

**DIS Case Number: 17-1992-GA-AGG**

## Section A: Application Information

### A-1. Provider type:

☒ Retail Natural Gas  
Broker

☐ Retail Natural Gas  
Aggregator

☐ Retail Natural Gas  
Marketer

### A-2. Applicant's legal name and contact information.

**Legal Name:** Interactive Energy Group LLC

**Country:** United States

**Phone:** 7142592508      **Extension (if applicable):**

**Street:** 2901 West Parker Road, #864524

**Website (if any):**  
www.InteractiveEnergyGroup.com

**City:** Plano

**Province/State:** TX

**Postal Code:** 75086

### A-3. Names and contact information under which the applicant will do business in Ohio

Provide the names and contact information the business entity will use for business in Ohio. This does not have to be an Ohio address and may be the same contact information given in A-2.

Name	Type	Address	Active?	Proof
Interactive Energy Group LLC	Official Name	2901 West Parker Rd #864524 Plano, TX 75086	Yes	File

### A-4. Names under which the applicant does business in North America

Provide all business names the applicant uses in North America, including the names provided in A-2 and A-3.

Name	Type	Address	Active?	Proof
Interactive Energy Group LLC	Official Name	2901 West Parker Rd #864524 Plano, TX 75086	Yes	File
Interactive Energy Group	DBA	2901 West Parker Rd #864524 Plano, TX 75086	Yes	File



**A-5. Contact person for regulatory matters**

Vanessa Anesetti-Parra  
80 Courtneypark Drive West, Unit 3 & 4  
Mississauga, ON L5W 1Y6  
CA  
vanesetti@justenergy.com  
4162725914

**A-6. Contact person for PUCO Staff use in investigating consumer complaints**

Karla Paez  
5251 Westheimer Road, Suite 1000  
Houston, TX 77056  
US  
kpaez@justenergy.com  
7138506790

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

<b>Phone:</b> 9056704440	<b>Extension (if applicable):</b>	<b>Country:</b> United States
<b>Fax:</b>	<b>Extension (if applicable):</b>	<b>Street:</b> 2901 West Parker Rd #864524
<b>Email:</b> regulatory_mgmnt@justenergy.com		<b>City:</b> Plano
		<b>Province/State:</b> TX
		<b>Postal Code:</b> 75086

**A-8. Applicant's federal employer identification number**

20-4348258

**A-9. Applicant's form of ownership**

**Form of ownership:** Limited Liability Company (LLC)

**A-10. Identify current or proposed service areas**

Identify each service area in which the applicant is currently providing service or intends to provide service and identify each customer class that the applicant is currently serving or intends to serve.

**Service area selection**

Columbia Gas of Ohio  
 Dominion Energy Ohio  
 Duke Energy Ohio  
 CenterPoint Energy Ohio

**Class of customer selection**

Industrial  
 Residential  
 Small Commercial  
 Large Commercial

**A-11. Start date**

Indicate the approximate start date the applicant began/will begin offering services: 10-19-2017

**A-12. Principal officers, directors, and partners**

Please provide all contacts that should be listed as an officer, director or partner.

Name	Email	Title	Address
Michael Carter		President and Chief Executive Officer	5251 Westheimer Road, Suite 1000 Houston, TX 77056 US
Scott Fordham		Chief Operating Officer	5251 Westheimer Road, Suite 1000 Houston, TX 77056 US
Jonah Davids		EVP, General Counsel & Corporate Secretary	100 King St. W, Suite 2630 Toronto, ON M5X 1E1 CA
Greg Wilks		Chief Financial Officer	5251 Westheimer Road, Suite 1000 Houston, TX 77056 US

**A-13. Company history**

Interactive Energy Group LLC (IEG) was established in 2005 and incorporated as IEG in September 2017. It is a certified energy broker that currently manages a portfolio consisting of thousands of commercial customers across the U.S. IEG functions as a one-stop energy



## Public Utilities Commission

management firm and is recognized as a market leader in electricity and natural gas procurement sales, risk management, planning, utility expense auditing and other cost saving initiatives in the competitive commercial and industrial energy segments. The company's main office is in Plano, Texas. Currently, all employees of IEG are internal and all functions are managed in house. Just Energy Group Inc. (Just Energy Group) acquired IEG in August of 2017, and due to Just Energy Group's recent emergence from the Companies' Creditors Arrangement Act (CCAA) and reorganization, Just Energy (U.S.) Corp. is IEG's new ultimate parent entity. However, IEG operates as an independent broker. Please see enclosed Exhibit B-1 for a list of other Commission issued licenses and affiliated companies.

### **A-14. Secretary of State**

Secretary of State Link:

### **A-15. Proof of Ohio Employee and Office**

Provide proof of an Ohio Office and Employee in accordance with Section 4929.22 of the Ohio Revised Code. List the designated Ohio employee's name, Ohio office address, telephone number and web site address

**Employee Name:** CSC Lawyers Incorporating Service  
50 West Broad Street, Suite 1800  
Columbus, OH 43215  
US  
dist\_regulatory\_administration@justenergy.com  
8452283400

## **Section B: Applicant Managerial Capability and Experience**

### **B-1. Jurisdiction of operations**

List all jurisdictions in which the applicant or any affiliated interest of the applicant is certified, licensed, registered or otherwise authorized to provide retail natural gas service or retail/wholesale electric service as of the date of filing the application..

File Attached

### **B-2. Experience and plans**



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Describe the applicant's experience in providing the service(s) for which it is applying (e.g., number and type of customers served, utility service areas, amount of load, etc.). Include the 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 Sections 4928.10 and/or 4929.22 of the Ohio Revised Code.

File(s) attached

### **B-3. Disclosure of liabilities and investigations**

For the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant, describe all existing, pending or past rulings, judgments, findings, contingent liabilities, revocation of authority, regulatory investigations, judicial actions, or other formal or informal notices of violations, or any other matter related to competitive services in Ohio or equivalent services in another jurisdiction..

File Attached

### **B-4. Disclosure of consumer protection violations**

Has the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years?

**No**

### **B-5. Disclosure of certification, denial, curtailment, suspension or revocation**

Has the applicant, affiliate, or a predecessor of the applicant had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, revoked, or cancelled or been terminated or suspended from any of Ohio's Natural Gas or Electric Utility's Choice programs within the past two years?

**No**



## Section C: Applicant Financial Capability and Experience

### C-1. Financial reporting

Provide a current link to the most recent Form 10-K filed with the Securities and Exchange Commission (SEC) or upload the form. If the applicant does not have a Form 10-K, submit the parent company's Form 10-K. If neither the applicant nor its parent is required to file Form 10-K, state that the applicant is not required to make such filings with the SEC and provide an explanation as to why it is not required.

Does not apply

### C-2. Financial statements

Provide copies of the applicant's two most recent years of audited financial statements, including a 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, provide 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 bank account numbers redacted**.

If the applicant is unable to meet the requirement for two years of financial statements, the Staff reviewer may request additional financial information.

File(s) attached

### C-3. Forecasted financial statements

Provide two years of forecasted income statements **based solely on the applicant's anticipated business activities in the state of Ohio**.

Include the following information with the forecast: a list of assumptions used to generate the forecast; a statement indicating that the forecast is based solely on Ohio business activities only; and the name, address, email address, and telephone number of the preparer of the forecast.

The forecast may be in one of two acceptable formats: 1) an annual format that includes the current year and the two years succeeding the current year; or 2) a monthly format showing 24 consecutive months following the month of filing this application broken down into two 12-month periods with totals for revenues, expenses, and projected net incomes for both periods.



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Please show revenues, expenses, and net income (revenues minus total expenses) that is expected to be earned and incurred in **business activities only in the state of Ohio** for those periods.

If the applicant is filing for both an electric certificate and a natural gas certificate, please provide a separate and distinct forecast for revenues and expenses representing Ohio electric business activities in the application for the electric certificate and another forecast representing Ohio natural gas business activities in the application for the natural gas certificate.

Preferred to file confidentially

### C-4. Credit rating

Provide a credit opinion disclosing the applicant's credit rating as reported by at least one of the following ratings agencies: Moody's Investors Service, Standard & Poor's Financial Services, Fitch Ratings or the National Association of Insurance Commissioners. If the applicant does not have its own credit ratings, substitute the credit ratings of a parent or an affiliate organization and submit 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 'Not Rated'.

This does not apply

### C-5. Credit report

Provide a copy of the applicant's credit report from Experian, Equifax, TransUnion, Dun and Bradstreet or a similar credit reporting organization. If the applicant is a newly formed entity with no credit report, then provide a personal credit report for the principal owner of the entity seeking certification. At a minimum, the credit report must show summary information and an overall credit score. **Bank/credit account numbers and highly sensitive identification information must be redacted.** If the applicant provides an acceptable credit rating(s) in response to C-4, then the applicant may select 'This does not apply' and provide a response in the box below stating that a credit rating(s) was provided in response to C-4.

Preferred to file this information confidentially

### C-6. Bankruptcy information

Within the previous 24 months, have any of the following filed for reorganization, protection from creditors or any other form of bankruptcy?

- Applicant
- Parent company of the applicant
- Affiliate company that guarantees the financial obligations of the applicant
- Any owner or officer of the applicant

Please provide full details of the bankruptcy information.





## Public Utilities Commission

Bankruptcy Information: December 19, 2022

TORONTO and HOUSTON, Dec. 19, 2022 (GLOBE NEWSWIRE) -- Just Energy Group Inc. and Just Energy (U.S.) Corp. ('Just Energy' or the 'Company'), a retail provider specializing in electricity and natural gas commodities and bringing energy efficient solutions and renewable energy options to customers, today announced that it has closed its previously announced sale transaction completed in connection with Just Energy's proceedings under the Companies' Creditors Arrangement Act (Canada) ('CCAA'). The Company emerges from the process with a new ownership group, strengthened balance sheet and a continued focus on growth.

'With the closing of this transaction, the Company can return its full focus to what it does best, providing high-quality services and growing our business,' said Interim President and Chief Executive Officer Michael Carter. 'Our relationships with our customers, suppliers, vendors and employees have always been our focus and we look forward to enhancing all of these relationships as we move forward with our business plan.'

Under the new ownership group, the Company will continue to provide the same level of high-quality care and value for our customers.

Effective on completion of the transaction, the Company is no longer a reporting issuer in Canada and is no longer subject to the CCAA proceedings.

About Just Energy Group Inc.

Just Energy is a retail energy provider specializing in electricity and natural gas commodities and bringing energy efficient solutions, carbon offsets and renewable energy options to customers. Operating in the United States and Canada, Just Energy serves residential and commercial customers.

Just Energy is the parent company of Amigo Energy, Filter Group, Hudson Energy, Interactive Energy Group, Tara Energy, and Terrapass. Visit [Justenergy.com](http://Justenergy.com) to learn more.

FOR FURTHER INFORMATION PLEASE CONTACT:

Just Energy  
[pr@justenergy.com](mailto:pr@justenergy.com)

Media

Holly Winter

Longview Communications

Phone: 416-454-7595

[hwinter@longviewcomms.ca](mailto:hwinter@longviewcomms.ca)

Source: Just Energy Group Inc.

### **C-7. Merger information**

Is the applicant currently involved in any dissolution, merger or acquisition activity, or otherwise participated in such activities within the previous 24 months?



No

#### **C-8. Corporate structure**

Provide a graphical depiction of the applicant's corporate structure. Do not provide an internal organizational chart. The graphical depiction should include all parent holding companies, subsidiaries and affiliates as well as 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 the applicant may respond by stating that it is a stand-alone entity with no affiliate or subsidiary companies.

File(s) attached

### **Section D: Applicant Technical Capacity**

#### **D-1. Operations**

Retail natural gas brokers/aggregators: Include details of the applicant's business operations and plans for arranging and/or aggregating for the supply of natural gas to retail customers.

Operations Description: IEG is a commercial brokerage that provides customers customized energy solutions based on their needs to mitigate risk. The customer contracts directly with a Supplier to serve their electricity and gas needs and receives a bill directly from the Supplier. The types of contracts vary and must be supported by the Supplier. IEG facilitates the introduction of customers to the Supplier and will engage on behalf of the customer should any issues arise, when applicable. The retailer will provide a brokerage fee to IEG as long as the customer remains a customer of Supplier. Currently, all employees of IEG are internal and all functions

are managed in house.

#### **D-2. Operations Expertise & Key Technical Personnel**



Given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations. Include the names, titles, e-mail addresses, and background of key personnel involved in the operations of the applicant's business.

Operations Expertise & Personnel Description: We have a combined 50+ years of retail and brokerage experience on the team. This combined knowledge allows us to tailor Supplier offerings to meet the needs of our customers. Our team monitors current industry trends, market analytics and customer analytics to determine how to serve our customers in the best way possible.

**Key Technical Personnel**

Tracy Hodge

General Manager, Interactive Energy Group LLC

Tracy Hodge serves as the General Manager of Interactive Energy Group. She has over 18 years of retail

energy experience and joined as employee number 4 of the commercial brokerage in 2005. She was also

the Director of Product Operations at Ambit Energy for 5 years where she worked on strategy, marketing,

project management, operations, analytics, customer experience improvements, and development

initiatives.

Email: [thodge@interactiveenergygroup.com](mailto:thodge@interactiveenergygroup.com)

Address: 2901 West Parker Road, #864524, Plano, TX 75086

Phone: 972-373-1684 ext 69004

Courtney Love

Sr. Finance and Operations Analyst

Courtney Love is the Sr. Finance and Operations Analyst of Interactive Energy Group. She has over 5

years of deregulated energy experience. She leads all customer service initiatives, commissions, customer

analytics, pricing, financial reporting and supporting supplier relationships.

Email: [clove@interactiveenergygroup.com](mailto:clove@interactiveenergygroup.com)

Address: 2901 West Parker Road, #864524, Plano, TX 75086

Phone: 972-373-1687 ext 69006



Public Utilities  
Commission

# Application Attachments

# 2022 Annual Report

## Just Energy Group



This document (this “MD&A”) contains information under the heading “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” which has been excerpted from our Annual Report on Form 10-K (the “Annual Report”) filed concurrently with this MD&A on the date hereof on our profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://www.sec.gov). This MD&A should be read in conjunction with our Annual Report, including the consolidated financial statements and the related notes thereto included in Item 8, as well as Part I, Item 1 “Business”, Part I, Item 1A “Risk Factors”, and incorporates by reference herein Item 1A “Risk Factors” from our Annual Report. Defined terms used herein but otherwise not defined have the meaning ascribed to them in the Annual Report.

# Management's discussion and analysis of financial condition and results of operations

The following MD&A is a review of the financial condition and operating results of Just Energy for the three months and year ended March 31, 2022. This MD&A has been prepared with all information available up to and including August 4, 2022. This MD&A should be read in conjunction with Just Energy's Consolidated Financial Statements for the year ended March 31, 2022 (Part II, Item 8, "Financial Statements and Supplementary Data"). The financial information contained herein has been prepared in accordance with U.S. GAAP. All dollar amounts are expressed in US dollars unless otherwise noted. The annual report and supplementary information can be found on Just Energy's corporate website at [investors.justenergy.com](http://investors.justenergy.com). Additional information can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the SEC website at [www.sec.gov](http://www.sec.gov).

## COMPANIES' CREDITORS ARRANGEMENT AND CHAPTER 15 PROCEEDINGS

In February 2021, the State of Texas experienced the Weather Event. The Weather Event led to increased electricity demand and sustained high prices from February 13, 2021 through February 20, 2021. As a result of the losses sustained and without sufficient liquidity to pay the corresponding invoices from the ERCOT when due, and accordingly, on March 9, 2021, Just Energy applied for and received Court Orders under the CCAA from the Ontario Court and under Chapter 15 in the U.S. from the Houston Court. Protection under the Court Orders allows Just Energy to operate while it restructures its capital structure.

As part of the CCAA filing, the Company entered into a \$125.0 million DIP Facility financing with certain affiliates of PIMCO (refer to Part II, Item 8, "Financial Statements and Supplementary Data", Note 16(a) and Note 26 Related Party Transactions). The Company also entered into qualifying support agreements with its largest commodity supplier and ISO services provider. The filings and associated DIP Facility arranged by the Company, enabled Just Energy to continue all operations without interruption throughout the U.S. and Canada and to continue making payments required by ERCOT and satisfy other regulatory obligations.

On September 15, 2021, the Ontario Court approved the Company's request to establish a claims process to identify and determine claims against the Company and its subsidiaries that are subject to the ongoing Claims Procedure Order. As part of the CCAA proceedings and in accordance with the Claims Procedure Order, Just Energy continues to review and determine which claims will be allowed, modified or disallowed, which may result in additional liabilities subject to compromise that are not currently reflected in the Consolidated Financial Statements (refer to Part II, Item 8, "Financial Statements and Supplementary Data" Note 25(d) Commitments and Contingencies).

## Plan Support Agreement

As previously disclosed, in connection with the CCAA filing, on May 12, 2022, the Company, the Stalking Horse Purchaser and certain other parties thereto, entered into a plan support agreement (the "Plan Support Agreement"). Upon the execution of the SISP Support Agreement (as defined below), the Plan Support Agreement and the transactions contemplated thereunder were automatically terminated pursuant to its terms.

The Plan Support Agreement contemplated the implementation of a recapitalization and financial restructuring of the Just Energy Entities through: (i) a reorganization of the Just Energy Entities, (ii) a rights offering for the issuance of approximately \$192.5 million of new common equity which would be backstopped by the Stalking Horse Purchaser pursuant to the Backstop Commitment Letter, (iii) the issuance of new preferred equity, which would be owned entirely by the Stalking Horse Purchaser, and new common equity, (iv) the cancellation for no consideration of all outstanding shares of the Company and (v) the entry into the new credit agreement and the new intercreditor agreement.

The Plan Support Agreement contained certain covenants on the part of the parties thereto, as well as certain conditions to the obligations of such parties and for termination upon the occurrence of certain events, including, without limitation, the failure to achieve certain milestones and certain breaches by the parties under the Plan Support Agreement.

## Backstop Commitment Letter

Also as previously disclosed, in connection with the Plan Support Agreement, on May 12, 2022, the Stalking Horse Purchaser entered into a Backstop Commitment Letter (the "Backstop Commitment Letter") with Just Energy (U.S.) Corp., pursuant to which the Stalking Horse Purchaser (the "Backstop Parties") agreed to backstop the approximately \$192.5 million rights offering contemplated by the Plan Support Agreement. Upon the execution of the SISP Support Agreement (as defined below), the Backstop Commitment Letter and the transactions contemplated thereunder were automatically terminated pursuant to its terms.

Under the Backstop Commitment Letter, the Backstop Parties agreed, subject to the terms and conditions of the Backstop Commitment Letter, to (i) purchase new common equity of the new parent company of the Just Energy Entities, (ii) subscribe for and receive its pro rata share of any unsubscribed new common equity in the rights offering and (iii) subscribe for and receive its pro rata share of new common equity in the rights offering upon the failure by another participant to fulfill its subscription obligations by the participation deadline. The issuance of the new common equity under the rights offering will represent in the aggregate 80% of the new common equity of the new parent company of the Just Energy Entities.

Under the Backstop Commitment Letter, Just Energy (U.S.) Corp. agreed to issue and deliver 10% of the outstanding new common shares on the effective date, which would have constituted backstop commitment fee shares. In addition, Just Energy (U.S.) Corp. agreed to pay a termination fee of \$15 million to the Backstop Parties if the Plan Support Agreement is terminated under certain circumstances. Pursuant to the Backstop Commitment Letter, the term loan lenders of the Just Energy Entities were entitled to participate in the rights offering as backstop parties for their pro rata shares of new common equity. The Backstop Parties' commitments to backstop the rights offering and the other transactions contemplated by the Backstop Commitment Letter were conditioned upon the satisfaction of all applicable conditions set forth in the Backstop Commitment Letter.

### PROPOSED SALE AND INVESTMENT SOLICITATION PROCESS AND STALKING HORSE TRANSACTION

On August 4, 2022, the Company entered into a stalking horse transaction agreement (the "Stalking Horse Transaction Agreement") with the Stalking Horse Purchaser and a support agreement (the "SISP Support Agreement") in connection with the SISP that is intended to facilitate its exit from the Company's ongoing insolvency proceedings as a going concern.

Under the SISP, interested parties are invited to participate in accordance with the approved SISP procedures. If one or more qualified bids (other than the transaction contemplated by the Stalking Horse Transaction) are received by September 29, 2022, then Just Energy intends to proceed with an auction to determine the successful bid(s), subject to the terms of the approved SISP procedures. If the Stalking Horse Purchaser is determined to be the successful bidder at the conclusion of the SISP and is subsequently approved by the Court, the Stalking Horse Purchaser will become the sole shareholder of Just Energy (U.S.) Corp., which will be the new parent company of all of the Just Energy Entities, including the Company, and the Just Energy Entities will continue their business and operations as a going concern.

The SISP Support Agreement further contemplates the entry into the Stalking Horse Transaction pursuant to the Stalking Horse Transaction Agreement, under which, among other things, (A) the Stalking Horse Purchaser agreed to act as a "stalking horse" bidder with respect to the SISP, (B) the existing common shares and all other equity interests of the Company would be cancelled or redeemed for no consideration, (C) the issuance of new common equity and new preferred equity of the new parent company of the Just Energy Entities, which will be owned entirely by certain affiliates of the Stalking Horse Purchaser, and (v) the entry into a new credit agreement and a new intercreditor agreement on the terms set forth in the term sheets appended to the SISP Support Agreement.

The SISP Support Agreement contains certain covenants on the part of the parties thereto, as well as certain termination rights upon the occurrence of certain events, including, without limitation, (i) the failure to achieve certain milestones and certain breaches by the parties under the SISP Support Agreement and (ii) the Stalking Horse Purchaser not being the successful bidder under the SISP procedures. Additionally, upon the execution of the SISP Support Agreement, each of the Plan Support Agreement, the Backstop Commitment Letter and the transactions contemplated thereunder were automatically terminated.

Key terms of the Stalking Horse Transaction include:

- The Stalking Horse Purchaser will become the sole shareholder of Just Energy (U.S.) Corp., which will be the new parent company of all of the Just Energy Entities, including the Company, and the Just Energy Entities will continue their business and operations as a going concern.
- The purchase price payable pursuant to the Stalking Horse Transaction is (i) \$184.9 million in cash; plus (ii) a credit bid of approximately \$230 million plus accrued interest of secured claims assigned to the Stalking Horse Purchaser; plus (iii) the assumption of Assumed Liabilities (as defined below), including up to CAD\$10 million owing under the Company's first lien credit facility (the "**Credit Facility Remaining Debt**") to remain outstanding under an amended and restated credit agreement.
- Post-filing claims, the Credit Facility Remaining Debt, claims by energy regulators, and certain other liabilities enumerated in the Stalking Horse Transaction Agreement ("**Assumed Liabilities**") will continue to be liabilities of the Just Energy Entities following consummation of the Stalking Horse Transaction. Excluded liabilities and assets of the Just Energy Entities will be discharged from the Just Energy Entities pursuant to an Approval and Vesting Order to be sought subject to the Stalking Horse Transaction being the successful bid in the SISP. No amounts will be available for distribution to the Just Energy Entities' general unsecured creditors, including the Term Loan lenders.
- All currently outstanding shares, options and other equity of Just Energy will be cancelled or redeemed for no consideration and without any vote of the existing shareholders.
- A break-up fee of \$14.7 million to be paid to the Stalking Horse Purchaser upon the consummation of an Alternative Restructuring Proposal (as defined in the Transaction Agreement) in the event of termination of the Transaction Agreement in certain specified circumstances.

The parties' obligations under the Stalking Horse Transaction Agreement are conditioned upon the satisfaction or waiver of all applicable conditions set forth in the Stalking Horse Transaction Agreement, including, among others, the entry by the Court of the SISP Order and the Vesting Order, the completion of the Implementation Steps by the Just Energy Entities, the receipt of all required Transaction Regulatory Approvals (as defined in the Transaction Agreement) and that upon the consummation of the Transaction, no Just Energy Entity will be a reporting issuer (or equivalent) under any United States or Canadian securities laws.

On June 7, 2022, the Ontario Court extended the stay until August 19, 2022. The stay extension allows the Company to continue to operate in the ordinary course of business while pursuing its proposed restructuring plan.



On May 19, 2022, the common shares of the Company were transferred from the TSX Venture Exchange to the NEX and are trading under the symbol "JE.H.". The Company's common shares continue to trade on the OTC Pink Market under the symbol "JENGQ".

### WEATHER EVENT RELATED UPLIFT SECURITIZATION PROCEEDS

On June 16, 2021, HB 4492 became law in Texas. HB 4492 provides a mechanism for recovery of certain Weather Event Costs, incurred by various parties, including the Company, during the Weather Event, through certain securitization structures.

On October 13, 2021, the PUCT approved the Final Order authorizing the securitization of certain Weather Event Costs by ERCOT. On December 7, 2021, ERCOT filed its calculation with the PUCT in accordance with the PUCT Final Order implementing HB 4492. The Company received \$147.5 million in June 2022.

### SALE OF ECOBEE INVESTMENTS

On December 1, 2021, Generac completed the acquisition of all issued and outstanding shares of ecobee, including all of the ecobee shares held by the Company. The Company held approximately 8% of the ecobee shares. The Company received \$12.3 million cash and 80,281 shares of Generac common stock. The Company subsequently sold all of the Generac shares for a sum of \$28.4 million during December 2021, resulting in total consideration of approximately \$40.7 million. This sale has resulted in a gain on investment of \$15.0 million recorded in the Consolidated Statement of Operations for the year ended March 31, 2022. The Company could receive up to an additional \$8.0 million in Generac stock during 2022 and 2023, provided that certain performance targets are achieved by ecobee.

## Forward-looking information

This MD&A may contain forward-looking statements, including, without limitation, statements with respect to the CCAA proceedings. These statements are based on current expectations that involve several risks and uncertainties which could cause actual results to differ from those anticipated. These risks include, but are not limited to, risks with respect to: the ability of the Company to continue as a going concern; the outcome of proceedings under the CCAA and similar proceedings in the United States, including the SISF; the outcome of any potential litigation with respect to the Weather Event, the outcome of any invoice dispute with ERCOT; the Company's discussions with key stakeholders regarding the CCAA proceedings; the impact of the evolving COVID-19 pandemic on the Company's business, operations and sales; uncertainties relating to the ultimate spread, severity and duration of COVID-19 and related adverse effects on the economies and financial markets of countries in which the Company operates; the ability of the Company to successfully implement its business continuity plans with respect to the COVID-19 pandemic; the Company's ability to access sufficient capital to provide liquidity to manage its cash flow requirements; general economic, business and market conditions; the ability of management to execute its business plan; levels of customer natural gas and electricity consumption; extreme weather conditions; rates of customer additions and renewals; customer credit risk; rates of customer attrition; fluctuations in natural gas and electricity prices; interest and exchange rates; actions taken by governmental authorities including energy marketing regulation; increases in taxes and changes in government regulations and incentive programs; changes in regulatory regimes; results of litigation and decisions by regulatory authorities; competition; and dependence on certain suppliers. Additional information on these and other factors that could affect Just Energy's operations or financial results are included in Just Energy's annual information form and other reports on file with U.S. Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov) or Canadian securities regulatory authorities which can be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the U.S. Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov) or through Just Energy's website at [investors.justenergy.com](http://investors.justenergy.com).

## Company overview

Just Energy is a CBCA corporation created on January 1, 2011, pursuant to a plan of arrangement approved by unitholders of the Just Energy Income Fund on June 29, 2010, and by the Alberta Court of the Queen's Bench on June 30, 2010. Just Energy is a retail energy provider specializing in electricity and natural gas commodities, energy efficient solutions, carbon offsets and renewable energy options. Operating in the U.S. and Canada, Just Energy serves both residential and commercial customers, providing homes and businesses with a broad range of energy solutions that deliver comfort, convenience and control. Just Energy is the parent company of Amigo Energy, Filter Group, Hudson Energy, Interactive Energy Group, Tara Energy and Terrapass.

On May 19, 2022, the common shares of the Company were transferred from the TSX Venture Exchange to the NEX and are trading under the symbol "JE.H.". The Company's common shares continue to trade on the OTC Pink Market under the symbol "JENGQ".

### Just Energy Group



## Continuing operations overview

### MASS MARKETS SEGMENT

The Mass Markets segment includes customers acquired and served under the Just Energy, Tara Energy, Amigo Energy and Terrapass brands. Marketing of the energy products of this segment is primarily done through the digital and retail sales channels. Mass Market customers make up 73% of Just Energy's Base Gross Margin, which is currently focused on price-protected and flat-bill product offerings, as well as JustGreen products. To the extent that certain customers are better served by shorter-term or enhanced variable rate products, the Mass Markets segment's sales channels offer these products.

Just Energy also provides home water filtration systems with its line of consumer product and service offerings through Filter Group.

### COMMERCIAL SEGMENT

The Commercial segment includes customers acquired and served under Hudson Energy, as well as brokerage services managed by Interactive Energy Group. Hudson Energy sales are made through three main channels: brokers, in-person commercial independent contractors and inside commercial sales representatives. Commercial customers make up 27% of Just Energy's Base Gross Margin. Products offered to Commercial customers range from standard fixed-price offerings to "one off" offerings, tailored to meet the customer's specific needs. These products can be fixed or floating rate or a blend of the two, and normally have a term of less than five years. Base Gross Margin per RCE for this segment is lower than it is for the Mass Markets segment, but customer acquisition costs and ongoing customer care costs per RCE are lower as well. Commercial customers also have significantly lower attrition rates than Mass Markets customers.

### ABOUT JUST ENERGY'S PRODUCTS

Just Energy offers products and services to address customers' essential needs, including electricity and natural gas commodities, energy efficient solutions, carbon offsets and renewable energy options as well as water quality and filtration devices.

