of mark to market calculations. The profile is based on historical settlements with counterparties or with the system operator and is considered an unobservable input for the purpose of establishing the level in the FV hierarchy. For the natural gas supply contracts, Just Energy uses three different market observable curves: i) Commodity (predominately NYMEX), ii) Basis and iii) Foreign exchange. NYMEX curves extend for over five years (thereby covering the length of Just Energy's contracts); however, most basis curves only extend 12 to 15 months into the future. In order to calculate basis curves for the remaining years, Just Energy uses extrapolation, which leads natural gas supply contracts to be classified under Level 3.

For the share swap, Just Energy uses a forward interest rate curve along with a volume weighted average share price. The Eurobond conversion feature is valued using an option pricing model.

Fair value measurement input sensitivity

The main cause of changes in the fair value of derivative instruments is changes in the forward curve prices used for the fair value calculations. Below is a sensitivity analysis of these forward curves. Other inputs, including volatility and correlations, are driven off historical settlements.

COMMODITY PRICE RISK

Just Energy is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly, thresholds for open positions in the gas and electricity portfolios, which also feed a Value at Risk limit. Should any of the limits be exceeded, they are closed expeditiously or express approval to continue to hold is obtained. Just Energy's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, and volatility and liquidity of markets. Just Energy enters into derivative instruments in order to manage exposures to changes in commodity prices. The derivative instruments used are designed to fix the price of supply for estimated customer commodity demand and thereby fix margins such that shareholder dividends can be appropriately established. Derivative instruments are generally transacted over the counter. The inability or failure of Just Energy to manage and monitor the above market risks could have a material adverse effect on the operations and cash flows of Just Energy. Just Energy mitigates the exposure to variances in customer requirements that are driven by changes in expected weather conditions, through active management of the underlying portfolio, which involves, but is not limited to, the purchase of options including weather derivatives. Just Energy's ability to mitigate weather effects is limited by the degree to which weather conditions deviate from normal.

COMMODITY PRICE SENSITIVITY – ALL DERIVATIVE FINANCIAL INSTRUMENTS

If all the energy prices associated with derivative financial instruments, including natural gas, electricity, verified emission-reduction credits and renewable energy certificates, had risen (fallen) by 10%, assuming that all the other variables had remained constant, income before income taxes for the year ended March 31, 2016 would have increased (decreased) by $218.4 million ($218.0 million) primarily as a result of the change in fair value of Just Energy's derivative instruments.

COMMODITY PRICE SENSITIVITY – LEVEL 3 DERIVATIVE FINANCIAL INSTRUMENTS

If the energy prices associated with only Level 3 derivative instruments, including natural gas, electricity, verified emission-reduction credits and renewable energy certificates, had risen (fallen) by 10%, assuming that all the other variables had remained constant, income before income taxes for the year ended March 31, 2016 would have increased (decreased) by $197.1 million ($196.8 million) primarily as a result of the change in fair value of Just Energy's derivative instruments.

RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for uncollectible accounts reflects Just Energy's best estimates of losses on the accounts receivable balances. Just Energy determines the allowance for doubtful accounts on customer receivables by applying loss rates based on historical results to the outstanding receivable balance. Just Energy is exposed to customer credit risk on its continuing operations in Alberta, Texas, Illinois, Ohio, Delaware, California, Michigan and Georgia and commercial direct-billed accounts in British Columbia, New York and Ontario. Credit review processes have been implemented to perform credit evaluations of customers and manage customer default. If a significant number of customers were to default on their payments, it could have a material adverse effect on the operations and cash flows of Just Energy. Management factors default from credit risk in its margin expectations for all the above markets.

Revenues related to the sale of energy are recorded when energy is delivered to customers. The determination of energy sales to individual customers is based on systematic readings of customer meters generally on a monthly basis. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated, and corresponding unbilled revenue is recorded. The measurement of unbilled revenue is affected by the following factors: daily customer usage, losses of energy during delivery to customers and applicable customer rates.

Increases in volumes delivered to the utilities' customers and favourable rate mix due to changes in usage patterns in the period could be significant to the calculation of unbilled revenue. Changes in the timing of meter reading schedules and the number and type of customers scheduled for each meter reading date would also have an effect on the measurement of unbilled revenue; however, total operating revenues would remain materially unchanged.

Just Energy common shares

As at May 18, 2016, there were 147,196,778 common shares of Just Energy outstanding.

Normal course issuer bid

Just Energy has the ability to make a normal course issuer bid to purchase for cancellation a portion of the outstanding $330m convertible debentures, $100m convertible debentures as well as the Just Energy common shares up to March 16, 2017. Under each NCIB, Just Energy may purchase debentures and common shares representing 10% of the outstanding public float at close of business February 29, 2016 up to daily and total limits. For the year ended March 31, 2016, Just Energy had purchased $7.0 million (2015 – $1.6 million) of the $330m convertible debentures.

Just Energy believes that the debentures and common shares may trade in a range that may not fully reflect their value. As a result, Just Energy believes that the purchase of the debentures and common shares from time to time can be undertaken at prices that make the acquisition of such securities an appropriate use of Just Energy's available funds. In addition, purchases under each of the NCIBs may increase the liquidity of the debentures and common shares and will enable Just Energy to deleverage its balance sheet. Just Energy intends to continue to buy back debentures and common shares when the circumstances present themselves in a way that maximizes value for Just Energy. The Company's current priority is the repurchase of debentures at attractive prices.

Accounting standards issued but not yet applied

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB on July 24, 2014, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. IFRS 9 also uses a new model for hedge accounting aligning the accounting treatment with risk management activities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the impact of IFRS 9 on the consolidated financial statements.

IFRS 11, Joint Arrangements ("IFRS 11"), Accounting for Acquisitions of Interests in Joint Operations, requires an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles on business combination accounting in IFRS 3, Business Combinations, and other IFRS that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRS in relation to business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation. The amendments also clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be re-measured if the joint operator retains joint control. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company does not expect this standard to have any impact on the consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or industry. The standard will also provide guidance on the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. The standard also outlines increased disclosures that will be required, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods, and key judgments and estimates made. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the impact of IFRS 15 on the consolidated financial statements.

IAS 16 and IAS 38, Property, Plant and Equipment and Intangible Assets ("IAS 16 and 38"), clarify the acceptable methods of depreciation and amortization where revenue reflects a pattern of economic benefits generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. Just Energy does not expect these amendments to have any impact on the consolidated financial statements.

Amendments to IAS 1, Presentation of Financial Statements ("IAS 1"), were issued to address perceived impediments to preparers exercising their judgment in presenting their financial reports. Specific clarifications in the areas of materiality, aggregation and disaggregation of financial statement line items and the ordering of footnotes have been provided. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. Just Energy does not expect this standard to have any impact on the consolidated financial statements.

IFRS 16, Leases ("IFRS 16"), was issued by the IASB in January 2016. This guidance brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Furthermore, per the standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less, and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17, Leases, and related interpretations, and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 has also been applied. Just Energy has not yet assessed the impact of this standard.

Risk factors

Described below are the principal risks and uncertainties that Just Energy can foresee. It is not an exhaustive list, as some future risks may be as yet unknown and other risks, currently regarded as immaterial, could turn out to be material.

MARKET RISK

Market risk is a potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity.

Commodity price risk

Just Energy's cost to serve its retail energy customers is exposed to fluctuations in commodity prices. Although Just Energy enters into commodity derivative instruments with its suppliers to manage the commodity price risks, it is exposed to commodity price risk where estimated customer requirements do not match actual customer requirements or where it is not able to exactly purchase the estimated customer requirements. In such cases, Just Energy may suffer a loss if it is required to sell excess supply in the spot market (compared to its weighted average cost of supply) or to purchase additional supply in the spot market. Such losses could have a material adverse impact on Just Energy's operating results, cash flow and liquidity.

A key risk to Just Energy's business model is a sudden and significant drop in the commodity market price resulting in an increase in customer churn, regulatory pressure and resistance on enforcement of liquidation damages, and enactment of provisions to reset the customer price to current market price levels, which could have significant impact on Just Energy's business.

Commodity volume balancing risk

Depending on several factors, including weather, Just Energy's customers may use more or less commodity than the volume purchased by Just Energy for delivery to them. Just Energy bears the financial responsibility, is exposed to market risk and, furthermore, may also be exposed to penalties by the LDCs for balancing the customer volume requirements. Although Just Energy manages the volume balancing risk through balancing language in some of its retail energy contracts, enters into weather derivative transactions to mitigate weather risk and leverages natural gas storage facilities to manage daily delivery requirements, increased costs and/or losses resulting from occurrences of volume imbalance net of Just Energy's risk management activities could have a material adverse impact on Just Energy's operating results, cash flow and liquidity.

Interest rate risk

Just Energy is exposed to interest rate risk associated with its credit facility. Current exposure to interest rate risk associated with its credit facility does not economically warrant the use of derivative instruments.

Foreign exchange rate risk

Just Energy is exposed to foreign exchange risk on repatriation of U.S. dollar denominated and U.K. pound denominated income against Canadian dollar denominated dividends. In addition, Just Energy is exposed to translation risk on U.S. dollar and U.K. pound denominated earnings and foreign investments. Just Energy enters into foreign exchange derivative instruments to manage the cash flow risk on repatriation of foreign funds. Currently, Just Energy does not enter into derivative instruments to manage foreign exchange translation risk. Large fluctuations in foreign exchange rates may have a significant impact on Just Energy's earnings and cash flow. In particular, a significant rise in the relative value of the Canadian dollar to the U.S. dollar or U.K. pound could materially reduce reported earnings and cash flow.

LIQUIDITY RISK

Just Energy is at risk of not being able to settle its future debt obligations including convertible debentures and commercial notes. Increase in liquidity risk may put Just Energy's cash dividend at risk or require Just Energy to raise additional funds. Liquidity risk may cause Just Energy to close down, sell or otherwise dispose of all or part of the business of Just Energy's subsidiaries.

Credit agreement and other debt

Just Energy maintains a credit facility of up to $277.5 million for working capital purposes, pursuant to a credit agreement with various lenders (the "Credit Agreement"). The lenders under the Credit Agreement, together with certain suppliers of Just Energy and its affiliates, are party to the Credit Agreement and related security agreement, which provide for a joint security interest over all customer contracts. There are various covenants pursuant to the Credit Agreement that govern activities of Just Energy and its affiliates. The restrictions in the Credit Agreement may adversely affect Just Energy's ability to finance its future operations and capital needs and to pursue available business opportunities. Should Just Energy or its subsidiary default under the terms of the Credit Agreement, the credit facility thereunder may become unavailable and may materially reduce Just Energy's liquidity. There can be no assurance that Just Energy would be able to obtain alternative financing or that such financing would be on terms favourable to Just Energy. In addition, Just Energy may not be able to extend, renew or refinance the credit facility on terms favourable to Just Energy, or at all, which would materially and adversely affect Just Energy's liquidity position, in which case Just Energy could be forced to sell assets or secure additional financing to make up for any shortfall in its payment obligations under unfavourable circumstances.

Just Energy has significant levels of other debt, including convertible debentures and bonds and a senior unsecured note, which could further limit Just Energy's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, restructuring, acquisitions or general corporate purposes, which could make Just Energy more vulnerable to economic downturns and adverse industry developments or limit flexibility in planning for or reacting to changes in its business. There can be no assurance that Just Energy would be able to refinance or replace such debt on terms favourable to Just Energy, or at all, which would materially and adversely affect Just Energy's liquidity position.

Working capital requirements (availability of credit)

In several markets where Just Energy operates, payment is provided to Just Energy by LDCs only when the customer has paid the LDC for the consumed commodity, rather than when the commodity is delivered. Just Energy also manages natural gas storage facilities where Just Energy must inject natural gas in advance of payment. These factors, along with seasonality in energy consumption, create a working capital requirement necessitating the use of Just Energy's available credit. In addition, Just Energy and its subsidiaries are required to post collateral to LDCs and Electricity System Operators. Any changes in payment terms managed by LDCs, any increase in cost of carrying natural gas storage inventory and any increase in collateral posting requirements could result in significant liquidity risk to Just Energy.

Earnings seasonality and volatility

Just Energy's business is seasonal in nature. In addition to regular seasonal fluctuations in its earnings, there is significant volatility in its earnings associated with the requirement to mark its commodity contracts to market. The earnings volatility associated with seasonality and mark to market accounting may affect the ability of Just Energy to access capital and increase its liquidity risk.

Cash dividends are not guaranteed

The ability to pay dividends and the actual amount of dividends will depend upon numerous factors, including profitability, fluctuations in working capital, debt service requirements (including compliance with Credit Agreement obligations) and the sustainability of margins. Cash dividends are not guaranteed and will fluctuate with the performance of Just Energy and the availability of cash liquidity from ongoing business operations.

Share ownership dilution

Just Energy may issue an unlimited number of common shares and up to 50,000,000 preferred shares without the approval of shareholders, which would dilute existing shareholders' interests.

SUPPLY COUNTERPARTY RISK

Counterparty risk is a loss that Just Energy would incur if a counterparty fails to perform under its contractual obligations.

Credit risk

Just Energy enters into long-term derivative contracts with its counterparties. If a derivative counterparty were to default on its contractual obligations, Just Energy would be required to replace its contracted commodities or instruments at prevailing market prices, which would negatively affect related customer margin or cash flows.

Supply delivery risk

Just Energy's business model is based on contracting for supply of electricity or natural gas to deliver to its customers. Failure by Just Energy's supply counterparties to deliver these commodities to Just Energy due to business failure, supply shortage, force majeure or any other failure of such counterparties to perform their obligations under the applicable contracts would put Just Energy at risk of not meeting its delivery requirements with LDCs, thereby resulting in penalties, price risk, liquidity, and collateral risk and may have a significant impact on the business, financial condition, results of operations and cash flows of Just Energy.

LEGAL AND REGULATORY RISK

Legal and regulatory risk is a potential loss that may be incurred as a result of changes in regulations or legislation affecting Just Energy's business model, costs or operations, as well as being a risk of potential litigation against Just Energy resulting in impact to Just Energy's cash flow.

Regulatory environment

Just Energy may receive complaints from consumers, which may involve sanctions from regulatory and legal authorities. The most significant potential sanction is the suspension or revocation of a license, which would prevent Just Energy from selling in a particular jurisdiction.

Changes to consumer protection legislation may impact Just Energy's business model and may include additional measures that require additional administration together with potential impacts to contracting, renewal and retention rates.

Just Energy is exposed to changes in energy market regulations that may put the onus on Just Energy to adhere to stricter renewable energy compliance standards, procure additional volume of capacity and transmission units and pay regulated tariff and charges for transmission and distribution of energy, which may change from time to time. In certain cases, Just Energy may not be able to pass through the additional costs from changes in energy market regulations to its customers that may impact Just Energy's business, financial condition and cash flows.

Just Energy's business model involves entering into derivative financial instruments to manage commodity price and supply risk. Financial reforms in the U.S., Canada and Europe may require Just Energy to comply with certain aspects of reporting, record keeping, position limits and other risk mitigation and price transparency rules that result in increased scrutiny of commodity procurement activities. Costs resulting from Just Energy's compliance with certain new regulatory requirements as well as increased costs of doing business with Just Energy's counterparties, who may be subject to even greater regulatory requirements, could have a material impact on Just Energy's business.

Litigation

In addition to the litigation referenced herein (see "Legal proceedings" on page 50) and occurring in the ordinary course of business, Just Energy may in the future be subject to class actions and other actions arising in relation to its consumer contracts and marketing practices. This litigation is, and any such additional litigation could be, time consuming and expensive and could distract the executive team from the conduct of Just Energy's daily business and may result in costly settlement arrangements. An adverse resolution or reputational damage of any specific lawsuit could have a material adverse effect on Just Energy's business or results of operations and the ability to favourably resolve other lawsuits.

In certain jurisdictions, independent contractors that contract with Just Energy to provide door-to-door sales have made claims, either individually or as a class, that they are entitled to employee benefits such as minimum wage or overtime pursuant to legislation, even though they have entered into a contract with Just Energy that provides that they are not entitled to benefits normally available to employees. Just Energy's position has been confirmed in some instances and overturned by regulatory bodies and courts in others, and some of these decisions are under appeal. Should the regulatory bodies or claimants ultimately be successful, Just Energy would be required to remit unpaid tax amounts plus interest and might be assessed a penalty, of which amounts could be substantial.

RETAIL RISK

Retail customer risk is a potential loss that may be incurred as a result of change in customer behaviour and from an increase in competition in the retail energy industry.

Consumer contract attrition and renewal rates

Just Energy may experience an increase in attrition rates and lower acceptance rates on renewal requests due to commodity price volatility, increased competition or change in customer behaviour. There can be no assurance that the historical rates of annual attrition will not increase substantially in the future or that Just Energy will be able to renew its existing energy contracts at the expiry of their terms. Any such increase in attrition or failure to renew could have a material adverse impact on Just Energy's business, financial condition, operating results, cash flow, liquidity and prospects.

Customer credit risk

Just Energy has credit risk in various markets where bills are sent directly to customers for energy consumption from Just Energy. If a significant number of direct bill customers were to default on their payments, it could have a material adverse effect on the results of operations, cash flow and liquidity of Just Energy.

For the remaining customers, the LDCs provide collection services and assume the risk of any bad debts owing from Just Energy's customers for a fee. There is no assurance that the LDCs that provide these services will continue to do so in the future, which would mean that Just Energy would have to accept additional customer credit risk.

Competition

A number of companies and incumbent utility subsidiaries compete with Just Energy in the residential, commercial and small industrial market. It is possible that new entrants may enter the market as marketers and compete directly for the customer base that Just Energy targets, slowing or reducing its market share. If the LDCs are permitted by changes in the current regulatory framework to sell natural gas or electricity at prices other than at cost, their existing customer bases could provide them with a significant competitive advantage. This could limit the number of customers available for marketers, including Just Energy, and impact Just Energy's growth and retention.

BUSINESS OPERATIONS RISKS

Business operations risk is a potential loss occurring from an unplanned interruption or cyber-attack, manual or system errors, or business earnings risk unique to the retail energy sales industry.

Cyber risk

Just Energy's business requires retaining important customer information that is considered private, such as name, address, banking and payment information, drivers' licenses, and Social Security and Social Insurance numbers. Although Just Energy protects this information with restricted access and enters into cyber risk insurance policies, there could be a significant adverse impact to the business, reputation and customer relations should the private information be compromised due to a cyber-attack on Just Energy's information technology systems.

Just Energy's vendors, suppliers and market operators rely on information technology systems to deliver services to Just Energy. These systems may be prone to cyber-attacks, which could result in market disruption and impact Just Energy's business operations, finances and cash.

Just Energy is also subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for non-compliance. Just Energy's failure to comply with federal, state, provincial and foreign laws regarding privacy and protection of data could lead to significant fines and penalties imposed by regulators, as well as claims by our customers. There can be no assurance that the limitations of liability in Just Energy's contracts would be enforceable or adequate or would otherwise protect Just Energy from any such liabilities or damages with respect to any particular claim. The successful assertion of one or more large claims against Just Energy that exceeds its available insurance coverage could have an adverse effect on our business, financial condition and results of operations.