#### Electricity

Just Energy services various states and territories in the U.S. and Canada with electricity. A variety of electricity solutions are offered, including fixed-price, flat-bill and variable-price products on both short-term and longer-term contracts. Most of these products provide customers with price-protection programs for the majority of their electricity requirements. Just Energy uses historical usage data for enrolled customers to predict future customer consumption and to help with long-term supply procurement decisions. Flat-bill products offer customers the ability to pay a fixed amount per period regardless of usage.

Just Energy purchases electricity supply from market counterparties for Mass Markets and Commercial customers based on forecasted customer aggregation. Electricity supply is generally purchased concurrently with the execution of a contract for larger Commercial customers. Historical customer usage is obtained from LDCs, which, when normalized to average weather, provides Just Energy with expected normal customer consumption. Just Energy mitigates exposure to weather variations through active management of the electricity portfolio and 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 and the availability and costs of such options. To the extent that balancing electricity requirements are outside the forecasted purchases, Just Energy bears the financial responsibility for excess or short supply caused by fluctuations in customer usage. Any supply balancing not fully covered through customer pass-throughs, active management or the options employed may increase or decrease Just Energy's Base Gross Margin depending upon market conditions at the time of balancing.

#### Natural gas

Just Energy offers natural gas customers a variety of products ranging from five-year fixed-price contracts to month-to-month variable-price contracts. Gas supply is purchased from market counterparties based on forecasted consumption. For larger Commercial customers, gas supply is generally purchased concurrently with the execution of a contract. Variable rate products allow customers to maintain flexibility while retaining the ability to lock into a fixed price at their discretion. Flat-bill products offer customers the ability to pay a fixed amount per period regardless of usage or changes in the price of the commodity.

The LDCs provide historical customer usage which, when normalized to average weather, enables Just Energy to purchase the expected normal customer consumption. 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 and the availability and costs of such options. To the extent that balancing requirements are outside the forecasted 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 Base Gross Margin may increase or decrease depending upon market conditions at the time of balancing.

<b>Territory</b>	<b>Gas delivery method</b>
Manitoba, Ontario, Quebec and Michigan	The volumes delivered for a customer typically remain constant throughout the year. Revenues are not recognized until the customer consumes the gas. During the winter months, gas is consumed at a rate that is greater than delivery, resulting in accrued gas receivables, and, in the summer months, deliveries to LDCs exceed customer consumption, resulting in gas delivered in excess of consumption. Just Energy receives cash from the LDCs as the gas is delivered.
Alberta, British Columbia, Saskatchewan, California, Illinois, Indiana, Maryland, New Jersey, New York, Ohio and Pennsylvania	The volume of gas delivered is based on the estimated consumption and storage requirements for each month. The amount of gas delivered in the months of October to March is higher than in the months of April to September. Cash flow received from most of these markets is greatest during the fall and winter quarters, as cash is normally received from the LDCs in the same period as customer consumption.

### **JustGreen**

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

JustGreen's electricity products offer customers the option of having all or a portion of the volume of their electricity usage sourced from renewable green sources such as wind, solar, hydropower 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. 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 currently sells JustGreen electricity and gas in eligible markets across North America. Of all mass market customers who contracted with Just Energy in the past year, 40% purchased JustGreen for some or all of their energy needs. On average, these customers elected to purchase 93% of their consumption as green supply. For comparison, as reported for the trailing 12 months ended March 31, 2021, 37% of Mass Market customers who contracted with Just Energy chose to include JustGreen for an average of 98% of their consumption. As at March 31, 2022, JustGreen makes up 24% of the Mass Market electricity portfolio, compared to 25% in the year ago period. JustGreen makes up 24% of the Mass Market gas portfolio, compared to 17% in the year ago period.

### **Terrapass**

Through Terrapass, customers can offset their environmental impact by purchasing high quality environmental products. Terrapass supports projects throughout North America and world-wide that destroy greenhouse gases, produce renewable energy and restore freshwater ecosystems. Each project is made possible through the purchase of carbon offsets, renewable energy credits and BEF Water Restoration Certificates®. Terrapass offers various purchase options for Mass Markets or Commercial customers, enabling businesses to incorporate seamless carbon offset options by providing marketing and product integration solutions.

## **Non-U.S. GAAP financial measures**

Just Energy's Consolidated Financial Statements (Part II, Item 8, "Financial Statements and Supplementary Data") are prepared in accordance with U.S. GAAP. The financial measures that are defined below do not have a standardized meaning prescribed by U.S. GAAP and may not be comparable to similar measures presented by other companies. These financial measures should not be considered as an alternative to, or more meaningful than, net income (loss), cash flow from operating activities and other measures of financial performance as determined in accordance with U.S. GAAP; however, the Company believes that these measures are useful in providing relative operational profitability of the Company's business.

### **BASE GROSS MARGIN**

"Base Gross Margin" represents gross margin adjusted to exclude the effect of unrealized gains (losses) on derivative instruments, the one-time impact of the Weather Event, and the one-time non-recurring sales tax settlement. Base Gross Margin is a key measure used by management to assess performance and allocate resources. Management believes that these realized gains (losses) on derivative instruments reflect the long-term financial performance of Just Energy and thus have included them in the Base Gross Margin calculation.

### **BASE EBITDA**

"Base EBITDA" refers to EBITDA adjusted to exclude the impact of unrealized mark to market gains (losses) arising from U.S. GAAP requirements for derivative instruments, Reorganization Costs, share-based compensation, impairment of goodwill, intangible, inventory and others, Strategic Review costs, restructuring costs, gain on investment, realized gains (losses) related to gas held in storage until gas is sold, and non-controlling interest. This measure reflects operational profitability as the impact of the gain on investment, impairment of inventory and Reorganization Costs are one-time non-recurring events. Non-cash share-based compensation expense is treated as an equity issuance for the purposes of this calculation as it will be settled in common shares;

the unrealized mark to market gains (losses) are associated with supply already sold in the future at fixed prices; and, the unrealized mark to market gains (losses) of weather derivatives are not related to weather in the current period.

Just Energy tries to ensure that customer margins are protected by entering into fixed-price supply contracts. Under U.S. GAAP, the customer contracts are not marked to market; however, there is a requirement to mark to market the future supply contracts. This creates unrealized and realized gains (losses) depending upon current supply pricing. Management believes that the unrealized mark to market gains (losses) do not impact the long-term financial performance of Just Energy and has excluded them from the Base EBITDA calculation.

Just Energy uses derivative instruments to hedge the gas held in storage for future delivery to customers. Under U.S. GAAP, the customer contracts are not marked to market; however, there is a requirement to report the realized gains (losses) in the current period instead of recognizing them as a cost of inventory until delivery to the customer. Just Energy excludes the realized gains (losses) to EBITDA during the injection season and includes them during the withdrawal season in accordance with the customers receiving the gas. Management believes that including the realized gains (losses) during the withdrawal season when the customers receive the gas is more reflective of the operations of the business.

Just Energy recognizes the incremental acquisition costs of obtaining a customer contract as an asset since these costs would not have been incurred if the contract was not obtained and are recovered through the consideration collected from the contract. Commissions and incentives paid for commodity contracts and value-added products contracts are capitalized and amortized over the term of the contract. Amortization of these costs with respect to customer contracts is included in the calculation of Base EBITDA (as selling commission expenses). Amortization of incremental acquisition costs on value-added product contracts is excluded from the Base EBITDA calculation as value-added products are considered to be a lease asset akin to a fixed asset whereby amortization or depreciation expenses are excluded from Base EBITDA.

### FREE CASH FLOW AND UNLEVERED FREE CASH FLOW

Free cash flow represents cash flow from operations less maintenance capital expenditures. Unlevered free cash flow represents free cash flows plus interest expense excluding the non-cash portion.

### EMBEDDED GROSS MARGIN ("EGM")

EGM is a rolling five-year measure of management's estimate of future contracted energy and product gross margin. The commodity EGM is the difference between existing energy customer contract prices and the cost of supply for the remainder of the term, with appropriate assumptions for commodity RCE attrition and renewals. The product gross margin is the difference between existing value-added product customer contract prices and the cost of goods sold on a five-year undiscounted basis for such customer contracts, with appropriate assumptions for value-added product attrition and renewals. It is assumed that expiring contracts will be renewed at target margin renewal rates.

EGM indicates the gross 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 neither discounted to present value nor is it intended to consider administrative and other costs necessary to realize this margin.

## Financial and operating highlights

For the three months ended March 31.

(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2022	% increase (decrease)	Fiscal 2021
Revenue	\$ 582,680	7%	\$ 543,975
Base Gross Margin <sup>1</sup>	81,248	(22)%	103,573
Administrative expenses <sup>2</sup>	27,651	14%	24,255
Selling commission expenses	19,437	(13)%	22,333
Selling non-commission and marketing expense	13,459	21%	11,125
Provision for expected credit loss	8,188	42%	5,753
Reorganization Costs	41,003	3%	39,814
Interest expense	9,394	(29)%	13,297
Impairment of goodwill, intangible assets and other	10,377	(89)%	91,451
Income (Loss) for the period	300,450	NMF <sup>3</sup>	(306,558)
Base EBITDA <sup>1</sup>	12,913	(70)%	43,390
RCE Mass Markets count	1,201,000	5%	1,147,000
RCE Mass Markets net adds	27,000	NMF <sup>3</sup>	(40,000)
RCE Commercial count	1,554,000	(13)%	1,789,000

1 See "Non-U.S. GAAP financial measures" above.

2 Includes \$0.1 million of Strategic Review costs for the fourth quarter of fiscal 2021.

3 Not a meaningful figure.

Revenue increased by 7% to \$582.7 million for the three months ended March 31, 2022 compared to \$544.0 million for the three months ended March 31, 2021. The increase was primarily driven by an increase in the Texas mass market customer base and higher commercial revenue in Canada.

Base Gross Margin decreased by 22% to \$81.3 million for the quarter ended March 31, 2022 compared to \$103.6 million for the quarter ended March 31, 2021. The decrease was primarily driven by unfavorable impact from higher supply cost.

Base EBITDA decreased by 70% to \$12.9 million for the three months ended March 31, 2022 compared to \$43.4 million for the three months ended March 31, 2021. The decrease was primarily driven by lower Base Gross Margin and higher administrative expenses, investment in digital marketing and sales agent costs, and provision for expected credit loss.

Administrative expenses increased by 14% to \$27.7 million for the three months ended March 31, 2022 compared to \$24.3 million for the three months ended March 31, 2021. The increase was primarily driven by lower incentive compensation accruals in prior year and certain billing costs that were reported under Base Gross Margin in the previous year.

Selling commission expenses decreased by 13% to \$19.4 million for the three months ended March 31, 2022 compared to \$22.3 million for the three months ended March 31, 2021. The decrease was primarily due to lower in-person and commercial sales in prior periods.

Selling non-commission and marketing expenses increased by 21% to \$13.5 million for the three months ended March 31, 2022 compared to \$11.1 million for the three months ended March 31, 2021. The increase was driven by investment in digital marketing and sales agent costs to drive customer additions and retention.

Provision for expected credit loss increased by 42% to \$8.2 million for the three months ended March 31, 2022 compared to \$5.8 million for the three months ended March 31, 2021. The increase in provision for expected credit loss was driven from the higher revenues in Texas mass market from an increase in customer base and release of credit reserves in the prior year, for Mass Markets partially offset by the release of credit reserves for Commercial in the current period.

Reorganization Costs include professional and advisory costs of \$17.8 million, \$1.5 million for the KERP and \$21.7 million in prepetition claims, contract terminations and other costs.

Interest expense decreased by 29% to \$9.4 million for the three months ended March 31, 2022 compared to \$13.3 million for the three months ended March 31, 2021. The decrease is due to no longer using supplier financing on current payables and no longer accruing interest expense on the Term Loan due to the CCAA proceedings, offset by interest expense on the DIP Facility.

Income from continuing operations was \$300.5 million for the three months ended March 31, 2022, compared to a loss from continuing operations of \$306.6 million during the three months ended March 31, 2021, primarily driven by an increase in unrealized mark to market gains on derivative instruments associated with supply contracts and the loss related to the Weather Event in the fourth quarter of 2021. Unrealized mark to market gains and losses on derivative financial instruments relate to the supply the Company has purchased to deliver in the future to existing customers at fixed contractual prices.

Mass Markets RCE Net Adds for the three months ended March 31, 2022 was increased by 27,000 compared to a decrease of 40,000 for the three months ended March 31, 2021 driven by the increase in customer adds.

## Financial and operating highlights

For the years ended March 31

(thousands of dollars, except where indicated and per share amounts)

	Fiscal 2022	% increase (decrease)	Fiscal 2021
Revenue	\$ 2,154,608	4%	\$ 2,074,828
Base Gross Margin <sup>1</sup>	339,630	(17)%	406,941
Administrative expenses <sup>2</sup>	108,186	(4)%	112,457
Selling commission expenses	83,769	(14)%	97,972
Selling non-commission and marketing expense	51,583	36%	37,796
Provision for expected credit loss	24,242	(6)%	25,712
Reorganization Costs	106,235	167%	39,814
Interest expense	34,868	(46)%	65,167
Impairment of goodwill, intangible assets and other	10,377	(89)%	91,451
Income (Loss) for the period	678,484	NMF <sup>3</sup>	(340,776)
Base EBITDA <sup>1</sup>	73,682	(47)%	139,647
Unlevered free cash flow <sup>1</sup>	(10,739)	(124)%	45,630
EGM Mass Market <sup>4</sup>	845,922	4%	816,077
EGM Commercial <sup>4</sup>	253,306	(13)%	291,195
RCE Mass Markets net adds	54,000	NMF <sup>3</sup>	(176,000)

1. See "Non-U.S. GAAP financial measures" above
2. Includes \$2.8 million of Strategic Review costs for fiscal 2021.
3. Not a meaningful figure
4. See "Embedded Gross Margin" on page 19

Revenue increased by 4% to \$2,154.6 million for the year ended March 31, 2022 compared to \$2,074.8 million for the year ended March 31, 2021. The increase was primarily driven by an increase in the Texas mass market customer base and higher commercial revenue in Canada.

Base Gross Margin decreased by 17% to \$339.6 million for the year ended March 31, 2022 compared to \$406.9 million for the year ended March 31, 2021. The decrease was primarily driven by an unfavorable impact from higher supply costs.

Base EBITDA decreased by 47% to \$73.7 million for the year ended March 31, 2022 compared to \$139.7 million for the year ended March 31, 2021. The decrease was driven primarily by lower Base Gross Margin and investment in digital and sales agent costs, partially offset by lower selling commission expenses.

Administrative expenses decreased by 4% to \$108.2 million for the year ended March 31, 2022 compared to \$112.5 million for the year ended March 31, 2021. The decrease was primarily driven by higher professional and legal fees in the prior year.

Selling commission expenses decreased by 14% to \$83.8 million for the year ended March 31, 2022 compared to \$98.0 million for the year ended March 31, 2021. The decrease was primarily due to lower direct in-person and commercial sales in prior periods.

Selling non-commission and marketing expenses increased by 36% to \$51.6 million for the year ended March 31, 2022 compared to \$37.8 million for the year ended March 31, 2021. The increase was driven by investment in digital marketing and sales agent costs to drive customer additions and retention.

Provision for expected credit loss decreased by 6% to \$24.2 million for the year ended March 31, 2022 compared to \$25.7 million for the year ended March 31, 2021. The decrease was driven by the release of reserves due to continued consistent payment trends along with recovery of previous write-offs in the Commercial segment, offset by higher expected credit losses in mass markets due to higher customer additions and higher Texas revenues.

Reorganization Costs include professional and advisory costs of \$47.4 million, \$7.2 million for the KERP and \$51.6 million in prepetition claims, contract terminations and other costs.

Interest expense decreased by 46% to \$34.9 million for the year ended March 31, 2022 compared to \$65.2 million for the year ended March 31, 2021. The decrease is due to the September 2020 Recapitalization together with no longer using supplier financing on current payables and no longer accruing interest expense on the Term Loan due to the CCAA proceedings offset by interest expense on the DIP Facility.

Income from continuing operations was \$678.5 million, compared to a loss from continuing operations of \$340.8 million during the prior year, primarily driven by an increase in unrealized mark to market gains on derivative instruments associated with supply contracts, realized gains on investment and costs reimbursement related to the February 2021 winter storm under HB 4492, partially offset by the impacts of the Weather Event in the fourth quarter of 2021 and reorganization costs related to the proceedings under the CCAA proceedings and similar proceedings in the United States. Unrealized mark to market gains and losses on derivative financial instruments relate to the supply the Company has purchased to deliver in the future to existing customers at fixed contractual prices.

Unlevered free cash flow decreased by \$56.4 million to an outflow of \$10.7 million for the year ended March 31, 2022 compared to an inflow of \$45.6 million for the year ended March 31, 2021. The decrease is due to professional and advisory costs related to the CCAA Proceedings in Fiscal 2022, the non-payment of trade and other payables subject to compromise under the CCAA in Fiscal 2021, offset by higher payments to ERCOT in Fiscal 2021.

Mass Markets EGM increased by 4% to \$845.9 million as at March 31, 2022 compared to \$816.1 million as at March 31, 2021. The increase was primarily driven by growth in the Texas mass market customer base.

Commercial EGM decreased by 13% to \$253.3 million as at March 31, 2022 compared to \$291.2 million as at March 31, 2021. The decline resulted from the decrease in the customer base.

## Base Gross Margin

For the year ended March 31.  
(thousands of dollars)

	Fiscal 2022			Fiscal 2021		
	Mass Market	Commercial	Total	Mass Market	Commercial	Total
Gas	\$ 44,263	\$ 13,780	\$ 58,043	\$ 85,772	\$ 21,463	\$ 107,235
Electricity	202,731	78,856	281,587	225,609	74,097	299,706
	<b>\$ 246,994</b>	<b>\$ 92,636</b>	<b>\$ 339,630</b>	\$ 311,381	\$ 95,560	\$ 406,941
Decrease	(21)%	(3)%	(17)%			



### Mass Markets

Mass Markets Base Gross Margin decreased by 21% to \$247.0 million for the year ended March 31, 2022 compared to \$311.4 million for the year ended March 31, 2021. The decrease was primarily driven by a decline in average realized Base Gross Margin driven by higher supply costs.

### Gas

Mass Markets Gas Base Gross Margin decreased by 48% to \$44.3 million for the year ended March 31, 2022 compared to \$85.8 million for the year ended March 31, 2021. The decrease was primarily driven by a decline in the customer base and a decrease in average realized Base Gross Margin from higher supply costs.

### Electricity

Mass Markets Electricity Base Gross Margin decreased by 10% to \$202.7 million for the year ended March 31, 2022 compared to \$225.6 million for the year ended March 31, 2021. The decrease is primarily driven by a decline in realized Base Gross Margin driven by higher supply costs, partially offset by an increase in the customer base.

### Commercial

Commercial Base Gross Margin decreased by 3% to \$92.6 million for the year ended March 31, 2022 compared to \$95.6 million for the year ended March 31, 2021. The decrease was primarily driven by a decline in the customer base.

### Gas

Commercial Gas Base Gross Margin decreased by 36% to \$13.8 million for the year ended March 31, 2022 compared to \$21.5 million for the year ended March 31, 2021. The decrease was primarily driven by lower realized Base Gross Margin and decline in customer base.

### Electricity

Commercial Electricity Base Gross Margin increased by 6% to \$78.9 million for the year ended March 31, 2022 compared to \$74.1 million for the year ended March 31, 2021. The increase is primarily driven by higher realized Base Gross Margin, partially offset by a decline in customer base.

### Mass Markets average realized Base Gross Margin

For the trailing 12 months ended March 31.

	Fiscal 2022 Base GM/RCE	% Change	Fiscal 2021 Base GM/RCE
Gas	\$ 227	(11)%	\$ 256
Electricity	189	(38)%	305
Total	\$ 219	(18)%	\$ 268

Mass Markets average realized Base Gross Margin for the trailing 12 months ended decreased 18% to \$219 compared to \$268 for the trailing 12 months ended March 31, 2021. The decrease is primarily attributable to higher supply costs.

### Commercial average realized Base Gross Margin

For the trailing 12 months ended March 31.

	Fiscal 2022 Base GM/RCE	% Change	Fiscal 2021 Base GM/RCE
Gas	\$ 51	(39)%	\$ 83
Electricity	82	17%	70
Total	\$ 75	3%	\$ 73

Commercial average realized Base Gross Margin for the trailing 12 months ended increased 3% to \$75 compared to \$73 for the trailing 12 months ended March 31, 2021. The increase is primarily driven by higher average realized Base Gross Margin in the electricity markets.

## Base EBITDA

For the three months ended March 31.  
(thousands of dollars)

	Fiscal 2022	Fiscal 2021
<b>Reconciliation to Consolidated Statements of Operations</b>		
Income (Loss) for the period	\$ 300,450	\$ (306,558)
Add:		
Interest expense	9,394	13,297
Provision (recovery) for income taxes	75,022	(1,815)
Amortization and depreciation	3,825	4,483
<b>EBITDA</b>	<b>\$ 388,691</b>	<b>\$ (290,593)</b>
Add (subtract):		
Unrealized (gain) loss of derivative instruments and other	(430,709)	(128,994)
Weather Event	–	320,200
Recapitalization costs	–	(8)
Reorganization Costs	41,003	39,814
Share-based compensation	330	664
Impairment of goodwill, intangible assets and other	10,377	91,451
Strategic Review costs	–	53
Realized (gain) loss of derivative instruments included in cost of goods sold	3,246	(1,019)
Loss from discontinued operations	–	–
Uplift charges ERCOT	–	10,183
(Gain) loss attributable to non-controlling interest	(25)	11
Sales tax settlement	–	1,499
Assets held for sale	–	129
<b>Base EBITDA</b>	<b>\$ 12,913</b>	<b>\$ 43,390</b>
Add (subtract):		
Gross margin	\$ 27,000	\$ (1,926,144)
Realized gain (loss) of derivative instruments and other	54,248	1,697,835
Sales tax settlement	–	1,499
Weather Event	–	330,383
<b>Base Gross Margin</b>	<b>81,248</b>	<b>103,573</b>
Add (subtract):		
Administrative expenses	(27,651)	(24,255)
Selling commission expenses	(19,437)	(22,333)
Selling non-commission and marketing expense	(13,459)	(11,125)
Provision for expected credit loss	(8,188)	(5,753)
Strategic Review costs	–	53
Amortization included in cost of sales	16	34
Share-based compensation	330	664
(Gain) loss attributable to non-controlling interest	(25)	11
Other income	79	2,521
<b>Base EBITDA</b>	<b>\$ 12,913</b>	<b>\$ 43,390</b>



## Analysis of the fourth quarter

Base EBITDA, which excludes the financial impact to the Company of the Weather Event, decreased by 70% to \$12.9 million for the three months ended March 31, 2022 compared to \$43.4 million for the three months ended March 31, 2021. The decrease was driven primarily by lower Base Gross Margin, higher administrative expenses, investment in digital and sales agent costs, partially offset by lower selling commission expenses.

Base gross margin, which excludes the financial impact to the Company of the Weather Event, decreased by 22% to \$81.3 million for the three months ended March 31, 2022 compared to \$103.6 million for the three months ended March 31, 2021. The decrease in Base gross margin was primarily driven by higher supply costs.

Administrative expenses increased by 14% to \$27.7 million for the three months ended March 31, 2022 compared to \$24.3 million for the three months ended March 31, 2021. The increase was primarily driven by lower incentive compensation accruals in prior year and certain billing costs that were reported under Base Gross Margin in the previous year.

Selling commission expenses decreased by 13% to \$19.4 million for the three months ended March 31, 2022 compared to \$22.3 million for the three months ended March 31, 2021. The decrease was primarily due to lower direct in-person and commercial sales in prior periods.

Selling non-commission and marketing expenses increased by 21% to \$13.5 million for the three months ended March 31, 2022 compared to \$11.1 million for the three months ended March 31, 2021. The increase was driven by investment in digital marketing and sales agent costs to drive customer additions and retention.

Provision for expected credit loss increased by 42% to \$8.2 million for the three months ended March 31, 2022 compared to \$5.8 million for the three months ended March 31, 2021. The increase in provision for expected credit loss was driven from the higher revenues in Texas Mass Market from an increase in customer base and release of credit reserves in the prior year for Mass Markets partially offset by the release of credit reserves for Commercial in the current period.

## Base EBITDA

For the year ended March 31.  
(thousands of dollars)

	Fiscal 2022	Fiscal 2021
<b>Reconciliation to Consolidated Statements of Operations</b>		
Income (Loss) for the period	\$ 678,484	\$ (340,776)
Add:		
Interest expense	34,868	65,167
Provision for income taxes	72,495	1,736
Amortization and depreciation	19,760	18,269
<b>EBITDA</b>	<b>\$ 805,607</b>	<b>\$ (255,604)</b>
Add (subtract):		
Unrealized (gain) loss of derivative instruments and other	(682,393)	(50,923)
Weather Event	(147,958)	320,200
Recapitalization costs	–	(38,915)
Reorganization Costs	106,235	39,814
Gain on investment	(15,041)	–
Restructuring Costs	–	5,368
Non-cash adjustment to green obligations	(3,633)	–
Share-based compensation	1,480	4,962
Impairment of inventory	530	–
Impairment of goodwill, intangible assets and other	10,377	91,451
Strategic Review costs	–	2,801
Realized (gain) loss of derivative instruments included in cost of goods sold	(1,564)	2,534
Uplift charges ERCOT	–	10,183
Loss attributable to non-controlling interest	43	106
Sales tax settlement	–	7,699
Assets held for sale	–	(29)
<b>Base EBITDA</b>	<b>\$ 73,682</b>	<b>\$ 139,647</b>
Add (subtract):		
Gross margin	\$ 326,630	\$ (1,427,675)
Realized gain (loss) of derivative instruments and other	164,591	1,496,535
Non-cash adjustment to green obligations	(3,633)	–
Sales tax settlement	–	7,699
Weather Event	(147,958)	330,382
Base Gross Margin	339,630	406,941
Add (subtract):		
Administrative expenses	(108,186)	(112,457)
Selling commission expenses	(83,769)	(97,972)
Selling non-commission and marketing expense	(51,583)	(37,796)
Provision for expected credit loss	(24,242)	(25,712)
Strategic Review costs	–	2,801
Amortization included in cost of sales	173	158
Share-based compensation	1,480	4,962
Loss attributable to non-controlling interest	43	106
Other income (expense)	136	(1,384)
<b>Base EBITDA</b>	<b>\$ 73,682</b>	<b>\$ 139,647</b>

Base EBITDA, which excludes the financial impact of the Weather Event, decreased by 47% to \$73.7 million for the year ended March 31, 2022 compared to \$139.7 million for the year ended March 31, 2021. The decrease was driven primarily by lower Base Gross Margin and investment in digital and sales agent costs, partially offset by lower selling commission expenses.

Base Gross Margin, which excludes the financial impact of the Weather Event, decreased by 17% to \$339.6 million for the year ended March 31, 2022 compared to \$406.9 million for the year ended March 31, 2021. The decrease in Base Gross Margin was primarily driven by higher supply costs.

Administrative expenses decreased by 4% to \$108.2 million for the year ended March 31, 2022 compared to \$112.5 million for the year ended March 31, 2021. The decrease was primarily driven by higher professional and legal fees in the prior year.

Selling commission expenses decreased by 14% to \$83.8 million for the year ended March 31, 2022 compared to \$98.0 million for the year ended March 31, 2021. The decrease was primarily due to lower direct in-person and commercial sales in prior periods.

Selling non-commission and marketing expenses increased by 36% to \$51.6 million for the year ended March 31, 2022 compared to \$37.8 million for the year ended March 31, 2021. The increase was driven by investment in digital marketing and sales agent costs to drive customer additions and retention.

Provision for expected credit loss decreased by 6% to \$24.2 million for the year ended March 31, 2022 compared to \$25.7 million for the year ended March 31, 2021. The decrease was driven by the release of reserves due to continued consistent payment trends along with recovery of previous write-offs in the Commercial segment, offset by higher expected credit losses in mass markets due to higher customer additions and higher Texas revenues.

## Summary of quarterly results for continuing operations

(thousands of dollars, except per share amounts)

	Q4 Fiscal 2022	Q3 Fiscal 2022	Q2 Fiscal 2022	Q1 Fiscal 2022
Revenues	\$ 582,680	\$ 516,185	\$ 559,382	\$ 496,361
Cost of goods sold	555,680	346,675	494,612	431,011
Gross margin	27,000	169,510	64,770	65,350
Realized gain of derivative instruments and other	54,248	63,885	33,726	12,732
Weather Event	—	(148,537)	(2,421)	3,000
Non-cash adjustment to green obligations	—	—	(3,633)	—
Base Gross Margin	81,248	84,858	92,442	81,082
Administrative expenses	27,651	26,074	29,816	24,643
Selling commission expenses	19,437	21,582	22,102	20,648
Selling non-commission and marketing expenses	13,459	13,000	13,436	11,688
Provision for expected credit loss	8,188	7,036	2,945	6,073
Interest expense	9,394	8,890	7,754	8,831
Income (loss) for the period from continuing operations	300,450	(110,881)	265,082	223,834
Income (loss) for the period	300,450	(110,881)	265,082	223,834
Base EBITDA from continuing operations	12,913	17,540	24,458	18,772

	Q4	Q3	Q2	Q1
	Fiscal 2021	Fiscal 2021	Fiscal 2021	Fiscal 2021
Revenues	\$ 543,975	\$ 481,619	\$ 553,862	\$ 495,372
Cost of goods sold	2,470,119	343,059	388,195	301,130
Gross margin	(1,926,144)	138,560	165,667	194,242
Realized loss of derivative instruments and other	1,697,835	(43,573)	(61,892)	(95,836)
Weather Event	330,383	—	—	—
Sales Tax settlement	1,499	6,200	—	—
Base Gross Margin	103,573	101,188	103,774	98,406
Administrative expenses	24,255	24,525	34,275	29,402
Selling commission expenses	22,333	23,403	26,271	25,965
Selling non-commission and marketing expenses	11,125	9,023	9,711	7,938
Provision for expected credit loss	5,753	2,579	8,744	8,636
Interest expense	13,297	13,648	22,376	15,846
Income (loss) for the period from continuing operations	(306,429)	(56,348)	(29,775)	51,747
Income (loss) for the period from discontinued operations, net	(129)	2,849	(2,655)	(36)
Income (loss) for the period	(306,558)	(53,499)	(32,429)	51,711
Base EBITDA from continuing operations	43,391	42,431	24,551	29,276

Just Energy's results reflect seasonality, as Gas consumption by customers is typically highest in October through March and lowest in April through September. Electricity consumption is typically highest in January through March and July through September and lowest in October through December and April through June. Electricity and gas customers (RCEs) currently represent 78% and 22% of the commodity customer base, respectively. Since consumption for each commodity is influenced by weather, Just Energy believes the annual quarter over quarter comparisons are more relevant than sequential quarter comparisons.