Information Technology systems

Just Energy relies on Information Technology ("IT") systems to store critical information, generate financial forecasts, report financial results and make applicable securities law filings. Just Energy also relies on IT systems to make payments to suppliers, pay commissions to brokers and independent contractors, enroll new customers, send monthly bills to customers and collect payments from customers. Failure of these systems could have a material adverse effect on Just Energy's business and financial prospects or cause it to fail to meet its reporting obligations, which could result in a suspension or delisting of its common shares.

Model risk

The approach to calculation of market value and customer forecasts requires data-intensive modelling used in conjunction with certain assumptions when independently verifiable information is not available. Although Just Energy uses industry standard approaches and validates its internally developed models, should underlying assumptions prove incorrect or an embedded modelling error go undetected in the vetting process, this could result in incorrect estimates and thereby have a material adverse impact on Just Energy's business, financial condition, results of operations, cash flow and liquidity.

Accounting estimates risks

Just Energy makes accounting estimates and judgments in the ordinary course of business. Such accounting estimates and judgments will affect the reported amounts of Just Energy's assets and liabilities at the date of its financial statements and the reported amounts of its operating results during the periods presented. Additionally, Just Energy interprets the accounting rules in existence as of the date of its financial statements when the accounting rules are not specific to a particular event or transaction. If the underlying estimates are ultimately proven to be incorrect, or if Just Energy's auditors or regulators subsequently interpret Just Energy's application of accounting rules differently, subsequent adjustments could have a material adverse effect on Just Energy's operating results for the period or periods in which the change is identified. Additionally, subsequent adjustments could require Just Energy to restate historical financial statements.

Risks from adoption of new accounting standards or interpretations

Implementation of and compliance with changes in accounting rules and interpretations could adversely affect Just Energy's operating results or cause unanticipated fluctuations in its results in future periods. The accounting rules and regulations that Just Energy must comply with are complex and continually changing. While Just Energy believes that its financial statements have been prepared in accordance with IFRS, Just Energy cannot predict the impact of future changes to accounting principles or Just Energy's accounting policies on its financial statements going forward.

Risks from deficiencies in internal control over financial reporting

Just Energy may face risks if there are deficiencies in its internal control over financial reporting and disclosure controls and procedures. The Board of Directors, in coordination with the Audit Committee, is responsible for assessing the progress and sufficiency of internal control over financial reporting and disclosure controls and procedures and makes adjustments as necessary. Any deficiencies, if uncorrected, could result in Just Energy's financial statements being inaccurate and in future adjustments or restatements of Just Energy's historical financial statements, which could adversely affect the business, financial condition and results of operations of Just Energy.

Outsourcing and third party service agreements

Just Energy has outsourcing arrangements to support its call centre's requirements for business continuity plans and independence for regulatory purposes, billing and settlement arrangements for certain jurisdictions, scheduling responsibilities in certain jurisdictions and operational support for its operations in the United Kingdom. Contract data input is also outsourced as is some corporate business continuity, IT development and disaster recovery functions. Should the outsourced counterparties not deliver their contracted services, Just Energy may experience service and operational gaps that adversely impact customer retention and aggregation and cash flows.

In most jurisdictions in which Just Energy operates, the LDCs currently perform billing and collection services. If the LDCs cease to perform these services, Just Energy would have to seek a third party billing provider or develop internal systems to perform these functions. This could be time consuming and expensive.

Disruption to infrastructure

Customers are reliant upon the LDCs to deliver their contracted commodity. LDCs are reliant upon the continuing availability of their distribution infrastructure. Any disruptions in this infrastructure as a result of a hurricane, act of terrorism, cyber-attack or otherwise could result in counterparties' default and, thereafter, Just Energy enacting the force majeure clauses of their contracts. Under such severe circumstances there could be no revenue or margin for the affected areas.

Additionally, any disruptions to Just Energy's operations or sales office may also have a significant impact on business and financial prospects. Although Just Energy has insurance policies that cover business interruption and natural calamities, in certain cases, the insurance coverage may not be sufficient to cover the potential loss.

OTHER RISKS

Share price volatility risk

The common shares currently trade on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE"). The trading price of the common shares has in the past been, and may in the future be, subject to significant fluctuations. These fluctuations may be caused by events related or unrelated to Just Energy's operating performance and beyond its control. Factors such as actual or anticipated fluctuations in Just Energy's operating results (including as a result of seasonality and volatility caused by mark to market accounting for commodity contracts), fluctuations in the share prices of other companies operating in business sectors comparable to those in which Just Energy operates, outcomes of litigation or regulatory proceedings or changes in estimates of future operating results by securities analysts, among other things, may have a significant impact on the market price of the common shares. In addition, the stock market has experienced volatility, which often has been unrelated to the operating performance of the affected companies. These market fluctuations may materially and adversely affect the market price of the common shares, which may make it more difficult for holders of common shares to sell their shares.

Management retention risk

Just Energy's future success will depend on, among other things, its ability to keep the services of its management and to hire other highly qualified employees at all levels. Just Energy will compete with other potential employers for employees, and may not be successful in hiring and keeping the services of executives and other employees that it needs. The loss of the services of, or the inability to hire, executives or key employees could hinder Just Energy's business operations and growth.

Legal proceedings

Just Energy's subsidiaries are party to a number of legal proceedings. Other than as set out below, Just Energy believes that each proceeding constitutes a routine legal matter incidental to the business conducted by Just Energy and that the ultimate disposition of the proceedings will not have a material adverse effect on its consolidated earnings, cash flows or financial position.

The State of California has filed a number of complaints with the Federal Energy Regulatory Commission ("FERC") against many suppliers of electricity, including Commerce Energy Inc. ("CEI"), a subsidiary of the Company, with respect to events stemming from the 2001 energy crisis in California. On March 18, 2010, the assigned Administrative Law Judge granted a motion to strike the claim for all parties in one of the complaints (in favour of the suppliers), holding that California did not prove that the reporting errors masked the accumulation of market power. California has appealed the decision. On June 13, 2012, FERC denied the plaintiff's request for a rehearing, affirming its initial decision. California appealed to the United States District Courts for the Ninth Circuit and oral arguments were heard on February 26, 2015. On April 29, 2015, the appeals court remanded the case back to FERC on grounds that the agency erred in assessing whether market power had resulted in unjust and unreasonable prices when it considered power generation market share only. FERC ordered settlement conferences for all parties and a status conference for May 24, 2016 to schedule hearings and discuss next steps. CEI continues to vigorously contest this matter.

In March 2012, Davina Hurt and Dominic Hill filed a lawsuit against Commerce Energy Inc., Just Energy Marketing Corp. and the Company (collectively referred to as "Just Energy") in the Ohio Federal Court claiming entitlement to payment of minimum wage and overtime under Ohio wage claim laws and the federal Fair Labor Standards Act ("FLSA") on their own behalf and similarly situated door-to-door sales representatives who sold for Commerce in certain regions of the United States. The Court granted the plaintiffs' request to certify the lawsuit as a class action. Approximately 1,800 plaintiffs opted into the federal minimum wage and overtime claims, and approximately 8,000 plaintiffs were certified as part of the Ohio state overtime claims. A jury trial on the liability phase was completed on October 6, 2014. The jury reached a verdict that supports the plaintiffs' class and collective action that certain individuals were not properly classified as outside salespeople in order to qualify for an exemption under the minimum wage and overtime requirements pursuant to the FLSA and Ohio wage and hour laws. Potential amounts owing have yet to be determined and will be subject to a separate damage phase proceeding, which remains unscheduled by the Court. On January 9, 2015, the Court struck the plaintiffs' damage expert report. Just Energy disagrees with the result of the October trial and is of the opinion that it is not supported by existing law and precedent. Just Energy strongly believes it complied with the law and continues to vigorously defend against the claims. The Court granted Just Energy's request to file an interlocutory appeal of the liability finding, but the United States Court of Appeals for the Sixth Circuit denied the request. Appeal steps will be taken after conclusion of the damages phase of the trial.

In August 2013, Levonna Wilkins, a former door-to-door independent contractor for Just Energy Marketing Corp. ("JEMC"), filed a lawsuit against Just Energy Illinois Corp., Commerce Energy Inc., JEMC and the Company (collectively referred to as "Just Energy") in the Illinois Federal District Court claiming entitlement to payment of minimum wage and overtime under Illinois wage claim laws and the FLSA on her own behalf and similarly situated door-to-door sales representatives who sold in Illinois. On March 13, 2015, the Court granted Wilkins' request to certify the lawsuit as a class action to include a class made up of Illinois sales representatives who sold for Just Energy Illinois and Commerce. Just Energy filed a motion for reconsideration objecting to the class definition, and requested that the Court revise its ruling to exclude sales representatives who sold for Commerce, and the motion remains under advisement with the Court. On March 22, 2016, Just Energy's summary judgment motion and motion for reconsideration of certain issues were denied. Just Energy will continue to vigorously contest this matter.

In March 2015, Kevin Flood, a former door-to-door independent contractor for Just Energy Marketing Corp., filed a lawsuit against JEMC, Just Energy New York Corp. and the Company (collectively referred to as "Just Energy") in New York Federal District Court (Southern District) claiming entitlement to payment of minimum wage and overtime under New York wage claim laws and the FLSA on his own behalf and similarly situated door-to-door sales representatives who sold in New York. On January 25, 2016, the Court granted Flood's request to certify the lawsuit as a class action for the FLSA claims to include a class made up of New York sales representatives who sold for Just Energy New York. The class opt in period expired on May 4, 2016. Just Energy filed a motion for summary judgment for dismissal of Flood's claims, which remains pending. Just Energy vigorously contests this matter.

Controls and procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the Co-Chief Executive Officers and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and Canadian Securities Administrators, as of March 31, 2016. Based on that evaluation, the Company's management, including the Co-Chief Executive Officers and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of March 31, 2016.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorization of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management has used the criteria established in the 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission to assess, with the participation of the Co-Chief Executive Officers and Chief Financial Officer, the effectiveness of the Company's internal control over financial reporting. Based on this assessment, management has concluded that as at March 31, 2016, the Company's internal control over financial reporting was effective based on the applicable criteria. The effectiveness of the Company's internal control over financial reporting has been audited by the independent auditors Ernst & Young LLP, a registered public accounting firm that has also audited the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2016. Their Report of Internal Controls under Standards of the Public Company Accounting Oversight Board (United States), included in the Consolidated Financial Statements, expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of March 31, 2016.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the year ended March 31, 2016, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Corporate governance

Just Energy is committed to maintaining transparency in its operations and ensuring its approach to governance meets all recommended standards. Full disclosure of Just Energy's compliance with existing corporate governance rules is available at www.justenergygroup.com and is included in Just Energy's Management Proxy Circular. Just Energy actively monitors the corporate governance and disclosure environment to ensure timely compliance with current and future requirements.

Outlook

Just Energy continues to deploy its strategy to become a world-class consumer enterprise delivering superior value to its customers through a wide range of energy management solutions and a multi-channel approach. Growth plans centre on geographic expansion, structuring superior product value propositions and enhancing the Company's portfolio of energy management offerings. The Company's geographic expansion is centred on Europe where the Company expects to expand into two new European markets in fiscal 2017 and remains committed to evaluating further potential expansion in continental Europe and beyond over the longer term. Just Energy has initiated several superior value propositions. These include successfully rolling out the new flat-bill product in six new markets, piloting and launching energy management solutions such as Residential Solar in California and New York, and planning a new commercial energy storage pilot.

The fiscal 2016 earnings results exceeded management's expectations based on the targets provided. The Company also took steps to strengthen its sales force through the addition of four key sales channel leaders. While sales and net customer additions declined in the fourth quarter, as compared to a very strong fourth quarter of fiscal 2015, due to the Company's refusal to engage in risky pricing tactics that would ultimately damage its improved profitability profile, management feels strongly that the margin per customer improvement initiative will continue to deliver in fiscal 2017 and beyond. Management is confident in the Company's ability to embrace the customer and build longer-term loyalty programs through the offering of a differentiated product suite that will drive its market position growth in a very profitable manner moving forward.

To reflect the progress in repositioning the business, management believes that the Company will achieve fiscal 2017 Base EBITDA in the range of $223 million to $233 million, reflecting continued double-digit year over year percentage growth. Fiscal 2017 guidance includes deductions to Base EBITDA of approximately $40 million for prepaid commercial commissions, which would previously have been included as amortization within selling and marketing expenses. This represents a $22 million increase in this expense over fiscal 2016 and represents a go forward run rate for this incremental deduction in future years. Just Energy expects to offset this headwind with continued strong gross margin performance, as evidenced in the strong fiscal 2016 results.

Just Energy's solar program commenced its initial pilot phases in California and New York during fiscal 2016, with the volume signed during this initial pilot resulting in higher than expected profit. Based on the success of the pilot launch in southern California, operations will continue to grow with further expansion in California and the northeast U.S. In fiscal 2017, Solar is expected to contribute $10 million towards the double-digit percentage Base EBITDA target.

Just Energy's results reflect seasonality, as traditionally, electricity consumption is slightly greater in the first and second quarters (summer quarters) and gas consumption is significantly greater during the third and fourth quarters (winter quarters). The main impact of this will normally be higher Base EBITDA in the third and fourth quarters (assuming consumption based on normal winter weather) and lower Base EBITDA in the first and second quarters. However, this impact is lessening as current net customer additions are concentrated in electricity, which traditionally experiences less seasonality than natural gas.

The margin per customer improvements in both the residential and commercial business are directly related to our ongoing commitment to Just Energy's margin improvement initiative as well as the impact from the stronger U.S. dollar. While competition is certain to come and go from the space over time, we believe Just Energy can continue to drive margin improvement that can be sustained over the long term as a result of the Company's innovative new products with more appeal and value for customers. This improved profitability per customer will add to our future margins over and above any growth in the customer base.

Our objectives remain unchanged. The profitability and cash generation Just Energy delivered in fiscal 2016 are inherent to the repositioned business model and thus provide management with confidence and freedom to commit to future dividend distributions and balance sheet restructuring.

We strive to deliver outstanding financial results and have made significant progress towards achieving our objective of becoming a premier, world-class provider of energy management solutions. We are encouraged by the stronger profitability in the business and remain confident Just Energy is delivering the appropriate dividend strategy, one that is supported by our continued ability to generate strong cash flows consistently. We foresee continued, sustainable growth that will be driven by an expanded geographical footprint, continued product innovation and bringing new energy management solutions to market that align with customer demands.

Management's responsibility for financial reporting

The accompanying consolidated financial statements of Just Energy Group Inc. and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated financial statements include some amounts that are based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Financial information presented elsewhere in this annual report has been prepared on a consistent basis with that in the consolidated financial statements.

Just Energy Group Inc. maintains systems of internal accounting and administrative controls. These systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company assets are properly accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and is composed entirely of non-management directors. The Audit Committee meets periodically with management and the external auditors, to discuss auditing, internal controls, accounting policy and financial reporting matters. The committee reviews the consolidated financial statements with both management and the external auditors and reports its findings to the Board of Directors before such statements are approved by the Board.

The consolidated financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) on behalf of the shareholders. The external auditors have full and free access to the Audit Committee, with and without the presence of management, to discuss their audit and their findings as to the integrity of the financial reporting and the effectiveness of the system of internal controls.

On behalf of Just Energy Group Inc.

/s/ James Lewis

James Lewis
Co-Chief Executive Officer

/s/ Deb Merril

Deb Merril
Co-Chief Executive Officer

/s/ Pat McCullough

Pat McCullough
Chief Financial Officer

Toronto, Canada
May 18, 2016

Management's report on internal control over financial reporting

The management of Just Energy Group Inc. ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting, and has designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Management has used "Internal Control – Integrated Framework" to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (COSO). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the design and operation of the Company's internal control over financial reporting as of March 31, 2016, and has concluded that such internal control over financial reporting is effective.

Ernst & Young LLP, the independent auditors appointed by the shareholders of the Company who have audited the consolidated financial statements, have also audited internal control over financial reporting and have issued their report on the following page of this annual report.

/s/ James Lewis

James Lewis
Co-Chief Executive Officer

/s/ Deb Merril

Deb Merril
Co-Chief Executive Officer

/s/ Pat McCullough

Pat McCullough
Chief Financial Officer

Toronto, Canada
May 18, 2016

Report of independent registered public accounting firm

To the Board of Directors and Shareholders
of Just Energy Group Inc.

We have audited the accompanying consolidated financial statements of Just Energy Group Inc. ("Just Energy"), which comprise the consolidated statements of financial position as at March 31, 2016 and 2015, and the related consolidated statements of income (loss), comprehensive income (loss), changes in shareholders' deficit and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Just Energy Group Inc. as at March 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

OTHER MATTER

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Just Energy's internal control over financial reporting as of March 31, 2016, based on the criteria established in the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated May 18, 2016 expressed an unqualified opinion on Just Energy's internal control over financial reporting.

/s/ Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
May 18, 2016

Report of independent registered public accounting firm

To the Board of Directors and Shareholders
of Just Energy Group Inc.

We have audited Just Energy Group Inc. ("Just Energy")'s internal control over financial reporting as at March 31, 2016, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). Just Energy's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on Just Energy's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Just Energy maintained, in all material respects, effective internal control over financial reporting as of March 31, 2016, based on the COSO criteria. We have also audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the 2016 consolidated financial statements of Just Energy and our report dated May 18, 2016 expressed an unqualified opinion on those financial statements.

/s/ Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
May 18, 2016

Consolidated statements of financial position

As at March 31 (in thousands of Canadian dollars)

	Notes	2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment	7	**$ 25,045**	$ 23,815
Intangible assets	8	**345,873**	348,511
Contract initiation costs		**–**	20,440
Other non-current financial assets	14	**3,384**	1,091
Investments	12	**7,049**	9,627
Deferred tax asset	19	**40,950**	26,625
		422,301	430,109
Current assets			
Gas delivered in excess of consumption		**6,338**	1,064
Gas in storage		**3,068**	5,167
Trade and other receivables	10	**362,255**	459,427
Accrued gas receivables		**13,617**	45,992
Unbilled revenues		**227,366**	219,630
Prepaid expenses and deposits		**62,330**	22,875
Other current financial assets	14	**4,990**	4,834
Corporate tax recoverable		**10,079**	13,067
Restricted cash	9	**7,495**	17,462
Cash and cash equivalents		**127,596**	78,814
		825,134	868,332
TOTAL ASSETS		**$ 1,247,435**	$ 1,298,441
DEFICIT AND LIABILITIES			
Deficit attributable to equity holders of the parent			
Deficit		**$ (1,838,683)**	$ (1,828,495)
Accumulated other comprehensive income	15	**48,908**	56,393
Shareholders' capital	16	**1,069,434**	1,063,423
Equity component of convertible debentures		**25,795**	25,795
Contributed surplus		**43,459**	44,062
TOTAL DEFICIT		**(651,087)**	(638,822)
Non-current liabilities			
Long-term debt	18	**660,543**	676,480
Provisions	20	**4,416**	4,307
Deferred lease inducements		**1,394**	604
Other non-current financial liabilities	14	**286,952**	299,320
Deferred tax liability	19	**1,367**	1,251
		954,672	981,962
Current liabilities			
Trade and other payables		**458,922**	510,470
Accrued gas payable		**11,253**	28,944
Deferred revenue		**22,953**	1,573
Income taxes payable		**9,287**	13,152
Current portion of long-term debt	18	**–**	23
Provisions	20	**13,573**	14,899
Other current financial liabilities	14	**427,862**	386,240
		943,850	955,301
TOTAL LIABILITIES		**1,898,522**	1,937,263
TOTAL DEFICIT AND LIABILITIES		**$ 1,247,435**	$ 1,298,441

Commitments and Guarantees (Note 28)

See accompanying notes to the consolidated financial statements

Approved on behalf of Just Energy Group Inc.

/s/ Rebecca MacDonald

Rebecca MacDonald
Executive Chair

/s/ David Wagstaff

David Wagstaff
Corporate Director

Consolidated statements of income (loss)

For the years ended March 31
(in thousands of Canadian dollars, except where indicated and per share amounts)

	Notes	2016	2015
CONTINUING OPERATIONS			
Sales	22	**$ 4,105,860**	$ 3,895,940
Cost of sales	21(b)	**3,403,572**	3,295,871
GROSS MARGIN		**702,288**	600,069
EXPENSES			
Administrative		**170,330**	154,222
Selling and marketing		**257,349**	225,243
Other operating	21(a)	**94,548**	114,590
		522,227	494,055
Operating profit before the following		**180,061**	106,014
Finance costs	18	**(72,540)**	(73,680)
Change in fair value of derivative instruments	14	**(22,803)**	(635,204)
Other loss		**(2,542)**	(2,396)
Income (loss) before income taxes		**82,176**	(605,266)
Recovery of income taxes	19	**(318)**	(28,889)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**$ 82,494**	$ (576,377)
DISCONTINUED OPERATIONS			
Income from discontinued operations	11	**$ –**	$ 132,673
PROFIT (LOSS) FOR THE YEAR		**$ 82,494**	$ (443,704)
Attributable to:			
Shareholders of Just Energy		**$ 64,604**	$ (446,785)
Non-controlling interest	13	**17,890**	3,081
PROFIT (LOSS) FOR THE YEAR		**$ 82,494**	$ (443,704)
Earnings (loss) per share from continuing operations available to shareholders	24		
Basic		**$ 0.44**	$ (4.01)
Diluted		**$ 0.43**	$ (4.01)
Earnings per share from discontinued operations	11		
Basic		**$ –**	$ 0.94
Diluted		**$ –**	$ 0.91
Earnings (loss) per share available to shareholders	24		
Basic		**$ 0.44**	$ (3.07)
Diluted		**$ 0.43**	$ (3.07)

See accompanying notes to the consolidated financial statements

Consolidated statements of comprehensive income (loss)

For the years ended March 31 (in thousands of Canadian dollars)

	Notes	2016	2015
PROFIT (LOSS) FOR THE YEAR		**$ 82,494**	$ (443,704)
Other comprehensive loss to be reclassified to profit or loss in subsequent years:	15		
Unrealized loss on translation of foreign operations from continuing operations		**(7,485)**	(13,139)
Realized loss on translation of foreign operations sold		**–**	(2,465)
Other comprehensive loss to be reclassified to profit or loss in subsequent years, net of tax		**(7,485)**	(15,604)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX		**$ 75,009**	$ (459,308)
Total comprehensive income (loss) attributable to:			
Shareholders of Just Energy		**$ 57,119**	$ (462,389)
Non-controlling interest	13	**17,890**	3,081
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX		**$ 75,009**	$ (459,308)

See accompanying notes to the consolidated financial statements

Consolidated statements of changes in shareholders' deficit

For the years ended March 31 (in thousands of Canadian dollars)

	Notes	2016	2015
ATTRIBUTABLE TO THE SHAREHOLDERS			
Accumulated earnings (deficit)			
Accumulated earnings (deficit), beginning of year		**$ (230,567)**	$ 216,218
Profit (loss) for the year, attributable to shareholders		**64,604**	(446,785)
Accumulated deficit, end of year		**(165,963)**	(230,567)
DIVIDENDS			
Dividends, beginning of year		**(1,597,928)**	(1,511,205)
Dividends paid	27	**(74,792)**	(86,723)
Dividends, end of year		**(1,672,720)**	(1,597,928)
DEFICIT		**$ (1,838,683)**	$ (1,828,495)
ACCUMULATED OTHER COMPREHENSIVE INCOME	15		
Accumulated other comprehensive income, beginning of year		**$ 56,393**	$ 71,997
Other comprehensive loss		**(7,485)**	(15,604)
Accumulated other comprehensive income, end of year		**$ 48,908**	$ 56,393
SHAREHOLDERS' CAPITAL	16		
Shareholders' capital, beginning of year		**$ 1,063,423**	$ 1,033,557
Share-based compensation awards exercised		**6,011**	26,272
Dividend reinvestment plan		**–**	3,594
Shareholders' capital, end of year		**$ 1,069,434**	$ 1,063,423
EQUITY COMPONENT OF CONVERTIBLE DEBENTURES			
Balance, beginning of year		**$ 25,795**	$ 25,795
Balance, end of year		**$ 25,795**	$ 25,795
CONTRIBUTED SURPLUS			
Balance, beginning of year		**$ 44,062**	$ 65,569
Reclassification of non-controlling interest on dissolution of entity		**–**	(2,443)
Add: Share-based compensation awards	21(a)	**5,348**	7,120
Non-cash deferred share grant distributions		**60**	88
Less: Share-based compensation awards exercised		**(6,011)**	(26,272)
Balance, end of year		**$ 43,459**	$ 44,062
NON-CONTROLLING INTEREST			
Balance, beginning of year		**$ –**	$ 6,427
Disposal of non-controlling interest		**–**	(5,602)
Reclassification of non-controlling interest on dissolution of entity		**–**	2,443
Foreign exchange impact on non-controlling interest		**–**	66
Distributions to non-controlling shareholders		**(17,890)**	(6,415)
Profit attributable to non-controlling interest		**17,890**	3,081
Balance, end of year		**$ –**	$ –
TOTAL DEFICIT		**$ (651,087)**	$ (638,822)

See accompanying notes to the consolidated financial statements

Consolidated statements of cash flows

For the years ended March 31 (in thousands of Canadian dollars)

	Notes	2016	2015
Net inflow of cash related to the following activities			
OPERATING			
Profit (loss) from continuing operations before income taxes		**$ 82,176**	$ (605,266)
Items not affecting cash			
Amortization of intangible assets and related supply contracts	21(a)	**17,063**	41,814
Amortization of contract initiation costs		**19,440**	29,249
Amortization of property, plant and equipment	21(a)	**3,606**	3,579
Amortization included in cost of sales		**2,543**	1,398
Share-based compensation	21(a)	**5,348**	7,120
Financing charges, non-cash portion		**15,471**	15,609
Other		**(351)**	(227)
Change in fair value of derivative instruments		**22,803**	635,204
Cash inflow from operating activities of discontinued operations		**–**	20,902
		85,923	754,648
Adjustment required to reflect net cash receipts from gas sales	29	**14,895**	(2,698)
Net change in non-cash working capital balances	30	**18,710**	(44,458)
		201,704	102,226
Income taxes paid		**(14,598)**	(6,014)
Cash inflow from operating activities		**187,106**	96,212
INVESTING			
Purchase of property, plant and equipment		**(6,897)**	(5,769)
Purchase of intangible assets		**(10,062)**	(7,632)
Proceeds on disposal of subsidiaries		**–**	195,510
Contract initiation costs		**–**	(29,831)
Restricted cash		**10,551**	–
Cash outflow from investing activities of discontinued operations		**–**	(18,713)
Cash inflow (outflow) from investing activities		**(6,408)**	133,565
FINANCING			
Dividends paid		**(74,732)**	(83,041)
Issuance of long-term debt		**–**	310,279
Repayment of long-term debt		**(32,073)**	(381,359)
Debt issuance costs		**(3,518)**	(370)
Distributions to non-controlling interest		**(17,890)**	(6,415)
Cash outflow from financing activities of discontinued operations		**–**	(15,560)
Cash outflow from financing activities		**(128,213)**	(176,466)
Effect of foreign currency translation on cash balances		**(3,703)**	7,037
Net cash inflow		**48,782**	60,348
Cash and cash equivalents reclassified to assets held for sale		**–**	(1,935)
Cash and cash equivalents, beginning of year		**78,814**	20,401
Cash and cash equivalents, end of year		**$ 127,596**	$ 78,814
Supplemental cash flow information:			
Interest paid		**$ 58,481**	$ 56,505

See accompanying notes to the consolidated financial statements

Notes to the consolidated financial statements

For the year ended March 31, 2016
(in thousands of Canadian dollars, except where indicated and per share amounts)

1 ORGANIZATION

Just Energy Group Inc. ("JEGI", "Just Energy" or "the Company") is a corporation established under the laws of Canada to hold securities and to distribute the income of its directly or indirectly owned operating subsidiaries and affiliates. The registered office of Just Energy is First Canadian Place, 100 King Street West, Toronto, Ontario, Canada. The consolidated financial statements consist of Just Energy and its subsidiaries and affiliates. The consolidated financial statements were approved by the Board of Directors on May 18, 2016.

2 OPERATIONS

Just Energy is an energy management solutions provider specializing in electricity, natural gas, and solar and green energy. The Company operates in the United States, Canada and the United Kingdom, offering a wide range of energy products and home energy management services including long-term fixed-price, variable-price, and flat-bill programs, smart thermostats, and residential solar panel installations. Just Energy is the parent company of Amigo Energy, Commerce Energy, Green Star Energy, Hudson Energy, Just Energy Solar, Tara Energy and TerraPass.

By fixing the price of natural gas or electricity under its fixed-price or price-protected program contracts for a period of up to five years, Just Energy's customers offset their exposure to changes in the price of these essential commodities. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Just Energy derives its margin or gross profit from the difference between the price at which it is able to sell the commodities to its customers and the related price at which it purchases the associated volumes from its suppliers.

In addition, Just Energy markets smart thermostats, offering the thermostats as a stand-alone unit or bundled with certain commodity products. The smart thermostats are manufactured and distributed by ecobee Inc. ("ecobee"), a company in which Just Energy holds a 10% equity interest. Just Energy also offers green products through its JustGreen program. The JustGreen electricity product offers customers the option of having all or a portion of their electricity sourced from renewable green sources such as wind, run of the river hydro or biomass. The JustGreen gas product offers carbon offset credits that allow customers to reduce or eliminate the carbon footprint of their homes or businesses. Additional green products allow customers to offset their carbon footprint without buying energy commodity products and can be offered in all states and provinces without being dependent on energy deregulation.

Just Energy markets its product offerings through a number of sales channels including door-to-door marketing, broker and affinity relationships, and online marketing. The online marketing of gas and electricity contracts is primarily conducted through Just Ventures LLC and Just Ventures L.P. (collectively, "Just Ventures"), a joint venture in which Just Energy holds a 50% equity interest. Just Energy has also entered into a partnership to act as an originator of residential solar deals that are financed and installed by Spruce Finance Inc. (formerly Clean Power Finance).

3 BASIS OF PRESENTATION

Statement of compliance with IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these consolidated financial statements were based on IFRS issued and outstanding as at March 31, 2016.

The consolidated financial statements are presented in Canadian dollars, the functional currency of Just Energy, and all values are rounded to the nearest thousand, except where indicated. The Company's consolidated financial statements are prepared on the historical cost basis of accounting, except as disclosed in the accounting policies set out below.

Principles of consolidation

The consolidated financial statements include the accounts of Just Energy and its directly or indirectly owned subsidiaries as at March 31, 2016. Subsidiaries are consolidated from the date of acquisition and control, and continue to be consolidated until the date that such control ceases. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee. The financial statements of the subsidiaries are prepared for the same reporting period as Just Energy, using consistent accounting policies. All intercompany balances, income, expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

4 SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents and restricted cash

All highly liquid temporary cash investments with an original maturity of three months or less when purchased are considered to be cash equivalents. For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Restricted cash includes cash and cash equivalents where the availability of funds is restricted by debt arrangements or held in escrow as part of prior acquisition agreements.

Accrued gas receivables/accrued gas payable or gas delivered in excess of consumption/deferred revenue
Accrued gas receivables are stated at fair value and result when customers consume more gas than has been delivered by Just Energy to local distribution companies ("LDCs"). Accrued gas payable represents the obligation to the LDCs with respect to gas consumed by customers in excess of that delivered to the LDCs.

Gas delivered to LDCs in excess of consumption by customers is stated at the lower of cost and net realizable value. Collections from customers in advance of their consumption of gas result in deferred revenue.

Assuming normal weather and consumption patterns, during the winter months, customers will have consumed more than what was delivered, resulting in the recognition of unbilled revenues/accrued gas payable; however, in the summer months, customers will have consumed less than what was delivered, resulting in the recognition of gas delivered in excess of consumption/deferred revenue.

These adjustments are applicable solely to the Ontario, Manitoba, Quebec, Saskatchewan and Michigan gas markets.

Gas in storage
Gas in storage represents the gas delivered to the LDCs in Illinois, Indiana, New York, Ohio, Georgia, Maryland, California and Alberta. The balance will fluctuate as gas is injected into or withdrawn from storage.

Gas in storage is valued at the lower of cost and net realizable value with cost being determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business.

Property, plant and equipment
Property, plant and equipment are stated at cost, net of any accumulated depreciation and impairment losses. Cost includes the purchase price and, where relevant, any costs directly attributable to bringing the asset to the location and condition necessary and/or the present value of all dismantling and removal costs. Where major components of property, plant and equipment have different useful lives, the components are recognized and depreciated separately. Just Energy recognizes in the carrying amount the cost of replacing part of an item when the cost is incurred and if it is probable that the future economic benefits embodied within the item can be reliably measured. When significant parts of property, plant and equipment are required to be replaced at intervals, Just Energy recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statements of income as a general and administrative expense when incurred. Depreciation is provided over the estimated useful lives of the assets as follows:

Asset category	Depreciation method	Rate/useful life
Furniture and fixtures	Declining balance	20%
Office equipment	Declining balance	20%
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	Term of lease
Thermostats	Straight-line	5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statements of income (loss).

The useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Goodwill
Goodwill is initially measured at cost, which is the excess of the cost of the business combination over Just Energy's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Any negative difference is recognized directly in the consolidated statements of income.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Just Energy's operating segments that are expected to benefit from the synergies of the combination, irrespective of whether other assets and liabilities of the acquiree are assigned to those segments.

Intangible assets
Intangible assets acquired outside of a business combination are measured at cost on initial recognition. Intangible assets acquired in a business combination are recorded at fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and/or accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and amortization period of an intangible asset with a finite useful life is reviewed at least once annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense related to intangible assets with finite lives is recognized in the consolidated statements of income in the expense category associated with the function of the intangible assets.

Intangible assets consist of gas customer contracts, electricity customer contracts, sales network, brand and goodwill acquired through business combinations and asset purchases, as well as software, commodity billing and settlement systems, and information technology system development.

Internally generated intangible assets are capitalized when the product or process is technically and commercially feasible, the future economic benefit is measurable, Just Energy can demonstrate how the asset will generate future economic benefits and Just Energy has sufficient resources to complete development. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

The brand and goodwill are considered to have indefinite useful lives and are not amortized, but rather tested annually for impairment. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the consolidated statements of income when the asset is derecognized.

Intangible asset category	Amortization method	Rate
Customer contracts	Straight-line	Term of contract
Contract initiation costs	Straight-line	Term of contract
Commodity billing and settlement systems	Straight-line	5 years
Sales network and affinity relationships	Straight-line	5–8 years
Information technology system development	Straight-line	5 years
Software	Straight-line	1 year
Other intangible assets	Straight-line	5 years

Impairment of non-financial assets

Just Energy assesses whether there is an indication that an asset may be impaired at each reporting date. If such an indication exists or when annual testing for an asset is required, Just Energy estimates the asset's recoverable amount. The recoverable amounts of goodwill and intangible assets with an indefinite useful life are estimated at least annually. The recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value-in-use. Value-in-use is determined by discounting estimated future pre-tax cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the asset. In determining fair value less costs to sell, an appropriate valuation model has to be used. The recoverable amount of assets that do not generate independent cash flows is determined based on the CGU to which the asset belongs.

An impairment loss is recognized in the consolidated statements of income (loss) if an asset's carrying amount or that of the CGU to which it is allocated is higher than its recoverable amount. Impairment losses of CGUs are first charged against the value of assets in proportion to their carrying amount.

In the consolidated statements of income (loss), an impairment loss is recognized in the expense category associated with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, Just Energy estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the consolidated statements of income (loss).

Goodwill is tested for impairment annually at year-end and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each segment to which the goodwill relates. Where the recoverable amount of the segment is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception date and whether fulfillment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset.

Just Energy as a lessee

Operating lease payments are recognized as an expense in the consolidated statements of income (loss) on a straight-line basis over the lease term.

Just Energy as a lessor

Leases where Just Energy does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Financial instruments

Financial assets and liabilities

Just Energy classifies its financial assets as either (i) financial assets at fair value through profit or loss, (ii) loans and receivables or (iii) other financial assets, and its financial liabilities as either (i) financial liabilities at fair value through profit or loss or (ii) other financial liabilities. Appropriate classification of financial assets and liabilities is determined at the time of initial recognition or when reclassified in the consolidated statements of financial position.

Financial instruments are recognized on the trade date, which is the date on which Just Energy commits to purchase or sell the asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as fair value through profit and loss if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into that are not designated as hedging instruments in hedge relationships as defined by IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). Included in this class are primarily physically delivered energy contracts, for which the own-use exemption could not be applied, financially settled energy contracts and foreign currency forward contracts.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 14. Related realized and unrealized gains and losses are included in the consolidated statements of income (loss).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category include receivables. Loans and receivables are initially recognized at fair value net of transaction costs. They are subsequently measured at amortized cost using the effective interest method less any impairment. The effective interest amortization is included in finance costs in the consolidated statements of income (loss).

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or when Just Energy has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

Just Energy assesses whether there is objective evidence that a financial asset is impaired at each reporting date. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows that can be reliably estimated.

For financial assets carried at amortized cost, Just Energy first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If Just Energy determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in income or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of other income in the consolidated statements of income (loss).

Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating costs in the consolidated statements of income (loss).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by Just Energy that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Included in this class are primarily physically delivered energy contracts, for which the own-use exemption could be not applied, financially settled energy contracts and foreign currency forward contracts.

Gains or losses on liabilities held-for-trading are recognized in the consolidated statements of income (loss).

Other financial liabilities

Other financial liabilities are measured at amortized cost using the effective interest rate method. Financial liabilities include long-term debt issued and are initially measured at fair value. Fair value is the consideration received, net of transaction costs incurred, trade and other payables and bank indebtedness. Transaction costs related to the long-term debt instruments are included in the value of the instruments and amortized using the effective interest rate method. The effective interest expense is included in finance costs in the consolidated statements of income (loss).

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of income (loss).

Derivative instruments
Just Energy enters into fixed term contracts with customers to provide electricity and gas at fixed prices. These customer contracts expose Just Energy to changes in consumption as well as changes in the market prices of gas and electricity. To reduce its exposure to movements in commodity prices, Just Energy enters into derivative contracts.