## Segmented Base EBITDA

For the year ended March 31.  
(thousands of dollars)

	Fiscal 2022			
	Mass Market	Commercial	Corporate and shared services	Consolidated
Revenues	\$ 1,190,326	\$ 964,282	\$ —	\$ 2,154,608
Cost of goods sold	(933,763)	(894,215)	—	(1,827,978)
Gross margin	256,563	70,067	—	326,630
Non-cash adjustment to green obligations	(3,438)	(195)	—	(3,633)
Weather Event	(125,845)	(22,113)	—	(147,958)
Realized gain of derivative instruments and other	119,714	44,877	—	164,591
Base Gross Margin	246,994	92,636	—	339,630
Add (subtract):				
Administrative expenses	(31,947)	(11,622)	(64,617)	(108,186)
Selling commission expenses	(41,295)	(42,591)	—	(83,886)
Selling non-commission and marketing expense	(47,231)	(4,235)	—	(51,466)
Provision for expected credit loss	(23,250)	(992)	—	(24,242)
Amortization included in cost of goods sold	173	—	—	173
Share-based compensation	—	—	1,480	1,480
Other income (expense)	191	(55)	—	136
Loss attributable to non-controlling interest	43	—	—	43
<b>Base EBITDA from continuing operations</b>	<b>\$ 103,678</b>	<b>\$ 33,141</b>	<b>\$ (63,137)</b>	<b>\$ 73,682</b>

	Fiscal 2021			
	Mass Market	Commercial	Corporate and shared services	Consolidated
Revenue	\$ 1,161,905	\$ 912,923	\$ –	\$ 2,074,828
Cost of goods sold	(2,277,182)	(1,225,321)	–	(3,502,503)
Gross margin	(1,115,277)	(312,398)	–	(1,427,675)
Weather Event	274,080	56,302	–	330,382
Sales tax settlement	7,699	–	–	7,699
Realized gain of derivative instruments and other	1,144,879	351,656	–	1,496,535
Base Gross Margin	311,381	95,560	–	406,941
Add (subtract):				
Administrative expenses	(26,823)	(12,551)	(73,083)	(112,457)
Selling commission expenses	(48,533)	(49,439)	–	(97,972)
Selling non-commission and marketing expense	(33,099)	(4,697)	–	(37,796)
Provision for expected credit loss	(17,590)	(8,122)	–	(25,712)
Amortization included in cost of goods sold	158	–	–	158
Share-based compensation	–	–	4,962	4,962
Strategic Review costs	–	–	2,801	2,801
Other income (expense)	(1,378)	(6)	–	(1,384)
Loss attributable to non-controlling interest	106	–	–	106
<b>Base EBITDA from continuing operations</b>	<b>\$ 184,222</b>	<b>\$ 20,745</b>	<b>\$ (65,320)</b>	<b>\$ 139,647</b>

1 The segment definitions are provided on page 16.

Mass Markets segment Base EBITDA decreased by 44% to \$103.7 million for the year ended March 31, 2022 compared to \$184.2 million for the year ended March 31, 2021. The decrease was driven by a lower Base Gross Margin and higher administrative expenses, increased investment in digital marketing and sales agent costs and higher provision for expected credit loss, partially offset by lower selling commission expenses.

Commercial segment Base EBITDA increased by 60% to \$33.1 million for the year ended March 31, 2022 compared to \$20.8 million for the year ended March 31, 2021. The increase was driven by lower provision for expected credit loss and selling commission expenses, partially offset by lower Base Gross Margin.

Corporate and shared services costs were \$63.1 million for the year ended March 31, 2022 compared to \$65.3 million for the year ended March 31, 2021.

### Acquisition Costs

The acquisition costs per customer for the trailing twelve months for mass market customers signed by sales agents including sales through digital channel and the commercial customers signed by brokers were as follows:

	Trailing twelve months ended	
	Fiscal 2022	Fiscal 2021
Mass Markets	<b>\$ 180/RCE</b>	\$ 195/RCE
Commercial	<b>\$ 36/RCE</b>	\$ 30/RCE

The mass markets average acquisition cost decreased by 8% to \$180/RCE for the trailing twelve months ended March 31, 2022 compared to \$195/RCE reported for the twelve months ended March 31, 2021, due to a change in channel mix towards lower cost channels.

The commercial average customer acquisition cost increased by 20% to 36/RCE for the trailing twelve months ended March 31, 2022 compared to \$30/RCE for the twelve months ended March 31, 2021.

## Customer summary

### Customer Count

	As at March 31, 2022	% Increase (decrease)	As at March 31, 2021
Mass Markets	874,000	3%	845,000
Commercial	94,000	(15)%	110,000
<b>Total customer count</b>	<b>968,000</b>	<b>1%</b>	<b>955,000</b>

The mass markets customer count increased 3% to 874,000 compared to March 31, 2021, primarily driven by increase in the Texas customer base.

The commercial customer count decreased 15% to 94,000 compared to March 31, 2021. The decline in Commercial customers is due to competitive price pressures in the United States.

### COMMODITY RCE SUMMARY

	April 1, 2021	Additions	Attrition	Failed to renew	March 31, 2022	% increase (decrease)
<b>Mass Markets</b>						
Gas	261,000	33,000	(44,000)	(16,000)	234,000	(10)%
Electricity	886,000	314,000	(158,000)	(75,000)	967,000	9%
<b>Total Mass Markets RCEs</b>	<b>1,147,000</b>	<b>347,000</b>	<b>(202,000)</b>	<b>(91,000)</b>	<b>1,201,000</b>	<b>5%</b>
<b>Commercial</b>						
Gas	408,000	7,000	(20,000)	(30,000)	365,000	(11)%
Electricity	1,381,000	142,000	(103,000)	(231,000)	1,189,000	(14)%
<b>Total Commercial RCEs</b>	<b>1,789,000</b>	<b>149,000</b>	<b>(123,000)</b>	<b>(261,000)</b>	<b>1,554,000</b>	<b>(13)%</b>
<b>Total RCEs</b>	<b>2,936,000</b>	<b>496,000</b>	<b>(325,000)</b>	<b>(352,000)</b>	<b>2,755,000</b>	<b>(6)%</b>

#### Mass Markets

Mass markets RCE additions increased by 109% to 347,000 for the year ended March 31, 2022 compared to 166,000 for the year ended March 31, 2021. The increase is driven by investment in digital marketing, as well as continued improvement in direct face-to-face channels. The COVID-19 pandemic had substantial impacts in the year ended March 31, 2021.

Mass markets RCE attrition decreased by 12% to 202,000 for the year ended March 31, 2022 as compared to 230,000 for the year ended March 31, 2021.

Mass markets Failed to renew RCEs decreased by 19% to 91,000 for the year ended March 31, 2022 compared to 112,000 for the year ended March 31, 2021.

Mass markets RCE Net Adds for the year ended March 31, 2022 was a gain of 54,000 compared to a loss of 176,000 for the year ended March 31, 2021, driven by the increase in customer additions and lower attrition and Failed to renew.

As at March 31, 2022, the U.S. and Canadian operations accounted for 88% and 12% of the mass markets RCE base, respectively.

#### Commercial

Commercial RCE additions decreased by 23% to 149,000 for the year ended March 31, 2022 compared to 194,000 for the year ended March 31, 2021.

Commercial RCE attrition decreased by 43% to 123,000 for the March 31, 2022 compared to 214,000 for the year ended March 31, 2021.

Commercial Failed to renew RCEs increased by 2% to 261,000 RCEs for the year ended March 31, 2022 compared to 256,000 RCEs for the year ended March 31, 2021.

As at March 31, 2022, the U.S. and Canadian operations accounted for 64% and 36% of the commercial RCE base, respectively.

#### Total

As at March 31, 2022, the U.S. and Canadian operations remained unchanged at 74% and 26% of the RCE base, respectively, as compared to the year ended March 31, 2021.

**COMMODITY RCE ATTRITION**

	<b>Trailing 12 months ended</b>	
	<b>March 31, 2022</b>	March 31, 2021
Mass Markets	<b>18%</b>	15%
Commercial	<b>8%</b>	12%

The mass markets attrition rate for the trailing 12 months ended March 31, 2022 increased by three percentage points to 18%.

The commercial attrition rate for the trailing 12 months ended March 31, 2022 decreased four percentage points to 8%.

	<b>Three months ended</b>	
	<b>March 31, 2022</b>	March 31, 2021
Mass Markets	<b>4%</b>	4%
Commercial	<b>2%</b>	2%

The mass markets attrition rate for the three months ended March 31, 2022 remained consistent at 4%.

The commercial attrition rate for the three months ended March 31, 2022 remained consistent at 2%.

**COMMODITY RCE RENEWALS**

	<b>Trailing 12 months ended</b>	
	<b>March 31, 2022</b>	March 31, 2021
Mass Markets	<b>79%</b>	75%
Commercial	<b>46%</b>	52%

The mass markets renewal rate for the trailing 12 months ended March 31, 2022 increased four percentage points to 79% compared to 75% for the trailing 12 months ended March 31, 2021. The commercial renewal rate for the trailing 12 months ended March 31, 2022 decreased by six percentage points to 46% compared to 52% for the trailing 12 months ended March 31, 2021.

	<b>Three months ended</b>	
	<b>March 31, 2022</b>	March 31, 2021
Mass Markets	<b>82%</b>	75%
Commercial	<b>49%</b>	55%

The mass markets renewal rate for the three months ended March 31, 2022, increased to 82% from 75% for the three months ended March 31, 2021.

The commercial renewal rate for the three months ended decreased to 49% from 55% for the three months ended March 31, 2021.

**AVERAGE GROSS MARGIN PER RCE**

The table below depicts the annual design margins on new and renewed contracts signed during the three months ended March 31, 2022 compared to the three months ended March 31, 2021 for standard commodities, which does not include non-recurring non-commodity fees.

	<b>Fiscal 2022</b>	<b>Number of RCEs</b>	<b>Fiscal 2021</b>	<b>Number of RCEs</b>
Mass Markets added or renewed	<b>\$ 250</b>	<b>484,651</b>	\$ 261	426,995
Commercial added or renewed <sup>1</sup>	<b>\$ 81</b>	<b>285,932</b>	\$ 62	363,479

<sup>1</sup> Annual gross margin per RCE excludes margins from Interactive Energy Group and large Commercial and Industrial customers.

For the year ended March 31, 2022, the mass markets average gross margin per RCE for the customers added or renewed was \$250, a decrease of 5% from \$261 for the three months ended March 31, 2021 due to higher supply costs and competitive pricing to support customer growth and retention.

For the year ended March 31, 2022 the commercial average gross margin per RCE for the customers added or renewed was \$81, an increase of 14% from \$71 for the three months ended March 31, 2021.

## Liquidity and capital resources from continuing operations

### SUMMARY OF CASH FLOWS

For the year ended March 31  
(thousands of dollars)

	<b>Fiscal 2022</b>	Fiscal 2021
Operating activities from continuing operations	<b>\$ (35,110)</b>	\$ 12,357
Investing activities from continuing operations	<b>30,216</b>	(5,516)
Financing activities from continuing operations	<b>(39,402)</b>	142,605
Effect of foreign currency translation	<b>121</b>	1,768
Increase (decrease) in cash	<b>(44,175)</b>	151,214
Cash and cash equivalents - beginning of period	<b>172,666</b>	21,452
Cash and cash equivalents - end of period	<b>\$ 128,491</b>	\$ 172,666

#### Operating activities

Cash flow from operating activities was an outflow of \$35.1 million for the year ended March 31, 2022 compared to an inflow of \$12.4 million for the year ended March 31, 2021. The increase in the outflow is due to professional and advisory costs related to the CCAA proceedings in Fiscal 2022, the non-payment of trade and other payables subject to compromise under the CCAA in Fiscal 2021, offset by higher payments to ERCOT in Fiscal 2021.

#### Investing activities

Cash flow from investing activities was an inflow of \$30.2 million for the year ended March 31, 2022 compared to an outflow of \$5.5 million for the year ended March 31, 2021. This is primarily due to \$40.7 million in proceeds from the sale of the ecobee investment in December 2021, partially offset by \$10.4 million for the capital expenditures for intangibles and purchases of equipment.

#### Financing activities, excluding dividends

Cash flow from financing activities was an outflow of \$39.4 million for the year ended March 31, 2022 compared to an inflow of \$142.6 million for the year ended March 31, 2021. The outflow is primarily driven by re-payments of \$60.8 million under the Credit Facility to allow the issuance of Letters of Credit partially offset by \$25.0 million in proceeds from the DIP Facility. For the year ended March 31, 2021 the inflow was primarily driven by \$100.0 million in proceeds from the DIP Facility and \$75.7 million in proceeds from issuance of common stocks offset by \$17.1 million in share swap payout and \$7.0 million in re-payments of Credit Facility.



## Free cash flow and unlevered free cash flow

For the year ended March 31  
(thousands of dollars)

	Fiscal 2022	Fiscal 2021
Cash flows from operating activities	\$ (35,110)	\$ 12,357
Subtract: Maintenance capital expenditures	(10,497)	(9,188)
<b>Free cash flow</b>	<b>(45,607)</b>	<b>3,169</b>
Interest expense, cash portion	34,868	42,461
<b>Unlevered free cash flow</b>	<b>\$ (10,739)</b>	<b>\$ 45,630</b>

1 See "Non-U.S. GAAP financial measures" above.

(1) Free cash flow represents cash flow from operations less maintenance capital expenditures. Unlevered free cash flow represents free cash flow plus interest expense excluding the non-cash portion.

Unlevered free cash flow decreased by \$56.4 million to an outflow of \$10.7 million for the year ended March 31, 2022 compared to an inflow of \$45.6 million for the year ended March 31, 2021. The decrease is due to professional and advisory costs related to the CCAA proceedings in Fiscal 2022, the non-payment of trade and other payables subject to compromise under the CCAA in Fiscal 2021, offset by higher payments to ERCOT in Fiscal 2021.

## Selected Balance sheet data as at March 31, 2022, compared to March 31, 2021

The following table shows selected data from the Consolidated Financial Statements (Part II, Item 8, "Financial Statements and Supplementary Data"), as at the following periods:

	As at March 31, 2022	As at March 31, 2021
<b>Assets:</b>		
Cash and cash equivalents	\$ 125,755	\$ 171,761
Trade and other receivables, net	308,941	270,538
Total fair value of derivative instrument assets	671,714	26,811
Other current assets	131,570	129,944
Total assets	1,623,814	866,715
<b>Liabilities:</b>		
Trade and other payables	\$ 349,923	\$ 310,114
Total fair value of derivative instrument liabilities	26,086	59,758
Total debt	126,419	104,455
Total liabilities	1,429,613	1,346,272

Total cash and cash equivalents decreased to \$125.8 million as at March 31, 2022 from \$171.8 million as at March 31, 2021. The decrease in cash is primarily attributable to cash outflows from operating activities and financing activities, partially offset by proceeds from sale of ecobee investment.

Trade and other receivables, net increased to \$308.9 million as at March 31, 2022 from \$270.5 million as at March 31, 2021. The changes are primarily due to increase in receivables from increase in revenues.

Trade and other payables increased to \$349.9 million as at March 31, 2022 from \$310.1 million as at March 31, 2021.

Fair value of derivative instruments assets and fair value of derivative instruments liabilities relate entirely to the financial and physical derivatives. The unrealized mark to market gains and losses can result in significant changes in income or loss and, accordingly, shareholders' deficit from year to year due to commodity price volatility. As Just Energy has purchased this supply to cover future customer usage at fixed prices, management believes that these unrealized changes do not impact the long-term financial performance of Just Energy.

Total debt was \$126.4 million as at March 31, 2022, up from \$104.5 million as at March 31, 2021. The increase in total debt is a result of \$25.0 million in proceeds from DIP facility. As at March 31, 2022, \$366.0 million of debt is subject to compromise under the CCAA proceedings.

## Embedded gross margin

Management's estimate of EGM is as follows:  
(millions of dollars)

	As at March 31, 2022	As at March 31, 2021	% Increase (decrease)
Mass Markets embedded gross margin	<b>845.9</b>	816.1	4%
Commercial embedded gross margin	<b>253.3</b>	291.2	(13)%
Total embedded gross margin	<b>\$ 1,099.2</b>	\$ 1,107.3	(1)

See "Non-U.S. GAAP financial measures" above.

Management's estimate of the mass markets EGM increased by 4% to \$846 million as at March 31, 2022 compared to \$816 million as at March 31, 2021. The increase was primarily driven by growth in the Texas mass market customer base.

Management's estimate of the commercial EGM decreased by 13% to \$253 million as at March 31, 2022 compared to \$291 million as at March 31, 2021. The decline resulted from the decrease in the customer base compared to the prior period.

## Provision for (Recovery of) income and deferred tax

(thousands of dollars)

	For the year ended March 31,	
	2022	2021
Current income tax expense (recovery)	<b>\$ (3,890)</b>	\$ 1,893
Deferred income tax expense (recovery)	<b>76,385</b>	(157)
Provision for income tax	<b>\$ 72,495</b>	\$ 1,736

Just Energy recorded a current income tax recovery of \$3.9 million for the year ended March 31, 2022, compared to \$1.9 million expense in the year ended March 31, 2021. Just Energy continues to have a current tax expense from profitability in taxable jurisdictions however during fiscal 2022 a recovery was recognized due to the benefits of a current year loss carried back.

During the year ended March 31, 2022, a deferred tax expense of \$76.4 million was recorded as compared to a deferred tax recovery of \$0.2 million during the year ended March 31, 2021. The current year deferred tax expense is the result of the deferred tax liability recorded on the unrealized gain on derivative instruments reported in fiscal 2022.

## Contractual obligations

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

## PAYMENTS DUE BY PERIOD

(thousands of dollars)

	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total
Trade and other payables	\$ 349,923	\$ —	\$ —	\$ —	\$ 349,923
Commodity suppliers' accruals and payables subject to compromise	438,068	—	—	—	438,068
Non-commodity trade accruals and accounts payable subject to compromise	41,914	—	—	—	41,914
Long-term debt	126,289	130	—	—	126,419
Debt and financing subject to compromise	365,908	—	—	—	365,908
Gas, electricity and non-commodity contracts	1,897,786	1,037,341	219,651	37,004	3,191,782
<b>Total</b>	<b>\$3,219,888</b>	<b>\$1,037,471</b>	<b>\$219,651</b>	<b>\$37,004</b>	<b>\$4,514,014</b>

Under the terms of the Court Orders, any actions against Just Energy to enforce or otherwise effect payment from Just Energy of pre-petition obligations are currently stayed.

### OTHER OBLIGATIONS

Subject to the CCAA proceedings, 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 (Part II, Item 8,

"Financial Statements and Supplementary Data"). 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.

On September 15, 2021, the Ontario Court approved the Company's request to establish a claims process to identify and determine claims against the Company and its subsidiaries that are subject to the ongoing Claims Procedure Order. As part of the CCAA proceedings and in accordance with the Claims Procedure Order, Just Energy continues to review and determine which claims will be allowed, modified or disallowed which may result in additional liabilities subject to compromise that are not currently reflected in the Consolidated Financial Statements. Under the potential Stalking Horse Transaction, no amounts will be available for distribution to the Just Energy Entities' general unsecured creditors. (See Part II, Item 8, "Financial Statements and Supplementary Data"). Please see Part I, Item 3 "Legal Proceedings" of this Annual Report for additional information.

## Transactions with related parties

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.

PIMCO through certain affiliates became a 28.9% shareholder of the Company as part of the September 2020 Recapitalization. On March 9, 2021, certain PIMCO affiliates entered into the DIP Facility with the Company as discussed in the Consolidated Financial Statements (Part II, Item 8, "Financial Statements and Supplementary Data") and comprise the Stalking Horse Purchaser. For consideration for making the DIP Facility available, Just Energy paid a 1% origination fee, a 1% commitment fee on March 9, 2021 and a 1% amendment fee on November 16, 2021.

## Off balance sheet items

The Company has issued letters of credit in accordance with its Credit Facility totaling \$120.4 million as at March 31, 2022 to various counterparties, primarily utilities in the markets it operates in, as well as suppliers.

Pursuant to separate arrangements with surety bond providers, 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, 2022 was \$42.1 million which 100% collateralized with letters of credit or cash collateral.

## Critical accounting estimates and judgments

The Consolidated Financial Statements (Part II, Item 8, "Financial Statements and Supplementary Data") of Just Energy have been prepared in accordance with U.S GAAP. Certain accounting policies require management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, cost of goods sold, administrative expenses, selling and marketing expenses, and other operating 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.

### COVID-19 IMPACT

As a result of the continued COVID-19 pandemic, we have reviewed the estimates, judgments and assumptions used in the preparation of the Consolidated Financial Statements and determined that no significant revisions to such estimates, judgments or assumptions were required for the year ended March 31, 2022.

### DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT

Just Energy has entered into a variety of derivative instruments as part of the business of purchasing and selling gas, electricity and JustGreen supply and as part of the risk management practice. In addition, Just Energy uses derivative instruments to manage foreign exchange and other risks.

Just Energy enters into contracts with customers to provide electricity and gas at fixed prices to customers and provide 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 its exposure to 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; however, hedge accounting under ASC 820, *Fair Value Measurement* is not applied. Just Energy's policy is not to use derivative instruments for speculative purposes.

The Consolidated Financial Statements are in compliance with ASC 815, *Derivative Instruments*. Due to commodity volatility and the size of Just Energy, the changes in fair value on these positions will increase the volatility in Just Energy's earnings.

The Company's derivative instruments are valued based on the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

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. For a sensitivity analysis of these forward curves, see Part II, Item 8, "Financial Statements and Supplementary Data", Note 13, Derivative Instruments. Other inputs, including volatility and correlations, are driven off historical settlements.

## RECEIVABLES AND LIFETIME EXPECTED CREDIT LOSSES

The lifetime expected credit loss reflects Just Energy's best estimate of losses on the accounts receivable and unbilled revenue balances. Just Energy determines the lifetime expected credit loss by using historical loss rates and forward-looking factors if applicable. Just Energy is exposed to customer credit risk on its continuing operations in Alberta, Texas, Illinois (gas), California (gas) and Ohio (electricity) and for certain Commercial customers in dual-billing markets including Illinois (power), Pennsylvania (power), Massachusetts (power), New York and New Jersey. Credit review processes have been implemented to perform credit evaluations of customers and manage customer default. In addition, the Company may from time to time change the criteria that it uses to determine the creditworthiness of its customers and such changes could result in decreased creditworthiness of its customers and/or result in increased customer defaults. If a significant number of customers were to default on their payments, including as a result of any changes to the Company's credit criteria, 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 of the above markets (see Part II, Item 8, "Financial Statements and Supplementary Data", Note 7, Trade and other receivables).

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.

The measurement of the expected credit loss allowance for accounts receivable requires the use of management judgment in estimation techniques, building models, selecting key inputs and making significant assumptions about future economic conditions and credit behaviour of the customers, including the likelihood of customers defaulting and the resulting losses. The Company's current significant estimates include the historical collection rates as a percentage of revenue and the use of the Company's historical rates of recovery across aging buckets. Both of these inputs are sensitive to the number of months or years of history included in the analysis, which is a key input and judgment made by management.

## DEFERRED TAXES

The Company reports some of its revenues and expenses differently for financial statement purposes than for income tax return purposes, resulting in temporary and permanent differences between the Company's financial statements and income tax returns. The tax effects of such temporary differences are recorded as either deferred income tax assets or deferred income tax liabilities in the Company's Consolidated Balance Sheets (Part II, Item 8, "Financial Statements and Supplementary Data"). The Company measures its deferred income tax assets and deferred income tax liabilities using income tax rates that are expected to be in effect when the deferred tax is realized.

The Company recognizes deferred tax assets to the extent it believes these assets are more likely than not to be realized. In making this determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations.

The Company accounts for uncertain tax positions in accordance with ASC 740, Income Taxes, or ASC 740, which applies to all tax positions related to income taxes. Under ASC 740, tax benefits are recognized when it is more-likely-than-not that a tax position will be sustained upon examination by the authorities. The benefit recognized from a position is the amount of benefit that has surpassed the more-likely-than-not threshold, as it is more than 50% likely to be realized upon settlement.

In accordance with ASC 740, changes to existing net deferred tax assets or valuation allowance or changes to uncertain tax benefits are recorded to income tax (benefit)/expense. The Company records interest and penalties accrued related to uncertain tax benefits as interest expense and other expenses respectively.

## Just Energy common shares

Just Energy is authorized to issue an unlimited number of common shares with no par value and up to 50,000,000 preferred shares. Shares outstanding have no preferences, rights or restrictions attached to them.

As at August 4, 2022, there were 48,078,637 common shares and no preferred shares of Just Energy outstanding. Under the potential Stalking Horse Transaction, the common shares will be cancelled or redeemed and common shareholders will receive no consideration.

## Legal proceedings

Just Energy and its subsidiaries are party to a number of legal proceedings. Other than as set out below, Just Energy believes that each proceeding constitutes legal matters that are 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.

On March 9, 2021, Just Energy filed for and received creditor protection pursuant to the Court Order under the CCAA and similar protection under Chapter 15 in connection with the Weather Event. On September 15, 2021, the Ontario Court approved the Company's request to establish a claims process to identify and determine claims against the Company and its subsidiaries that are subject to the ongoing Claims Procedure Order. As part of the CCAA proceedings and in accordance with the Claims Procedure Order, Just Energy continues to review and determine which claims will be allowed, modified or disallowed which may result in additional liabilities subject to compromise that are not currently reflected in the Consolidated Financial Statements (Part II, Item 8, "Financial Statements and Supplementary Data"). Currently, the total claims filed against Just Energy and its subsidiaries pursuant to the Claims Procedure Order are in excess of \$14 billion, including approximately \$1 billion in secured claims which include letters of credit. The previously disclosed class action against Just Energy, Just Energy Corp. and Just Energy Ontario L.P. with Haidar Omarali as plaintiff, and certain other class action claims, are subject to the Claims Procedure Order. Just Energy expects that the final amount of accepted unsecured claims will be much lower than the face amount of the filed claims. However, on August 4, 2022 Just Energy entered into the Stalking Horse Transaction Agreement with the Stalking Horse Purchaser and the SISP Support Agreement in connection with the SISP that is intended to facilitate its exit from the Company's ongoing insolvency proceedings as a going concern. The Stalking Horse Transaction provides that certain secured creditors will receive cash payments and/or equity in exchange for their debt, and existing equityholders' interests will be cancelled for no consideration. In addition, no amounts will be available for distribution to the Just Energy Entities' general unsecured creditors, including the previously disclosed class action against Just Energy, Just Energy Corp. and Just Energy Ontario L.P. with Haidar Omarali as plaintiff, and certain other class action claims.

On July 23, 2019, Just Energy announced that, as part of its Strategic Review process, management identified customer enrolment and non-payment issues, primarily in Texas. In response to this announcement, and in some cases in response to this and other subsequent related announcements, putative class action lawsuits were filed in the United States District Court for the Southern District of New York, in the United States District Court for the Southern District of Texas and in the Ontario Court, on behalf of investors that purchased Just Energy Group Inc. securities during various periods, ranging from November 9, 2017 through August 19, 2019. The U.S. lawsuits have been consolidated in the United States District Court for the Southern District of Texas with one lead plaintiff and the Ontario lawsuits have been consolidated with one lead plaintiff. The U.S. lawsuit seeks damages allegedly arising from violations of the United States Securities Exchange Act. The Ontario lawsuit seeks damages allegedly arising from violations of Canadian securities legislation and of common law. The Ontario lawsuit was subsequently amended to, among other things, extend the period to July 7, 2020. On September 2, 2020, pursuant to Just Energy's plan of arrangement, the Superior Court of Justice (Ontario) ordered that all existing equity class action claimants shall be irrevocably and forever limited solely to recovery from the proceeds of the insurance policies payable on behalf of Just Energy or its directors and officers in respect of any such existing equity class action claims, and such existing equity class action claimants shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any of the released parties or any of their respective current or former officers and directors in respect of any existing equity class action claims, other than enforcing their rights to be paid by the applicable insurer(s) from the proceeds of the applicable insurance policies. Pursuant to the CCAA proceedings, these proceedings have been stayed. Just Energy denies the allegations and will vigorously defend against these claims if they proceed.

On November 12, 2021, Just Energy, along with the Just Energy Parties, initiated the ERCOT Lawsuit against ERCOT and the PUCT in the Houston Court. The ERCOT Lawsuit seeks to recover payments that were made by the Just Energy Parties to ERCOT for certain invoices relating to the Weather Event. On February 2, 2022, the Houston Court dismissed the Lawsuit against the PUCT.