Just Energy analyzes all its contracts, of both a financial and non-financial nature, to identify the existence of any "embedded" derivatives. Embedded derivatives are accounted for separately from the underlying contract at the inception date when their economic characteristics are not closely related to those of the host contract and the host contract is not carried as held-for-trading or designated as fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

All derivatives are recognized at fair value on the date on which the derivative is entered into and are re-measured to fair value at each reporting date. Derivatives are carried in the consolidated statements of financial position as other financial assets when the fair value is positive and as other financial liabilities when the fair value is negative. Just Energy does not utilize hedge accounting; therefore, changes in the fair value of these derivatives are recorded directly to the consolidated statements of income (loss) and are included within change in fair value of derivative instruments.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is currently an enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques that are recognized by market participants. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models. An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 14.

Revenue recognition
Revenue is recognized when significant risks and rewards of ownership are transferred to the customer. In the case of gas and electricity, transfer of risks and rewards is upon consumption of the commodity. Just Energy recognizes revenue from thermostat leases, based on rental rates over the term commencing from the installation date.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes.

The Company assumes credit risk for all customers in Alberta, Illinois, Texas, Michigan, California, Georgia, Delaware, Ohio and for certain large volume customers in British Columbia. In these markets, the Company ensures that credit review processes are in place prior to the commodity flowing to the customer.

Foreign currency translation
Functional and presentation currency
Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). For U.S.-based subsidiaries, this is U.S. dollars and for subsidiaries based in the U.K., it is British pounds. The consolidated financial statements are presented in Canadian dollars, which is the parent company's presentation and functional currency.

Transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income (loss), except when deferred in other comprehensive income ("OCI") as qualifying net investment hedges.

Translation of foreign operations
The results and consolidated financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position; and
- income and expenses for each consolidated statement of income (loss) are translated at the exchange rates prevailing at the dates of the transactions.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other foreign currency instruments designated as hedges of such investments, are recorded to OCI.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in accumulated other comprehensive income are recognized in the consolidated statements of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Earnings (loss) per share amounts

The computation of earnings (loss) per share is based on the weighted average number of shares outstanding during the year. Diluted earnings per share are computed in a similar way to basic earnings (loss) per share except that the weighted average number of shares outstanding is increased to include additional shares assuming the exercise of stock options, restricted share grants ("RSGs"), performance bonus incentive grants ("PBGs"), deferred share grants ("DSGs") and convertible debentures, if dilutive.

Share-based compensation plans

Equity-based compensation liability

Just Energy accounts for its share-based compensation as equity-settled transactions. The cost of share-based compensation is measured by reference to the fair value at the date on which it was granted. Awards are valued at the grant date and are not adjusted for changes in the prices of the underlying shares and other measurement assumptions. The cost of equity-settled transactions is recognized, together with the corresponding increase in equity, over the period in which the performance or service conditions are fulfilled, ending on the date on which the relevant grantee becomes fully entitled to the award. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting period reflects the extent to which the vesting period has expired and Just Energy's best estimate of the number of the shares that will ultimately vest. The expense or credit recognized for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

When options, RSGs, PBGs and DSGs are exercised or exchanged, the amounts credited to contributed surplus are reversed and credited to shareholders' capital.

The RSG plan is an equity-settled plan with the exception of the cash-out option offered. It allows employees who (i) hold a position below director or (ii) wish to exchange 500 or fewer RSGs to receive cash in lieu of shares. The Company records this financial liability as fair value through profit and loss. Fair value is based on the number of RSGs eligible for the cash-out option and the underlying price of Just Energy's shares. As at March 31, 2016, the Company recorded $168 (2015 – $672) to other current liabilities with an offsetting adjustment to change in fair value of derivative financial instruments.

Employee future benefits

In Canada, Just Energy offers a long-term wealth accumulation plan (the "Plan") for all permanent full-time and permanent part-time employees (working more than 26 hours per week). The Plan consists of two components, a Deferred Profit Sharing Plan ("DPSP") and an Employee Profit Sharing Program ("EPSP"). For participants of the DPSP, Just Energy contributes an amount equal to a maximum of 2% per annum of an employee's base earnings. For the EPSP, Just Energy contributes an amount up to a maximum of 2% per annum of an employee's base earnings towards the purchase of shares of Just Energy, on a matching one for one basis.

For U.S. employees, Just Energy has established a long-term savings plan (the "Plan") for all permanent full-time and part-time employees (working more than 30 hours per week) of its subsidiaries. The Plan consists of two components, a 401(k) and an Employee Unit Purchase Plan ("EUPP"). For participants who are enrolled only in the EUPP, Just Energy contributes an amount up to a maximum of 3% per annum of an employee's base earnings towards the purchase of Just Energy shares, on a matching one for one basis. For participants who are enrolled only in the 401(k), Just Energy contributes an amount up to a maximum of 4% per annum of an employee's base earnings, on a matching one for one basis. In the event an employee participates in both the EUPP and 401(k), the maximum Just Energy will contribute is 5% total, comprising 3% to the EUPP and 2% to the 401(k).

Participation in the plans in Canada or the U.S. is voluntary. For the 401(k) plan, there is a two-year vesting period beginning from the date of hire, and for the EUPP, there is a six-month vesting period from the employee's enrollment date in the plan.

Employees enrolled in the 401(k) plan only receive up to a 4% match. Employees enrolled in the EUPP only receive up to a 3% match. Employees enrolled in both the 401(k) plan and EUPP receive up to a 5% match, comprising 3% to the EUPP and 2% to the 401(k). During the year, Just Energy contributed $2,887 (2015 – $2,647) to the plans, which was paid in full during the year.

Obligations for contributions to the Plan are recognized as an expense in the consolidated statements of income (loss) when the employee makes a contribution.

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, based on the tax rates and laws enacted or substantively enacted at the dates of the consolidated financial statements.

Just Energy follows the liability method of accounting for deferred income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated tax consequences attributable to the temporary differences between the carrying value of the assets and liabilities in the consolidated financial statements and their respective tax bases.

Deferred tax assets and liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax asset/liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Provisions
Provisions are recognized when Just Energy has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where Just Energy expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income (loss), net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statements of income (loss).

Selling and marketing expenses
Commissions and various other costs related to obtaining and renewing customer contracts are charged to income in the period incurred except as disclosed below:

Commissions related to obtaining and renewing Commercial customer contracts are paid in one of the following ways: all or partially up front or as a residual payment over the term of the contract. If the commission is paid all or partially up front, it is recorded as a prepaid expense and expensed in selling and marketing expenses over the term for which the associated revenue is earned. If the commission is paid as a residual payment, the amount is expensed as earned.

In addition, commissions related to leasing thermostats are capitalized as part of the cost of the equipment.

Green provision and certificates
Just Energy is a retailer of green energy and records a provision to its regulators as green energy sales are recognized. A corresponding cost is included in cost of sales. Just Energy measures its provision based on the extent of green certificates that it holds or has committed to purchase and has recorded this obligation net of its green certificates. Any provision balance in excess of the green certificates held or that Just Energy has committed to purchase is measured at fair value. Green certificates are purchased by Just Energy to settle its obligation with the regulators. Just Energy measures these green certificates at cost. As at March 31, 2016, the net liability position was $16,183 (2015 – $18,552).

Non-current assets held for sale and discontinued operations
Just Energy classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for the held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statements of income. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

New standards, interpretations and amendments adopted by the Company during the year

Amendments to IAS 19, Defined Benefit Plans: Employee Contributions, require an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. This amendment had no impact on Just Energy's consolidated financial statements.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities. The estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances, the results of which form the basis for making the assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Judgments made by management in the application of IFRS that have a significant impact on the consolidated financial statements relate to the following:

Impairment of non-financial assets

Just Energy's impairment test is based on value-in-use calculations that use a discounted cash flow model. The cash flows are derived from the budget for the next five years and are sensitive to the discount rate used as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Deferred taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets and liabilities that can be recognized, based upon the likely timing and the level of future taxable income realized, including the usage of tax-planning strategies.

Useful life of key property, plant and equipment and intangible assets

The amortization method and useful lives reflect the pattern in which management expects the assets' future economic benefits to be consumed by Just Energy.

Provisions for litigation

Significant management judgment is required to determine the amount of provisions to record a liability relating to litigation.

Provisions are recognized when Just Energy has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statements of income (loss). Refer to Note 20 for further information.

Trade receivables

Just Energy reviews its individually significant receivables at each reporting date to assess whether an impairment loss should be recorded in the consolidated statements of income (loss). In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, Just Energy makes judgments about the borrower's financial situation and the fair value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 14 for further details about the assumptions as well as a sensitivity analysis.

Subsidiaries

Subsidiaries that are not wholly owned by Just Energy require judgment determining the amount of control that Just Energy has over that entity and the appropriate accounting treatments. In these consolidated financial statements, management has determined that Just Energy controls Just Ventures and, therefore, has treated the 50% that is not owned by Just Energy as a non-controlling interest.

6 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. Just Energy intends to adopt these standards, if applicable, when they become effective.

IFRS 9, Financial Instruments ("IFRS 9"), was issued by the IASB on July 24, 2014, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. IFRS 9 also uses a new model for hedge accounting aligning the accounting treatment with risk management activities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the impact of IFRS 9 on the consolidated financial statements.

IFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations ("IFRS 11"), requires an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles on business combination accounting in IFRS 3, Business Combinations, and other IFRS, that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRS in relation to business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation. The amendments also clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be re-measured if the joint operator retains joint control. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company does not expect this standard to have any impact on the consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or industry. The standard will also provide guidance on the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. The standard also outlines increased disclosures that will be required, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgments and estimates made. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the impact of IFRS 15 on the consolidated financial statements.

IAS 16 and IAS 38, Property, Plant and Equipment and Intangible Assets ("IAS 16 and 38"), clarify the acceptable methods of depreciation and amortization where revenue reflects a pattern of economic benefits generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. Just Energy does not expect these amendments to have any impact on the consolidated financial statements.

Amendments to IAS 1, Presentation of Financial Statements, were issued to address perceived impediments to preparers exercising their judgment in presenting their financial reports. Specific clarifications in the areas of materiality, aggregation and disaggregation of financial statement line items and the ordering of footnotes have been provided. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. Just Energy does not expect this standard to have any impact on the consolidated financial statements.

IFRS 16, Leases, was issued by the IASB in January 2016. This guidance brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Furthermore, per the standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less, and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17, Leases, and related interpretations, and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 has also been applied. Just Energy has not yet assessed the impact of this standard.

7 PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2016

	Computer equipment	Furniture and fixtures	Vehicles	Office equipment	Thermo-stats	Leasehold improve-ments	Total
Cost:							
Opening balance – April 1, 2015	$ 15,934	$ 6,972	$ 5	$ 22,571	$ 10,330	$ 8,666	$ 64,478
Additions	3,480	270	–	496	2,405	246	6,897
Exchange differences	80	58	1	90	57	1	287
Ending balance, March 31, 2016	19,494	7,300	6	23,157	12,792	8,913	71,662
Accumulated amortization:							
Opening balance – April 1, 2015	(10,203)	(5,330)	(5)	(15,100)	(2,678)	(7,347)	(40,663)
Amortization charge to cost of sales	–	–	–	–	(2,543)	–	(2,543)
Amortization charge for the year	(1,739)	(181)	–	(1,226)	–	(460)	(3,606)
Exchange differences	(26)	(33)	(1)	12	236	7	195
Ending balance, March 31, 2016	(11,968)	(5,544)	(6)	(16,314)	(4,985)	(7,800)	(46,617)
Net book value, March 31, 2016	$ 7,526	$ 1,756	$ –	$ 6,843	$ 7,807	$ 1,113	$ 25,045

As at March 31, 2015

	Computer equipment	Furniture and fixtures	Vehicles	Office equipment	Home services equipment	Thermo-stats	Leasehold improve-ments	Total
Cost:								
Opening balance – April 1, 2014	$ 13,691	$ 6,864	$ 22	$ 21,157	$ 190,618	$ 6,402	$ 9,079	$ 247,833
Additions	2,368	51	–	1,040	–	2,291	19	5,769
Transfer from NHS	–	–	–	–	–	3,365	–	3,365
Disposal on sale of subsidiary	(598)	(254)	(18)	(95)	(190,618)	(2,024)	(527)	(194,134)
Exchange differences	473	311	1	469	–	296	95	1,645
Ending balance, March 31, 2015	15,934	6,972	5	22,571	–	10,330	8,666	64,478
Accumulated amortization:								
Opening balance – April 1, 2014	(9,263)	(5,004)	(17)	(13,536)	(35,380)	(784)	(7,129)	(71,113)
Amortization charge to cost of sales	–	–	–	–	–	(1,398)	–	(1,398)
Amortization charge for the year	(1,413)	(335)	–	(1,357)	–	–	(474)	(3,579)
Transfer from NHS	–	–	–	–	–	(961)	–	(961)
Disposals	–	–	–	–	–	164	–	164
Disposal on sale of subsidiary	726	170	13	–	35,380	340	345	36,974
Exchange differences	(253)	(161)	(1)	(207)	–	(39)	(89)	(750)
Ending balance, March 31, 2015	(10,203)	(5,330)	(5)	(15,100)	–	(2,678)	(7,347)	(40,663)
Net book value, March 31, 2015	$ 5,731	$ 1,642	$ –	$ 7,471	$ –	$ 7,652	$ 1,319	$ 23,815

8 INTANGIBLE ASSETS

As at March 31, 2016

	Gas contracts	**Electricity contracts**	**Goodwill**	**Sales network and affinity relationships**	**Brand**	**Software**	**IT system development**	**Other**	**Total**
Cost:									
Opening balance – April 1, 2015	**$ 121,142**	**$ 312,271**	**$ 277,768**	**$ 156,282**	**$ 29,671**	**$ 29,219**	**$ 31,753**	**$ 11,759**	**$ 969,865**
Additions	**–**	**–**	**–**	**–**	**–**	**5,807**	**3,009**	**1,246**	**10,062**
Exchange differences	**868**	**7,914**	**2,745**	**3,961**	**752**	**251**	**625**	**207**	**17,323**
Ending balance, March 31, 2016	**122,010**	**320,185**	**280,513**	**160,243**	**30,423**	**35,277**	**35,387**	**13,212**	**997,250**
Accumulated amortization:									
Opening balance – April 1, 2015	**(121,142)**	**(312,271)**	**–**	**(125,816)**	**–**	**(25,793)**	**(27,764)**	**(8,568)**	**(621,354)**
Amortization charge for the year	**–**	**–**	**–**	**(8,335)**	**–**	**(6,143)**	**(1,608)**	**(977)**	**(17,063)**
Exchange differences	**(868)**	**(7,914)**	**–**	**(3,194)**	**–**	**(142)**	**(639)**	**(203)**	**(12,960)**
Ending balance, March 31, 2016	**(122,010)**	**(320,185)**	**–**	**(137,345)**	**–**	**(32,078)**	**(30,011)**	**(9,748)**	**(651,377)**
Net book value, March 31, 2016	**$ –**	**$ –**	**$ 280,513**	**$ 22,898**	**$ 30,423**	**$ 3,199**	**$ 5,376**	**$ 3,464**	**$ 345,873**

As at March 31, 2015

	Gas contracts	Electricity contracts	Water heater contracts	Goodwill	Sales network and affinity relationships	Brand	Software	IT system development	Other	Total
Cost:										
Opening balance – April 1, 2014	$ 116,787	$ 272,553	$ 51,839	$ 264,036	$ 136,404	$ 25,899	$ 23,430	$ 26,399	$ 9,753	$ 927,100
Transfer to discontinued operations	–	–	(51,839)	(283)	–	–	(294)	–	(57)	(52,473)
Additions	–	–	–	–	–	–	4,601	2,009	1,022	7,632
Exchange differences	4,355	39,718	–	14,015	19,878	3,772	1,482	3,345	1,041	87,606
Ending balance, March 31, 2015	121,142	312,271	–	277,768	156,282	29,671	29,219	31,753	11,759	969,865
Accumulated amortization:										
Opening balance – April 1, 2014	(116,787)	(260,673)	(11,640)	–	(85,874)	–	(19,987)	(19,739)	(7,472)	(522,172)
Transfer to discontinued operations	–	–	11,640	–	–	–	18	–	43	11,701
Amortization charge for the year	–	(7,292)	–	–	(24,738)	–	(4,631)	(5,052)	(101)	(41,814)
Amortization in mark to market	–	(5,016)	–	–	–	–	–	–	–	(5,016)
Exchange differences	(4,355)	(39,290)	–	–	(15,204)	–	(1,193)	(2,973)	(1,038)	(64,053)
Ending balance, March 31, 2015	(121,142)	(312,271)	–	–	(125,816)	–	(25,793)	(27,764)	(8,568)	(621,354)
Net book value, March 31, 2015	$ –	$ –	$ –	$ 277,768	$ 30,466	$ 29,671	$ 3,426	$ 3,989	$ 3,191	$ 348,511

The capitalized internally developed costs relate to the development of new customer billing and analysis software solutions for the different energy markets of Just Energy. All research costs and development costs not eligible for capitalization have been expensed and are recognized in administrative expenses.

9 RESTRICTED CASH

(i) As part of the disposal of the Solar division, Just Energy was required to transfer cash into restricted bank accounts. The Company has indemnified the buyer for certain obligations. The cash will be released as these are satisfied. As of March 31, 2016, these restricted cash balances were $7,495 (2015 – $6,177).

(ii) As part of a prior acquisition, Just Energy was required to transfer funds into a restricted cash account. The balance as of March 31, 2016 is $nil (2015 – $11,285).

10 TRADE AND OTHER RECEIVABLES

	March 31, 2016	March 31, 2015
Trade account receivables, net	**$ 274,365**	$ 375,715
Other	**87,890**	83,712
	$ 362,255	$ 459,427

11 DISCONTINUED OPERATIONS

(i) National Home Services

On November 24, 2014, Just Energy closed the sale of 100% of its shares in National Home Services (“NHS”) to Reliance Comfort Limited Partnership in the prior fiscal year. The purchase price was $505,000, reduced by the outstanding debt balances, early termination charges and the settlement of the royalty.

The results of NHS are presented below:

	From April 1, 2014 to November 24, 2014
Sales	$ 58,836
Cost of sales	11,259
Gross margin	47,577
Expenses	
Administrative, selling and operating	34,589
Operating income	12,988
Finance costs	(14,180)
Loss from discontinued operations before income taxes	(1,192)
Other loss	(30)
Provision for income taxes	(21,838)
Gain on disposal of net assets	191,201
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	$ 168,141
Earnings per share	
Basic earnings per share from discontinued operations	$ 1.16
Diluted earnings per share from discontinued operations	$ 1.13

(ii) Commercial Solar

On November 5, 2014, Just Energy sold its shares of Hudson Solar Corp. ("HES"), its Commercial Solar development business, to SunEdison, Inc. and its subsidiary, TerraForm Power Inc. The sale of HES resulted in the assumption or repayment by the purchaser of approximately US$33,000 in outstanding debt. Of the total sale price of US$22,900, Just Energy received approximately US$17,500 in cash, incurred approximately US$1,700 in costs and approximately US$5,771 is being held in escrow as indemnification to the buyer for certain liabilities.