## Controls and procedures

### DISCLOSURE CONTROLS AND PROCEDURES

Both the chief executive officer ("CEO") and chief financial officer ("CFO") have designed, or caused to be designed under their supervision, the Company's disclosure controls and procedures which provide reasonable assurance that: (i) material information relating to the Company is made known to management by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual and interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. The CEO and CFO are assisted in this responsibility by a Disclosure Committee composed of senior management. The Disclosure Committee has established procedures so that it becomes aware of any material information affecting Just Energy to evaluate and communicate this information to management, including the CEO and CFO as appropriate, and determine the appropriateness and timing of any required disclosure. Based on the foregoing evaluation, conducted by or under the supervision of the CEO and CFO of the Company's ICFR in connection with the Company's financial year-end, it was concluded that because of the material weakness described below, the Company's disclosure controls and procedures were not effective.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

Management used the criteria set forth by the COSO in Internal Control – Integrated Framework (2013) to evaluate the effectiveness of its ICFR as at March 31, 2021. The COSO framework summarizes each of the components of a company's internal control system, including the: (i) control environment; (ii) control activities (process-level controls); (iii) risk assessment; (iv) information and communication; and (v) monitoring activities. The COSO framework defines a material weakness as a deficiency, or combination of deficiencies, that results in a reasonable possibility that a material misstatement of the annual or interim condensed consolidated financial statements will not be prevented or detected on a timely basis.

#### Identification of control deficiency and ongoing remediation of material weakness within financial statement close process

Management's evaluation of ICFR identified an ongoing material weakness resulting from the failure to operate several controls within the financial statement close process that allowed errors to manifest, and, the failure to detect them for an extended period of time, as follows:

##### Previous identification of control activities material weakness within financial statement close process

The Company did not design or maintain effective control activities to prevent or detect misstatements during the operation of the financial statement close process, including from finalization of the trial balance to the preparation of financial statements.

##### Ongoing remediation of previously identified control activities material weakness associated with financial statement close process

Management remains committed to the planning and implementation of remediation efforts to address the material weaknesses, as well as to foster improvement in the Company's internal controls. These remediation efforts continue and are intended to address this identified material weakness and enhance the overall financial control environment. During fiscal 2021, management further increased the amount of personnel to perform the financial statement close process, including the hiring of a CFO and a controller, both with significant financial reporting and retail energy industry experience, promoting individuals within the team and training those individuals to perform their enhanced roles, and strengthening the managerial review process of the financial statement preparation, who remain with the Company at March 31, 2022 and through the date of these Consolidated Financial Statements. These enhancements remaining ongoing, and management continues strengthening the design and operational effectiveness of the financial statement preparation process, including the financial statement disclosure checklist. For the quarter and year ended March 31, 2022, and as disclosed within Part II, Item 8, "Financial Statements and Supplementary Data", Note 3 Basis of presentation, the Company changed its basis of presentation from IFRS to U.S. GAAP. Due to this change in basis of presentation, not enough time has elapsed to operate the designed controls effectively to conclude that management has remediated the material weakness aforementioned.

No assurance can be provided at this time that the actions and remediation efforts the Company has taken or will implement will effectively remediate the material weaknesses described above or prevent the incidence of other significant deficiencies or material weaknesses in the Company's internal controls over financial reporting in the future. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving the stated goals under all potential future conditions.

##### Other changes in internal control over financial reporting

Other than as described above, there were no changes in ICFR during the last fiscal quarter that materially affected, or are reasonably likely to materially affect, ICFR.

### INHERENT LIMITATIONS

A control system, no matter how well conceived and operated, can only provide reasonable, not absolute, assurance that its objectives are met. Due to these inherent limitations in such systems, no evaluation of controls can provide absolute assurance that

all control issues within any company have been detected. Accordingly, Just Energy's disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the Company's disclosure control and procedure objectives are met.

## 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 [investors.justenergy.com](https://investors.justenergy.com) <https://investors.justenergy.com/>. Just Energy actively monitors the corporate governance and disclosure environment to ensure timely compliance with current and future requirements.



These consolidated financial statements contain information under the heading "Item 8. Financial Statements and Supplementary Data" which has been excerpted from our Annual Report on Form 10-K (the "Annual Report") filed concurrently with these consolidated financial statements on the date hereof on our profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://www.sec.gov). Defined terms used herein but otherwise not defined have the meaning ascribed to them in the Annual Report.

# Report of Independent Registered Public Accounting Firm

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

## OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated balance sheet of Just Energy Group Inc. as of March 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2022 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Just Energy Group Inc. as of March 31, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended March 31, 2022, in conformity with United States generally accepted accounting principles.

## JUST ENERGY GROUP INC.'S ABILITY TO CONTINUE AS A GOING CONCERN

The accompanying consolidated financial statements have been prepared assuming that Just Energy Group Inc. will continue as a going concern. As discussed in note 3 to the consolidated financial statements, Just Energy Group Inc. is currently undergoing *Companies' Creditors Arrangement Act* (Canada) ("CCAA") proceedings and the debt has been classified in the consolidated financial statements as a current liability as of March 31, 2022. Just Energy Group Inc. has stated that these conditions, along with other matters as set forth in note 3, indicate the existence of material uncertainties that raise substantial doubt about Just Energy Group Inc.'s ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## BASIS FOR OPINION

These consolidated financial statements are the responsibility of Just Energy Group Inc.'s management. Our responsibility is to express an opinion on Just Energy Group Inc.'s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to Just Energy Group Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

## CRITICAL AUDIT MATTERS

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

### **Valuation of level III derivative financial instruments**

#### *Description of the Matter*

As disclosed in notes 4 and 13 of the consolidated financial statements, the Company enters into transactions that are accounted for as derivative financial instruments and are recorded at fair value. The valuation of derivative financial instruments classified as level III are determined using assumptions that are unobservable. As of March 31, 2022 the Company's derivative financial instruments classified as level III were \$522.5 million in an asset position and \$1.0 million in a liability position.

Auditing the valuation of level III derivative financial instruments requires the involvement of internal valuation specialists, significant auditor judgments, and estimates concerning unobservable inputs in relation to forward pricing curves and credit spreads used to calculate the fair value. Therefore, the fair value measurement of level III derivative financial instruments was identified as a critical audit matter.

*How We Addressed the Matter in Our Audit*

We obtained an understanding of the Company's processes and we evaluated and tested the design and operating effectiveness of internal controls addressing the determination and review of inputs used in measuring the fair value of level III derivatives.

Our audit procedures included, among others, with the assistance of our internal valuation specialists, evaluating management's internal valuation methodologies and unobservable inputs applied to level III derivative financial instruments. We completed an independent revaluation for a sample of level III derivative financial instruments to test the mathematical accuracy, which included testing the unobservable inputs by comparing to third party information. For a sample of level III derivative financial instruments, we agreed the contractual trade inputs to the executed commodity contracts. We reviewed the appropriateness and completeness of level III derivative financial instruments disclosures with the requirements of accounting principles generally accepted in the United States of America.

**Measurement of expected credit loss**

*Description of the Matter*

As disclosed in notes 4 and 7 of the consolidated financial statements, the Company measures the expected credit loss where the Company bears customer credit risk. The expected credit loss allowance is the Company's estimate of losses on account receivables and unbilled revenue based on historical loss rates and forward-looking information. As of March 31, 2022 the Company's balance of account receivables where the Company bears customer credit risk were \$84.6 million with a related allowance for doubtful accounts of \$14.0 million.

Auditing the determination of the account receivables and unbilled revenue expected credit allowance relies on judgements and estimates in the assessment of expected credit loss allowance. Therefore, measurement of expected credit loss allowance was identified as a critical audit matter.

*How We Addressed the Matter in Our Audit*

We obtained an understanding of the Company's processes and we evaluated and tested the design and operating effectiveness of internal controls addressing the determination and review of inputs used in determining the expected credit loss rate.

We tested the completeness and accuracy of the data underlying the calculation of the expected credit loss allowance by reconciling to the Company's financial reporting systems and recalculated the expected credit loss allowance. We assessed management's expected credit loss rates against the actual historical credit loss rates. We assessed management's consideration of forward-looking information in the determination of the expected credit loss rates by evaluating the reasonableness of management's judgements applied. We obtained and evaluated the analysis prepared by management that utilized subsequent cash collection information to analyze the precision of the Company's expected credit loss rates in determining the expected credit loss allowance.

/s/ Ernst and Young LLP  
Chartered Professional Accountants  
Licensed Public Accountants

We have served as Just Energy Group Inc.'s auditor since 2011  
Toronto, Canada  
August 5, 2022

# Consolidated balance sheets

As at March 31  
(in thousands of U.S. dollars)

		As of March 31,	
	Notes	2022	2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 125,755	\$ 171,761
Restricted cash		2,736	905
Trade and other receivables, net	7(a)	308,941	270,538
Securitization proceeds receivable from ERCOT	7(d)	147,500	—
Gas in storage		3,313	2,379
Derivative instruments	13	538,700	18,382
Income taxes recoverable		11,774	6,551
Other current assets	8(a)	131,570	129,944
<b>Total current assets</b>		<b>1,270,289</b>	<b>600,460</b>
<b>Non-current assets</b>			
Investments	9	—	26,154
Property and equipment, net	10	6,505	14,177
Intangible assets, net	12	43,815	56,240
Goodwill	12	130,945	130,235
Derivative instruments	13	133,014	8,429
Deferred income taxes	18	198	2,977
Other non-current assets	8(b)	39,048	28,042
<b>Total non-current assets</b>		<b>353,525</b>	<b>266,254</b>
<b>TOTAL ASSETS</b>		<b>\$ 1,623,814</b>	<b>\$ 866,714</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	\$ 349,923	\$ 310,114
Deferred revenue		695	1,119
Income taxes payable		2,370	3,281
Derivative instruments	13	13,170	11,115
Provisions		—	5,396
Current portion of long-term debt	16	126,289	103,215
<b>Total current liabilities</b>		<b>492,447</b>	<b>434,240</b>
Liabilities subject to compromise	14, 15, 16	845,890	854,984
<b>Non-current liabilities</b>			
Long-term debt	16	130	1,240
Derivative instruments	13	12,916	48,643
Deferred income taxes	18	75,792	2,186
Other non-current liabilities		2,438	4,978
<b>Total non-current liabilities</b>		<b>91,276</b>	<b>57,047</b>
<b>TOTAL LIABILITIES</b>		<b>\$ 1,429,613</b>	<b>\$ 1,346,271</b>
Commitments and contingencies	25		
<b>SHAREHOLDERS' EQUITY</b>			
Common shares, no par value; unlimited shares authorized at March 31, 2022 and March 31, 2021; 48,078,637 shares issued and outstanding at March 31, 2022; 48,078,637 shares issued and outstanding at March 31, 2021	19	\$ 1,168,162	\$ 1,168,162
Contributed deficit		(12,073)	(13,558)
Accumulated deficit		(1,088,119)	(1,766,646)
Accumulated other comprehensive income		126,527	132,797
Non-controlling interest		(296)	(312)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>194,201</b>	<b>(479,557)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 1,623,814</b>	<b>\$ 866,714</b>

See accompanying notes to the Consolidated Financial Statements

/s/ Scott Gahn

Chief Executive Officer and President

/s/ Stephen Schaefer

Corporate Director

# Consolidated statements of operations

For the year ended March 31  
(in thousands of U.S. dollars, except per share amounts)

		For the year ended March 31,		
	Notes	2022	2021	2020
<b>CONTINUING OPERATIONS</b>				
<b>Revenue</b>	17	\$ 2,154,608	\$ 2,074,828	\$ 2,371,702
<b>Cost of goods sold</b>		<b>1,827,978</b>	3,502,503	1,894,297
<b>GROSS MARGIN</b>		<b>326,630</b>	(1,427,675)	477,405
<b>INCOMES (EXPENSES)</b>				
Administrative		(108,186)	(112,457)	(135,214)
Selling and marketing		(135,352)	(135,768)	(165,862)
Provision for expected credit loss		(24,242)	(25,712)	(60,286)
Depreciation and amortization		(19,586)	(18,112)	(31,118)
Interest expense	16	(34,868)	(65,167)	(80,310)
Reorganization costs	22	(106,235)	(39,814)	—
Restructuring costs	21	—	(5,368)	—
Gain on September 2020 Recapitalization transaction, net		—	38,915	—
Unrealized gain (loss) on derivative instruments and other	13	682,393	50,923	(144,553)
Realized gain (loss) on derivative instruments		166,155	1,494,001	(18,327)
Gain on investment	9	15,041	—	—
Impairment of goodwill, intangible assets and others		(10,377)	(91,451)	(66,221)
Other income (expenses), net		(394)	(1,384)	25,524
<b>Income (loss) from continuing operations before income taxes</b>		<b>750,979</b>	(339,069)	(198,962)
<b>Income tax expense</b>	18	<b>72,495</b>	1,736	5,468
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>		<b>\$ 678,484</b>	\$ (340,805)	\$ (204,430)
Income from discontinued operations, net of income tax		—	29	9,068
<b>NET INCOME (LOSS)</b>		<b>\$ 678,484</b>	\$ (340,776)	\$ (195,362)
Less: Net loss attributable to non-controlling interest		(43)	(106)	(54)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS</b>		<b>\$ 678,527</b>	\$ (340,670)	\$ (195,308)
<b>Earnings (loss) per share from continuing operations</b>				
Basic	23	\$ 14.11	\$ (9.99)	\$ (20.74)
Diluted		\$ 13.87	\$ (9.99)	\$ (20.74)
<b>Earnings per share from discontinued operations</b>				
Basic		\$ —	\$ —	\$ 0.92
Diluted		\$ —	\$ —	\$ 0.92
<b>Earnings (loss) per share</b>				
Basic		\$ 14.11	\$ (9.99)	\$ (19.82)
Diluted		\$ 13.87	\$ (9.99)	\$ (19.82)
<b>Weighted average shares outstanding</b>				
Basic		48,078,637	34,125,199	9,856,640
Diluted		48,919,620	34,568,161	9,946,242

accompanying notes to the Consolidated Financial Statements

# Consolidated statements of comprehensive income (loss)

For the year ended March 31  
(in thousands of U.S. dollars)

	For the year ended March 31,		
	2022	2021	2020
<b>NET INCOME (LOSS)</b>	<b>\$ 678,484</b>	<b>\$ (340,776)</b>	<b>\$ (195,362)</b>
<b>Other comprehensive income (loss), net of income tax:</b>			
Unrealized gain (loss) on translation of foreign operations, net of income tax	(6,270)	(9,696)	1,057
Unrealized gain (loss) on translation of foreign operations from discontinued operations, net of income tax	—	(705)	10,487
Gain (loss) on translation of foreign operations disposed and reclassified to Consolidated Statements of Operations, net of income tax	—	127	(9,551)
<b>Other comprehensive income (loss) net of income tax</b>	<b>(6,270)</b>	<b>(10,274)</b>	<b>1,993</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF INCOME TAX</b>	<b>\$ 672,214</b>	<b>\$ (351,050)</b>	<b>\$ (193,369)</b>
<b>Total comprehensive loss attributable to:</b>			
Less: Net loss attributable to non-controlling interest	(43)	(106)	(54)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS, NET OF INCOME TAX</b>	<b>\$ 672,257</b>	<b>\$ (350,944)</b>	<b>\$ (193,315)</b>

See accompanying notes to the Consolidated Financial Statements

# Consolidated statements of shareholders' equity (deficit)

For the year ended March 31  
(in thousands of U.S. dollars)

		As at March 31,		
	Notes	2022	2021	2020
<b>ATTRIBUTABLE TO THE SHAREHOLDERS</b>				
<b>Accumulated earnings (loss)</b>				
Accumulated earnings (loss), beginning of year		\$ (231,208)	\$ 109,462	\$ 304,770
Net income (loss) for the year as reported, attributable to shareholders		678,527	(340,670)	(195,308)
<b>Accumulated earnings (loss), end of year</b>		<b>\$ 447,319</b>	<b>\$ (231,208)</b>	<b>\$ 109,462</b>
<b>DIVIDENDS AND DISTRIBUTIONS</b>				
Dividends and distributions, beginning of year		(1,535,438)	(1,535,421)	(1,516,957)
Dividends and distributions declared and paid		—	(17)	(18,464)
<b>Dividends and distributions, end of year</b>		<b>\$ (1,535,438)</b>	<b>\$ (1,535,438)</b>	<b>\$ (1,535,421)</b>
<b>ACCUMULATED DEFICIT</b>				
		<b>\$ (1,088,119)</b>	<b>\$ (1,766,646)</b>	<b>\$ (1,425,959)</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>				
Accumulated other comprehensive income, beginning of year		\$ 132,797	\$ 143,071	\$ 141,078
Other comprehensive income (loss)		(6,270)	(10,274)	1,993
<b>Accumulated other comprehensive income, end of year</b>		<b>\$ 126,527</b>	<b>\$ 132,797</b>	<b>\$ 143,071</b>
<b>SHAREHOLDERS' CAPITAL</b>				
<b>Common shares</b>				
Common shares, beginning of year	19(a)	\$ 1,168,162	\$ 839,778	\$ 831,080
Issuance of shares September 2020 Recapitalization		—	328,842	—
Issuance cost associated with September 2020 Recapitalization		—	(1,179)	—
Share-based units exercised		—	721	8,698
<b>Common shares, end of year</b>		<b>\$ 1,168,162</b>	<b>\$ 1,168,162</b>	<b>\$ 839,778</b>
<b>Preferred shares</b>				
Preferred shares, beginning of year	19(a)	\$ —	\$ 111,948	\$ 111,948
Settled with common shares		—	(111,948)	—
<b>Preferred shares, end of year</b>		<b>\$ —</b>	<b>\$ —</b>	<b>\$ 111,948</b>
<b>SHAREHOLDERS' CAPITAL</b>		<b>\$ 1,168,162</b>	<b>\$ 1,168,162</b>	<b>\$ 951,726</b>
<b>EQUITY COMPONENT OF CONVERTIBLE DEBENTURES</b>				
Balance, beginning of year	16(i)	\$ —	\$ 9,911	\$ 9,911
Settled with common shares		—	(9,911)	—
<b>Balance, end of year</b>		<b>\$ —</b>	<b>\$ —</b>	<b>\$ 9,911</b>
<b>CONTRIBUTED DEFICIT</b>				
Balance, beginning of year		\$ (13,558)	\$ (27,382)	\$ (24,280)
Add: Share-based compensation expense		1,485	4,949	9,606
Non-cash deferred share grant distribution		—	17	(1,370)
Transferred from equity component		—	9,911	—
Less: Share-based units exercised		—	(721)	(8,595)
Share-based compensation adjustment		—	(332)	(2,743)
<b>Balance, end of year</b>		<b>\$ (12,073)</b>	<b>\$ (13,558)</b>	<b>\$ (27,382)</b>
<b>NON-CONTROLLING INTEREST</b>				
Balance, beginning of year		\$ (312)	\$ (292)	\$ (298)
Foreign exchange impact on non-controlling interest		60	86	60
Loss attributable to non-controlling interest		(44)	(106)	(54)
<b>Balance, end of year</b>		<b>\$ (296)</b>	<b>\$ (312)</b>	<b>\$ (292)</b>
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIT)</b>		<b>\$ 194,201</b>	<b>\$ (479,557)</b>	<b>\$ (348,925)</b>

See accompanying notes to the Consolidated Financial Statements

# Consolidated statements of cash flows

For the year ended March 31  
(in thousands of U.S. dollars)

		For the year ended March 31,		
	Notes	2022	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income (loss) from continuing operations		\$ 678,484	\$ (340,805)	\$ (204,430)
Net income from discontinued operations		—	29	9,068
Net income (loss)		678,484	(340,776)	(195,362)
<b>Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:</b>				
Depreciation and amortization		19,759	18,267	30,896
Impairment of goodwill, intangible assets and others		10,377	91,451	66,221
Share-based compensation expense		1,480	4,962	9,171
Interest expense, non-cash portion		—	22,620	15,378
Reorganization items (non-cash)		47,413	32,418	—
Operating leased asset payments		(2,052)	(2,795)	(3,948)
Loss (gain) on sale of subsidiaries, net		—	337	(31,816)
Unrealized (gain) loss in fair value on derivative instruments and other	13	(682,393)	(50,923)	144,553
Gain on investment	9	(15,041)	—	—
Gain from September 2020 Recapitalization transaction		—	(59,566)	—
Net change in working capital balances	27	(24,507)	(101,249)	(12,186)
Income and deferred income taxes		70,251	(3,015)	4,089
Securitization proceeds receivable from ERCOT	7(d)	(147,500)	—	—
Liabilities subject to compromise		8,619	400,538	—
Adjustment for discontinued operations, net		—	88	(2,236)
<b>Net cash provided (used) by operating activities</b>		<b>(35,110)</b>	<b>12,357</b>	<b>24,760</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment		(903)	(336)	(1,521)
Purchase of intangible assets		(9,594)	(8,852)	(10,138)
Proceeds from sale of investments	9	40,713	—	—
Payments for acquired business		—	—	(8,467)
Proceeds from disposition of subsidiaries		—	3,672	5,408
<b>Net cash provided (used) by investing activities</b>		<b>30,216</b>	<b>(5,516)</b>	<b>(14,718)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from DIP Facility	16	25,000	100,000	—
Proceeds from issuance of common stock, net		—	75,694	—
Debt issuance costs		(1,293)	(5,058)	—
Repayment of long-term debt	16	(2,271)	(3,838)	(19,126)
Finance leased asset payments		(48)	(113)	(359)
Share swap payout		—	(17,088)	—
Credit facilities receipts (payments)		(60,790)	(6,992)	26,163
Dividends paid		—	—	(18,448)
Issuance of long-term debt		—	—	13,020
<b>Net cash provided (used) by financing activities</b>		<b>(39,402)</b>	<b>142,605</b>	<b>1,250</b>
<b>Effect of foreign currency translation on cash balances</b>		<b>121</b>	<b>1,768</b>	<b>(267)</b>
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>		<b>(44,175)</b>	<b>151,214</b>	<b>11,025</b>
Cash and cash equivalents and restricted cash, beginning of year		172,666	21,452	10,427
Cash and cash equivalents and restricted cash, end of year		\$ 128,491	\$ 172,666	\$ 21,452
<b>Supplemental cash flow information:</b>				
Interest paid		\$ 34,868	\$ 42,461	\$ 59,183
Income taxes paid		2,133	7,749	325

See accompanying notes to the Consolidated Financial Statements



# Notes to the consolidated financial statements

For the year ended March 31, 2022

(in thousands of U.S. dollars, except where indicated and per share amounts)

## 1. ORGANIZATION

Just Energy is a corporation established under the laws of Canada to hold securities of its directly or indirectly owned operating subsidiaries. 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. The Consolidated Financial Statements were approved by the Board of Directors on August 4, 2022.

### Companies' creditors arrangement and Chapter 15 proceedings

In February 2021, the State of Texas experienced the Weather Event. The Weather Event led to increased electricity demand and sustained high prices from February 13, 2021 through February 20, 2021. As a result of the losses sustained and without sufficient liquidity to pay the corresponding invoices from the ERCOT when due, on March 9, 2021, Just Energy applied for and received Court Orders under the CCAA from the Ontario Court and under Chapter 15 in the U.S. from the Houston Court. Protection under the Court Orders allows Just Energy to operate while it restructures its capital structure.

As part of the CCAA filing, the Company entered into a \$125.0 million DIP Facility financing with certain affiliates of PIMCO (refer to Note 16(a) and Note 26). The Company also entered into qualifying support agreements with its largest commodity supplier and ISO services provider. The filings and associated DIP Facility arranged by the Company enabled Just Energy to continue all operations without interruption throughout the U.S. and Canada and to continue making payments required by ERCOT and satisfy other regulatory obligations.

On September 15, 2021, the Ontario Court approved the Company's request to establish a claims process to identify and determine claims against the Company and its subsidiaries that are subject to the ongoing Claims Procedure Order. As part of the CCAA proceedings and in accordance with the Claims Procedure Order, Just Energy continues to review and determine which claims will be allowed, modified or disallowed, which may result in additional liabilities subject to compromise that are not currently reflected in the Consolidated Financial Statements (refer to Note 25(d)).

### Plan Support Agreement

As previously disclosed, in connection with the CCAA filing, on May 12, 2022, the Company, the Stalking Horse Purchaser and certain other parties thereto, entered into a plan support agreement (the "Plan Support Agreement"). Upon the execution of the SISP Support Agreement (defined below), the Plan Support Agreement and the transactions contemplated thereunder were automatically terminated pursuant to its terms.

The Plan Support Agreement contemplated the implementation of a recapitalization and financial restructuring of the Just Energy Entities through: (i) a reorganization of the Just Energy Entities, (ii) a rights offering for the issuance of approximately \$192.5 million of new common equity which would be backstopped by the Stalking Horse Purchaser pursuant to the Backstop Commitment Letter, (iii) the issuance of new preferred equity, which would be owned entirely by the Stalking Horse Purchaser, and new common equity, (iv) the cancellation for no consideration of all outstanding shares of the Company and (v) the entry into the new credit agreement and the new intercreditor agreement.

The Plan Support Agreement contained certain covenants on the part of the parties thereto, as well as certain conditions to the obligations of such parties and for termination upon the occurrence of certain events, including, without limitation, the failure to achieve certain milestones and certain breaches by the parties under the Plan Support Agreement.

### Backstop Commitment Letter

Also, as previously disclosed, in connection with the Plan Support Agreement, on May 12, 2022, the Stalking Horse Purchaser entered into a Backstop Commitment Letter (the "Backstop Commitment Letter") with Just Energy (U.S.) Corp., pursuant to which the Stalking Horse Purchaser (the "Backstop Parties") agreed to backstop the approximately \$192.5 million rights offering contemplated by the Plan Support Agreement. Upon the execution of the SISP Support Agreement (defined below), the Backstop Commitment Letter and the transactions contemplated thereunder were automatically terminated pursuant to its terms.

Under the Backstop Commitment Letter, the Backstop Parties agreed, subject to the terms and conditions of the Backstop Commitment Letter, to (i) purchase new common equity of the new parent company of the Just Energy Entities, (ii) subscribe for and receive its pro rata share of any unsubscribed new common equity in the rights offering and (iii) subscribe for and receive its pro rata share of new common equity in the rights offering upon the failure by another participant to fulfill its subscription obligations by the participation deadline. The issuance of the new common equity under the rights offering will represent in the aggregate 80% of the new common equity of the new parent company of the Just Energy Entities.

Under the Backstop Commitment Letter, Just Energy (U.S.) Corp. agreed to issue and deliver 10% of the outstanding new common shares on the effective date, which would have constituted backstop commitment fee shares. In addition, Just Energy (U.S.) Corp. agreed to pay a termination fee of \$15 million to the Backstop Parties if the Plan Support Agreement is terminated.

under certain circumstances. Pursuant to the Backstop Commitment Letter, the term loan lenders of the Just Energy Entities were entitled to participate in the rights offering as backstop parties for their pro rata shares of new common equity. The Backstop Parties' commitments to backstop the rights offering and the other transactions contemplated by the Backstop Commitment Letter were conditioned upon the satisfaction of all applicable conditions set forth in the Backstop Commitment Letter.

### **Sale and Solicitation Process and Stalking Horse Transaction**

On August 4, 2022, the Company entered into a stalking horse transaction agreement (the "Stalking Horse Transaction Agreement") with the Stalking Horse Purchaser and a support agreement (the "SISP Support Agreement") in connection with the SISP that is intended to facilitate its exit from the Company's ongoing insolvency proceedings as a going concern.

Under the SISP, interested parties are invited to participate in accordance with the approved SISP procedures. If one or more qualified bids (other than the transaction contemplated by the Stalking Horse Transaction) are received by September 29, 2022, then Just Energy intends to proceed with an auction to determine the successful bid(s), subject to the terms of the approved SISP procedures. If the Stalking Horse Purchaser is determined to be the successful bidder at the conclusion of the SISP and is subsequently approved by the Court, the Stalking Horse Purchaser will become the sole shareholder of Just Energy (U.S.) Corp., which will be the new parent company of all of the Just Energy Entities, including the Company, and the Just Energy Entities will continue their business and operations as a going concern.

The SISP Support Agreement further contemplates the entry into the Stalking Horse Transaction pursuant to the Stalking Horse Transaction Agreement, under which, among other things, (A) the Stalking Horse Purchaser agreed to act as a "stalking horse" bidder with respect to the SISP, (B) the existing common shares and all other equity interests of the Company would be cancelled or redeemed for no consideration, (C) the issuance of new common equity and new preferred equity of the new parent company of the Just Energy Entities, which will be owned entirely by certain affiliates of the Stalking Horse Purchaser, and (v) the entry into a new credit agreement and a new intercreditor agreement on the terms set forth in the term sheets appended to the SISP Support Agreement.

The SISP Support Agreement contains certain covenants on the part of the parties thereto, as well as certain termination rights upon the occurrence of certain events, including, without limitation, (i) the failure to achieve certain milestones and certain breaches by the parties under the SISP Support Agreement and (ii) the Stalking Horse Purchaser not being the successful bidder under the SISP procedures. Additionally, upon the execution of the SISP Support Agreement, each of the Plan Support Agreement, the Backstop Commitment Letter and the transactions contemplated thereunder were automatically terminated.