The results of HES are presented below:

	From April 1, 2014 to November 5, 2014
Sales	$ 4,355
Cost of sales	–
Gross margin	4,355
Expenses	
Administrative and operating expenses	8,729
Operating income	(4,374)
Finance costs	(3,100)
Loss from discontinued operations before undernoted	(7,474)
Change in fair value of derivative instruments	(225)
Other loss	(148)
Provision for income taxes	(5)
Realized foreign exchange gain on disposal	2,465
Loss on disposal of net assets, net of impairment loss previously recognized	(30,081)
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	$ (35,468)
Loss per share	
Basic and diluted loss per share from discontinued operations	$ (0.22)

12 INVESTMENTS

(a) As at March 31, 2016, Just Energy has $589 (2015 – $3,167) in a promissory note that was issued to the non-controlling shareholder of a subsidiary. The promissory note receivable matures on August 24, 2037, and bears interest at the annual federal rate established by the Internal Revenue Service. Interest earned on this promissory note is recorded in other income.

(b) On August 10, 2012, Just Energy, through a subsidiary, acquired an interest in ecobee, a private company that designs, manufactures and distributes smart thermostats, for an amount of $6,460. The Company markets these smart thermostats in all its core markets, bundling the thermostats with commodity and home service products. As at March 31, 2016, Just Energy owns approximately 10% of ecobee. This investment is not measured at fair value because it cannot be determined reliably.

13 NON-CONTROLLING INTEREST

Financial information of subsidiaries that have non-controlling interests is provided below:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit (loss) allocated to non-controlling interest		
Just Ventures (a)	**$ 17,890**	$ 6,415
Amigo Power LLC (b)	**–**	(64)
Hudson Solar Entities (c)	**–**	(3,270)

(a) Just Energy has a 50% interest in Just Ventures. These entities operate out of North Carolina and are involved in the marketing of Just Energy products primarily through Internet and telemarketing-based efforts. The non-controlling shareholder also has a 50% interest in these entities. Management has determined that Just Energy controls these entities due to its ability to affect the variable returns from these entities as a result of its control over the structuring and pricing of products, determining credit risk, servicing and billing customers and the level of input on the marketing activity in given regions.

(b) Just Energy and the non-controlling shareholders decided to dissolve this entity during the last fiscal year. The non-controlling interest balance has been reclassified to retained deficit.

(c) Up until the date of acquisition, Just Energy through its Solar division had interests in entities with minority shareholders. In these structures, Just Energy had equity interests of between 49% and 51%. Management had determined that Just Energy controlled these entities due to its ability to affect the variable returns from these entities as a result of its control over negotiating power purchase agreements and managing the relevant activities of the underlying solar assets over their useful life. These entities are included in the discontinued operations as disclosed in Note 11.

The summarized financial information of these subsidiaries is provided below. This information is based on 100% of the entities' activities before intercompany eliminations.

	Just Ventures	Amigo	Solar
Summarized financial information for 2016:			
Gross margin	**$ 78,774**	**$ –**	**$ –**
Selling and marketing expenses	**42,994**	**–**	**–**
Profit from continuing operations	**35,780**	**–**	**–**
Cash flows provided by operating activities	**35,780**	**–**	**–**
Cash flows used in financing activities	**(35,780)**	**–**	**–**

	Just Ventures	Amigo	Solar
Summarized financial information for 2015:			
Gross margin	$ 43,139	$ 1,866	$ –
Selling and marketing expenses	30,309	4,855	–
Administrative expenses	–	110	–
Profit (loss) from continuing operations	12,830	(3,079)	–
Loss from discontinued operations	–	–	488
Cash flows provided by (used in) operating activities	12,830	(3,079)	(1,020)[1]
Cash flows used in investing activities	–	–	(26)[1]
Cash flows provided by (used in) financing activities	(12,830)	–	1,194[1]

1 These are classified with cash flows from discontinued operations.

14 FINANCIAL INSTRUMENTS

(a) Fair value of derivative financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Management has estimated the value of financial swaps, physical forwards and option contracts for electricity, natural gas, carbon and renewable energy certificates, and generation and transmission capacity contracts using a discounted cash flow method, which employs market forward curves that are either directly sourced from third parties or are developed internally based on third party market data. These curves can be volatile, thus leading to volatility in the mark to market with no immediate impact to cash flows. Gas options have been valued using the Black option value model using the applicable market forward curves and the implied volatility from other market traded options.

The following table illustrates gains (losses) related to Just Energy's derivative financial instruments classified as fair value through profit or loss and recorded on the consolidated statements of financial position as other assets and other liabilities, with their offsetting values recorded in change in fair value of derivative instruments.

Change in fair value of derivative instruments

	For the year ended March 31, 2016	For the year ended March 31, 2015
Physical forward contracts and options (i)	**$ 23,901**	$ (434,755)
Financial swap contracts and options (ii)	**(39,095)**	(201,734)
Foreign exchange forward contracts	**4,401**	(1,317)
Share swap	**3,733**	(5,372)
Amortization of derivative financial instruments related to acquisitions	**–**	(5,062)
Liability associated with exchangeable shares and equity-based compensation	**296**	204
Eurobond conversion feature	**(15,380)**	10,440
Other derivative options	**(659)**	2,392
Change in fair value of derivative instruments	**$ (22,803)**	$ (635,204)

The following table summarizes certain aspects of the derivative financial assets and liabilities recorded in the consolidated statements of financial position as at March 31, 2016:

	Other financial assets (current)	Other financial assets (non-current)	Other financial liabilities (current)	Other financial liabilities (non-current)
Physical forward contracts and options (i)	**$ 1,109**	**$ 1,752**	**$ 276,211**	**$ 149,478**
Financial swap contracts and options (ii)	**1,269**	**1,269**	**151,371**	**100,915**
Foreign exchange forward contracts	**2,496**	**–**	**–**	**470**
Share swap	**–**	**–**	**–**	**13,818**
Eurobond conversion feature	**–**	**–**	**–**	**22,271**
Other derivative options	**116**	**363**	**280**	**–**
As at March 31, 2016	**$ 4,990**	**$ 3,384**	**$ 427,862**	**$ 286,952**

The following table summarizes certain aspects of the derivative financial assets and liabilities recorded in consolidated statements of financial position as at March 31, 2015:

	Other financial assets (current)	Other financial assets (non-current)	Other financial liabilities (current)	Other financial liabilities (non-current)
Physical forward contracts and options (i)	$ 2,508	$ 119	$ 272,731	$ 174,495
Financial swap contracts and options (ii)	369	529	111,022	100,383
Foreign exchange forward contracts	–	–	2,375	–
Share swap	–	–	–	17,551
Eurobond conversion feature	–	–	–	6,891
Other derivative options	1,957	443	112	–
As at March 31, 2015	$ 4,834	$ 1,091	$ 386,240	$ 299,320

Below is a summary of the financial instruments classified through profit and loss as at March 31, 2016, to which Just Energy has committed:

(i) Physical forward contracts and options consist of:

- Electricity contracts with a total remaining volume of 36,750,592 MWh, a weighted average price of $49.82 and expiry dates up to December 31, 2021.
- Natural gas contracts with a total remaining volume of 67,316,524 GJs, a weighted average price of $3.42/GJ and expiry dates up to March 31, 2021.
- Renewable Energy Certificates (“RECs”) and emission-reduction credit contracts with a total remaining volume of 7,884,014 MWh and 1,050,000 tonnes, respectively, a weighted average price of $20.62/REC and $3.42/tonne, respectively, and expiry dates up to December 31, 2028.
- Electricity generation capacity contracts with a total remaining volume of 6,931 MWCap, a weighted average price of $7,228.41/MWCap and expiry dates up to October 31, 2020.

(ii) Financial swap contracts and options consist of:

- Electricity contracts with a total remaining volume of 25,246,677 MWh, an average price of $40.56 and expiry dates up to December 31, 2021.
- Natural gas contracts with a total remaining volume of 133,614,906 GJs, an average price of $3.78/GJ and expiry dates up to March 31, 2021.
- Electricity generation capacity contracts with a total remaining volume of 485 MWCap, a weighted average price of $3,588.84/MWCap and expiry dates up to October 31, 2018.

These derivative financial instruments create a credit risk for Just Energy since they have been transacted with a limited number of counterparties. Should any counterparty be unable to fulfill its obligations under the contracts, Just Energy may not be able to realize the other assets’ balance recognized in the consolidated financial statements.

Share swap agreement

The Company has entered into a share swap agreement to manage the statements of income (loss) volatility associated with the Company's restricted share grant and deferred share grant plans. The value, on inception, of the 2,500,000 shares under this share swap agreement was approximately $33,803. Net monthly settlements received under the share swap agreement are recorded in other income. The Company marks to market the fair value of the share swap agreement and has included that value as other non-current financial liabilities on the consolidated statements of financial position. Changes in the fair value of the share swap agreement are recorded through the consolidated statements of income (loss) as a change in fair value of derivative instruments.

Fair value ("FV") hierarchy derivatives

Level 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted unadjusted market prices.

Level 2

Fair value measurements that require observable inputs other than quoted prices in Level 1, either directly or indirectly, are classified as Level 2 in the FV hierarchy. This could include the use of statistical techniques to derive the FV curve from observable market prices. However, in order to be classified under Level 2, inputs must be directly or indirectly observable in the market. Just Energy values its New York Mercantile Exchange ("NYMEX") financial gas fixed-for-floating swaps under Level 2.

Level 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs are classified as Level 3 in the FV hierarchy. For the supply contracts, Just Energy uses quoted market prices as per available market forward data and applies a price-shaping profile to calculate the monthly prices from annual strips and hourly prices from block strips for the purposes of mark to market calculations. The profile is based on historical settlements with counterparties or with the system operator and is considered an unobservable input for the purposes of establishing the level in the FV hierarchy. For the natural gas supply contracts, Just Energy uses three different market observable curves: i) Commodity (predominately NYMEX), ii) Basis and iii) Foreign exchange. NYMEX curves extend for over five years (thereby covering the length of Just Energy's contracts); however, most basis curves only extend 12 to 15 months into the future. In order to calculate basis curves for the remaining years, Just Energy uses extrapolation, which leads natural gas supply contracts to be classified under Level 3.

For the share swap, Just Energy uses a forward interest rate curve along with a volume weighted average share price. The Eurobond conversion feature is valued using an option pricing model.

The Company's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There was no transfer into or out of Level 1, Level 2 or Level 3 during the years ended March 31, 2016 or 2015.

Fair value measurement input sensitivity

The main cause of changes in the fair value of derivative instruments is changes in the forward curve prices used for the fair value calculations. Just Energy provides a sensitivity analysis of these forward curves under the market risk section of this note. Other inputs, including volatility and correlations, are driven off historical settlements.

The following table illustrates the classification of derivative financial assets (liabilities) in the FV hierarchy as at March 31, 2016:

	Level 1	**Level 2**	**Level 3**	**Total**
Derivative financial assets	**$ –**	**$ –**	**$ 8,374**	**$ 8,374**
Derivative financial liabilities	**–**	**(68,209)**	**(646,605)**	**(714,814)**
Total net derivative liabilities	**$ –**	**$ (68,209)**	**$ (638,231)**	**$ (706,440)**

The following table illustrates the classification of financial assets (liabilities) in the FV hierarchy as at March 31, 2015:

	Level 1	Level 2	Level 3	Total
Derivative financial assets	$ –	$ –	$ 5,925	$ 5,925
Derivative financial liabilities	–	(55,711)	(629,849)	(685,560)
Total net derivative liabilities	$ –	$ (55,711)	$ (623,924)	$ (679,635)

Key assumptions used when determining the significant unobservable inputs included in Level 3 of the FV hierarchy consist of:

(i) up to 5% price extrapolation to calculate monthly prices that extend beyond the market observable 12–15 month forward curve,

(ii) discount for counterparty non-performance risk up to 5%, and

(iii) discount rate in the range of 6% to 8%.

The following table illustrates the changes in net fair value of financial assets (liabilities) classified as Level 3 in the FV hierarchy for the years ended March 31, 2016 and March 31, 2015:

	March 31, 2016	March 31, 2015
Balance, beginning of year	**$ (623,924)**	$ 67,166
Total losses	**(252,062)**	(336,308)
Purchases	**(116,916)**	(347,062)
Sales	**2,717**	46,662
Settlements	**351,954**	(54,382)
Balance, end of year	**$ (638,231)**	$ (623,924)

(b) Classification of non-derivative financial assets and liabilities
As at March 31, 2016 and 2015, the carrying value of cash and cash equivalents, restricted cash, current trade and other receivables, unbilled revenues, and trade and other payables approximates their fair value due to their short-term nature.

Long-term debt recorded at amortized cost has a fair value as at March 31, 2016 of $689,714 (March 31, 2015 – $664,874) and the interest payable on outstanding amounts is at rates that vary with bankers' acceptances, LIBOR, Canadian bank prime rate or U.S. prime rate, with the following exceptions:

(i) the $321 million, $100 million and US$150 million convertible debentures, which are fair valued based on market value; and

(ii) the fair value of the senior unsecured note is based on discounting future cash flows using a discount rate consistent with the above convertible debentures.

The $321 million, $100 million and US$150 million convertible debentures are classified as Level 1 and the senior unsecured note is classified as Level 2 in the FV hierarchy.

(c) Management of risks arising from financial instruments
The risks associated with Just Energy's financial instruments are as follows:

(i) Market risk
Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which Just Energy is exposed are discussed below.

Foreign currency risk
Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates and exposure as a result of investments in U.S. and U.K. operations.

The performance of the Canadian dollar relative to the U.S. dollar could positively or negatively affect Just Energy's income, as a portion of Just Energy's income is generated in U.S. dollars and is subject to currency fluctuation upon translation to Canadian dollars. Due to its growing operations in the U.S., Just Energy expects to have a greater exposure to U.S. fluctuations in the future than in prior years. Just Energy has economically hedged between 50% and 90% of forecasted cross border cash flows that are expected to occur within the next 12 months and between 0% and 50% of certain forecasted cross border cash flows that are expected to occur within the next 13 to 24 months. The level of economic hedging is dependent on the source of the cash flow and the time remaining until the cash repatriation occurs.

Just Energy may, from time to time, experience losses resulting from fluctuations in the values of its foreign currency transactions, which could adversely affect its operating results. Translation risk is not hedged.

With respect to translation exposure, if the Canadian dollar had been 5% stronger or weaker against the U.S. dollar for the year ended March 31, 2016, assuming that all the other variables had remained constant, profit for the year would have been $5,054 higher/lower and other comprehensive loss would have been $283 lower/higher.

Interest rate risk

Just Energy is only exposed to interest rate fluctuations associated with its floating rate credit facility. Just Energy's current exposure to interest rates does not economically warrant the use of derivative instruments. The Company's exposure to interest rate risk is relatively immaterial and temporary in nature. Just Energy does not currently believe that long-term debt exposes it to material interest rate risks but has set out parameters to actively manage this risk within its Risk Management Policy.

A 1% increase (decrease) in interest rates would have resulted in a decrease (increase) of approximately $11 in profit (loss) before income taxes for the year ended March 31, 2016 (2015 – $889).

Commodity price risk

Just Energy is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly thresholds for open positions in the gas and electricity portfolios, which also feed a Value at Risk limit. Should any of the limits be exceeded, they are closed expeditiously or express approval to continue to hold is obtained. Just Energy's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, volatility and liquidity of markets. Just Energy enters into derivative instruments in order to manage exposures to changes in commodity prices. The derivative instruments that are used are designed to fix the price of supply for estimated customer commodity demand and thereby fix margins such that shareholder dividends can be appropriately established. Derivative instruments are generally transacted over the counter. The inability or failure of Just Energy to manage and monitor the above market risks could have a material adverse effect on the operations and cash flows of Just Energy. Just Energy mitigates the exposure to variances in customer requirements that are driven by changes in expected weather conditions through active management of the underlying portfolio, which involves, but is not limited to, the purchase of options including weather derivatives. Just Energy's ability to mitigate weather effects is limited by the degree to which weather conditions deviate from normal.

Commodity price sensitivity – all derivative financial instruments

If all the energy prices associated with derivative financial instruments including natural gas, electricity, verified emission-reduction credits and renewable energy certificates had risen (fallen) by 10%, assuming that all of the other variables had remained constant, profit (loss) before income taxes for the year ended March 31, 2016 would have increased (decreased) by $218,425 ($218,004) primarily as a result of the change in fair value of Just Energy's derivative financial instruments.

Commodity price sensitivity – Level 3 derivative financial instruments

If the energy prices associated with only Level 3 derivative financial instruments including natural gas, electricity, verified emission-reduction credits and renewable energy certificates had risen (fallen) by 10%, assuming that all of the other variables had remained constant, income before income taxes for the year ended March 31, 2016 would have increased (decreased) by $197,144 ($196,835) primarily as a result of the change in fair value of Just Energy's derivative financial instruments.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Just Energy is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

In Alberta, Texas, Illinois, British Columbia, California, Michigan, Delaware, Ohio, Georgia and the United Kingdom, Just Energy has customer credit risk and, therefore, credit review processes have been implemented to perform credit evaluations of customers and manage customer default. If a significant number of customers were to default on their payments, it could have a material adverse effect on the operations and cash flows of Just Energy. Management factors default from credit risk in its margin expectations for all the above markets.

The aging of the accounts receivable from the above markets was as follows:

	March 31, 2016	March 31, 2015
Current	**$ 104,275**	$ 146,044
1–30 days	**33,984**	40,911
31–60 days	**13,129**	11,116
61–90 days	**6,603**	6,140
Over 91 days	**48,382**	46,277
	$ 206,373	$ 250,488

Changes in the allowance for doubtful accounts were as follows:

	March 31, 2016	March 31, 2015
Balance, beginning of year	**$ 58,314**	$ 60,997
Allowance reclassified as held for sale	**–**	(1,282)
Provision for doubtful accounts	**68,531**	62,077
Bad debts written off	**(60,304)**	(60,375)
Other	**(7,752)**	(3,103)
Balance, end of year	**$ 58,789**	$ 58,314

In the remaining markets, the local distribution companies ("LDCs") provide collection services and assume the risk of any bad debts owing from Just Energy's customers for a fee. Management believes that the risk of the LDCs failing to deliver payment to Just Energy is minimal. There is no assurance that the LDCs providing these services will continue to do so in the future.

Counterparty credit risk

Counterparty credit risk represents the loss that Just Energy would incur if a counterparty fails to perform under its contractual obligations. This risk would manifest itself in Just Energy replacing contracted supply at prevailing market rates, thus impacting the related customer margin. Counterparty limits are established within the Risk Management Policy. Any exceptions to these limits require approval from the Board of Directors of Just Energy. The Risk Department and Risk Committee monitor current and potential credit exposure to individual counterparties and also monitor overall aggregate counterparty exposure. However, the failure of a counterparty to meet its contractual obligations could have a material adverse effect on the operations and cash flows of Just Energy.

As at March 31, 2016, the estimated counterparty credit risk exposure amounted to $8,374 (2015 – $5,925), representing the risk relating to the Company's exposure to derivatives that are in an asset position.