Key terms of the Stalking Horse Transaction include:

- The Stalking Horse Purchaser will become the sole shareholder of Just Energy (U.S.) Corp., which will be the new parent company of all of the Just Energy Entities, including the Company, and the Just Energy Entities will continue their business and operations as a going concern.
- The purchase price payable pursuant to the Stalking Horse Transaction is (i) \$184.9 million in cash; plus (ii) a credit bid of approximately \$230 million plus accrued interest of secured claims assigned to the Stalking Horse Purchaser; plus (iii) the assumption of Assumed Liabilities (as defined below), including up to CAD\$10 million owing under the Company's first lien credit facility (the "Credit Facility Remaining Debt") to remain outstanding under an amended and restated credit agreement.
- Post-filing claims, the Credit Facility Remaining Debt, claims by energy regulators, and certain other liabilities enumerated in the Stalking Horse Transaction Agreement ("Assumed Liabilities") will continue to be liabilities of the Just Energy Entities following consummation of the Stalking Horse Transaction. Excluded liabilities and assets of the Just Energy Entities will be discharged from the Just Energy Entities pursuant to an Approval and Vesting Order to be sought subject to the Stalking Horse Transaction being the successful bid in the SISP. No amounts will be available for distribution to the Just Energy Entities' general unsecured creditors, including the Term Loan lenders.
- All currently outstanding shares, options and other equity of Just Energy will be cancelled or redeemed for no consideration and without any vote of the existing shareholders.
- A break-up fee of \$14.7 million to be paid to the Stalking Horse Purchaser upon the consummation of an Alternative Restructuring Proposal (as defined in the Transaction Agreement) in the event of termination of the Transaction Agreement in certain specified circumstances.

The parties' obligations under the Stalking Horse Transaction Agreement are conditioned upon the satisfaction or waiver of all applicable conditions set forth in the Stalking Horse Transaction Agreement, including, among others, the entry by the Court of the SISP Order and the Vesting Order, the completion of the Implementation Steps by the Just Energy Entities, the receipt of all required Transaction Regulatory Approvals (as defined in the Transaction Agreement) and that upon the consummation of the Transaction, no Just Energy Entity will be a reporting issuer (or equivalent) under any United States or Canadian securities laws.

On June 7, 2022, the Ontario Court extended the stay until August 19, 2022. The stay extension allows the Company to continue to operate in the ordinary course of business while pursuing its proposed restructuring plan.

On May 19, 2022, the common shares of the Company were transferred from the TSX Venture Exchange to the NEX and are trading under the symbol "JE.H.". The Company's common shares continue to trade on the OTC Pink Market under the symbol "JENGQ".

### **Weather-event related uplift securitization proceeds**

On June 16, 2021, HB 4492 became law in Texas. HB 4492 provides a mechanism for recovery of certain Weather Event Costs, incurred by various parties, including the Company, during the Weather Event, through certain securitization structures.

On October 13, 2021, the PUCT approved the Final Order authorizing the securitization of certain Weather Event costs by ERCOT. On December 7, 2021, ERCOT filed its calculation with the PUCT in accordance with the PUCT final order implementing HB 4492. The Company received \$147.5 million in June 2022.

## **2. OPERATIONS**

Just Energy is a retail energy provider specializing in electricity and natural gas commodities and bringing energy efficient solutions, carbon offset and renewable energy options to customers. Operating in the U.S. and Canada, Just Energy serves both residential and commercial customers, providing homes and businesses with a broad range of energy solutions that deliver comfort, convenience and control. Just Energy is the parent company of Amigo Energy, Filter Group, Hudson Energy, Interactive Energy Group, Tara Energy and Terrapass.

Just Energy's current commodity product offerings include fixed, variable, index and flat rate options. By fixing the price of electricity or natural gas 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 flexibility while retaining the ability to lock into a fixed price at their discretion. Flat-bill products allow customers to pay a flat rate each month regardless of usage. Just Energy derives its gross margin 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 has two business segments: the mass markets segment and the commercial segment. The mass markets segment includes customers acquired and served under the Just Energy, Tara Energy, Amigo Energy and Terrapass brands. Marketing of the energy products of this segment is primarily done through digital and retail sales channels. The commercial segment includes customers acquired and served under Hudson Energy, as well as brokerage services managed by Interactive Energy Group. Hudson Energy sales are made through three main channels: brokers, door-to-door commercial independent contractors and inside commercial sales representatives.

Just Energy offers green products through Terrapass and its JustGreen program. Green products offered through Terrapass 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. 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, solar, hydropower or biomass, via power purchase agreements and renewable energy certificates. The JustGreen gas product offers carbon offset credits that allow customers to reduce or eliminate the carbon footprint of their homes or businesses.

Through Filter Group, Just Energy provides subscription-based home water filtration systems to residential customers, including under-counter and whole-home water filtration solutions.

Just Energy markets its product offerings through multiple sales channels including digital, retail, door-to-door, brokers and affinity relationships.

On September 28, 2020, the Company completed the September 2020 Recapitalization. The September 2020 Recapitalization was undertaken through a plan of arrangement under the CBCA.

## **3. BASIS OF PRESENTATION**

### **(a) Compliance with U.S. GAAP**

Prior to March 31, 2022, the Company prepared its financial statements in accordance with IFRS, as issued by the IASB, as permitted in the United States based on the Company's qualification as a "foreign private issuer" under the rules and regulations of the SEC. As at September 30, 2021, the Company no longer qualified as a foreign private issuer, the Company, is considered a domestic filer and now prepares its consolidated financial statements in accordance with U.S. GAAP, as issued by the FASB.

### **(b) Basis of presentation**

Effective April 1, 2021, the Company elected to change its reporting currency from CAD to USD. The comparative periods in these Consolidated Financial Statements have been reported using a U.S. dollar reporting currency to conform with the current year's presentation. The Company's subsidiaries operating in the U.S. have USD functional currency, and those operating in Canada have a CAD functional currency. Monetary assets and liabilities denominated in Canadian dollars are retranslated into the reporting currency at the spot exchange rate on the balance sheet date. Any resulting exchange differences are included in the Consolidated Statement of Operations. Non-monetary assets and liabilities, other than those measured at fair value, are translated at the exchange rate on the date of the initial transaction. Consolidated Statement of Operations items are translated at the average exchange rate for each period presented.

The Consolidated Financial Statements, including comparative periods, are presented in USD and all values are rounded to the nearest thousand, except where otherwise indicated. The Consolidated Financial Statements are prepared on a going concern basis under the historical cost convention, except for certain financial assets and liabilities that are stated at fair value.

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 and expenses. 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.

### **Principles of consolidation**

The Consolidated Financial Statements include Just Energy's accounts and operations and those of its subsidiaries in which the Company has a controlling interest. All intercompany balances, income, expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation. The usual condition for a controlling financial interest is ownership of a majority of the voting interests of an entity. However, a controlling financial interest may also exist through arrangements that do not involve controlling voting interests. As such, Just Energy applies the guidance of ASC 810, *Consolidations*, to determine when an entity that is insufficiently capitalized or not controlled through its voting interests, referred to as a Variable Interest Entity, should be consolidated.

### **Use of estimates**

The preparation of the Consolidated Financial Statements requires estimates and assumptions about future events that affect the reporting of assets and liabilities at the dates and the reported amounts of revenue and expense, including fair value measurements, estimates of expected obligations, judgments related to the potential timing of events and other estimates. In the event estimates and/or assumptions prove to be different from actual amounts, adjustments are made in subsequent periods to reflect more current information.

In recording transactions and balances resulting from business operations, the Company uses estimates based on the best information available. Estimates are used for such items as long-lived assets' depreciable lives, tax provisions, uncollectible accounts, the valuation of derivative instruments, loss contingencies, and assets acquired and liabilities assumed in business combinations, among others. In addition, estimates are used to test long-lived assets and goodwill for impairment and to determine the fair value of impaired assets. As better information becomes available or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

### **Going concern**

The Consolidated Financial Statements included herein have been prepared as if the Company were a going concern and in accordance with ASC 852, *Reorganizations*. See Note 1 for additional details regarding the CCAA proceedings. As a result, the Company has segregated prepetition unsecured or undersecured liabilities and obligations whose treatment and satisfaction are dependent on the outcome of the CCAA proceedings and have classified these items as Liabilities Subject To Compromise on the Company's Consolidated Balance Sheet. In addition, the Company has classified all expenses that were incurred as a result of the CCAA proceedings since filing as Reorganization Costs in the Company's Consolidated Statement of Operations.

Due to the Weather Event and associated CCAA proceedings, the Company's ability to continue as a going concern for the next 12 months is dependent on the Company emerging from CCAA protection, maintaining liquidity, complying with DIP Facility covenants and extending the DIP Facility maturity if required before emergence from CCAA. The CCAA proceedings cast substantial doubt upon the Company's ability to continue as a going concern and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

These Consolidated Financial Statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and Consolidated Balance Sheet classifications that would be necessary if the going concern assumption was deemed inappropriate. These adjustments could be material. There can be no assurance that the Company will be successful in emerging from CCAA as a going concern.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

### **Cash and cash equivalents and restricted cash**

All highly liquid investments with an original maturity of three months or less at the time of purchase are cash equivalents.

Restricted cash includes cash and cash equivalents, where the availability of cash to be exchanged or used to settle a liability is restricted by debt arrangements.

### **Trade and other receivables**

Trade receivables are reported on the Consolidated Balance Sheet net of the provision for ECL.

**Accrued gas receivable/accrued gas payable or gas delivered in excess of consumption/deferred revenue**

Accrued gas receivable from Just Energy's customers is stated at fair value and results from customers consuming more gas than has been delivered by Just Energy to LDCs. Accrued gas payable represents Just Energy's obligation to the LDCs for the customers' excess consumption, over what was 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 was delivered, resulting in the recognition of accrued gas receivable and accrued gas payable. In the summer months, customers will have consumed less than what was delivered, resulting in the recognition of gas delivered in excess of consumption as deferred revenue.

**Gas in storage**

Gas in storage represents the gas delivered to the LDCs. 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 based on market cost on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business.

**Inventory**

Inventory is valued at the lower of cost or net realizable value with cost being determined on a weighted average cost basis for inventories. The Company removes these inventories as they are sold to customers. Sales of inventory are classified as an operating activity in the Consolidated Statement of Cash Flows.

**Property and equipment**

Property 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 for its intended use and the present value of all dismantling and removal costs. Where major components of property 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 in the item can be reliably measured. Depreciation is provided over the estimated useful lives of the assets as follows:

<b>Asset category</b>	<b>Depreciation method</b>	<b>Rate/useful life</b>
Furniture and fixtures	Declining balance	20%
Office equipment	Declining balance	20%
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	Shorter of useful life and lease term
Premise assets	Straight-line	4-7 years

An item of property 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 Statement of Operations.

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

**Business combinations**

In accordance with ASC 805, *Business Combinations*, all identifiable assets acquired and liabilities assumed are measured at the acquisition date at fair value. The Company records all identifiable intangible assets including identifiable assets that had not been recognized by the acquiree before the business combination. Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets acquired and liabilities assumed is recorded as goodwill. During the measurement period (which is within one year from the acquisition date), Just Energy may adjust the amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as at the acquisition date. Adjustments related to facts and circumstances that did not exist as at the Consolidated Balance Sheet dates are taken to the Consolidated Statement of Operations. The Company records acquisition-related costs as expenses in the periods in which the costs are incurred, with the exception of certain costs relating to registering and issuing debt or equity securities, which are accounted for as part of the financing.

**Goodwill, including impairment**

In accordance with ASC 350, *Intangibles-Goodwill and Other*, the Company recognizes goodwill for the excess cost of an acquired entity over the net value assigned to assets acquired and liabilities assumed. The Company performs goodwill impairment tests annually, as at March 31, 2022, and when events or changes in circumstances indicate that the carrying value may not be recoverable.

The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The more-likely-than-not threshold is defined as having a likelihood of more than 50 percent. If it is more-likely-than-not that the fair value of a reporting unit is greater than its carrying amount, there is no goodwill impairment.

In the absence of sufficient qualitative factors indicating that it is more-likely-than-not that no impairment occurred, the Company performs a quantitative assessment by determining the fair value of the reporting unit and comparing the fair value to its book value. If the fair value of the reporting unit exceeds its book value, goodwill of the reporting unit is not considered impaired. If the book value exceeds fair value, the Company recognizes an impairment loss equal to the difference between book value and fair value. For the purpose of impairment testing, goodwill is 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.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the annual goodwill impairment test will prove to be accurate predictions of the future.

### **Intangible assets, including impairment**

Intangible assets acquired outside of a business combination are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and/or accumulated impairment losses.

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 intangible assets with finite lives are assessed for impairment whenever indications of impairment exist. The carrying value of such assets is deemed to be impaired if the projected undiscounted cash flows are less than the carrying value. If there is such impairment, a loss is recognized based on the amount by which the carrying value exceeds the fair value. The amortization method and amortization period of an intangible asset with a finite useful life are reviewed at least 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 Statement of Operations.

Internally developed 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 developed 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.

Gains or losses arising from disposal 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 Statement of Operations when the asset is derecognized.

<b><u>Intangible asset category</u></b>	<b><u>Amortization method</u></b>	<b><u>Rate/useful life</u></b>
Customer relationships	Straight-line	10 years
Technology	Straight-line	3-5 years
Brand (finite life)	Straight-line	10 years

### **Leases**

The Company applies ASC 842, *Leases*, to account for its leases. A lease is a contract or part of a contract whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to control the use of an asset for an agreed period of time. 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 fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset. ASC 842 requires lessees to classify most leases as either finance or operating leases. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, which for existing ROU assets ranges from two years to six years.

At the commencement date of the lease, Just Energy initially measures lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The lease payments also include payments of penalties for terminating the lease, if the lease term reflects the exercising of the option to terminate. Lease liabilities are grouped into other liabilities on the Consolidated Balance Sheet.

In calculating the present value of lease payments, Just Energy uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease



liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease.

Just Energy applies the short-term lease exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

### Derivative instruments and mark-to-market accounting

The Company enters into contracts for the purchase and sale of electricity and natural gas commodities utilizing instruments such as options, swaps and forwards primarily to manage commodity price risks. If the instrument meets the definition of a derivative under ASC 815 *Derivatives and Hedging*, changes in the fair value of the derivative instruments are recognized in net income as unrealized gains and losses. This recognition is referred to as mark-to-market accounting. The fair values of unsettled derivative instruments under mark-to-market accounting are reported in the Consolidated Balance Sheet as derivative instruments. When derivative instruments are settled and realized gains and losses are recorded, the previously recorded unrealized gains and losses and derivative instrument assets and liabilities are reversed.

Just Energy enters into fixed-term contracts with customers to provide electricity and natural gas at fixed prices. These customer contracts expose Just Energy to changes in consumption as well as changes in the market prices of electricity and natural gas. To reduce its exposure to movements in commodity prices, Just Energy enters into contracts with suppliers that expose the Company to changes in prices for the purchase and sale of electricity and natural gas. The primary factors affecting the fair value of derivative instruments at any point in time are the volume of open derivative positions and the changes of commodity market prices. Prices for electricity and natural gas are volatile, which can result in material changes in the fair value measurements reported in the Consolidated Financial Statements in the future.

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 in the Consolidated Statement of Operations. These embedded derivatives are measured at fair value with changes in fair value recognized in Consolidated Statement of Operations.

All derivatives are recognized at fair value on the date on which the derivative is entered into and are remeasured to fair value at each reporting date. Derivative instruments are carried in the Consolidated Balance Sheet as assets when the fair value is positive and as 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 Statement of Operations and are included within unrealized gain (loss) on derivative instruments.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (the exit price). The fair value is based on assumptions that market participants would use when pricing the asset or liability. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation, as follows:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The carrying amounts for cash and cash equivalents, accounts and notes receivable and accounts and trade and accounts payable approximate fair value based on the short-term nature of these amounts. See Note 13 for additional information regarding fair value measurement of derivative instruments.

Under the guidance of ASC 815, entities may choose to offset cash collateral posted or received against the fair value of derivative positions executed with the same counterparties under the same master netting agreements. The Company has chosen not to offset positions as defined in ASC 815.

### Revenue recognition

Just Energy has identified that the material performance obligation is the provision of electricity and natural gas to customers, which is satisfied over time throughout the contract term. Just Energy utilizes the output method to recognize revenue based on the units of electricity and natural gas delivered and billed to the customer each month, and Just Energy has elected to adopt the practical expedient to recognize revenue in the amount to which the entity has a right to invoice, as the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance to date. Energy sales and services that have been delivered but not billed by period end are estimated. Accrued unbilled revenues are based on estimates of customer usage since the date of the last meter reading provided by the independent system operators or local distribution companies. Estimated amounts are adjusted when actual usage is known and billed. Sales tax is excluded from revenue.

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

Just Energy accounts for TDSP charges charged to electricity customers on a gross basis whereby TDSP charges to the customer and payments to the service provider are presented in sales and cost of goods sold, respectively. The Company undertakes to deliver the commodity to the customer at their location across various markets and contract offers. Arranging delivery to the customer's meter is a part of the activities the Company performs to fulfill its obligation to customers and, as such, the Company is the primary obligor to deliver the commodity to the customer. The Company determined that TDSP charges should be accounted for consistently on a gross basis for the relevant markets where the nature and contractual terms of TDSP charges were similar.

Just Energy is exposed to customer credit risk on its continuing operations in Alberta, Texas, Illinois (gas), California (gas) and Ohio (electricity) and for certain Commercial customers in dual-billing markets including Illinois (power), Pennsylvania (power), Massachusetts (power), New York and New Jersey. 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.

## Foreign currency translation

### *Functional and reporting currency*

Items included in the Consolidated Financial Statements of each of the Company's entities are measured using the functional currency. The Consolidated Financial Statements are presented in U.S. dollars, which is the parent Company's reporting 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 Statement of Operations.

### *Translation of foreign operations*

Subsidiaries that have a functional currency different from the reporting currency are translated into the reporting currency as follows:

- Assets and liabilities for each Consolidated Balance Sheet presented are translated at the closing rate as at the date of that Consolidated Balance Sheet; and
- Income and expenses for each Consolidated Statement of Operations 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 are recorded in 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 Statement of Operations 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 (loss) per share is 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 introduced from the equity compensation plans described in Note 19(b), assuming the exercise of stock options, RSUs, PSU and DSUs. These outstanding shares are also adjusted for any pre-September 2020 Recapitalization, RSG, PBG, DSGs and convertible debentures, if dilutive.

## Share-based compensation plans

Share-based compensation plans are equity-settled transactions. Stock-based compensation is accounted for in accordance with ASC 718, *Compensation-Stock Compensation*. 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 units are exercised or exchanged, the amounts previously credited to contributed deficit are reversed and credited to shareholders' capital.



### Employee future benefits

In Canada, Just Energy has established the Canadian Plan for all permanent full-time and permanent part-time employees (working more than 26 hours per week).

For U.S. employees, Just Energy has established the U.S. Plan for all permanent full-time and part-time employees (working more than 30 hours per week) of its subsidiaries.

Participation in the plans in Canada or the U.S. is voluntary. Obligations for contributions to the Canadian and U.S. plans are recognized as an expense in the Consolidated Statement of Operations when the contribution is made by the Company.

### Income taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"), which requires that the Company use the asset and liability method of accounting for deferred income taxes and provide deferred income taxes for all significant temporary differences.

The Company has two categories of income tax expense or benefit – current and deferred, as follows:

- Current income tax expense or benefit consists solely of current taxes payable less applicable tax credits, and
- Deferred income tax expense or benefit consists of the change in the net deferred income tax asset or liability, excluding amounts charged or credited to accumulated other comprehensive income.

The Company reports some of its revenues and expenses differently for financial statement purposes than for income tax return purposes, resulting in temporary and permanent differences between the Company's Consolidated Financial Statements and income tax returns. The tax effects of such temporary differences are recorded as either deferred income tax assets or deferred income tax liabilities in the Company's Consolidated Balance Sheet. The Company measures its deferred income tax assets and deferred income tax liabilities using income tax rates that are expected to be in effect when the deferred tax is realized.

The Company recognizes deferred tax assets to the extent it believes these assets are more likely than not to be realized. In making this determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations.

The Company accounts for uncertain tax positions in accordance with ASC 740, which applies to all tax positions related to income taxes. Under ASC 740, tax benefits are recognized when it is more-likely-than-not that a tax position will be sustained upon examination by the authorities. The benefit recognized from a position is the amount of benefit that has surpassed the more-likely-than-not threshold, as it is more than 50% likely to be realized upon settlement.

In accordance with ASC 740, changes to existing net deferred tax assets or valuation allowance or changes to uncertain tax benefits are recorded to income tax (benefit)/expense. The Company records interest and penalties accrued related to uncertain tax benefits as interest expense and other expenses respectively.

### Provisions and restructuring

Provisions are recognized when Just Energy has an existing condition, situation or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur, 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.

### Selling and marketing expenses

Commissions and various other costs related to obtaining and renewing customer contracts are charged to selling and marketing expense in the Consolidated Statement of Operations in the period incurred except as disclosed below.

Commissions related to obtaining and renewing 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 customer acquisition cost in other current or non-current assets in the Consolidated Balance Sheet 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.

Just Energy capitalizes the incremental acquisition costs of obtaining a customer contract as an asset as these costs would not have been incurred if the contract had not been obtained and these costs are amortized in selling and marketing expense over the life of the contract. When the term of the contract is one year or less, the incremental costs incurred to obtain the customer contracts are expensed when incurred.

Just Energy expenses advertising costs as incurred, and these costs are presented in selling and marketing expenses in the Consolidated Statement of Operations and were \$20.7 million, \$15.2 million, and \$5.6 million for the year ended March 31, 2022, 2021 and 2020, respectively.

### Green provision and certificates

Just Energy is a retailer of green energy and records a liability as green energy sales are recognized. A corresponding cost is included in cost of goods sold. Just Energy measures its liability based on the compliance requirements of different jurisdictions in which it has operations or where the customers voluntarily subscribed for green energy.

Green certificates are purchased by Just Energy to settle its obligation with the regulators or for trading in the normal course of business. Green certificates are held at cost and presented at the gross amount in the Consolidated Balance Sheets. These certificates are only netted against the obligation when the liability is retired as per the regulations of the respective jurisdiction. Any provision balance in excess of the green certificates held or that Just Energy has committed to purchase is measured at fair value.

Any green energy-related derivatives are forward contracts and are recognized in accordance with the accounting policy discussed under "Derivative instruments and mark-to-market accounting" above.

#### **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 income or loss after tax from discontinued operations in the Consolidated Statement of Operations. Property and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

#### **Investments**

Just Energy carries the investments at fair value in the Consolidated Balance Sheet as per the requirements of ASC 321, *Investments-Equity Securities*. The Company has elected to apply the fair value option for its investments in ecobee and any resultant carrying amount adjustments are recorded in Consolidated Statement of Operations.

#### **Recapitalization**

Just Energy completed a recapitalization through a plan of arrangement under the CBCA and accounted for the transaction under the guidance from ASC 470, *Debt*, as a debt modification and extinguishment through troubled debt restructuring. The Company has recorded a gain net of all costs and fees, as the future undiscounted cash flows were less than the net carrying value of the original debts. See Note 19(b) for additional information regarding the September 2020 Recapitalization.

#### **Reporting during CCAA/bankruptcy**

Just Energy has applied ASC 852 and has separately presented its obligations that were incurred prior to the filing of the bankruptcy petition and are subject to compromise, as Liabilities Subject To Compromise on the Consolidated Balance Sheet. Also, the DIP Facility has been accounted for using the same guidance, and all the costs incurred to obtain the DIP Facility have been directly charged to Reorganization Costs in the Consolidated Statement of Operations.

### **5. IMPACT OF FUTURE PRONOUNCEMENTS IN U.S. GAAP**

In January 2020, the FASB issued ASU 2020-01, *Investments – Equity Securities* (Topic 321), *Investments – Equity Method and Joint Ventures* (Topic 323), and *Derivatives and Hedging* (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the FASB Emerging Issues Task Force) ("ASU 2020-01"). ASU 2020-01 clarifies the application of the measurement alternative to transactions that require an entity to apply or discontinue the equity method, and whether certain forward contracts and purchased options on equity securities are in the scope of ASC 321. ASU 2020-01 is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. The Company has evaluated the full impact of ASU 2020-01 and concluded that there is no impact to these Consolidated Financial Statements as a result of this adoption.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes* (Topic 740): Simplifying the Accounting Income Taxes ("ASU 2019-12"). ASU 2019-12 simplifies the accounting for income taxes by removing several exceptions including the incremental approach for intra-period tax allocation when there is a loss from continuing operations and income or a gain from other items and general methodology for calculating income taxes in an interim period when a year-to-date loss exceeds the anticipated loss for the year. ASU 2019-12 is effective for the Company's fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company has not yet evaluated the full impact of the ASU 2019-12 on its Consolidated Financial Statements.

### **6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

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 U.S. GAAP that have a significant impact on the Consolidated Financial Statements relate to the following:

#### **Provision for expected credit loss**

The measurement of the provision for ECL for trade accounts receivable requires the use of management's judgment in estimation techniques, building models, selecting key inputs and making significant assumptions about future economic

conditions and credit behaviour of the customers, including the likelihood of customers defaulting and the resulting losses. The Company's current significant estimates include the historical collection rates as a percentage of revenue and the use of the Company's historical rates of recovery across aging buckets and the consideration of forward-looking information. All of these inputs are sensitive to the number of months or years of history included in the analysis, which is a key input and judgment made by management.

### Deferred income taxes

Significant management judgment is required to determine the amount of deferred income 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. Determining the tax treatment on certain transactions also involves management's judgment.

### Fair value of derivative instruments

Where the fair values of derivative assets and liabilities recorded in the Consolidated Balance Sheet cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow models or transacted and quoted prices of identical assets that are not active. 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 derivative instruments. Refer to Note 13 for further details about the assumptions as well as a sensitivity analysis.

### Impairment of long-lived and goodwill assets

Estimates are used to test long-lived assets and goodwill for impairment and to determine the fair value of impaired assets. Refer to Note 12 for further information.

### Contingencies

Just Energy records reserves for estimated losses from contingencies when information available indicates that a loss is probable and the amount of the loss, or range of loss, can be reasonably estimated. Gain contingencies are not recorded until management determines it is certain that the future event will become or does become a reality. Such determinations are subject to interpretations of current facts and circumstances, forecasts of future events, and estimates of the financial impacts of such events. Just Energy describes in detail its contingencies in Note 25.

## 7. TRADE AND OTHER RECEIVABLES, NET

### (a) Trade and other receivables, net

	As at March 31,	
	2022	2021
Trade accounts receivable, net	\$ 147,063	\$ 150,499
Unbilled revenue, net	82,946	82,693
Accrued gas receivable	1,414	663
Commodity receivables	77,518	36,683
<b>Total trade and other receivables, net</b>	<b>\$ 308,941</b>	<b>\$ 270,538</b>

### (b) Aging of accounts receivable

#### Customer credit risk

The lifetime ECL reflects Just Energy's best estimate of losses on the accounts receivable and unbilled revenue balances. Just Energy determines the lifetime ECL by using historical loss rates and forward-looking factors, if applicable. The Company accrues an allowance for current ECL based on (i) estimates of uncollectable revenues by analyzing accounts receivable aging and current and reasonable forecasts of expected economic factors including weather-related events; and (ii) historical collections and delinquencies.

Just Energy is exposed to customer credit risk on its continuing operations in Alberta, Texas, Illinois (gas), California (gas) and Ohio (electricity) and for certain Commercial customers in dual-billing markets including Illinois (power), Pennsylvania (power), Massachusetts (power), New York and New Jersey). 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.

In the remaining markets, the LDCs provide collection services and assume the risk of any bad debts owing from Just Energy's customers for a fee that is recorded in cost of goods sold. Although there is no assurance that the LDCs providing these services will continue to do so in the future, management believes that the risk of the LDCs failing to deliver payment to Just Energy is minimal.

The aging of the trade accounts receivable, excluding the provision for expected credit losses, from the markets where the Company bears customer credit risk was as follows:

	As at March 31,	
	2022	2021
Current	\$ 57,766	\$ 46,710
1-30 days	16,061	15,439
31-60 days	4,470	3,017
61-90 days	1,220	1,705
Over 90 days	5,106	8,307
<b>Total trade receivables</b>	<b>\$ 84,623</b>	<b>\$ 75,178</b>

**(c) Provision for expected credit losses**

Changes in the provision for expected credit losses related to the balances in the table above were as follows:

	As at March 31,	
	2022	2021
<b>Balance, beginning of year</b>	<b>\$ 18,578</b>	<b>\$ 32,305</b>
Provision for expected credit losses	24,242	25,712
Bad debts written off	(34,504)	(49,725)
Recoveries	5,148	3,850
Foreign exchange	573	6,436
<b>Balance, end of year</b>	<b>\$ 14,037</b>	<b>\$ 18,578</b>

**(d) Securitization proceeds receivable from ERCOT**

The Company expected to receive the proceeds of \$147.5 million from ERCOT the first half of calendar year 2022 and concluded that the threshold for recognizing a receivable was met in December 2021 as the amounts to be received are determinable and ERCOT was directed by its governing body, the PUCT, to take all actions required to effectuate the funding approved in the Final Order. The associated Weather Event Cost Recovery is reflected in Cost of goods sold within the Consolidated Statement of Operations as that is where the initial costs, which are being compensated for, were recorded. The Company received the proceeds of \$147.5 million from ERCOT in June 2022.