(iii) Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. Just Energy manages this risk by monitoring detailed weekly cash flow forecasts covering a rolling six-week period, monthly cash forecasts for the next 12 months, and quarterly forecasts for the following two-year period to ensure adequate and efficient use of cash resources and credit facilities.

The following are the contractual maturities, excluding interest payments, reflecting undiscounted disbursements of Just Energy's financial liabilities:

As at March 31, 2016

	Carrying amount	Contractual cash flows	Less than 1 year	1–3 years	4–5 years	More than 5 years
Trade and other payables	**$ 458,922**	**$ 458,922**	**$ 458,922**	**$ –**	**$ –**	**$ –**
Long-term debt[1]	**660,543**	**696,221**	**–**	**501,416**	**194,805**	**–**
Derivative instruments	**714,814**	**3,808,888**	**2,099,984**	**1,442,238**	**231,227**	**35,439**
	$ 1,834,279	**$ 4,964,031**	**$ 2,558,906**	**$ 1,943,654**	**$ 426,032**	**$ 35,439**

1 Included in long-term debt are the $321,416 and $100,000 relating to convertible debentures and US$150,000 relating to convertible bonds, which may be settled through the issuance of shares at the option of the holder or Just Energy upon maturity.

As at March 31, 2015

	Carrying amount	Contractual cash flows	Less than 1 year	1–3 years	4–5 years	More than 5 years
Trade and other payables	$ 510,470	$ 510,470	$ 510,470	$ –	$ –	$ –
Long-term debt	676,503	723,433	23	328,420	394,990	–
Derivative instruments	685,560	4,074,637	2,167,000	1,596,187	274,187	37,263
	$ 1,872,533	$ 5,308,540	$ 2,677,493	$ 1,924,607	$ 669,177	$ 37,263

In addition to the amounts noted above, as at March 31, 2016, the contractual net interest payments over the term of the long-term debt with scheduled repayment terms are as follows:

	Less than 1 year	1–3 years	4–5 years	More than 5 years
Interest payments	$ 42,586	$ 43,570	$ 4,875	$ –

(iv) Supplier risk

Just Energy purchases the majority of the gas and electricity delivered to its customers through long-term contracts entered into with various suppliers. Just Energy has an exposure to supplier risk as the ability to continue to deliver gas and electricity to its customers is reliant upon the ongoing operations of these suppliers and their ability to fulfill their contractual obligations. As at March 31, 2016, Just Energy has applied a discount factor to determine the fair value of its financial assets in the amount of $2,865 (2015 – $1,822) to accommodate for its counterparties' risk of default.

15 ACCUMULATED OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2016

	Foreign currency translation adjustments
Balance, beginning of year	**$ 56,393**
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:	
Unrealized foreign currency translation adjustment	**(7,485)**
Balance, end of year	**$ 48,908**

For the year ended March 31, 2015

	Foreign currency translation adjustments
Balance, beginning of year	$ 71,997
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:	
Unrealized foreign currency translation adjustment	(13,139)
Realized loss on translation of foreign operations sold	(2,465)
Balance, end of year	$ 56,393

16 SHAREHOLDERS' CAPITAL

Just Energy is authorized to issue an unlimited number of common shares and 50,000,000 preference shares issuable in series, both with no par value. Shares outstanding have no preferences, rights or restrictions attached to them. Details of issued and outstanding shareholders' capital as at March 31, 2016, with comparatives as at March 31, 2015, are as follows:

	Year ended March 31, 2016		Year ended March 31, 2015	
	Shares	**Amount**	Shares	Amount
Issued and outstanding				
Balance, beginning of year	**146,559,176**	**$ 1,063,423**	143,751,476	$ 1,033,557
Share-based awards exercised	**624,602**	**6,011**	2,203,869	26,272
Dividend reinvestment plan	**–**	**–**	603,831	3,594
Balance, end of year	**147,183,778**	**$ 1,069,434**	146,559,176	$ 1,063,423

Dividend reinvestment plan

Under Just Energy's dividend reinvestment plan ("DRIP") prior to its suspension on January 1, 2015, Canadian shareholders holding a minimum of 100 common shares could elect to receive their dividends in common shares rather than cash at a 2% discount to the simple average closing price of the common shares for the five trading days preceding the applicable dividend payment date, provided that the common shares were issued from treasury and not purchased on the open market.

17 SHARE-BASED COMPENSATION PLANS

(a) Stock option plan

Just Energy may grant awards under its 2010 share option plan (formerly the 2001 Unit Option Plan) to directors, officers, full-time employees and service providers (non-employees) of Just Energy and its subsidiaries and affiliates. In accordance with the share option plan, Just Energy may grant options to a maximum of 11,300,000 shares. As at March 31, 2016, there were 814,166 options still available for grant under the plan. Of the options issued, 500,000 options remain outstanding at March 31, 2016 and 2015 with an exercise price of $7.88. The exercise price of the share options equals the closing market price of the Company's shares on the last business day preceding the grant date. The share options vest over periods ranging from three to five years from the grant date and expire after five or ten years from the grant date.

(b) Restricted share grants

Just Energy grants awards under the 2010 Restricted Share Grants Plan (formerly the 2004 unit appreciation rights) in the form of fully paid RSGs to senior officers, employees and service providers of its subsidiaries and affiliates. As at March 31, 2016, there were 4,591,312 RSGs (2015 – 28,024) still available for grant under the plan. Of the RSGs issued, 1,740,363 remain outstanding as at March 31, 2016 (2015 – 2,156,034). Except as otherwise provided, (i) the RSGs vest from one to five years from the grant date providing, in most cases, that on the applicable vesting date the RSG grantee continues as a senior officer, employee or service provider of Just Energy or any affiliate thereof; (ii) the RSGs expire no later than ten years from the grant date; (iii) a holder of RSGs is entitled to payments at the same rate as dividends paid to JEGI shareholders; and (iv) when vested, the holder of an RSG may exchange one RSG for one common share.

There are 560,000 RSGs granted to senior management that do not receive dividend payments. In addition to a continued employment condition for vesting, there are certain share price targets that must be met.

RSGs available for grant

	2016	2015
Balance, beginning of year	**28,024**	1,067,060
Add: Increase in RSGs available for grant	**5,000,000**	–
Less: Granted	**(592,084)**	(1,039,036)
Add: Cancelled/forfeited	**155,372**	–
Balance, end of year	**4,591,312**	28,024

The average grant date fair value of RSGs granted in the year was $6.09 (2015 – $6.28).

(c) Performance bonus grants

Just Energy grants awards under the 2013 performance bonus incentive plan (the "PBG Plan") in the form of fully paid PBGs to senior officers, employees, consultants and service providers of its subsidiaries and affiliates. As at March 31, 2016, there were 2,842,409 (2015 – 3,106,896) PBGs still available for grant under the PBG Plan. Of the PBGs issued, 1,084,903 remain outstanding as at March 31, 2016 (2015 – 301,114). Except as otherwise provided, (i) the PBGs will entitle the holder to be paid in three equal installments as one-third on each of the first, second and third anniversaries of the grant date providing, in most cases, on the applicable vesting date the PBG grantee continues as a senior officer, employee, consultant or service provider of Just Energy or any affiliate thereof; (ii) the PBGs expire no later than three years from the grant date; (iii) a holder of PBGs is entitled to payments at the same rate as dividends paid to JEGI shareholders; and (iv) when vested, Just Energy, at its sole discretion, shall have the option of settling payment for the PBGs, to which the holder is entitled in the form of either cash or common shares.

PBGs available for grant

	2016	2015
Balance, beginning of year	**3,106,896**	3,570,784
Less: Granted	**(371,100)**	(665,973)
Add: Cancelled/forfeited	**106,613**	202,085
Balance, end of year	**2,842,409**	3,106,896

The weighted average grant date fair value of PBGs granted in the year was $6.03 (2015 – $6.47).

(d) Deferred share grants

Just Energy grants awards under its 2010 Directors' Compensation Plan (formerly the 2004 Directors' deferred unit grants, "DUGs") to all independent directors on the basis that each director is required to annually receive 15% of their base retainer entitlement in DSGs and/or common shares and may elect to receive all or any portion of the balance of their annual compensation in DSGs and/or common shares. The holders of DSGs and/or common shares are also granted additional DSGs/common shares on a monthly basis equal to the monthly dividends paid to the shareholders of Just Energy. The DSGs vest on the earlier of the date of the director's resignation or three years following the date of grant, and expire 15 years following the date of grant. As at March 31, 2016, there were 147,430 DSGs (2015 – 178,136) available for grant under the plan. Of the DSGs issued, 69,933 DSGs remain outstanding as at March 31, 2016.

DSGs available for grant

	2016	2015
Balance, beginning of year	**178,136**	200,470
Less: Granted	**(30,706)**	(22,334)
Balance, end of year	**147,430**	178,136

The weighted average grant date fair value of DSGs granted in the year was $8.09 (2015 – $5.89).

18 LONG-TERM DEBT AND FINANCING

	March 31, 2016	March 31, 2015
Credit facility (a)	**$ –**	$ –
Less: Debt issue costs (a)	**(2,980)**	–
Senior unsecured note (b)	**80,000**	105,000
Less: Debt issue costs (b)	**(3,706)**	(5,051)
$330 million convertible debentures (c)	**311,028**	310,083
$100 million convertible debentures (d)	**93,637**	91,445
US$150 million convertible bonds (e)	**182,564**	175,003
Capital leases (f)	**–**	23
	660,543	676,503
Less: Current portion	**–**	(23)
	$ 660,543	$ 676,480

Future annual minimum repayments are as follows:

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
Senior unsecured note (b)	$ –	$ 80,000	$ –	$ –	$ 80,000
$330 million convertible debentures (c)	–	321,416	–	–	321,416
$100 million convertible debentures (d)	–	100,000	–	–	100,000
US$150 million convertible bonds (e)	–	–	194,805	–	194,805
	$ –	$ 501,416	$ 194,805	$ –	$ 696,221

The following table details the finance costs for the years ended March 31. Interest is expensed at the effective interest rate.

	2016	2015
Credit facility (a)	**$ 6,832**	$ 13,982
Senior unsecured note (b)	**14,311**	11,443
$330 million convertible debentures (c)	**27,464**	26,832
$100 million convertible debentures (d)	**7,942**	7,764
US$150 million convertible bonds (e)	**15,991**	13,651
Capital lease interest (f)	**–**	8
	$ 72,540	$ 73,680

(a) As at March 31, 2016, Just Energy has a credit facility of $277.5 million. The current syndicate of lenders includes Shell Energy North America (Canada) Inc./Shell Energy North America (U.S.), L.P.; Canadian Imperial Bank of Commerce; National Bank of Canada; HSBC Bank Canada; Alberta Treasury Branches; and Canadian Western Bank. The term of the credit facility expires on September 1, 2018.

Under the terms of the credit facility, Just Energy is able to make use of Bankers' Acceptances and LIBOR advances at a stamping fee of 3.75%, prime rate advances at rates of interest of bank prime plus 2.75%, and letters of credit at 3.75%. Interest rates are adjusted quarterly based on certain financial performance indicators.

As at March 31, 2016, the Canadian prime rate was 2.70% and the U.S. prime rate was 3.50%. As at March 31, 2016 and 2015, no amount was drawn against the facility. Total letters of credit outstanding as of March 31, 2016 amounted to $130.0 million (March 31, 2015 – $134.8 million). As at March 31, 2016, Just Energy has $147.5 million of the facility remaining for future working capital and security requirements. Just Energy's obligations under the credit facility are supported by guarantees of certain subsidiaries and affiliates and secured by a general security agreement and a pledge of the assets and securities of Just Energy and the majority of its operating subsidiaries and affiliates excluding, primarily, the U.K. operations. Just Energy is required to meet a number of financial covenants under the credit facility agreement. As at March 31, 2016, the Company was compliant with all of these covenants.

(b) On March 31, 2016, Just Energy early redeemed $25 million of the original $105 million principal on its senior unsecured note, resulting in a balance outstanding of $80 million. The senior unsecured note bears interest at 9.75% and matures in June 2018. The senior unsecured note is subject to certain financial and other covenants and as of March 31, 2016, all of the covenants had been met.

In conjunction with the covenant requirements associated with the issuance of senior unsecured notes, the following represents select financial disclosure for the "Restricted Subsidiaries" as defined within the Note Indenture, which generally excludes the U.K. operations.

	For the year ended March 31, 2016	For the year ended March 31, 2015
Sales	**$ 3,650,836**	$ 3,643,501
Gross margin	**652,419**	576,919
Finance costs	**72,543**	73,680
Profit (loss) for the year	**72,397**	(540,028)
Non-cash financing costs	**14,752**	15,609
Share-based compensation	**5,345**	7,110
Income tax paid (recovered)	**965**	6,014

(c) In May 2010, Just Energy issued $330 million of convertible extendible unsecured subordinated debentures (the "$330 million convertible debentures"). The $330 million convertible debentures bear interest at a rate of 6% per annum payable semi-annually in arrears on June 30 and December 31, with a maturity date of June 30, 2017. Each $1,000 principal amount of the $330 million convertible debentures is convertible at any time prior to maturity or on the date fixed for redemption, at the option of the holder, into approximately 55.6 common shares of the Company, representing a conversion price of $18 per share. During the year ended March 31, 2016, interest expense amounted to $27,465. The $330 million convertible debentures may be redeemed by Just Energy, in whole or in part, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest.

The Company may, at its own option, on not more than 60 days' and not less than 40 days' prior notice, subject to applicable regulatory approval and provided that no event of default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the $330 million convertible debentures that are to be redeemed or that are to mature, by issuing and delivering to the holders thereof that number of freely tradable common shares determined by dividing the principal amount of the $330 million convertible debentures being repaid by 95% of the current market price on the date of redemption or maturity, as applicable.

The conversion feature of the $330 million convertible debentures has been accounted for as a separate component of shareholders' deficit in the amount of $33,914. Upon initial recognition of the convertible debentures, Just Energy recorded a deferred tax liability of $15,728 and reduced the value of the equity component of convertible debentures by this amount. The remainder of the net proceeds of the $330 million convertible debentures has been recorded as long-term debt, which is being accreted up to the face value of $330,000 over the term of the $330 million convertible debentures using an effective interest rate of 8.8%. If the $330 million convertible debentures are converted into common shares, the value of the conversion will be reclassified to share capital along with the principal amount converted.

During the year ended March 31, 2016, the Company purchased and retired $6,971 (2015 – $1,580) of these convertible debentures. During the year, the Company paid $6,957 (2015 – $1,407), reducing the net book value by $6,706 (2015 – $1,492) and the loss was recorded as an increase to interest expense. As at March 31, 2016, the face value of this debenture was $321,416 (2015 – $328,501).

(d) In September 2011, Just Energy issued $100 million of convertible unsecured subordinated debentures (the "$100 million convertible debentures"), which was used to fund an acquisition. The $100 million convertible debentures bear interest at an annual rate of 5.75%, payable semi-annually on March 31 and September 30 in each year and have a maturity date of September 30, 2018. Each $1,000 principal amount of the $100 million convertible debentures is convertible at the option of the holder at any time prior to the close of business on the earlier of the maturity date or the last business day immediately preceding the date fixed for redemption into 56.0 common shares of Just Energy, representing a conversion price of $17.85. Prior to September 30, 2016, the $100 million convertible debentures may be redeemed by the Company, in whole or in part, on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest, provided that the weighted average trading price of the common shares is at least 125% of the conversion price. On or after September 30, 2016, the $100 million convertible debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest.

The Company may, at its option, on not more than 60 days' and not less than 30 days' prior notice, subject to applicable regulatory approval and provided no event of default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the $100 million convertible debentures that are to be redeemed or that are to mature, by issuing and delivering to the holders thereof that number of freely tradable common shares determined by dividing the principal amount of the $100 million convertible debentures being repaid by 95% of the current market price on the date of redemption or maturity, as applicable.

The conversion feature of the $100 million convertible debentures has been accounted for as a separate component of shareholders' deficit in the amount of $10,188. Upon initial recognition of the convertible debentures, Just Energy recorded a deferred tax liability of $2,579 and reduced the equity component of the convertible debentures by this amount. The remainder of the net proceeds of the $100 million convertible debentures has been recorded as long-term debt, which is being accreted up to the face value of $100,000 over the term of the $100 million convertible debentures using an effective interest rate of 8.6%. If the $100 million convertible debentures are converted into common shares, the value of the conversion will be reclassified to share capital along with the principal amount converted.

(e) On January 29, 2014, Just Energy issued US$150 million of European-focused senior convertible unsecured convertible bonds (the "$150 million convertible bonds"). The $150 million convertible bonds bear interest at an annual rate of 6.5%, payable semi-annually in arrears in equal installments on January 29 and July 29 in each year with a maturity date of July 29, 2019. The Company incurred transaction costs of $5,215 and has shown these costs net of the $150 million convertible bonds.

A Conversion Right in respect of a bond may be exercised, at the option of the holder thereof, at any time from May 30, 2014 to July 7, 2019. The initial conversion price is US$9.3762 per common share (being C$10.2819) but is subject to adjustments. In the event of the exercise of a Conversion Right, the Company may, at its option, subject to applicable regulatory approval and provided no event of default has occurred and is continuing, elect to satisfy its obligation in cash equal to the market value of the underlying shares to be received.

As a result of the debt being denominated in a different functional currency than that of Just Energy, the conversion feature is recorded as a financial liability instead of a component of equity. Therefore, the conversion feature of the $150 million convertible bonds has been accounted for as a separate financial liability with an initial value of US$8,517. The remainder of the net proceeds of the $150 million convertible bonds has been recorded as long-term debt, which is being accreted up to the face value of $150,000 over the term of the $150 million convertible bonds using an effective interest rate of 8.8%. At each reporting period, the conversion feature is recorded at fair value with changes in fair value recorded through profit or loss. As at March 31, 2016, the fair value of this conversion feature was US$17,148 and has been included in other non-current financial liabilities.

A Conversion Right in respect of a bond may be exercised, at the option of the holder thereof, at any time (the "Conversion Period") (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from May 30, 2014 (being the date falling four months and one day after the closing date) to the close of business on the business day falling 22 business days prior to the final maturity date. The initial conversion price is US$9.3762 per common share (being C$10.2819 translated into U.S. dollars at the fixed exchange rate) but is subject to adjustments.

(f) The Company, through its subsidiaries, leased certain computer and office equipment and software. These financing arrangements bear interest at a rate of 9% and matured during the prior fiscal year.

19 INCOME TAXES

(a) Tax expense

	2016	2015
Tax recognized in profit or loss	**$ 13,890**	$ 8,856
Current tax expense	**13,890**	8,856
Deferred tax expense		
Origination and reversal of temporary differences	**$ 5,867**	$ (236,104)
Expense (benefit) arising from a previously unrecognized tax loss or temporary difference	**(20,075)**	198,359
Deferred tax benefit	**(14,208)**	(37,745)
Recovery of income taxes	**$ (318)**	$ (28,889)

(b) Reconciliation of the effective tax rate

The provision for income taxes represents an effective rate different than the Canadian corporate statutory rate of 26.50% (2015 – 26.50%). The differences are as follows:

	2016	2015
Income (loss) before income taxes from continuing operations	**$ 82,176**	$ (605,266)
Combined statutory Canadian federal and provincial income tax rate	**26.50%**	26.50%
Income tax expense (benefit) based on statutory rate	**$ 21,777**	$ (160,395)
Increase (decrease) in income taxes resulting from:		
Cost (benefit) of mark to market loss and other temporary differences not recognized	**$ (20,075)**	$ 198,359
Variance between combined Canadian tax rate and the tax rate applicable to U.S. earnings	**9,080**	(66,345)
Other permanent items	**(11,100)**	(508)
Total income tax benefit	**$ (318)**	$ (28,889)

(c) Recognized deferred tax assets and liabilities

Recognized deferred tax assets and liabilities are attributed to the following:

	2016	2015
Mark to market losses on derivative instruments	**$ 51,142**	$ 52,053
Tax losses and excess of tax basis over book basis	**14,894**	7,362
Partnership loss deferred for tax purposes	**143**	117
Total deferred tax asset	**66,179**	59,532
Offset of deferred taxes	**(26,594)**	(34,154)
Net deferred tax asset	**$ 39,585**	$ 25,378
Partnership income deferred for tax purposes	**$ (22,449)**	$ (23,483)
Mark to market gains on derivative instruments	**(665)**	(413)
Book to tax differences on other assets	**(848)**	(959)
Convertible debentures	**(2,634)**	(9,303)
Total deferred tax liability	**(26,596)**	(34,158)
Offset of deferred taxes	**26,594**	34,154
Net deferred tax liability	**$ (2)**	$ (4)

(d) Movement in deferred tax balances

	Balance April 1, 2015	Recognized in profit or loss	Disposal	Recognized in OCI	Foreign exchange impact	Balance March 31, 2016
Partnership income deferred for tax	**$ (23,367)**	**$ 1,061**	**$ –**	**$ –**	**$ –**	**$ (22,306)**
Book to tax differences – customer contracts	**(5,139)**	**–**	**–**	**–**	**–**	**(5,139)**
Book to tax differences on other assets	**11,537**	**7,644**	**–**	**–**	**–**	**19,181**
Mark to market gains (losses) on derivative instruments	**51,646**	**(1,165)**	**–**	**–**	**–**	**50,481**
Convertible debentures	**(9,303)**	**6,669**	**–**	**–**	**–**	**(2,634)**
	$ 25,374	**$ 14,209**	**$ –**	**$ –**	**$ –**	**$ 39,583**

	Balance April 1, 2014	Recognized in profit or loss	Disposal	Recognized in OCI	Foreign exchange impact	Balance March 31, 2015
Partnership income deferred for tax	$ (30,151)	$ 6,784	$ –	$ –	$ –	$ (23,367)
Book to tax differences – customer contracts	(5,139)	–	–	–	–	(5,139)
Book to tax differences on other assets	(2,716)	(17,822)	32,075	–	–	11,537
Mark to market gains on derivative instruments	15,032	36,009	605	–	–	51,646
Convertible debentures	(8,286)	(1,017)	–	–	–	(9,303)
	$ (31,260)	$ 23,954	$ 32,680	$ –	$ –	$ 25,374

(e) Unrecognized deferred tax assets

Deferred tax assets not reflected as at March 31 are as follows:

	2016	2015
Losses available for carryforward	**$ 48,560**	$ 71,441
Mark to market on losses on derivative instruments	**200,074**	189,950
Excess of tax over book basis	**6,666**	6,726
Excess of tax over book – customer contracts	**–**	2,894

Losses available for carryforward (recognized and unrecognized) are set to expire as follows:

	2016
2028	$ –
2029	–
After 2030 and thereafter	122,010
Total	$ 122,010

20 PROVISIONS

	2016	2015
Cost		
Balance, beginning of year	**$ 19,206**	$ 6,812
Discontinued operations	**–**	(558)
Provisions made during the year	**2,292**	16,233
Provisions reversed and used during the year	**(3,976)**	(4,177)
Unwinding of discount	**(10)**	–
Foreign exchange impact	**477**	896
Balance, end of year	**$ 17,989**	$ 19,206
Current	**13,573**	14,899
Non-current	**4,416**	4,307
	$ 17,989	$ 19,206

Legal proceedings

Just Energy's subsidiaries are party to a number of legal proceedings. Other than as set out below, Just Energy believes that each proceeding constitutes a routine legal matter incidental to the business conducted by Just Energy and that the ultimate disposition of the proceedings will not have a material adverse effect on its consolidated earnings, cash flows or financial position.

The State of California has filed a number of complaints with the Federal Energy Regulatory Commission ("FERC") against many suppliers of electricity, including Commerce Energy Inc. ("CEI"), a subsidiary of the Company, with respect to events stemming from the 2001 energy crisis in California. On March 18, 2010, the assigned Administrative Law Judge granted a motion to strike the claim for all parties in one of the complaints (in favour of the suppliers), holding that California did not prove that the reporting errors masked the accumulation of market power. California has appealed the decision. On June 13, 2012, FERC denied the plaintiff's request for a rehearing, affirming its initial decision. California appealed to the United States District Courts for the Ninth Circuit and oral arguments were heard on February 26, 2015. On April 29, 2015, the appeals court remanded the case back to FERC on grounds that the agency erred in assessing whether market power had resulted in unjust and unreasonable prices when it only considered power generation market share. FERC ordered settlement conferences for all parties and a status conference for May 24, 2016 to schedule hearings and discuss next steps. CEI continues to vigorously contest this matter.

In March 2012, Davina Hurt and Dominic Hill filed a lawsuit against Commerce Energy Inc., Just Energy Marketing Corp. and the Company (collectively referred to as "Just Energy") in the Ohio Federal Court claiming entitlement to payment of minimum wage and overtime under Ohio wage claim laws and the federal Fair Labor Standards Act ("FLSA") on their own behalf and similarly situated door-to-door sales representatives who sold for Commerce in certain regions of the United States. The Court granted the plaintiffs' request to certify the lawsuit as a class action. Approximately 1,800 plaintiffs opted into the federal minimum wage and overtime claims, and approximately 8,000 plaintiffs were certified as part of the Ohio state overtime claims. A jury trial on the liability phase was completed on October 6, 2014. The jury reached a verdict that supports the plaintiffs' class and collective action that certain individuals were not properly classified as outside salespeople in order to qualify for an exemption under the minimum wage and overtime requirements pursuant to the FLSA and Ohio wage and hour laws. Potential amounts owing have yet to be determined and will be subject to a separate damage phase proceeding, which remains unscheduled by the Court. On January 9, 2015, the Court struck the plaintiffs' damage expert report. Just Energy disagrees with the result of the October trial and is of the opinion that it is not supported by existing law and precedent. Just Energy strongly believes it complied with the law and continues to vigorously defend against the claims. The Court granted Just Energy's request to file an interlocutory appeal of the liability finding, but the United States Court of Appeals for the Sixth Circuit denied the request. Appeal steps will be taken after conclusion of the damages phase of the trial.

In August 2013, Levonna Wilkins, a former door-to-door independent contractor for Just Energy Marketing Corp. ("JEMC"), filed a lawsuit against Just Energy Illinois Corp., Commerce Energy, Inc., JEMC and the Company (collectively referred to as "Just Energy") in the Illinois Federal District Court claiming entitlement to payment of minimum wage and overtime under Illinois wage claim laws and the FLSA on her own behalf and similarly situated door-to-door sales representatives who sold in Illinois. On March 13, 2015, the Court granted Wilkins' request to certify the lawsuit as a class action to include a class made up of Illinois sales representatives who sold for Just Energy Illinois and Commerce. Just Energy filed a motion for reconsideration objecting to the class definition and requested that the Court revise its ruling to exclude sales representatives who sold for Commerce, and the motion remains under advisement with the Court. On March 22, 2016, Just Energy's summary judgment motion and motion for reconsideration of certain issues were denied. Just Energy will continue to vigorously contest this matter.

In March 2015, Kevin Flood, a former door-to-door independent contractor for Just Energy Marketing Corp., filed a lawsuit against JEMC, Just Energy New York Corp. and the Company (collectively referred to as "Just Energy") in New York Federal District Court (Southern District) claiming entitlement to payment of minimum wage and overtime under New York wage claim laws and the FLSA on his own behalf and similarly situated door-to-door sales representatives who sold in New York. On January 25, 2016, the Court granted Flood's request to certify the lawsuit as a class action for the FLSA claims to include a class made up of New York sales representatives who sold for Just Energy New York. The class opt in period expired on May 4, 2016. Just Energy filed a motion for summary judgment for dismissal of Flood's claims, which remains pending. Just Energy vigorously contests this matter.

21 OTHER EXPENSES

(a) Other operating expenses

	For the year ended March 31, 2016	For the year ended March 31, 2015
Amortization of electricity contracts	**$ –**	$ 7,292
Amortization of other intangible assets	**17,063**	34,522
Amortization of property, plant and equipment	**3,606**	3,579
Bad debt expense	**68,531**	62,077
Share-based compensation	**5,348**	7,120
	$ 94,548	$ 114,590

(b) Amortization and energy costs included in cost of sales in the consolidated statements of income (loss)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Amortization	**$ 2,543**	$ 1,398
Direct energy costs and other	**3,401,029**	3,294,473
	$ 3,403,572	$ 3,295,871

(c) Included in change in fair value of derivative instruments

	For the year ended March 31, 2016	For the year ended March 31, 2015
Amortization of electricity contracts	**$ –**	$ 5,016

(d) Employee benefits expense

	For the year ended March 31, 2016	For the year ended March 31, 2015
Wages, salaries and commissions	**$ 222,910**	$ 202,119
Benefits	**29,246**	28,750
	$ 252,156	$ 230,869

22 REPORTABLE BUSINESS SEGMENTS

Just Energy's reportable segments include the following: Consumer Energy and Commercial Energy. During fiscal 2015, NHS was classified as held for sale and the sales of NHS and HES were finalized in November 2014 (see Note 11).

Transactions between operating segments are in the normal course of operations and are recorded at the exchange amount. Allocations made between segments for shared assets or allocated expenses are based on the number of customers in the respective segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Just Energy is not considered to have any key customers.

For the year ended March 31, 2016

	Consumer division	Commercial division	Home Services	Commercial Solar	Consolidated
Sales	**$ 2,177,538**	**$ 1,928,322**	**$ –**	**$ –**	**$ 4,105,860**
Gross margin	**538,646**	**163,642**	**–**	**–**	**702,288**
Amortization of property, plant and equipment	**3,378**	**228**	**–**	**–**	**3,606**
Amortization of intangible assets	**13,691**	**3,372**	**–**	**–**	**17,063**
Administrative expenses	**130,253**	**40,077**	**–**	**–**	**170,330**
Selling and marketing expenses	**163,153**	**94,196**	**–**	**–**	**257,349**
Other operating expenses	**63,880**	**9,999**	**–**	**–**	**73,879**
Operating profit for the year	**$ 164,291**	**$ 15,770**	**$ –**	**$ –**	**$ 180,061**
Finance costs	**–**	**–**	**–**	**–**	**(72,540)**
Change in fair value of derivative instruments	**–**	**–**	**–**	**–**	**(22,803)**
Other expense	**–**	**–**	**–**	**–**	**(2,542)**
Recovery of income taxes	**–**	**–**	**–**	**–**	**(318)**
Profit (loss) from continuing operations	**$ –**	**$ –**	**$ –**	**$ –**	**$ 82,494**
Profit (loss) for the year	**$ –**	**$ –**	**$ –**	**$ –**	**$ 82,494**
Capital expenditures	**$ 7,062**	**$ 5,953**	**$ –**	**$ –**	**$ 13,015**
Total goodwill	**$ 143,061**	**$ 137,452**	**$ –**	**$ –**	**$ 280,513**
Total assets	**$ 477,836**	**$ 769,599**	**$ –**	**$ –**	**$ 1,247,435**
Total liabilities	**$ 1,375,355**	**$ 523,167**	**$ –**	**$ –**	**$ 1,898,522**

For the year ended March 31, 2015

	Consumer division	Commercial division	Home Services	Commercial Solar	Consolidated
Sales	$ 2,113,828	$ 1,782,112	$ –	$ –	$ 3,895,940
Gross margin	450,230	149,839	–	–	600,069
Amortization of property, plant and equipment	3,350	229	–	–	3,579
Amortization of intangible assets	16,490	25,324	–	–	41,814
Administrative expenses	121,170	33,052	–	–	154,222
Selling and marketing expenses	134,084	91,159	–	–	225,243
Other operating expenses	53,984	15,213	–	–	69,197
Operating profit (loss) for the year	$ 121,152	$ (15,138)	$ –	$ –	$ 106,014
Finance costs	–	–	–	–	(73,680)
Change in fair value of derivative instruments	–	–	–	–	(635,204)
Other expense	–	–	–	–	(2,396)
Recovery of income taxes	–	–	–	–	(28,889)
Loss from continuing operations	$ –	$ –	$ –	$ –	$ (576,377)
Discontinued operations	–	–	168,141	(35,468)	132,673
Profit (loss) for the year	$ –	$ –	$ 168,141	$ (35,468)	$ (443,704)
Capital expenditures	$ 3,775	$ 1,994	$ 11,843	$ 8,334	$ 25,946
Total goodwill	$ 140,869	$ 136,899	$ –	$ –	$ 277,768
Total assets	$ 741,491	$ 556,950	$ –	$ –	$ 1,298,441
Total liabilities	$ 1,355,605	$ 581,658	$ –	$ –	$ 1,937,263

Sales from external customers

	For the year ended March 31, 2016	For the year ended March 31, 2015
Canada	**$ 533,078**	$ 685,700
United States	**3,120,617**	2,977,578
United Kingdom	**452,165**	232,662
Total sales per consolidated statements of income (loss)	**$ 4,105,860**	$ 3,895,940

The sales are based on the location of the customer.

Non-current assets
Non-current assets by geographic segment consist of property, plant and equipment as well as intangible assets and are summarized as follows:

	As at March 31, 2016	As at March 31, 2015
Canada	**$ 194,236**	$ 194,318
United States	**175,758**	177,358
United Kingdom	**924**	650
Total	**$ 370,918**	$ 372,326

23 IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES

Goodwill acquired through business combinations and intangible assets with indefinite lives have been allocated to one of two CGUs, which are also operating and reportable segments, for impairment testing. These units are the Consumer division and Commercial division.

For impairment testing, goodwill and brand have been allocated as follows:

	Consumer division		Commercial division		Total	
	2016	2015	**2016**	2015	**2016**	2015
Goodwill	**$ 143,061**	$ 140,869	**$ 137,452**	$ 136,899	**$ 280,513**	$ 277,768
Brand	**16,104**	15,706	**14,319**	13,966	**30,423**	29,672
	$ 159,165	$ 156,575	**$ 151,771**	$ 150,865	**$ 310,936**	$ 307,440

Just Energy performed its annual impairment test as at March 31, 2016. Just Energy considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at March 31, 2016, the market capitalization of Just Energy was above the book value of its equity.

The recoverable amount of each of the CGUs has been determined based on a value-in-use calculation using cash flow projections from financial budgets covering a five-year period. The projections for the first year have been approved by the Audit Committee; the assumptions used in the following years have been approved by the senior management. The calculation of the value-in-use for each unit is most sensitive to the following assumptions:

- Customer consumption assumptions used in determining gross margin
- New customer additions and attrition and renewals
- Selling costs
- Discount rates
- Growth rates used to extrapolate cash flows beyond the budget period

Customer consumption is forecasted using normalized historical correlation between weather and customer consumption and weather projections. Just Energy uses weather derivatives to mitigate the risk that weather will deviate from expectations. An average customer consumption growth rate of 10% was used in the projections. A 5% decrease in the consumption assumptions would not have an impact on the results of the impairment test.

New customer additions and attrition and renewal rate estimates are based on historical results and are adjusted for new marketing initiatives that are included in the budget. A 10% average increase in the overall customer base was used in the projections. A 5% decrease annually in the overall customer base would not have an impact on the results of the impairment test.

Selling costs fluctuate with customer additions, renewals and attrition. Selling costs used in the financial forecast are based on assumptions consistent with the above new customer additions, renewals and attritions. Rates used are based on historical information and are adjusted for new marketing initiatives included in the budget. An average increase of 10% was applied to selling costs in the projections. A 5% increase annually in selling costs would not have an impact on the results of the impairment test.

Discount rates represent the current market assessment of the risks specific to the Company, regarding the time value of money and individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of Just Energy and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by Just Energy's investors, and the cost of debt is based on the interest bearing borrowings the Company is obliged to service. Just Energy used a discount rate of 10%. A 5% increase in the WACC would not have an impact on the results of the impairment test.

24 EARNINGS (LOSS) PER SHARE

	For the year ended March 31, 2016	For the year ended March 31, 2015
BASIC EARNINGS (LOSS) PER SHARE		
Earnings (loss) from continuing operations available to shareholders	**$ 64,604**	$ (582,728)
Earnings (loss) available to shareholders	**64,604**	(446,785)
Basic shares outstanding	**146,866,817**	145,326,685
Basic earnings (loss) per share from continuing operations available to shareholders	**$ 0.44**	$ (4.01)
Basic earnings (loss) per share available to shareholders	**$ 0.44**	$ (3.07)
DILUTED EARNINGS (LOSS) PER SHARE		
Earnings (loss) from continuing operations available to shareholders	**$ 64,604**	$ (582,728)
Earnings (loss) available to shareholders	**64,604**	(446,785)
Adjustment for dilutive impact of convertible debentures	**49,284**[1]	32,771[1]
Adjusted earnings (loss) from continuing operations available to shareholders	**$ 113,888**	$ (549,957)
Adjusted earnings (loss) available to shareholders	**$ 113,888**	$ (414,014)
Basic shares outstanding	**146,866,817**	145,326,685
Dilutive effect of:		
Restricted share grants	**3,167,073**	3,067,822[1]
Deferred share grants	**126,701**	165,277[1]
Convertible debentures	**39,933,526**[1]	39,929,189[1]
Shares outstanding on a diluted basis	**190,094,117**	188,488,973
Diluted earnings (loss) per share from continuing operations available to shareholders	**$ 0.43**	$ (4.01)
Diluted earnings (loss) per share available to shareholders	**$ 0.43**	$ (3.07)

1 The assumed conversion into shares results in an anti-dilutive position in the current year, whereas the assumed conversion into shares results in an anti-dilutive position only for the $150 million convertible bonds in the prior year; therefore, these items have not been included in computation of dilutive earnings (loss) per share.

25 CAPITAL DISCLOSURE

Just Energy defines capital as shareholders' equity (excluding accumulated other comprehensive income) and long-term debt. Just Energy's objectives when managing capital are to maintain flexibility by:

(i) enabling it to operate efficiently;

(ii) providing liquidity and access to capital for growth opportunities; and

(iii) providing returns and generating predictable cash flow for dividend payments to shareholders.

Just Energy manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year over year sustainable and profitable growth. Just Energy's capital management objectives have remained unchanged from the prior year. Just Energy is not subject to any externally imposed capital requirements other than financial covenants in its long-term debt, and as at March 31, 2016 and 2015, all of these covenants had been met.

26 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL REMUNERATION

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial or operating decisions. The definition includes subsidiaries and other persons.