**8. OTHER CURRENT AND NON-CURRENT ASSETS**

**(a) Other current assets**

	As at March 31,	
	2022	2021
Prepaid expenses and deposits	\$ 40,347	\$ 41,524
Customer acquisition costs	35,680	36,327
Green certificates assets	53,824	48,880
Gas delivered in excess of consumption	793	516
Inventory	926	2,697
<b>Total other current assets</b>	<b>\$ 131,570</b>	<b>\$ 129,944</b>

**(b) Other non-current assets**

	As at March 31,	
	2022	2021
Customer acquisition costs	\$ 30,273	\$ 21,724
Other long-term assets	8,775	6,318
<b>Total other non-current assets</b>	<b>\$ 39,048</b>	<b>\$ 28,042</b>

**9. INVESTMENTS**

On December 1, 2021, Generac completed the acquisition of all issued and outstanding shares of ecobee, including all of the ecobee shares held by the Company. The Company held approximately 8% of the ecobee shares. The Company received

\$12.3 million cash and 80,281 shares of Generac common stock. The Company subsequently sold all of the Generac shares for a sum of \$28.4 million during December 2021, resulting in total consideration of approximately \$40.7 million. This sale has resulted in a gain on investment of \$15.0 million recorded in the Consolidated Statement of Operations for the year ended March 31, 2022. The Company could receive up to an additional \$8 million in Generac common stock during 2022 and 2023, provided that certain performance targets are achieved by ecobee; no contingent consideration has been recorded at this time because it remains remote.

As at March 31, 2021, the investment was measured using the fair value option under ASC 321. The fair value of the investment had been determined directly from transacted or quoted prices of similar assets that are not active (Level 3 measurement). As at March 31, 2021, the fair value of the ecobee investment was \$26.2 million.

## 10. PROPERTY AND EQUIPMENT

	As at March 31,	
	2022	2021
Premise and ROU assets	\$ 24,834	\$ 27,333
Computer equipment	21,106	20,395
Others (1)	21,480	21,314
Total property and equipment	67,420	69,042
Accumulated depreciation (2)	(57,395)	(54,338)
Retirements and write-offs	(3,520)	(527)
Net property and equipment	\$ 6,505	\$ 14,177

- (1) Others include office equipment, furniture and fixture and leasehold improvements.
- (2) Depreciation expense on property and equipment totaled \$4.6 million, \$6.1 million and \$14.0 million for the year ended March 31, 2022, 2021 and 2020, respectively.

## 11. LEASES

Just Energy leases premises and computer equipment. Operating leases with an initial term greater than 12 months are recognized as right-of-use assets and lease liabilities in the Consolidated Balance Sheet. Just Energy made an accounting policy election, as permitted by ASC 842, for all asset classes to not recognize right-of-use assets and lease liabilities in the Consolidated Balance Sheet for its short-term leases, which are leases that have a lease term of 12 months or less. For the initial measurement of lease liabilities, the discount rate that Just Energy uses is either the rate implicit in the lease, if known, or its incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow, on a collateralized basis, over a similar term an amount equal to the payments for the lease. The Company recognizes lease expense for all operating leases on a straight-line basis over the lease term.

The Company considers a contract to be or to contain a lease when both of the following conditions apply: 1) an asset is either explicitly or implicitly identified in the contract and 2) the contract conveys to the Company the right to control the use of the identified asset for a period of time. The Company has the right to control the use of the identified asset when the Company has both the right to obtain substantially all the economic benefits from the use of the identified asset and the right to direct how and for what purpose the identified asset is used throughout the period of use.

Lease payments are typically fixed and payable on a monthly, quarterly, semi-annual or annual basis. Lease payments under certain agreements may escalate over the lease term either by a fixed percentage or a fixed dollar amount. The Company has no leases that contain residual value guarantees provided by the Company as a lessee.

Leases are included in property and equipment and non-current and current other liabilities on the Consolidated Balance Sheet. As at March 31, 2022, the current portion of lease liability amounts to \$1.9 million and the non-current lease liability amounts to \$2.2 million.

### (a) Lease cost

	For the year ended March 31,		
	2022	2021	2020
Finance lease cost:			
Amortization of ROU assets	\$ 40	\$ 373	\$ 665
Interest on lease liabilities	3	9	49
Operating lease costs	2,080	3,036	4,585
<b>Total lease cost</b>	<b>\$ 2,123</b>	<b>\$ 3,418</b>	<b>\$ 5,299</b>

**(b) Lease term and discount rate for leases**

	<b>As at March 31,</b>	
	<b>2022</b>	2021
<b>Finance leases:</b>		
Weighted average remaining lease term (in years)	<b>2.2</b>	3.2
Weighted average discount rate	<b>6.75%</b>	6.75%
<b>Operating leases:</b>		
Weighted average remaining lease term (in years)	<b>2.4</b>	3.3
Weighted average discount rate	<b>6.75%</b>	6.75%

**(c) Annual future payments based on maturities**

	<b>Annual future payments For the year ended March 31,</b>	
2023	\$	2,174
2024		1,489
2025		913
2026		6
Thereafter		4
Total undiscounted lease payments	\$	4,586
Less: present value adjustment		(351)
Total discounted lease payments	\$	4,235

**12. INTANGIBLE ASSETS****(a) Intangible assets**

	<b>As at March 31, 2022</b>			
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Impairment (2)</b>	<b>Net Book Value</b>
Technology	\$ 107,463	\$ (71,611)	\$ (7,215)	\$ 28,637
Brand (3)	14,802	(833)	–	13,969
Others (1)	44,505	(43,296)	–	1,209
Total intangible assets	\$ 166,770	\$ (115,740)	\$ (7,215)	\$ 43,815

	<b>As at March 31, 2021</b>			
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Impairment (2)</b>	<b>Net Book Value</b>
Technology	\$ 97,625	\$ (56,187)	\$ (887)	\$ 40,551
Brand (3)	25,812	(557)	(11,026)	14,229
Others (1)	44,223	(42,763)	–	1,460
Total intangible assets	\$ 167,660	\$ (99,507)	\$ (11,913)	\$ 56,240

(1) Includes brokers network (\$40.6 million) and customer relationships (\$3.9 million).

(2) Impairment was recorded in the Impairment of goodwill, intangible assets and others line in the Consolidated Statement of Operations.

(3) Includes \$12.4 million in indefinite-lived brand.

All research costs and development costs not eligible for capitalization have been expensed and are recognized in administrative expenses.

**(b) 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 operating segments, which are the reporting units. These segments are mass markets and commercial. The table below presents the changes of goodwill for the years ended;

**Goodwill**

	<b>As at March 31,</b>	
	<b>2022</b>	<b>2021</b>
Opening balance	<b>\$ 130,235</b>	\$ 192,212
Impairment	–	(79,500)
Foreign exchange movement	<b>710</b>	17,523
Closing balance	<b>\$ 130,945</b>	\$ 130,235

Goodwill is tested annually for impairment at the level of the two reporting units. Goodwill is also tested for impairment whenever events or circumstances occur that could potentially reduce the fair value of one or more of the reporting units below its carrying value. For the year ended March 31, 2022, there was no impairment loss. For the year ended March 31, 2021, an impairment loss was recognized for the full remaining balance of the goodwill of the commercial segment in the amount of \$79.5 million as the carrying value exceeded the fair value. Several factors lead to the impairment of goodwill including the decrease in the Company's market capitalization as evidenced by the stock price.

An impairment loss was not recognized for the mass market, the Company segments as its fair value exceeded its carrying value. As at March 31, 2022 and March 31, 2021 applied qualitative and quantitative factors and determined that it was more likely than not that the fair value of the mass markets operating segment exceeded its carrying value.

The fair value for purposes of impairment testing for the commercial segment represented the estimated value-in-use. The value-in-use was calculated using the present value of estimated future cash flows applying an appropriate risk-adjusted rate to internal operating forecasts. Management believes that the forecasted cash flows generated based on operating forecasts are the appropriate basis upon which to assess goodwill and individual assets for impairment. The fair value calculation has been prepared solely for the purposes of determining whether the goodwill balance was impaired. Estimated future cash flows were prepared based on certain assumptions prevailing at the time of the test. The actual outcomes may differ from the assumptions made.

The period included in the estimated future cash flows for the commercial segment includes five years of the operating plans plus an estimated terminal value beyond the five years driven by historical and forecasted trends. Discount rates were derived using a capital asset pricing model and by analyzing published rates for industries relevant to the Company's reporting units. The key assumptions used in determining the value-in-use of the commercial segment include historical rates of attrition and renewal.

The underlying growth rate is driven by sales forecast, consistent with recent historical performance and taking into consideration sales channels and strategies in place today. Customer acquisition costs included in the forecast are consistent with current trends considering today's competitive environment. Cost to operate represents management's best estimate of future cost to operate. Sensitivities to different variables have been estimated using certain simplifying assumptions and did not have a significant impact on the results of the impairment test.

**Intangible assets**

For the year ended March 31, 2022, an impairment loss was recognized for technology intangible assets in the amount of \$7.1 million. For the year ended March 31, 2021, an impairment loss was also recognized for an indefinite-life intangible and definite-lived intangible assets in the amount of \$11.9 million for the full remaining balance of the commercial brand and certain technology projects. The impairment amount was included in the Consolidated Statement of Operations. Indicators of impairment were evident for the specific technology projects given the use of software.

For the year ended March 31, 2020, impairment losses were recognized on definite-lived intangible assets for Filter Group Inc., EdgePower Inc. and certain technology projects in the amounts of \$6.0 million, \$10.4 million and \$2.7 million, respectively. The impairment amounts were included in the Consolidated Statement of Operations for the respective period.

**(c) Intangible asset aggregate estimated amortization expense for next five years**

As at March 31, 2022, the estimated aggregated amortization expense of identifiable intangible assets for each of the next five fiscal years is as shown below.

	<b>Intangible assets</b>
2023	\$ 7,671
2024	5,451
2025	2,896
2026	1,862
2027	1,000
Total	\$ 18,880



### 13. DERIVATIVE INSTRUMENTS

#### (a) Fair value of derivative instruments

The fair value of derivative 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 offsets and RECs, using a discounted cash flow method, which employs market forward curves that are either directly sourced from third parties or 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 applicable market forward curves and the implied volatility from other market traded options. Green power options have been valued using historical volatility. Management periodically uses non-exchange-traded swap agreements based on CDDs and HDDs measured in its utility service territories to reduce the impact of weather volatility on Just Energy's electricity and natural gas volumes, commonly referred to as "weather derivatives". The fair value of these swaps on a given measurement station indicated in the derivative contract is determined by calculating the difference between the agreed strike and expected variable observed at the same station.

The following table illustrates unrealized gains (losses) related to Just Energy's derivative instruments classified as fair value through the Consolidated Statement of Operations and recorded on the Consolidated Balance Sheet as fair value of derivative instrument assets and fair value of derivative instruments liabilities, with their offsetting values recorded in unrealized gain (loss) in fair value of derivative instruments and other on the Consolidated Statement of Operations.

	For the year ended March 31,		
	2022	2021	2020
Physical forward contracts and options (i)	\$ 476,050	\$ 4,161	\$ (96,495)
Financial swap contracts and options (ii)	206,923	54,639	(46,410)
Foreign exchange forward contracts	(818)	(6,202)	6,712
Share swap	—	—	(7,102)
Other derivative options	238	(1,675)	(1,258)
<b>Unrealized gain (loss) on derivative instruments and other</b>	<b>\$ 682,393</b>	<b>\$ 50,923</b>	<b>\$ (144,553)</b>

The following table summarizes certain aspects of the fair value of derivative instrument assets and liabilities recorded in the Consolidated Balance Sheet as at March 31, 2022:

	Derivative instrument assets (current)	Derivative instrument assets (non-current)	Derivative instrument liabilities (current)	Derivative instrument liabilities (non-current)
Physical forward contracts and options (i)	\$ 373,268	\$ 81,392	\$ 10,195	\$ 5,865
Financial swap contracts and options (ii)	161,838	51,161	2,134	6,856
Foreign exchange forward contracts	—	—	841	195
Other derivative options	3,594	461	—	—
<b>As at March 31, 2022</b>	<b>\$ 538,700</b>	<b>\$ 133,014</b>	<b>\$ 13,170</b>	<b>\$ 12,916</b>

The following tables summarize certain aspects of the fair value of derivative instrument assets and liabilities recorded in the Consolidated Balance Sheet as at March 31, 2021:

	Derivative instrument assets (current)	Derivative instrument assets (non-current)	Derivative instrument liabilities (current)	Derivative instrument liabilities (non-current)
Physical forward contracts and options (i)	\$ 9,951	\$ 5,338	\$ 8,078	\$ 44,629
Financial swap contracts and options (ii)	5,520	2,095	2,821	4,014
Foreign exchange forward contracts	—	—	216	—
Other derivative options	2,911	996	—	—
<b>As at March 31, 2021</b>	<b>\$ 18,382</b>	<b>\$ 8,429</b>	<b>\$ 11,115</b>	<b>\$ 48,643</b>

Individual derivative asset and liability transactions are offset and the net amount reported in the Consolidated Balance Sheet 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. Individual derivative transactions are typically offset at the legal entity and counterparty level. The impact of netting derivative assets and liabilities is presented in the table below.

	Gross basis amount	Netting impact	Net basis amount
Derivative instrument assets	\$ 910,174	\$ (238,460)	\$ 671,714
Derivative instrument liabilities	(265,011)	238,925	(26,086)
<b>As of March 31, 2022</b>	<b>\$ 645,163</b>	<b>\$ 465</b>	<b>\$ 645,628</b>

	Gross basis amount	Netting impact	Net basis amount
Derivative instrument assets	\$ 453,666	\$ (426,855)	\$ 26,811
Derivative instrument liabilities	(483,737)	423,979	(59,758)
<b>As of March 31, 2021</b>	<b>\$ (30,071)</b>	<b>\$ (2,876)</b>	<b>\$ (32,947)</b>

Below is a summary of the derivative instruments classified through the Consolidated Statement of Operations as at March 31, 2022, to which Just Energy has committed:

(i) Physical forward contracts and options consist of:

- Electricity contracts with a total remaining volume of 28,489,662 MWh, a weighted average price of \$39.56/MWh and expiry dates up to December 31, 2029.
- Natural gas contracts with a total remaining volume of 116,351,622 MMBtu, a weighted average price of \$4.97/MMBtu and expiry dates up to December 31, 2026.
- RECs with a total remaining volume of 3,774,881 MWh, a weighted average price of \$17.97/REC and expiry dates up to December 31, 2029.
- Green Gas Certificates with a total remaining volume of 657,000 tonnes, a weighted average price of \$6.96/tonne and expiry dates up to July 28, 2022.
- Electricity generation capacity contracts with a total remaining volume of 1,485 MWhCap, a weighted average price of \$3,931.82/MWhCap and expiry dates up to May 31, 2026.
- Ancillary contracts with a total remaining volume of 1,229,720 MWh, a weighted average price of \$19.86/MWh and expiry dates up to December 31, 2025.

(ii) Financial swap contracts and options consist of:

- Electricity contracts with a total remaining volume of 18,485,007 MWh, a weighted average price of \$54.57/MWh and expiry dates up to December 31, 2025.
- Natural gas contracts with a total remaining volume of 116,835,000 MMBtu, a weighted average price of \$3.59/MMBtu and expiry dates up to March 31, 2027.
- Ancillary contracts with a total remaining volume of 1,926,706 MWh, a weighted average price of \$19.89/MWh and expiry dates up to December 31, 2025.

(iii) Weather derivatives consist of:

- HDD natural gas swaps with price strikes to be set on futures index and temperature strikes from 1,652 to 4,985 HDD and an expiry date of March 31, 2023.
- HDD natural gas swaps with price strikes to be set on futures index and temperature strikes from 3,408 to 4,910 HDD and an expiry date of March 31, 2024.

These derivative 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 derivative instrument asset balance recognized in the Consolidated Financial Statements.

## FV hierarchy of 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. Currently there are no derivatives carried in this level.

**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, significant inputs must be directly or indirectly observable in the market. Just Energy values its 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 extend only 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.

The unobservable inputs could range from \$5/MWh or \$0.50/Dth for power and natural gas respectively. Please also refer below to commodity price sensitivity for Level 3 derivative instruments.

**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.

The following table illustrates the classification of derivative instrument assets (liabilities) in the FV hierarchy as at March 31, 2022:

	<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>		<b>Total</b>
Physical forward contracts	\$	—	\$	—	\$	438,600	\$ 438,600
Financial swap contracts		—		124,188		79,821	204,009
Foreign exchange forward contracts		—		—		(1,036)	(1,036)
Other derivative options		—		—		4,055	4,055
<b>Total net derivative instrument assets</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>124,188</b>	<b>\$</b>	<b>521,440</b>	<b>\$ 645,628</b>

The following table illustrates the classification of derivative instrument assets (liabilities) in the FV hierarchy as at March 31, 2021:

	<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>		<b>Total</b>
Physical forward contracts and options	\$	—	\$	—	\$	(37,418)	\$ (37,418)
Financial swap contracts and options		—		542		238	780
Foreign exchange forward contracts		—		—		(216)	(216)
Other derivative options		—		—		3,907	3,907
<b>Total net derivative instrument liabilities</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>542</b>	<b>\$</b>	<b>(33,489)</b>	<b>\$ (32,947)</b>

**Commodity price sensitivity – Level 3 derivative instruments**

If the energy prices associated with only Level 3 derivative instruments including natural gas, electricity, and RECs had risen by 10%, assuming that all of the other variables had remained constant, income from continuing operations before income taxes for the three months ended March 31, 2022 would have increased by \$327.7 million.

On the contrary, if the energy prices associated with only Level 3 derivative instruments including natural gas, electricity, and RECs had fallen by 10%, assuming that all of the other variables had remained constant, income from continuing operations before income taxes for the three months ended March 31, 2022 would have decreased by \$257.5 million, primarily as a result of the change in fair value of derivative instruments.

The following table illustrates the changes in net fair value of derivative instrument assets (liabilities) classified as Level 3 in the FV hierarchy for the following periods:

	As at March 31,	
	2022	2021
<b>Balance, beginning of year</b>	<b>\$ (33,489)</b>	\$ (60,538)
Total gains (losses)	<b>349,541</b>	(7,080)
Purchases	<b>283,394</b>	(3,211)
Sales	<b>(71,514)</b>	(1,329)
Settlements	<b>(6,492)</b>	38,669
<b>Balance, end of year</b>	<b>\$ 521,440</b>	\$ (33,489)

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

As at March 31, 2022 and March 31, 2021, the carrying value of cash and cash equivalents, restricted cash, trade and other receivables, and trade and other payables approximates their fair value due to their short-term nature.

The risks associated with Just Energy's derivative 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 derivative instruments due to changes in foreign exchange rates and exposure as a result of investments in Canadian operations.

The performance of the U.S. dollar relative to the Canadian dollar could positively or negatively affect Just Energy's Consolidated Statement of Operations, as some portion of Just Energy's income or loss is generated in Canadian dollars and is subject to currency fluctuations upon translation to U.S. dollars. Just Energy has a policy to economically hedge between 50% and 100% 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 following 13 to 24 months. The level of economic hedging is dependent on the source of the cash flows 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.

**Interest rate risk**

Just Energy is only exposed to interest rate fluctuations associated with its floating rate Credit Facility.

A 1% increase (decrease) in interest rates would have resulted in a decrease (increase) of approximately \$1.3 million in income from continuing operations before income taxes in the Consolidated Statement of Operations for the year ended March 31, 2022.

**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. 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 instruments**

If all the energy prices associated with derivative instruments including natural gas, electricity and RECs had risen by 10%, assuming that all of the other variables had remained constant, income from continuing operations before income taxes for the year ended March 31, 2022 would have increased by \$295.2 million.

On the contrary, a fall of 10% in the energy prices associated with derivative instruments including natural gas, electricity and RECs, assuming that all of the other variables had remained constant, income from continuing operations before income taxes

for the year ended March 31, 2022 would have decreased by \$340.2 million, primarily as a result of the change in fair value of Just Energy's derivative instruments.

## (ii) Physical 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.

## (iii) 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 Risk Committee of the Board of Directors of Just Energy. The risk department and Risk Committee of the Board of Directors 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, 2022 and 2021, Just Energy has applied an adjustment factor to determine the fair value of its derivative instruments in the amount of \$2.3 million and \$0.9 million, respectively, to accommodate for its counterparties' risk of default.

As at March 31, 2022 and 2021, the estimated net counterparty credit risk exposure amounted to \$580.5 million and \$23.1 million, respectively, representing the risk relating to Just Energy's exposure to derivatives that are in an asset position of which the Company held collateral (cash and letters of credit) against those positions of \$103.2 million resulting in a net exposure of \$477.3 million.

As at March 31, 2022, the Company recorded \$20.3 million of cash collateral posted on its Consolidated Balance Sheet in other current assets.

## 14. TRADE AND OTHER PAYABLES

	As at March 31,	
	2022	2021
Commodity suppliers' accruals and payables	\$ 209,703	\$ 162,921
Green provisions	52,478	61,934
Sales tax payable	15,656	21,864
Non-commodity trade accruals and accounts payable	53,872	54,156
Accrued gas payable	818	433
Other payables	17,396	8,806
<b>Total trade and other payables</b>	<b>\$ 349,923</b>	<b>\$ 310,114</b>

## 15. LIABILITIES SUBJECT TO COMPROMISE

	2022	2021
Commodity suppliers' accruals and payables	\$ 438,068	\$ 403,395
Non-commodity trade accruals and accounts payable	41,914	19,370
Other non-current liabilities	—	10,191
Debts and financings (Note 16 c-i)	365,908	422,028
<b>Total liabilities subject to compromise</b>	<b>\$ 845,890</b>	<b>\$ 854,984</b>

## 16. LONG-TERM DEBT AND FINANCING

	As at March 31,	
	2022	2021
DIP Facility (a)	\$ 125,000	\$ 100,784
Filter Group financing (b)	1,419	3,671
	126,419	104,455
Less: Current portion	(126,289)	(103,215)
<b>Total long term debt</b>	<b>\$ 130</b>	<b>\$ 1,240</b>

Future annual minimum principal repayments are as follows:

	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total
DIP Facility (a)	\$ 125,000	\$ –	\$ –	\$ –	\$ 125,000
Filter Group financing (b)	1,289	130	–	–	1,419
<b>Total principal repayment</b>	<b>\$ 126,289</b>	<b>\$ 130</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 126,419</b>

The following table details interest expense. Interest is expensed based on the effective interest rate.

	<b>For the year ended March 31,</b>		
	<b>2022</b>	2021	2020
DIP Facility (a)	<b>\$ 16,197</b>	\$ 783	\$ –
Filter Group financing (b)	<b>231</b>	474	1,346
Credit Facility (c)	<b>16,912</b>	15,585	17,824
Term Loan (d)	–	11,480	–
Note Indenture (e)	–	434	–
8.75% term loan (f)	–	13,286	26,350
6.75% CAD \$100M convertible debentures (g)	–	3,506	7,072
6.75% CAD \$160M convertible debentures (h)	–	5,116	10,401
6.5% convertible bonds (i)	–	396	2,062
Supplier finance and others	<b>1,528</b>	14,107	15,255
<b>Total interest expense</b>	<b>\$ 34,868</b>	\$ 65,167	\$ 80,310

- (a) As discussed in Note 1, Just Energy filed and received the Court Order under the CCAA on March 9, 2021. In conjunction with the CCAA filing, the Company entered into the DIP Facility for \$125.0 million. Just Energy Ontario L.P., Just Energy Group Inc. and Just Energy (U.S.) Corp. are the borrowers under the DIP Facility and are supported by guarantees of certain subsidiaries and secured by a super-priority charge against and attaching to the property that secures the obligations arising under the Credit Facility, created by the Court Order. The DIP Facility has an interest rate of 13.0%, paid quarterly in arrears. On November 11, 2021, the Company amended the DIP Facility to extend the maturity of the DIP Facility to September 30, 2022. The DIP Facility terminates at the earlier of: (a) September 30, 2022, (b) the implementation date of the SISF, (c) the lifting of the stay in the CCAA proceedings or (d) the termination of the CCAA proceedings. For consideration for making the DIP Facility available, Just Energy paid a 1.0% origination fee, a 1.0% commitment fee on March 9, 2021 and a 1.0% amendment fee on November 16, 2021.
- (b) Filter Group has a \$1.4 million outstanding loan payable to HTC. The loan is a result of factoring receivables to finance the cost of rental equipment that matures no later than October 2023 with HTC, and bears interest at 8.99% per annum. Principal and interest are payable monthly. Filter Group did not file under the CCAA and, accordingly, the stay does not apply to Filter Group and any amounts outstanding under the loan payable to HTC.
- (c) On March 18, 2021, Just Energy Ontario L.P., Just Energy (U.S.) Corp. and Just Energy Group Inc. entered into the Lender Support Agreement with the lenders under the Credit Facility. Under the Lender Support Agreement, the lenders agreed to allow issuance or renewals of Letters of Credit under the Credit Facility during the pendency of the CCAA proceedings within certain restrictions. In return, the Company has agreed to continue paying interest and fees at the non-default rate on the outstanding advances and Letters of Credit under the Credit Facility. The amount of Letters of Credit that may be issued is limited to the lesser of CAD \$46.1 million (excluding the Letters of Credit guaranteed by Export Development Canada under its Account Performance Security Guarantee Program), plus any amount the Company has repaid and CAD \$125 million. As at March 31, 2022, the Company had repaid CAD \$75.9 million and had a total of CAD \$93.6 million of Letters of Credit outstanding.

Certain amounts outstanding under the LC Facility are guaranteed by Export Development Canada under its Account Performance Security Guarantee Program. As at March 31, 2022, the Company had \$45.5 million of Letters of Credit outstanding and Letter of Credit capacity of \$0.6 million available under the LC Facility. Just Energy's obligations under the Credit Facility are supported by guarantees of certain subsidiaries 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 excluding, primarily Filter Group. Just Energy has also entered into an inter-creditor agreement in which certain commodity and hedge providers are also secured by the same collateral. As a result of the CCAA filing, the borrowers are in default under the Credit Facility. However, any potential actions by the lenders have been stayed pursuant to the Court Order.

The outstanding advances are all prime rate advances at a rate of bank prime (Canadian bank prime rate or U.S. prime rate) plus 4.25% and letters of credit are at a rate of 5.25%.

As at March 31, 2022, the Canadian prime rate was 2.7% and the U.S. prime rate was 3.5%.

As a result of the CCAA filing, the Credit Facility is reflected as a liability subject to compromise.

- (d) As part of the recapitalization transaction that the September 2020 Recapitalization, Just Energy issued the Term Loan maturing on March 31, 2024. The note bears interest at 10.25%. The balance at March 31, 2022 includes an accrual of \$12.6 million for interest payable on the notes through March 9, 2021. As a result of the CCAA filing, the Company is in default under the Term Loan. However, any potential actions by the lenders under the Term Loan have been stayed pursuant to the Court Order, and the Company is not issuing additional notes equal to the capitalized interest. The Term Loan is shown as liability subject to compromise.
- (e) As part of the September 2020 Recapitalization, Just Energy issued the Note Indenture. The principal amount was reduced through a tender offer for no consideration on October 19, 2020 to CAD \$13.2 million. The Note Indenture bears an annual interest rate of 7.0% payable in kind. The balance at March 31, 2022 includes an accrual of \$0.4 million for interest payable on the notes through March 9, 2021. As a result of the CCAA filing, the Company is in default under the Note Indenture's Trust Indenture agreement. However, any potential actions by the lenders under the Note Indenture have been stayed pursuant to the Court Order and the Company is not issuing additional notes equal to the capitalized interest. The Note Indenture is shown as a liability subject to compromise.
- (f) As part of the September 2020 Recapitalization, the 8.75% loan was exchanged for its pro-rata share of the Term Loan and 786,982 common shares. At the time of the September 2020 Recapitalization, the 8.75% loan had \$207.0 million outstanding plus accrued interest.
- (g) As part of the September 2020 Recapitalization, the 6.75% CAD \$100M convertible debentures were exchanged for 3,592,069 common shares along with there pro-rata share of the Note Indenture and the payment of accrued interest.
- (h) As part of the September 2020 Recapitalization, the 6.75% CAD \$160M convertible debentures were exchanged for 5,747,310 common shares along with there pro-rata share of the Note Indenture and the payment of accrued interest.
- (i) As part of the September 2020 Recapitalization, the 6.5% convertible bonds were exchanged for there pro-rata share of the Term Loan and 35,737 common shares. At the time of the September 2020 Recapitalization, \$9.2 million of the 6.5% convertible bonds were outstanding plus accrued interest.

## 17. REPORTABLE BUSINESS SEGMENTS

Just Energy has two business segments: the mass market segment and the commercial segment. The mass markets segment includes customers acquired and served under the Just Energy, Tara Energy, Amigo Energy and Terrapass brands. Marketing of the energy products of this segment is primarily done through digital and retail sales channels. The commercial segment includes customers acquired and served under Hudson Energy, as well as brokerage services managed by Interactive Energy Group. Hudson Energy sales are made through three main channels: brokers, in-person commercial independent contractors and inside commercial sales representatives.

The chief operating decision-maker monitors the operational results of the mass market and commercial segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on certain non-U.S. GAAP measures such as Base EBITDA, Base Gross Margin and Embedded Gross Margin.

Transactions between segments are in the normal course of operations and are recorded at the exchange amount.

Corporate and shared services report the costs related to management oversight of the business units, public reporting and filings, corporate governance and other shared services functions such as Human Resources, Finance and Information Technology.

The chief operating decision maker does not review the assets and liabilities for the reporting units for decision making purposes.

For the year ended March 31, 2022:

	Mass markets	Commercial	Corporate and shared services	Consolidated
Revenues	\$ 1,190,326	\$ 964,282	\$ –	\$ 2,154,608
Cost of goods sold	933,763	894,215	–	1,827,978
Gross margin	256,563	70,067	–	326,630
Administrative expenses	31,947	11,622	64,617	108,186
Selling and marketing expenses	88,526	46,826	–	135,352
Depreciation and amortization	17,247	2,339	–	19,586
Provision for expected credit loss	23,250	992	–	24,242
Segment income (loss)	\$ 95,593	\$ 8,288	\$ (64,617)	\$ 39,264
Interest expense				(34,868)
Reorganization costs				(106,235)
Unrealized gain on derivative instruments and other				682,393
Realized gain on derivative instruments				166,155
Gain on investment				15,041
Other expense, net				(394)
Impairment of goodwill, intangible assets and others				(10,377)
Income tax expense				(72,495)
Net income				\$ 678,484
As at March 31, 2022				
<b>Total goodwill</b>	<b>\$ 130,945</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 130,945</b>

For the year ended March 31, 2021:

	Mass markets	Commercial	Corporate and shared services	Consolidated
Revenues	\$ 1,161,905	\$ 912,923	\$ –	\$ 2,074,828
Cost of goods sold	2,277,182	1,225,321	–	3,502,503
Gross margin	(1,115,277)	(312,398)	–	(1,427,675)
Administrative expenses	26,823	12,551	73,083	112,457
Selling and marketing expenses	81,632	54,136	–	135,768
Depreciation and amortization	15,406	2,706	–	18,112
Provision for expected credit loss	17,590	8,122	–	25,712
Segment loss	\$ (1,256,728)	\$ (389,913)	\$ (73,083)	\$ (1,719,724)
Interest expense				(65,167)
Reorganization costs				(39,814)
Restructuring costs				(5,368)
Gain on September 2020 Recapitalization transaction, net				38,915
Unrealized gain on derivative instruments and other				50,923
Realized gain on derivative instruments				1,494,001
Impairment of goodwill, intangible assets and others				(91,451)
Other expense, net				(1,384)
Income tax expense				(1,736)
Loss from continuing operations				\$ (340,805)
Income from discontinued operations, net of income tax				29
Net loss				(340,776)
As at March 31, 2021				
<b>Total goodwill</b>	<b>\$ 130,235</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 130,235</b>

For the year ended March 31, 2020:

	Mass markets	Commercial	Corporate and shared services	Consolidated
Revenues	\$ 1,320,111	\$ 1,051,591	\$ –	\$ 2,371,702
Cost of goods sold	954,446	939,851	–	1,894,297
Gross margin	365,665	111,740	–	477,405
Administrative expenses	26,845	15,234	93,135	135,214
Selling and marketing expenses	106,116	59,746	–	165,862
Depreciation and amortization	28,547	2,571	–	31,118
Provision for expected credit loss	54,511	5,775	–	60,286
Segment income (loss)	\$ 149,646	\$ 28,414	\$ (93,135)	\$ 84,925
Interest expense				(80,310)
Unrealized loss on derivative instruments and other				(144,553)
Realized loss on derivative instruments				(18,327)
Impairment of goodwill, intangible assets and others				(66,221)
Other income, net				25,524
Income tax expense				(5,468)
Loss from continuing operations				\$ (204,430)
Income from discontinued operations, net of income tax				9,068
Net loss				(195,362)
As at March 31, 2020				
<b>Total goodwill</b>	\$ 121,540	\$ 70,672	\$ –	\$ 192,212

#### Revenue from external customers

The revenue is based on the location of the customer.

	For the year ended March 31,		
	2022	2021	2020
Canada	\$ 477,837	\$ 372,737	\$ 402,830
United States	1,676,771	1,702,091	1,968,872
<b>Total</b>	<b>\$ 2,154,608</b>	<b>\$ 2,074,828</b>	<b>\$ 2,371,702</b>

## 18. INCOME TAXES

### (a) Domestic and foreign components of income from continuing operations before income taxes

	For the year ended March 31,		
	2022	2021	2020
Canada	\$ (123,698)	\$ (14,380)	\$ (76,868)
Foreign	874,677	(324,689)	(122,094)
<b>Total</b>	<b>\$ 750,979</b>	<b>\$ (339,069)</b>	<b>\$ (198,962)</b>



**(b) Income tax provision from continuing operations**

	For the year ended March 31,		
	2022	2021	2020
Current			
Canada	<b>\$ (3,570)</b>	\$(1,407)	\$1,559
Foreign	<b>(320)</b>	3,300	3,864
Total – current	<b>\$ (3,890)</b>	\$ 1,893	\$5,423
Deferred			
Canada	<b>\$ 573</b>	\$ (82)	\$ 56
Foreign	<b>75,812</b>	(75)	(11)
Total – deferred	<b>\$76,385</b>	\$ (157)	\$ 45
Total income tax expense	<b>\$72,495</b>	\$ 1,736	\$5,468

**(c) Components of income tax expense or benefit**

	For the year ended March 31,		
	2022	2021	2020
Current tax expense (benefit)	<b>\$ (3,890)</b>	\$ 1,893	\$ 5,423
Deferred tax expense (benefit) before valuation allowance	<b>189,950</b>	(81,542)	(65,034)
Tax expense (benefit) related to an increase (decrease) in valuation allowance	<b>(113,565)</b>	81,385	65,079
Total tax expense	<b>\$ 72,495</b>	\$ 1,736	\$ 5,468

**(d) Reconciliation between the effective tax rate on income from continuing operations and the statutory tax rate**

	For the year ended March 31,		
	2022	2021	2020
Income (loss) from continuing operations before income taxes	<b>\$ 750,979</b>	\$(339,069)	\$(198,962)
Combined statutory Canadian federal and provincial income tax rate	<b>26.50%</b>	26.50%	26.50%
Income tax expense (recovery) at statutory rate	<b>\$ 199,009</b>	\$ (89,853)	\$ (52,725)
Increase (decrease) in income taxes resulting from:			
Foreign tax rate differential	<b>\$ 10,615</b>	\$ (4,445)	\$ (3,389)
Permanent differences	<b>(22,212)</b>	14,650	(3,498)
Changes in valuation allowance	<b>(113,565)</b>	81,385	65,080
Return to provision adjustments	<b>(1,352)</b>	–	–
Other	–	–	–
	<b>\$ 72,495</b>	\$ 1,736	\$ 5,468
<b>Effective tax rate</b>	<b>9.7%</b>	(0.5)%	(2.7)%

**(e) Deferred income tax balances**

The temporary differences, that give rise to the Company's deferred tax assets and liabilities consisted of the following:

	<b>As at March 31,</b>	
	<b>2022</b>	2021
Deferred tax assets:		
Tax operating and capital losses	<b>\$130,873</b>	\$ 148,918
Intangibles	<b>21,396</b>	27,780
Deferred financing costs	<b>17,460</b>	12,869
Interest disallowance carryforward per §163(j) of the Internal Revenue Code	<b>16,411</b>	9,062
Receivable allowances	<b>3,491</b>	4,999
Reserves and accruals not currently deductible for tax purposes	<b>4,864</b>	2,864
Property and equipment	<b>1,600</b>	472
Foreign exchange	<b>328</b>	1,699
Derivative instruments	<b>–</b>	10,746
Subtotal	<b>196,424</b>	219,409
Less: Valuation allowance	<b>(96,240)</b>	(209,805)
Total net deferred tax assets	<b>100,184</b>	9,604
Deferred tax liabilities:		
Derivative instruments	<b>172,888</b>	912
Property and equipment	<b>2,890</b>	4,294
Reserves and accruals not currently deductible for tax purposes	<b>–</b>	1,168
Investments	<b>–</b>	2,439
Total deferred tax liabilities	<b>175,778</b>	8,813
Valuation allowance	<b>–</b>	–
<b>Net deferred income tax assets (liabilities)</b>	<b>\$ (75,594)</b>	\$ 791

**(f) Uncertain tax positions**

The Company is continuously under tax examination in the jurisdictions in which it operates. There are currently no open income tax audits as of March 31, 2022. Tax years that remain subject to examination are tax years ending in 2016 and 2018 to current in Canada and U.S. respectively. The Company is unaware of any uncertain tax positions that could result in significant additional payments, accruals, or other material deviation in the next 12 months.

**(g) Operating loss carryforwards**

As at March 31, 2022, the Company has tax-effected cumulative net operating losses of \$96,925 available for carryforward of which the Company has recorded a deferred tax asset of \$52,955. These losses are set to expire starting 2028 until 2041. Certain U.S. tax losses are subject to annual limitation under Section 382.

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The Company has evaluated both positive and negative evidence, and as a result, a valuation allowance of \$93,853 has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized.

Canadian income tax has not been recognized on the cumulative undistributed earnings of the Company's foreign subsidiaries because they are considered to be indefinitely reinvested. Distribution of these earnings in the form of dividends or otherwise may result in income and withholding taxes payable. It is not practicable to estimate the amount of deferred tax liability related to investments in these foreign subsidiaries.

**19. SHAREHOLDERS' CAPITAL**

Just Energy is authorized to issue an unlimited number of common shares with no par value. Shares outstanding have no preferences, rights or restrictions attached to them.

**(a) Details of issued and outstanding shareholders' capital:**

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Shares	Amount	Shares	Amount
<b>Common shares:</b>				
<b>Issued and outstanding</b>				
<b>Balance, beginning of year</b>	<b>48,078,637</b>	<b>\$ 1,168,162</b>	4,594,371	\$ 839,778
Share-based awards exercised	—	—	91,854	721
Issuance of shares due to September 2020 Recapitalization	—	—	43,392,412	328,842
Issuance cost	—	—	—	(1,179)
<b>Balance, end of year</b>	<b>48,078,637</b>	<b>\$ 1,168,162</b>	48,078,637	\$ 1,168,162
<b>Preferred shares:</b>				
<b>Issued and outstanding</b>				
<b>Balance, beginning of year</b>	—	\$ —	4,662,165	\$ 111,948
Exchanged to common shares	—	—	(4,662,165)	(111,948)
<b>Balance, end of year</b>	—	\$ —	—	\$ —
<b>Shareholders' capital</b>	<b>48,078,637</b>	<b>\$ 1,168,162</b>	48,078,637	\$ 1,168,162

Just Energy defines capital as shareholders' equity (excluding accumulated other comprehensive income) and long-term debt.

**(b) September 2020 Recapitalization**

On September 28, 2020, the Company completed the September 2020 Recapitalization. The September 2020 Recapitalization was undertaken through a plan of arrangement under the CBCA and included:

- The consolidation of the Company's common shares on a 1-for-33 basis;
- Exchange of the 6.75% CAD \$100M convertible debentures and the 6.75% CAD \$160M convertible debentures for common shares and the Note Indenture, as described in Note 16(e), 16(g) and 16(h). The Note Indenture had a principal amount of CAD \$15 million as at September 28, 2020, which was reduced to CAD \$13.2 million through a tender offer for no consideration on October 19, 2020;
- Extension of CAD \$335 million of the Company's senior secured credit facilities to December 2023, with revised covenants and a schedule of commitment reductions throughout the term;
- Existing 8.75% loan and the remaining convertible bonds due December 31, 2020 were exchanged for the Term Loan and common shares, with interest on the new Term Loan to be initially paid in kind until certain financial measures are achieved;
- Exchange of all of the 8.50%, fixed-to-floating rate, cumulative, redeemable, perpetual preferred shares for 1,556,563 common shares;
- Accrued and unpaid interest paid in cash on the subordinated convertible debentures until September 28, 2020;
- The payment of certain expenses of the ad hoc group of convertible debenture holders;
- The entitlement of holders of Just Energy's existing 8.75% loan, 6.5% convertible bonds, the subordinated convertible debentures, preferred shares and common shares as of July 23, 2020 to subscribe for post-consolidation common shares at a price per share of CAD \$3.412, with subscriptions totaling 15,174,950 common shares resulting in cash proceeds for Just Energy of approximately CAD \$51.8 million;
- Pursuant to the previously announced backstop commitments, the acquisition of 14,137,580 common shares by the backstop parties, on a post-consolidation basis resulting in cash proceeds for Just Energy of approximately CAD \$48.2 million, for total aggregate proceeds from the equity subscription option of approximately \$100.0 million;
- The issuance of 1,075,615 common shares amounting to CAD \$3.67 million by way of an additional private placement to the Company's 8.75% term loan lenders at the same subscription price available to all securityholders pursuant to the new equity subscription offering;
- The settlement of litigation related to the 2018 acquisition of Filter Group Inc. pursuant to which shareholders of the Filter Group received an aggregate of CAD \$1.8 million in cash and 429,958 common shares; and
- The implementation of a new management equity incentive plan as described in Note 20.

The September 2020 Recapitalization resulted in total net gain of \$38.9 million for the year ended March 31, 2021. The net gain reported in the Consolidated Statement of Operations is made up of the gain of \$59.6 million related to reduction in debt, partially offset by \$20.7 million of expense incurred in relation to the September 2020 Recapitalization.

The September 2020 Recapitalization did not result in tax expense or cash taxes since any debt forgiveness resulting from the exchange of the convertible debentures was fully reduced by operating and capital losses previously not used.

## 20. SHARE BASED COMPENSATION PLANS

On September 28, 2020, the Board of Directors of Just Energy approved a new compensation plan referred to as the Equity Plan. The Equity Plan includes options, RSUs, DSUs and PSUs.

Under the Equity Plan, the Company is required to reserve a certain number of (i) options issuable and (ii) other securities issuable under the Plan. The Equity Plan includes a 5% cap on the total number of equity-based securities that can be issued (5% of the issued and outstanding common shares). Accordingly, there is a separate record for options and a separate record for all the other securities (RSUs, DSUs, PSUs). Amounts reserved for the various security types can be amended at any time. The 2020 Equity Compensation Plan was amended on June 25, 2021 to comply with the requirements of the TSX Venture Exchange. In addition to a number of non-material changes, the maximum number of common shares that may be issued pursuant to Awards (as defined in the 2020 Equity Compensation Plan) under the Plan that are not options is limited to a maximum of 2,403,931 common shares.

### (a) Options

Under the Equity Plan, 650,000 options were issued to management on October 12, 2020 with an exercise price of CAD \$8.46. The exercise price was based on the higher of the closing price on October 9, 2020 or the five-day volume weighted trading price as at October 9, 2020. The expected life under the standardized Black-Scholes methodology is 5.5 years with a volatility capped at a maximum of 70%. The projected annual dividend assumption is nil with a risk-free interest rate using an interpolated 5.5 year risk-free rate of 0.28% based on the Bank of Canada daily benchmark for five- and seven-year bond yields. The estimated market price of the options was CAD \$5.70 based on the Black-Scholes option pricing model.

The options vest over a three-year period and the option value is being amortized as share-based compensation over the vesting period of the options.

	For the year ended March 31,	
	2022	2021
<b>Balance, beginning of year</b>	<b>650,000</b>	814,166
Less: Cancelled	—	(814,166)
Add: Equity Plan options post September 2020 Recapitalization	—	650,000
<b>Balance, end of year</b>	<b>650,000</b>	650,000

### (b) Restricted Share Units

Under the Equity Plan, 23,513 RSUs were granted to one employee based on the five-day volume weighted trading price as at October 9, 2020 of CAD \$8.37 with vesting date of December 1, 2020. All 23,513 RSUs vested, and 16,541 shares were issued and the remaining 6,972 RSUs were cancelled for tax withholding.

	For the year ended March 31	
	2022	2021
<b>Balance, beginning of the year</b>	—	—
Add: Granted September 2020 Recapitalization	—	23,513
Less: Issued	—	(16,541)
Less: Cancelled to pay taxes and payroll withholding	—	(6,972)
<b>Balance, end of year</b>	—	—

**(c) Deferred Share Units**

Under the Equity Plan, 190,983 DSUs were granted to company directors in lieu of materially all their annual cash retainers based on the five-day volume weighted trading price as at October 9, 2020 of CAD \$8.37. These units were vested immediately on October 12, 2020 and expensed in the prior year. Also, 4,054 DSUs were issued on February 3, 2021.

	<b>For the year ended March 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Balance, beginning of the year</b>	<b>186,929</b>	–
Add: Granted September 2020 Recapitalization	–	190,983
Less: Issued as shares	–	(4,054)
<b>Balance, end of year</b>	<b>186,929</b>	186,929

**(d) Performance Share Units**

The Equity Plan also includes the issuance of PSUs. The Board of Directors, in its sole discretion, determines the performance period applicable to each grant of PSUs at the time of such grant. Unless otherwise specified by the Board of Directors, the performance period applicable to a grant of a period is 36 months starting on the first day and ending on the last day of the Company's fiscal year.

As at March 31, 2022, no PSUs were granted to any employees.

**Pre-September 2020 Recapitalization stock-based compensation plan**

Just Energy granted 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. The Company's previous stock-based compensation plan grants awarded under the 2010 RSGs Plan (formerly the 2004 unit appreciation rights) were in the form of fully paid RSGs to senior officers, employees and service providers of its subsidiaries. The previous plan also granted awards under the 2013 performance bonus incentive plan in the form of fully paid performance bonus grants to senior officers, employees, consultants and service providers of its subsidiaries. Additionally, the previous plan granted awards under its 2010 Directors' Compensation Plan (formerly the 2004 Directors' deferred unit grants) to all independent directors on the basis that each director was required to annually receive 15% of their compensation entitlement in deferred share grants. As a result of the September 2020 Recapitalization, all existing restricted share grants, performance bonus grants, and deferred share grants have been exercised and/or cancelled.

**(a) Restricted Share Grants**

	<b>For the year ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Balance, beginning of year</b>	–	1,071,162
Granted	–	57,939
Exercised	–	(54,185)
Cancelled	–	(1,074,916)
<b>Balance, end of year</b>	–	–

**(b) Performance-Based Grants**

	<b>For the year ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Balance, beginning of year</b>	–	1,479,699
Granted	–	176,030
Exercised	–	(20,506)
Cancelled	–	(1,635,223)
<b>Balance, end of year</b>	–	–

**(c) Deferred Share Grants**

	<b>For the year ended March 31,</b>	
	<b>2022</b>	2021
<b>Balance, beginning of year</b>	–	82,727
Granted	–	38,696
Exercised	–	(7,861)
Cancelled	–	(113,562)
<b>Balance, end of year</b>	–	–

**21. RESTRUCTURING COSTS**

For the year ended March 31, 2021, the Company incurred \$5.4 million in restructuring costs in relation to the September 2020 restructuring of its senior management. These costs include management costs, structural reorganization and employee-related costs.

**22. REORGANIZATION COSTS**

Reorganization costs represent the amounts incurred related to the filings under the CCAA Proceedings and consist of:

	<b>For the year ended March 31, 2022</b>	For the year ended March 31, 2021
Professional and advisory costs	<b>\$ 47,433</b>	<b>\$ 7,396</b>
KERP	<b>7,245</b>	–
Prepetition claims and other costs (1)	<b>51,557</b>	<b>32,418</b>
	<b>\$ 106,235</b>	<b>\$ 39,814</b>

(1) These represent charges associated with early termination of certain agreement allowed by the CCAA filing, settlement of claims and the acceleration of deferred financing costs and other fees for the long-term debt subject to compromise and certain other related costs.

**23. EARNINGS PER SHARE**

	For the year ended March 31,		
	2022	2021	2020
<b>BASIC EARNINGS (LOSS) PER SHARE</b>			
<b>Income (loss) from continuing operations available to shareholders</b>	<b>\$ 678,484</b>	\$ (340,805)	\$ (204,430)
<b>Income (loss) for the year available to shareholders</b>	<b>\$ 678,484</b>	\$ (340,776)	(195,362)
Basic weighted average shares outstanding	<b>48,078,637</b>	34,125,199	9,856,640
<b>Basic earnings (loss) per share from continuing operations available to shareholders</b>	<b>14.11</b>	(9.99)	(20.74)
<b>Basic earnings (loss) per share available to shareholders</b>	<b>\$ 14.11</b>	\$ (9.99)	\$ (19.82)
<b>DILUTED EARNINGS (LOSS) PER SHARE</b>			
<b>Income (loss) from continuing operations available to shareholders</b>	<b>\$ 678,484</b>	\$ (340,805)	\$ (204,430)
<b>Adjusted income (loss) for the year available to shareholders</b>	<b>\$ 678,484</b>	\$ (340,776)	\$ (195,362)
Basic weighted average shares outstanding	<b>48,078,637</b>	34,125,199	9,856,640
<b>Dilutive effect of:</b>			
Restricted share grants	—	38,990	80,761
Deferred share grants	—	6,437	8,841
Restricted share units	—	4,252	—
Deferred share units	<b>190,983</b>	87,926	—
Options	<b>650,000</b>	305,357	—
Shares outstanding on a diluted basis	<b>48,919,620</b>	34,568,161	9,946,242
<b>Diluted earnings (loss) from continuing operations per share available to shareholders</b>	<b>13.87</b>	(9.99)	(20.74)
<b>Diluted earnings (loss) per share available to shareholders</b>	<b>\$ 13.87</b>	\$ (9.99)	\$ (19.82)

- (1) The assumed settlement of shares results in an anti-dilutive position for March 31, 2021 and 2020; therefore, these items have not been included in the computation of diluted loss per share.
- (2) The shares have been adjusted to reflect the share consolidation due to the September 2020 Recapitalization.

**24. DISCONTINUED OPERATIONS****(a) Loss from discontinued operations**

In March 2019, Just Energy formally approved and commenced the process to dispose of its businesses in Germany, Ireland and Japan. In June 2019, the U.K. was added to the disposal group. The decision was part of a strategic transition to focus on the core business in North America. In November 2019, Just Energy closed its previously announced sale of Hudson U.K. to Shell Energy Retail Limited and completed the Ireland sale in February 2020. In April 2020, the Company announced that it has sold all of the shares of Just Energy Japan KK to Astmax Trading, Inc. The purchase price was nominal. Previously, these operations were reported within the Mass Market segment, while a portion of the U.K. business was allocated to the Commercial segment. On November 30, 2020, the Company sold EdgePower. The disposal of these operations was reclassified and presented in discontinued operations and were previously reported as a Commercial segment.

In March 2021, the Company commenced insolvency proceedings for its German operations and expects to liquidate the German businesses.

**(b) Sale of Just Energy Japan**

On April 10, 2020, the Company announced that it has sold all of the shares of Just Energy Japan to Astmax Trading, Inc. The purchase price was nominal, as the business was still in its start-up phase with more liabilities than assets and had fewer than 1,000 customers. The sale of the Japanese subsidiary resulted in nominal gain on sale, which will be reported through income (loss) from discontinued operations.

**(c) Disposal of Hudson U.K.**

On November 29, 2019, Just Energy closed its previously announced sale of Hudson U.K. to Shell Energy Retail Limited. Pursuant to the share purchase agreement, the aggregate amount of the closing consideration received was £1.5 million (\$1.9 million).

**(d) Disposal of Just Energy Ireland Limited**

On December 18, 2019, Just Energy closed its previously announced sale of substantially all of the assets of Just Energy Ireland Limited to Flogas Natural Limited for €0.6 million (\$0.7 million). The Company received 75% of the purchase price in cash at closing and 25% of the purchase price five months after closing.

**25. COMMITMENTS AND CONTINGENCIES**

Commitments for each of the next five years and thereafter are as follows:

As at March 31, 2022:

	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total
Trade and other payables	\$ 349,923	\$ –	\$ –	\$ –	\$ 349,923
Commodity suppliers' accruals and payables subject to compromise	438,068	–	–	–	438,068
Non-commodity trade accruals and accounts payable subject to compromise	41,914	–	–	–	41,914
Long-term debt	126,289	130	–	–	126,419
Debt and financing subject to compromise	365,908	–	–	–	365,908
Gas, electricity and non-commodity contracts	1,897,786	1,037,341	219,651	37,004	3,191,782
<b>Total</b>	<b>\$ 3,219,888</b>	<b>\$ 1,037,471</b>	<b>\$ 219,651</b>	<b>\$ 37,004</b>	<b>\$ 4,514,014</b>

Under the terms of the Court Orders, any actions against Just Energy to enforce or otherwise effect payment from Just Energy of pre-petition obligations were stayed during the CCAA proceedings.

Just Energy has entered into leasing contracts for office buildings and administrative equipment. These leases have a leasing period of between one and six 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**

	As at March 31, 2022				
	Under 1 year	1-3 Years	3-5 Years	Over 5 Years	Total
Surety bonds (i)	\$ 42,100	\$ –	\$ –	\$ –	\$ 42,100
Letters of credit (ii)	120,400	–	–	–	120,400
Other guarantees (subject to compromise) (c)	–	–	–	50,100	50,100
	\$ 162,500	\$ –	\$ –	\$ 50,100	\$ 212,600

- (i) Pursuant to separate arrangements with surety bond providers, Just Energy has had surety bonds issued 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. As at March 31, 2022, Just Energy has provided cash collateral or letters of credit for all outstanding surety bonds.
- (ii) The Company has issued letters of credit in accordance with its credit facility to various counterparties, primarily utilities, state regulatory bodies in the markets it operates in, as well as suppliers.

**(b) Officers and directors**

Corporate indemnities have been provided by Just Energy to all directors and certain officers of its subsidiaries 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 and is entitled to a priority charge under the Court Order in CCAA proceedings. 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 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 regulation 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 \$50.1 million and are subject to compromise under the CCAA.

#### **(d) Legal proceedings**

Just Energy and its subsidiaries are party to a number of legal proceedings. Other than as set out below, Just Energy believes that each proceeding constitutes legal matters that are 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.

On March 9, 2021, Just Energy filed for and received creditor protection pursuant to the Court Order under the CCAA and similar protection under Chapter 15 of the Bankruptcy Code in the United States in connection with the Weather Event. On September 15, 2021, the Ontario Court approved the Company's request to establish a claims process to identify and determine claims against the Company and its subsidiaries that are subject to the ongoing Claims Procedure Order. As part of the CCAA proceedings and in accordance with the Claims Procedure Order, Just Energy continues to review and determine which claims will be allowed, modified or disallowed, which may result in additional liabilities subject to compromise that are not currently reflected in the Consolidated Financial Statements. Currently, the total claims filed against Just Energy and its subsidiaries pursuant to the Claims Procedure Order are in excess of \$14 billion, including approximately \$1 billion in secured claims, which include letters of credit. The previously disclosed class action against Just Energy, Just Energy Corp. and Just Energy Ontario L.P. with Haidar Omarali as plaintiff, and certain other class action claims, are subject to the Claims Procedure Order. Just Energy expects that the final amount of accepted unsecured claims will be much lower than the face amount of the filed claims. However, on August 4, 2022 Just Energy entered into the Stalking Horse Transaction Agreement with the Stalking Horse Purchaser and the SISP Support Agreement in connection with the SISP that is intended to facilitate its exit from the Company's ongoing insolvency proceedings as a going concern. The Stalking Horse Transaction provides that certain secured creditors will receive cash payments and/or equity in exchange for their debt, and existing equityholders' interests will be cancelled or redeemed for no consideration. In addition, no amounts will be available for distribution to the Just Energy Entities' general unsecured creditors, including the previously disclosed class action against Just Energy, Just Energy Corp. and Just Energy Ontario L.P. with Haidar Omarali as plaintiff, and certain other class action claims.

On July 23, 2019, Just Energy announced that, as part of its Strategic Review process, management identified customer enrolment and non-payment issues, primarily in Texas. In response to this announcement, and in some cases in response to this and other subsequent related announcements, putative class action lawsuits were filed in the United States District Court for the Southern District of New York, in the United States District Court for the Southern District of Texas and in the Ontario Court, on behalf of investors that purchased Just Energy Group Inc. securities during various periods, ranging from November 9, 2017 through August 19, 2019. The U.S. lawsuits have been consolidated in the United States District Court for the Southern District of Texas with one lead plaintiff and the Ontario lawsuits have been consolidated with one lead plaintiff. The U.S. lawsuit seeks damages allegedly arising from violations of the United States Securities Exchange Act. The Ontario lawsuit seeks damages allegedly arising from violations of Canadian securities legislation and of common law. The Ontario lawsuit was subsequently amended to, among other things, extend the period to July 7, 2020. On September 2, 2020, pursuant to Just Energy's plan of arrangement, the Superior Court of Justice (Ontario) ordered that all existing equity class action claimants shall be irrevocably and forever limited solely to recovery from the proceeds of the insurance policies payable on behalf of Just Energy or its directors and officers in respect of any such existing equity class action claims, and such existing equity class action claimants shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any of the released parties or any of their respective current or former officers and directors in respect of any existing equity class action claims, other than enforcing their rights to be paid by the applicable insurer(s) from the proceeds of the applicable insurance policies. Pursuant to the CCAA proceedings, these proceedings have been stayed. Just Energy denies the allegations and will vigorously defend against these claims if they proceed.

On November 12, 2021, Just Energy, along with the Just Energy Parties, initiated the ERCOT Lawsuit against ERCOT and the PUCT in the Houston Court. The ERCOT Lawsuit seeks to recover payments that were made by the Just Energy Parties to ERCOT for certain invoices relating to the Weather Event. On February 2, 2022, the Houston Court dismissed the Lawsuit against the PUCT.

## **26. RELATED PARTY TRANSACTIONS**

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.

PIMCO, through certain affiliates, became a 28.9% shareholder of the Company as part of the September 2020 Recapitalization. On March 9, 2021, certain PIMCO affiliates entered into a DIP agreement with the Company for the DIP Facility for \$125 million as described in Note 16(a) and comprise the Stalking Horse Purchaser.

**27. SUPPLEMENTAL CASH FLOW INFORMATION****Net change in working capital**

	<b>For the year ended March 31</b>		
	<b>2022</b>	2021	2020
Accounts receivable and unbilled revenue, net	<b>\$ (37,652)</b>	\$ 7,524	\$ 230,056
Gas in storage	<b>(934)</b>	1,975	(2,151)
Prepaid expenses and deposits	<b>(12,358)</b>	23,735	5,209
Provisions	<b>(4,641)</b>	4,318	(3,976)
Trade and other payables	<b>32,024</b>	(143,242)	(237,384)
Adjustments required to reflect net cash receipts from gas sales	<b>(946)</b>	4,441	(3,940)
	<b>\$ (24,507)</b>	\$ (101,249)	\$ (12,186)

# 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**

Alpha IR Group  
617-461-1101  
JE@alpha-ir.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**

TSX Venture Exchange  
Trading symbol: JE

OTC Pink Market  
Trading symbol: JENGQ



[investors.justenergy.com](https://investors.justenergy.com)

# **JUST ENERGY (U.S.) CORP.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2023**

## INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## Report of Independent Auditors

To the Shareholders and Board of Directors of Just Energy (U.S.) Corp.