Subsidiaries
Transactions between Just Energy and its subsidiaries meet the definition of related party transactions. These transactions are eliminated on consolidation and are not disclosed in these consolidated financial statements.

Key management personnel
Just Energy's key management personnel and persons connected with them are also considered to be related parties for disclosure purposes. Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of Just Energy and comprise the Executive Chair of the Board of Directors, the Co-Chief Executive Officers and the Chief Financial Officer.

During the years ended March 31, 2016 and 2015, Just Energy recorded the following as an expense related to these individuals:

	2016	2015
Salaries and benefits	**$ 6,599**	$ 6,747
Share-based compensation	**4,024**	2,371
	$ 10,623	$ 9,118

As at March 31, 2016, key management personnel held approximately 1,973,809 RSGs/PBGs (2015 – 1,489,200).

27 DIVIDENDS PAID

For the year ended March 31, 2016, dividends of $0.50 (2015 – $0.58) per share were declared by Just Energy. These dividends amounted to $74,792 (2015 – $86,723), and were approved throughout the year by the Board of Directors and were paid out during the year.

28 COMMITMENTS AND GUARANTEES

As at March 31, 2016, commitments for each of the next five years and thereafter were as follows:

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
Premises and equipment leasing	$ 6,216	$ 9,565	$ 6,493	$ 8,013	$ 30,287
Long-term gas and electricity contracts	2,099,984	1,442,238	231,227	35,439	3,808,888
	$ 2,106,200	$ 1,451,803	$ 237,720	$ 43,452	$ 3,839,175

Just Energy has entered into leasing contracts for office buildings and administrative equipment. These leases have a leasing period of between one and eight years. No purchase options are included in any major leasing contracts. Just Energy is also committed under long-term contracts with customers to supply gas and electricity. These contracts have various expiry dates and renewal options.

(a) Surety bonds and letters of credit

Pursuant to separate arrangements with Westchester Fire Insurance Company, Travelers Casualty and Surety Company of America, and Charter Brokerage LLC, Just Energy has issued surety bonds to various counterparties including states, regulatory bodies, utilities and various other surety bond holders in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain states or markets. Total surety bonds issued as at March 31, 2016 amounted to $52,854.

As at March 31, 2016, Just Energy had total letters of credit outstanding in the amount of $129,996 (Note 18(a)).

(b) Officers and directors

Corporate indemnities have been provided by Just Energy to all directors and certain officers of its subsidiaries and affiliates for various items including, but not limited to, all costs to settle suits or actions due to their association with Just Energy and its subsidiaries and/or affiliates, subject to certain restrictions. Just Energy has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. Each indemnity, subject to certain exceptions, applies for so long as the indemnified person is a director or officer of one of Just Energy's subsidiaries and/or affiliates. The maximum amount of any potential future payment cannot be reasonably estimated.

(c) Operations

In the normal course of business, Just Energy and/or Just Energy's subsidiaries and affiliates have entered into agreements that include guarantees in favour of third parties, such as purchase and sale agreements, leasing agreements and transportation agreements. These guarantees may require Just Energy and/or its subsidiaries to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The maximum payable under these guarantees is estimated to be $74,763.

29 ADJUSTMENTS REQUIRED TO REFLECT NET CASH RECEIPTS FROM GAS SALES

	2016	2015
Changes in:		
Accrued gas receivables	**$ 31,593**	$ 2,713
Gas delivered in excess of consumption	**(5,162)**	(983)
Accrued gas payable	**(17,263)**	(5,799)
Deferred revenue	**5,727**	1,371
	$ 14,895	$ (2,698)

30 CHANGES IN NON-CASH WORKING CAPITAL

	2016	2015
Accounts receivable and unbilled revenues	**$ 109,135**	$ (95,662)
Gas in storage	**2,219**	(2,331)
Prepaid expenses and deposits	**(39,846)**	(27,058)
Trade and other payables and provisions	**(52,798)**	80,593
	$ 18,710	$ (44,458)

CORPORATE INFORMATION

Corporate Office

Just Energy Group Inc.
First Canadian Place
100 King Street West
Suite 2630, P.O. Box 355
Toronto, ON M5X 1E1

Investor Relations

905-795-3560
info@justenergy.com

Auditors

Ernst & Young LLP
Toronto, ON Canada

Transfer Agent and Registrar

Computershare Investor Services Inc.
100 University Avenue
Toronto, ON M5J 2Y1

Shares Listed

Toronto Stock Exchange
Trading symbol: JE

New York Stock Exchange
Trading symbol: JE

Annual General Meeting

TSX Broadcast Centre
130 King Street West
Toronto, ON
June 28, 2016, 3:00 p.m. ET

amigo energy · commerce energy · GreenSTAR energy · Hudson Energy · just energy · just energy SOLAR · Tara Energy · terrapass

Exhibit C-2 "SEC Filings"

Please refer to Exhibit C-1 "Annual Reports" of this application.

Exhibit C-3 "Financial Statements"

Please refer to Exhibit C-1 "Annual Reports" of this application.

Exhibit C-4 "Financial Arrangements"

This exhibit contains confidential and proprietary information and is being submitted under seal.

Exhibit C-5 "Forecasted Financial Statements"

This exhibit contains confidential and proprietary information and is being submitted under seal.

Exhibit C-6 "Credit Rating"

Neither Hudson nor its parent or affiliate organization is rated by Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization.

Exhibit C-7 "Credit Report"

Enclosed is a copy of Hudson credit report from Dun and Bradstreet DNBi Risk Management.

Information not correct? Submit an investigation

Order Reference: bchandler@justenergy.com | Report as of: 03-14-2018 3:14 PM | using Currency as CAD (Change)

HUDSON ENERGY SERVICES, LLC

0

Tradestyle(s): -

ACTIVE HEADQUARTERS

Address: 4 Executive Blvd Ste 301, Suffern, NY, 10901, UNITED STATES

Phone: +1 630-300-0013

D-U-N-S: 12-135-9595

Track this Company

Failure Score	Delinquency Score	Age of Business	Employees
10	7	16 years 2002 Year Started	6

COMPANY PROFILE

D-U-N-S
12-135-9595

Legal Form
Corporation (US)

History Record
Clear

Date Incorporated
04-25-2007

State of Incorporation
Delaware

Ownership
Not publicly traded

Mailing Address
United States

Telephone
+1 630-300-0013

Fax
+1 845-228-3422

Website
www.hudsonenergyservices...

Present Control Succeeded
2002

Employees
6

Age (Year Started)
16 years (2002)

Named Principal
Abe Grohman, MBR

Line of Business
Petroleum Refining

Street Address:
4 Executive Blvd Ste 301
Suffern NY 10901
UNITED STATES

RISK ASSESSMENT

Overall Business Risk

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH

Dun & Bradstreet Thinks...

- Overall assessment of this organization over the next 12 months: **SIGNIFICANT-STABILITY-AND-PAYMENT-BEHAVIOR-CONCERNS**
- Based on the predicted risk of business discontinuation: **HIGHER-THAN-AVERAGE-RISK-OF-DISCONTINUED-OPERATIONS-OR-BUSINESS-INACTIVITY**
- Based on the predicted risk of severely delinquent payments: **VERY HIGH POTENTIAL FOR SEVERELY DELINQUENT PAYMENTS**

Maximum Credit Recommendation

C$ 9,731

The recommended limit is based on a moderately high probability of severe delinquency or business failure.

D&B Viability Rating

Portfolio Comparison Score

9

Low Risk (1) High Risk (9)

Company's risk level is: HIGH

Probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months: **23.00 %**

Failure Score Formerly Financial Stress Score

10

Low Risk (100) High Risk (1)

Company's risk level is: MODERATE-HIGH

Probability of failure over the next 12 months: **0.91 %**

Delinquency Score Formerly Commercial Credit Score

7

Low Risk (100) High Risk (1)

Company's risk level is: HIGH

Probability of delinquency over the next 12 months: **32.12 %**

PAYDEX ®

76

Low Risk (100) High Risk (0)

Days Beyond Terms : 6

Past 24 Months

D&B Rating

Current Rating as of 06-16-2011

Previous Rating

2R : 1 to 9 employees	**4** : Higher than Average Risk	**2R** : 1 to 9 employees	**3** : Moderate Risk

LEGAL EVENTS

Events	Occurrences	Last Filed
Bankruptcies	0	-
Judgements	6	08-19-2011
Liens	0	-
Suits	0	-
UCC	20	08-11-2017

TRADE PAYMENTS

Highest Past Due

C$ 0

Highest Now Owing
C$ 324

Total Trade Experiences
5

Largest High Credit
C$ 6,487

Average High Credit
C$ 6,487

OWNERSHIP

This company is a **Global Ultimate, Domestic Ultimate, Headquarters**

Global Ultimate, Domestic Ultimate
HUDSON ENERGY SERVICES, LLC
UNITED STATES
D-U-N-S Number 12-135-9595

Total Members in Family Tree - 3

Branches

2

FINANCIAL OVERVIEW

This company does not have a Financial Summary.

WEB & SOCIAL

Powered By FirstRain

There are no recent web results to show.

COUNTRY INSIGHT

United States

Risk Category

LOW **MODERATE** **HIGH**

Low Risk High Risk

Economic growth is forecast to accelerate in 2018.

Available Reports

Country Insight Snapshot (CIS) | Country Insight Report (CIR)

Exhibit C-8 "Bankruptcy Information"

Hudson Energy Services LLC has never filed and/or reported reorganizations, protection from creditors, or any other form of bankruptcy filings.

Exhibit C-9 "Merger Information"

Currently, nothing to report.

Exhibit C-10 "Corporate Structure"

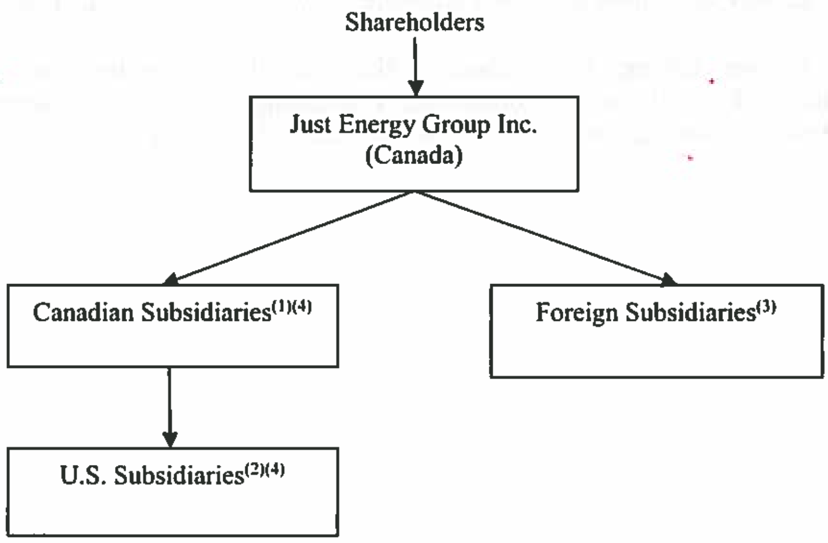
Hudson Energy is a limited liability company formed under the laws of New Jersey. Hudson Energy's headquarters is located in Texas with offices in New York, Ohio, California, Illinois and Toronto. Its parent company, Just Energy Group Inc. (Just Energy) is a corporation established under the laws of Canada. Just Energy is a publicly traded corporation (NYSE:JE and TSX: JE) and parent to affiliate companies: Amigo Energy, Commerce Energy, Hudson Energy, JE Solar and Tara Energy.

Attached is an organizational chart depicting the parent company's full corporate structure as well as a diagram that sets forth the simplified organizational structure of Just Energy and its subsidiaries as of January 2017.

Exhibit C-10 "Corporate Structure"

Organizational Structure of the Company

The following diagram sets forth the simplified organizational structure of the Company.



Notes:

(1) The Canadian Subsidiaries are corporations, limited partnerships, and unlimited liability companies directly or indirectly wholly-owned by the Company. The Canadian operating Subsidiaries are Just Energy Ontario L.P. (Ontario); Just Energy Alberta L.P. (Alberta); Just Green L.P. (Alberta); Just Energy Manitoba L.P. (Manitoba); Just Energy B.C. Limited Partnership (British Columbia); Just Energy Québec L.P. (Quebec); Just Energy Prairies L.P. (Manitoba); Just Energy Trading L.P. (Ontario); and Hudson Energy Canada Corp. (Canada). Just Energy Corp. is the general partner of each of the Canadian operating limited partnerships. Additionally, the Company indirectly holds an approximate 10% fully diluted interest in ecobee Inc., a manufacturer and distributor of smart thermostats located in Toronto, Ontario.

(2) The U.S. Subsidiaries are corporations, limited liability companies and limited partnerships indirectly wholly-owned by the Company and are incorporated or formed, as applicable, under the laws of the State of Delaware, unless otherwise noted. The U.S. operating Subsidiaries are Just Energy (U.S.) Corp.; Just Energy Illinois Corp.; Just Energy Indiana Corp.; Just Energy Massachusetts Corp.; Just Energy New York Corp.; Just Energy Texas I Corp.; Just Energy Texas LP (Texas); Just Energy Pennsylvania Corp.; Just Energy Solutions Inc. (California); Just Energy Marketing Corp.; Just Energy Michigan Corp.; Hudson Energy Services LLC (New Jersey); Just Energy Limited; Fulcrum Retail Energy LLC (Texas); Tara Energy, LLC (Texas); Interactive Energy Group LLC and Just Solar Holdings Corp.

(3) Foreign Subsidiaries. Hudson Energy Supply UK Limited is a wholly-owned subsidiary of the Company operating in the United Kingdom. Just Insurance Limited, a Barbadian company, an indirect wholly-owned subsidiary of the Company, provides self-insurance to the Company and its subsidiaries. Db SWDirekt GmbH and db SWPro GmbH are indirect subsidiaries of the Company operating in Germany. JEBPO Services LLP is an indirect wholly-owned subsidiary of the Company which provides services to the Company and its affiliates. Just Energy (Ireland) Limited is an indirect wholly owned subsidiary of the Company, operating in Ireland.

(4) The Company also owns Just Ventures L.P. (Ontario) and Just Ventures LLC (Delaware) (collectively, "Just Ventures"), which operate as internet marketing companies for the Company's subsidiaries.

Exhibit D-1 "Operations"

Hudson is a third-party electricity and natural gas supplier that provides customer choice and competitive pricing to businesses. The applicant contracts bilaterally with wholesale energy suppliers to serve its retail load and to fulfill other requirements, such as filling natural gas storage facilities and balancing supply pools. Contract purchases range from daily spot structures to yearly supply acquisitions.

Hudson manages its own customer back office functions including accepting new customer contracts, enrolling accounts with local utility companies, calculating bills, and responding to customer inquiries. These functions are managed primarily by staff located in Texas.

Exhibit D-2 "Operations Expertise"

Hudson operations department handles nominations and scheduling of the purchases referenced in Exhibit D-1, retail load and other company requirements. In power in Ohio (PJM), we determine all volumes for scheduling and a counter-party enters the volumes. The analysts monitor the individual markets and the marketplace closely. This department is shared among all affiliates of Just Energy Group and as such also manages the operations for Hudson Energy Services, LLC, which is currently active in Ohio.

Exhibit D-3 "Key Technical Personnel"

PAT MCCULLOUGH
Chief Executive Officer

Pat McCullough was appointed as Chief Executive Officer of Just Energy Group Inc. in April 2018. Prior to this, Mr. McCullough was Chief Financial Officer since August 2014. Before joining Just Energy, Mr. McCullough was Chief Executive Officer at Amonix, a California-based designer and manufacturer of concentrated photovoltaic (CPV) solar power systems. He had served as CFO of Amonix since May 2010. Prior to that, he was CFO at IMI Severe Service from May 2007, Division CFO for Johns Manville (a Berkshire Hathaway Company) from April 2005, and various roles with Ford Motor Company culminating as Deputy General Manager and CFO of a $1+ billion joint venture in Shanghai, China. Pat gained a Bachelor of Science in Mechanical Engineering and earned an MBA in International Business, both from University of Notre Dame. He also attended IESE Business School at University of Navarra, where he completed the Visteon Leadership Program.

JIM BROWN
Chief Financial Officer

Jim Brown was appointed as Chief Financial Officer in April 2018, and joined Just Energy in April 2013 as a Senior Vice President responsible for commodity settlements, and most recently served as the President of Hudson Energy, responsible for Just Energy's commercial business. Prior to joining Just Energy, he was the Vice President of Accounting and Finance for Gexa Energy, a subsidiary of Nextera Energy Inc. Prior to that Mr. Brown was a Vice President of Accounting at Constellation Energy Resources Group from January 2007. Mr. Brown graduated from the University of Houston with a Bachelor of Business Administration in Accounting in 1992 and has been a Certified Public Accountant in Texas since 1996.

CHARLES BRENT MOORE
President and Senior VP Commercial Ops – Hudson Energy Services, LLC

Brent Moore was appointed President of Hudson Energy in April 2018 and joined Just Energy in August 2017 as President of Interactive Energy Group LLC., a provider of commercial energy consulting and brokerage services. Brent brings nearly 15 years of competitive retail energy experience and almost 25 years of entrepreneurial and business leadership experience to his position as President of Hudson Energy Services, LLC. Prior to this, Brent was the Founder and Chief Executive Officer of Save On Energy, the energy industry innovator in competitive energy shopping for both commercial and residential customers in deregulated markets. Brent built Save On Energy from conception to industry leadership. Previous to this, Brent grew his experience in the deregulation and restructuring of the telecommunications industry from deregulated long distance to the emergence of the Competitive Local Exchange Carriers (CLEC's), which ultimately emerged as the internet provider business. Starting at MCI, he held progressive roles at MFS, Caprock, Winstar and Airband Communications where he served as Executive Vice President of Sales & Marketing, helped to secure $60 million in funding from leading venture capital firms. Brent holds a BA in Psychology from Texas State University.

JONAH DAVIDS
Executive Vice President Legal and Regulatory and General Counsel

Jonah Davids joined the company in December 2007. Mr. Davids is currently the Executive Vice President, Legal & Regulatory and General Counsel of Just Energy, marketers of natural gas and electricity to residential and commercial customers in Canada and the United States. Prior to this, he held the position of

Senior Counsel & Vice President and General Counsel. Before joining Just Energy, Mr. Davids practiced corporate and commercial law at McMillan LLP. Mr. Davids received his LLB from the University of Western Ontario in 2000 and an LLM in Natural Resources from the University of Dundee, Scotland in 2005. He is admitted to the bar in the Province of Ontario.

CHRIS CREAR
Vice President, Commercial Sales, Management Executives

As Vice President of Commercial Sales, Chris will be overseeing Hudson Sales for the US and Canadian markets for Hudson Energy. Prior to joining Hudson Energy, Chris has held roles in project development, sales, finance and marketing across a variety of industries.

Chris holds a Master of Business Administration from the University of Texas at Austin and Bachelor of Science in Mechanical Engineering.

Phone: (713) 881-8548
Email: Chris.Crear@hudsonenergy.net

Exhibit D-4 "FERC Power Marketer License Number"

Hudson is a registered FERC Power Marketer and the Docket No. is ER17-2427-000.