### Opinion

We have audited the consolidated financial statements of Just Energy (U.S.) Corp. (the Company ), which comprise the *consolidated* balance sheets as of March 31, 2023 (Successor) and 2022 (Predecessor), and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for the period from April 1, 2022 through December 16, 2022 (Predecessor), the period from December 17, 2022 through March 31, 2023 (Successor), and the periods ended March 31, 2023 (Successor) and 2022 (Predecessor), and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2023 (Successor) and 2022 (Predecessor), and the results of its operations and its cash flows for the period from April 1, 2022 through December 16, 2022 (Predecessor), the period from December 17, 2022 through March 31, 2023 (Successor), and the periods ended March 31, 2023 (Successor) and 2022 (Predecessor) in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Ernst and Young LLP  
Toronto, Canada  
June 30, 2023



## GLOSSARY OF TERMS

<b>ASC</b>	Accounting Standards Codification
<b>Assumed Liabilities</b>	Certain liabilities enumerated in the Transaction Agreement
<b>CAD</b>	Canadian dollars
<b>CCAA</b>	Companies' Creditors Arrangement Act
<b>CDD</b>	Cooling degree day
<b>Chapter 15</b>	Chapter 15 of the U.S. Bankruptcy Code
<b>Company</b>	Just Energy (U.S.) Corp and/or its consolidated subsidiaries depending on context
<b>Consolidated Financial Statements</b>	Consolidated Balance Sheets as of March 31, 2023 and March 31, 2022, the related Consolidated Statements of Operations, Consolidated Statements of Comprehensive Income (Loss), Consolidated Statements of Cash Flows, Consolidated Statements of Changes in Shareholders' Equity, for the periods April 1, 2022 to December 16, 2022, and December 17, 2022 to March 31, 2023 and for the year ended March 31, 2022, and related notes
<b>Court Orders</b>	Orders approved by the Ontario Court under CCAA and the Houston Court under Chapter 15 in the U.S. Bankruptcy Code that provide creditor protection
<b>DIP Facility</b>	\$125 million Debtor-in-possession facility entered into March 9, 2021 between PIMCO and the Company
<b>ECL</b>	Expected credit losses
<b>ERCOT</b>	Electric Reliability Council of Texas, Inc
<b>Final Order</b>	Financing order issued by the PUCT in October 2021 authorizing the securitization of these costs by ERCOT under HB 4492
<b>HB 4492</b>	Texas House Bill 4492, which provides a mechanism for recovery of the costs, incurred by various parties, including the Company, during the Weather Event, through certain securitization structures
<b>HDD</b>	Heating degree days
<b>HomeWater</b>	Filter Group Inc., previously known as Filter Group
<b>Houston Court</b>	Bankruptcy Court of the Southern District of Texas, Houston Division
<b>HTC</b>	Home Trust Company
<b>Just Energy</b>	Just Energy (U.S.) Corp and/or its consolidated subsidiaries depending on context
<b>Just Energy Entities</b>	Just Energy and certain subsidiaries that filed under the CCAA
<b>JEGI</b>	Just Energy Group Inc. and/or its consolidated subsidiaries depending on context
<b>LDC</b>	A local distribution company: the natural gas or electricity distributor for a regulatory or governmentally defined geographic area
<b>Liquidity</b>	Cash, cash equivalents and letters of credit
<b>MIP</b>	2022 Management incentive plan approved on December 16, 2022
<b>NYMEX</b>	New York Mercantile Exchange
<b>Ontario Court</b>	Ontario Superior Court of Justice (Commercial List)
<b>PIMCO</b>	Pacific Investment Management Company, Inc., and related subsidiaries
<b>PSU</b>	Performance share units
<b>Purchaser</b>	Collectively, the lenders under the Term Loan and an affiliate, CBHT Energy I LLC
<b>PUCT</b>	Public Utility Commission of Texas
<b>Predecessor</b>	JEGI and its consolidated subsidiaries as of December 16, 2022
<b>REC</b>	Renewable Energy Credits
<b>ROU</b>	Right of use
<b>RSU</b>	Restricted share units
<b>Series A Senior Preferred Stock</b>	Certificate of Designations of the Series A Senior Preferred Stock of the Company filed in the Office of the Secretary of State of Delaware on December 16, 2022
<b>Series B Senior Preferred Stock</b>	Certificate of Designations of the Series B Senior Preferred Stock of the Company filed in the Office of the Secretary of State of Delaware on January 24, 2023
<b>Successor</b>	Just Energy (U.S.) Corp and/or its consolidated subsidiaries
<b>Transaction</b>	The transaction contemplated by the Transaction Agreement under which the Purchaser will become the sole owner of the Just Energy Entities

<b>Transaction Agreement</b>	The agreement between the Purchaser and the Just Energy Entities dated August 4, 2022, as amended from time to time, under which the Purchaser became the sole owner of the Just Energy Entities
<b>Term Loan</b>	The \$206 million senior unsecured 10.25% term loan facility entered into on September 28, 2020 pursuant to the September 2020 Recapitalization, which had a maturity date of March 31, 2024 and was discharged as part of the emergence from CCAA
<b>TDSP</b>	Transmission and Distribution Service Provider
<b>U.S.</b>	United States of America
<b>USD</b>	United States dollars
<b>U.S. GAAP</b>	U.S. Generally Accepted Accounting Principles
<b>Weather Event</b>	The extreme winter weather event in Texas in February 2021
<b>Weather Event Costs</b>	(i) ancillary service charges above \$9,000/MWh during the Weather Event; (ii) reliability deployment price adders charged by ERCOT during the Weather Event; and (iii) amounts owed to ERCOT due to defaults of competitive market participants, which were subsequently “short-paid” to market participants, including Just Energy

## Just Energy (U.S.) Corp.

### Consolidated Balance Sheets

As of March 31

(in thousands of U.S. dollars)

	Notes	Successor March 31, 2023	Predecessor March 31, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 17,921	\$ 125,755
Restricted cash		625	2,736
Trade and other receivables, net	7	250,451	308,941
Securitization proceeds receivable from ERCOT		—	147,500
Gas in storage		4,492	3,313
Derivative instruments	11	82,137	538,700
Income taxes recoverable		8,893	11,774
Green certificates assets		57,576	53,824
Other current assets	8	98,029	77,746
<b>Total current assets</b>		<b>520,124</b>	<b>1,270,289</b>
<b>Non-current assets</b>			
Property and equipment, net	9	5,955	6,505
Intangible assets, net	10	2,987	43,815
Goodwill	10	—	130,945
Derivative instruments	11	19,977	133,014
Deferred income taxes	15	—	198
Other non-current assets	8	56,428	39,048
<b>Total non-current assets</b>		<b>85,347</b>	<b>353,525</b>
<b>TOTAL ASSETS</b>		<b>\$ 605,471</b>	<b>\$ 1,623,814</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	\$ 259,204	\$ 349,923
Deferred revenue		—	695
Income taxes payable		2,979	2,370
Derivative instruments	11	96,764	13,170
Debt and financing	14	63,690	126,289
<b>Total current liabilities</b>		<b>422,637</b>	<b>492,447</b>
Liabilities subject to compromise	13	—	845,890
<b>Non-current liabilities</b>			
Debt and financing	14	—	130
Derivative instruments	11	54,547	12,916
Deferred income taxes	15	1,021	75,792
Other non-current liabilities		19,713	2,438
<b>Total non-current liabilities</b>		<b>75,281</b>	<b>91,276</b>
<b>TOTAL LIABILITIES</b>		<b>\$ 497,918</b>	<b>\$ 1,429,613</b>
Commitments and contingencies	19		
<b>SHAREHOLDERS' EQUITY</b>			
Common shares, \$0.001 par value; 6,500,000 shares authorized at March 31, 2023; 5,000,000 shares issued and outstanding at March 31, 2023; 48,078,637 shares, no par value issued and outstanding at March 31, 2022	16	\$ 5	\$ —
Preferred shares, \$0.001 par value; 374,041 shares authorized at March 31, 2023; 277,040 shares issued and outstanding at March 31, 2023	16	—	—
Additional paid-in capital	16	638,333	1,168,162
Contributed deficit		—	(12,073)
Accumulated deficit		(530,623)	(1,088,119)
Accumulated other comprehensive income (loss)		(162)	126,527
Non-controlling interest		—	(296)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>107,553</b>	<b>194,201</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 605,471</b>	<b>\$ 1,623,814</b>

See accompanying notes to the Consolidated Financial Statements

## Consolidated Statements of Operations

(in thousands of U.S. dollars)

		Successor	Predecessor	
		For the period from December 17, 2022 to	For the period from April 1, 2022 to	For the year ended
	Notes	March 31, 2023	December 16, 2022	March 31, 2022
<b>Revenue</b>		\$ 631,341	\$ 1,864,689	\$ 2,154,608
<b>Cost of goods sold</b>		446,902	2,224,740	1,827,978
<b>GROSS MARGIN</b>		184,439	(360,051)	326,630
<b>INCOME (EXPENSES)</b>				
Administrative		(30,153)	(85,755)	(108,186)
Selling and marketing		(37,887)	(104,015)	(135,352)
Provision for expected credit loss	7	(11,419)	(42,164)	(24,242)
Depreciation and amortization		(1,005)	(9,083)	(19,586)
Interest expense	14	(2,213)	(23,810)	(34,868)
Reorganization costs	18	—	(78,072)	(106,235)
Restructuring gain	17	—	355,359	—
Realized gain (loss) on derivative instruments		(98,763)	665,338	166,155
Unrealized gain (loss) on derivative instruments	11	(634,262)	(49,299)	682,393
Realized gain on investment	21	4,177	1,461	15,041
Impairment of goodwill, intangible assets and others		—	(447)	(10,377)
Other income (expenses), net		565	1,179	(394)
<b>Income (loss) from operations before income taxes</b>		(626,521)	270,641	750,979
<b>Income tax expense (benefit)</b>	15	(105,792)	51,266	72,495
<b>NET INCOME (LOSS)</b>		\$ (520,729)	\$ 219,375	\$ 678,484
Less: Net loss attributable to non-controlling interest		—	—	(43)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS</b>		\$ (520,729)	\$ 219,375	\$ 678,527

See accompanying notes to the Consolidated Financial Statements

## Consolidated Statements of Comprehensive Income (Loss)

(in thousands of U.S. dollars)

	<b>Successor</b>	<b>Predecessor</b>	
	<b>For the period from December 17, 2022 to March 31, 2023</b>	<b>For the period from April 1, 2022 to December 16, 2022</b>	<b>For the year ended March 31, 2022</b>
<b>NET INCOME (LOSS)</b>	\$ (520,729)	\$ 219,375	\$ 678,484
<b>Other comprehensive income (loss), net of income tax:</b>			
Realized loss on reorganization	–	(78,216)	–
Unrealized loss on translation of foreign operations, net of income tax	(162)	(108,479)	(6,270)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF INCOME TAX</b>	<b>\$ (520,891)</b>	<b>\$ 32,680</b>	<b>\$ 672,214</b>
<b>Total comprehensive income (loss) attributable to:</b>			
Less: Net loss attributable to non-controlling interest	–	–	(43)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS, NET OF INCOME TAX</b>	<b>\$ (520,891)</b>	<b>\$ 32,680</b>	<b>\$ 672,257</b>

See accompanying notes to the Consolidated Financial Statements

## Consolidated Statements of Cash Flows

(in thousands of U.S. dollars)

		Successor	Predecessor	
		For the period from December 17, 2022 to March 31, 2023	For the period from April 1, 2022 to December 16, 2022	For the year ended March 31 ,2022
	Notes			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income (loss)		\$ (520,729)	\$ 219,375	\$ 678,484
<b>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</b>				
Depreciation and amortization		1,164	9,533	19,759
Impairment of goodwill, intangible assets and others		–	447	10,377
Share-based compensation expense		–	895	1,480
Restructuring gain (non-cash)	17	–	(355,359)	–
Reorganization items (non-cash)		–	–	47,413
Unrealized loss (gain) on derivative instruments	11	634,262	49,299	(682,393)
Operating leased asset payments		–	–	(2,052)
Gain on investment		–	–	(15,041)
Net change in working capital balances	22	(3,399)	(61,331)	(24,507)
Securitization proceeds receivable from ERCOT		–	147,500	(147,500)
Liabilities subject to compromise		–	(186,523)	8,619
Income and deferred income taxes		(106,386)	51,443	70,251
<b>Net cash provided by (used in) operating activities</b>		<b>4,912</b>	<b>(124,721)</b>	<b>(35,110)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of property and equipment		(775)	(2,473)	(903)
Proceeds from sale of investments		4,177	1,461	40,713
Purchases of intangible assets		(2,987)	(9,036)	(9,594)
<b>Net cash provided by (used in) investing activities</b>		<b>415</b>	<b>(10,048)</b>	<b>30,216</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
DIP and Credit facility borrowing (repayments) on CCAA financing	14	–	(235,180)	25,000
Repayment of long-term debt	14	(234)	(1,119)	(2,271)
Credit facility availed (payments)	14	(15,675)	59,135	(60,790)
Debt issuance costs		–	–	(1,293)
Finance leased asset payments		(484)	(1,498)	(48)
Proceeds from issuance of preferred shares, net	16	20,000	–	–
Proceeds from issuance of common shares, net	16	–	194,858	–
<b>Net cash provided by (used in) financing activities</b>		<b>3,607</b>	<b>16,196</b>	<b>(39,402)</b>
<b>Effect of foreign currency translation on cash balances</b>		<b>41</b>	<b>(347)</b>	<b>121</b>
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>		<b>8,975</b>	<b>(118,920)</b>	<b>(44,175)</b>
Cash and cash equivalents and restricted cash, beginning of period		9,571	128,491	172,666
Cash and cash equivalents and restricted cash, end of period		\$ 18,546	\$ 9,571	\$ 128,491
<b>Supplemental cash flow information:</b>				
Interest paid		\$ 2,213	\$ 23,810	\$ 34,868
Income taxes paid (recovered)		(82)	172	2,133

See accompanying notes to the Consolidated Financial Statements

## Consolidated Statements of Shareholders' Equity

(in thousands of U.S. dollars)

Notes	Successor	Predecessor	
	For the period from December 17, 2022 to March 31, 2023	For the period from April 1, 2022 to December 16, 2022	For the year ended March 31, 2022
<b>ATTRIBUTABLE TO THE SHAREHOLDERS</b>			
<b>ACCUMULATED EARNINGS (LOSS)</b>			
Accumulated earnings (loss), beginning of period	\$ –	\$ 447,319	\$ (231,208)
Adjustment to opening accumulated earnings on deconsolidation of certain entities	–	98,673	–
Net income (loss) for the period, attributable to shareholders	(520,729)	219,375	678,527
<b>Accumulated earnings (loss), end of period</b>	<b>\$ (520,729)</b>	<b>\$ 765,367</b>	<b>\$ 447,319</b>
<b>DIVIDENDS AND DISTRIBUTIONS</b>			
Dividends and distributions, beginning of period	–	(1,535,438)	(1,535,438)
Dividends accrued on preferred shares	(9,894)	–	–
<b>Dividends and distributions, end of period</b>	<b>\$ (9,894)</b>	<b>\$ (1,535,438)</b>	<b>\$ (1,535,438)</b>
<b>ACCUMULATED DEFICIT</b>	<b>\$ (530,623)</b>	<b>\$ (770,071)</b>	<b>\$ (1,088,119)</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Accumulated other comprehensive income, beginning of period	\$ –	\$ 126,527	\$ 132,797
Other comprehensive loss	(162)	(186,695)	(6,270)
<b>Accumulated other comprehensive income (loss), end of period</b>	<b>\$ (162)</b>	<b>\$ (60,168)</b>	<b>\$ 126,527</b>
<b>SHAREHOLDERS' CAPITAL</b>			
<b>Common shares</b>			
Common shares, beginning of period	\$ –	\$ –	\$ –
Common shares issued	16 5	–	–
<b>Common shares, end of period</b>	<b>16 5</b>	<b>\$ –</b>	<b>\$ –</b>
<b>Preferred shares</b>			
Preferred shares, beginning of period	\$ –	\$ –	\$ –
Preferred shares issued	16 –	–	–
<b>Preferred shares, end of period</b>	<b>16 –</b>	<b>\$ –</b>	<b>\$ –</b>
<b>Additional paid-in capital</b>			
Additional paid-in capital, beginning of period	4,16 \$ 159,546	\$ 1,168,162	\$ 1,168,162
Common shares issued	16 194,853	–	–
Preferred shares issued	16 274,040	–	–
Dividends accrued on preferred shares	16 9,894	–	–
<b>Additional paid-in capital, end of period</b>	<b>638,333</b>	<b>1,168,162</b>	<b>1,168,162</b>
<b>SHAREHOLDERS' CAPITAL</b>	<b>16 \$ 638,338</b>	<b>\$ 1,168,162</b>	<b>\$ 1,168,162</b>
<b>CONTRIBUTED DEFICIT</b>			
Contributed deficit, beginning of period	\$ –	\$ (12,073)	\$ (13,558)
Share-based compensation expense	–	–	1,485
<b>Contributed deficit, end of period</b>	<b>\$ –</b>	<b>\$ (12,073)</b>	<b>\$ (12,073)</b>
<b>NON-CONTROLLING INTEREST</b>			
Non-controlling interest, beginning of period	\$ –	\$ (296)	\$ (312)
Adjustment to opening non-controlling interest	–	–	60
Net loss attributable to non-controlling interest	–	–	(44)
<b>Non-controlling interest, end of period</b>	<b>\$ –</b>	<b>\$ (296)</b>	<b>\$ (296)</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 107,553</b>	<b>\$ 325,554</b>	<b>\$ 194,201</b>

See accompanying notes to the Consolidated Financial Statements

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(in thousands of U.S. dollars, except where indicated and per share amounts)

### 1. ORGANIZATION

Just Energy (U.S.) Corp. is a corporation incorporated pursuant to the laws of Delaware and holds securities of its directly or indirectly owned operating subsidiaries. The registered office of Just Energy is 5251 Westheimer Road, Suite 1000, Houston, Texas. The Consolidated Financial Statements consist of Just Energy (U.S.) Corp. and its subsidiaries.

#### Companies' creditors arrangement and Chapter 15 proceedings

In February 2021, the State of Texas experienced the Weather Event. The Weather Event led to increased electricity demand and sustained high prices from February 13, 2021 through February 20, 2021. As a result of the losses sustained and without sufficient liquidity to pay the corresponding invoices from the ERCOT when due, on March 9, 2021, JEGI, referred to within these financial statements as the Predecessor, applied for and received Court Orders under the CCAA from the Ontario Court and under Chapter 15 from the Houston Court, allowing the Predecessor and its subsidiaries to operate while it restructured.

As part of the CCAA filing, the Predecessor entered into a \$125 million DIP financing with certain affiliates of PIMCO. The Predecessor and its subsidiaries also entered into qualifying support agreements with its largest commodity supplier and independent system operator services provider. The filings and associated DIP Facility arranged by the Predecessor enabled operations to continue without interruption throughout the U.S. and Canada and to continue making payments required by ERCOT and satisfy other regulatory obligations.

#### The Transaction

On August 4, 2022, the Predecessor entered into a Transaction Agreement with the Purchaser that was intended to facilitate its exit from the Predecessor's insolvency proceedings as a going concern. On December 16, 2022, Just Energy closed the Transaction.

Key terms of the Transaction included:

- The Purchaser became the shareholder of Just Energy (U.S.) Corp., which is the new parent company of all of the Just Energy Entities, including the Predecessor, and the Just Energy Entities continued their business and operations as a going concern.
- The purchase price payable pursuant to the Transaction was (i) \$194.9 million in cash; plus (ii) a credit bid of approximately \$230 million plus accrued interest of secured claims assigned to the Purchaser; plus (iii) the assumption of Assumed Liabilities, including amounts owing under the Predecessor's first lien revolving credit facility to remain outstanding under the Successor's amended and restated credit agreement.
- Post-filing claims, amounts outstanding under the restated credit agreement, claims by energy regulators, and Assumed Liabilities continued to be liabilities of the Successor following consummation of the Transaction. Excluded liabilities and assets of the Predecessor were discharged pursuant to the approval and vesting order.
- No amounts were available for distribution to the Predecessor's general unsecured creditors, including the Term Loan lenders.
- All outstanding shares, options and other equity of the Predecessor were cancelled or redeemed for no consideration and without any vote of the existing shareholders.

#### Weather Event related uplift securitization proceeds

On June 16, 2021, HB 4492 became law in Texas. HB 4492 provided a mechanism for recovery of certain Weather Event Costs, incurred by various parties, including JEGI, during the Weather Event, through certain securitization structures.



On October 13, 2021, the PUCT approved the Final Order authorizing the securitization of certain Weather Event Costs by ERCOT. On December 7, 2021, ERCOT filed its calculation with the PUCT in accordance with the PUCT final order implementing HB 4492. Certain Just Energy Entities received an aggregate of \$147.5 million in June 2022.

## **2. OPERATIONS**

Just Energy is a retail energy provider specializing in electricity and natural gas commodities, carbon offset and renewable energy options to customers. Operating in the U.S. and Canada, Just Energy serves both residential and commercial customers, providing residences and businesses with a broad range of energy solutions that deliver comfort, convenience and control. Just Energy is the parent company of Amigo Energy, HomeWater, Hudson Energy, Interactive Energy Group, Tara Energy and Terrapass.

Just Energy's current commodity product offerings include fixed, variable and flat rate options. By fixing the price of electricity or natural gas under its fixed-price or price-protected program contracts, Just Energy derives its gross margin 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 has two business segments: the mass markets segment and the commercial segment. The mass markets segment includes customers acquired and served under the Just Energy, Tara Energy, Amigo Energy and Terrapass brands. Marketing of the energy products of this segment is primarily done through digital and retail sales channels. The commercial segment includes customers acquired and served under Hudson Energy, as well as brokerage services managed by Interactive Energy Group. Hudson Energy sales are made through three main channels: brokers, door-to-door commercial independent contractors and inside commercial sales representatives.

Just Energy offers green products through Terrapass and its JustGreen program. Green products offered through Terrapass 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. 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, solar, hydropower or biomass, via power purchase agreements and renewable energy certificates. The JustGreen gas product offers carbon offset credits that allow customers to reduce or eliminate the carbon footprint of their homes or businesses.

Through HomeWater, Just Energy provides subscription-based home water filtration systems to residential customers, including under-counter and whole-home water filtration solutions.

Just Energy markets its product offerings through multiple sales channels including digital, retail, door-to-door, brokers and affinity relationships.

## **3. BASIS OF PRESENTATION**

### **(a) Compliance with U.S. GAAP**

The Consolidated Financial Statements are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), and through application of push-down accounting, the Consolidated Financial Statements are presented as Predecessor for periods prior to the emergence from CCAA and Successor for subsequent periods, collectively referred to as the Company. The Consolidated Financial Statements include the accounts and operations of the Company and its majority-owned subsidiaries and all adjustments (consisting of normal recurring adjustments) that the Company considered necessary to present a fair statement of its results of operations, financial position and cash flows. All intercompany accounts and transactions have been eliminated in consolidation. The Company has reclassified certain prior year amounts to conform to the current year's presentation.

## **(b) Basis of presentation**

The Company's subsidiaries operating in the U.S. have a USD functional currency, and those operating in Canada have a CAD functional currency. Monetary assets and liabilities denominated in Canadian dollars are retranslated into the reporting currency at the spot exchange rate on the Consolidated Balance Sheet date. Any resulting exchange differences are included in the Consolidated Statements of Operations. Non-monetary assets and liabilities, other than those measured at fair value, are translated at the exchange rate on the date of the initial transaction. Consolidated Statement of Operations items are translated at the average exchange rate for each period presented.

The Consolidated Financial Statements, including the Predecessor, are presented in USD and all values are rounded to the nearest thousands, except where otherwise indicated. The Consolidated Financial Statements are prepared on a going concern basis under the historical cost convention, except for certain financial assets and liabilities that are stated at fair value and application of push-down accounting. The purchase accounting included accounting for the Transaction, fair valuing the assets and liabilities of the entity and other various matters. The Consolidated Financial Statements subsequent to emergence are not comparable to the Predecessor entity as the Successor financial statements account for the plan of reorganization as well as adjustments to carrying values of assets and liabilities to fair values as discussed within Note 4.

### **Principles of consolidation**

The Consolidated Financial Statements include Just Energy's accounts and operations and those of its subsidiaries in which the Company has a controlling interest. All intercompany balances, income, expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation. The usual condition for a controlling financial interest is ownership of a majority of the voting interests of an entity. However, a controlling financial interest may also exist through arrangements that do not involve controlling voting interests. As such, Just Energy applies the guidance of Financial Accounting Standards Board ASC 810, *Consolidations*, to determine when an entity that is insufficiently capitalized or not controlled through its voting interests, referred to as a variable interest entity, should be consolidated.

### **Use of estimates**

The preparation of the Consolidated Financial Statements requires estimates and assumptions in applying the accounting policies about future events that affect the reporting of assets and liabilities at the dates and the reported amounts of revenue and expense, including fair value measurements, estimates of expected obligations, judgments related to the potential timing of events and other estimates. In the event estimates and/or assumptions prove to be different from actual amounts, adjustments are made in subsequent periods to reflect more current information.

In recording transactions and balances resulting from business operations, the Company uses estimates based on the best information available. Estimates are used for such items as long-lived assets' depreciable lives, tax provisions, uncollectible accounts, the valuation of derivative instruments, loss contingencies, and assets acquired and liabilities assumed in business combinations, among others. As better information becomes available or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

### **Cash and cash equivalents and restricted cash**

All highly liquid investments with an original maturity of three months or less at the time of purchase are cash equivalents.

Restricted cash includes cash and cash equivalents, where the availability of cash to be exchanged or used to settle a liability is restricted by debt arrangements.

### **Trade and other receivables**

Trade receivables are reported on the Consolidated Balance Sheets net of a provision for ECL.

### **Accrued gas receivable/accrued gas payable or gas delivered in excess of consumption/deferred revenue**

Accrued gas receivable from Just Energy's customers is stated at fair value and results from customers consuming more gas than has been delivered by Just Energy to LDCs. Accrued gas payable represents Just Energy's obligation to the LDCs for the customers' excess consumption, over what was 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 was delivered, resulting in the recognition of accrued gas receivable and accrued gas payable. In the summer months, customers will have consumed less than what was delivered, resulting in the recognition of gas delivered in excess of consumption as deferred revenue.

### **Gas in storage**

Gas in storage represents the gas delivered to the LDC's storage facilities. 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 based on market cost on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business.

### **Inventory**

Inventory is valued at the lower of cost or net realizable value with cost being determined on a weighted average cost basis for inventories. The Company removes these inventories as they are sold to customers. Sales of inventory are classified as an operating activity in the Consolidated Statements of Cash Flows.

### **Property and equipment**

Property 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 for its intended use and the present value of all dismantling and removal costs. Where major components of property 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 in the item can be reliably measured. Depreciation is provided over the estimated useful lives of the assets as follows:

<b>Asset category</b>	<b>Depreciation method</b>	<b>Rate/useful life</b>
Furniture and fixtures	Declining balance	20 %
Office equipment	Declining balance	20 %
Computer equipment	Declining balance	30 %
Leasehold improvements	Straight-line	Shorter of useful life and lease term
Premise assets	Straight-line	4-7 years

An item of property 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 Operations.

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

## Business combinations

In accordance with ASC 805, *Business Combinations*, all identifiable assets acquired and liabilities assumed are measured at the acquisition date at fair value. The Company records all identifiable intangible assets including identifiable assets that had not been recognized by the acquiree before the business combination. Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets acquired and liabilities assumed is recorded as goodwill. During the measurement period (which is within one year from the acquisition date), Just Energy may adjust the amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as at the acquisition date. Adjustments related to facts and circumstances that did not exist as at the Consolidated Balance Sheet dates are taken to the Consolidated Statements of Operations. The Company records acquisition-related costs as expenses in the periods in which the costs are incurred, with the exception of certain costs relating to registering and issuing debt or equity securities, which are accounted for as part of the financing.

On December 16, 2022, upon completion of the Transaction and emergence from the CCAA and Chapter 15 proceedings, PIMCO managed funds acquired all of the issued and outstanding shares of Just Energy (U.S.) Corp. common stock as explained in Note 1.

The change in control on emergence was accounted for as a business combination in accordance with ASC 805 and the preliminary purchase price was allocated to the assets acquired and liabilities assumed based on the estimated fair market value at the date of the change in control.

The calculation of the total consideration is as follows:

(in thousands of U.S. dollars, except for share quantities)

New common shares (qty)	5,000,000
New common shares (value)	\$ 194,858
Preferred shares (qty)	254,040
Preferred shares (value)	\$ 254,040
<b>Total equity</b>	<b>\$ 448,898</b>

The following table summarizes the changes to the closing Predecessor balance sheet resulting from completing the reorganization and fair value adjustments to the net assets acquired:

	Predecessor closing balance sheet	Reorganization adjustments	Fair value adjustments	Successor opening balance sheet
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 56,072	\$ (46,501)	\$ -	\$ 9,571
Trade and other receivables, net	340,016	-	(1,979)	338,037
Gas in storage	23,980	-	(5,084)	18,896
Derivative instruments	521,963	-	-	521,963
Income taxes recoverable	9,095	-	-	9,095
Green certificates assets	49,032	-	-	49,032
Other current assets	107,300	-	(2,113)	105,187
Total current assets	1,107,458	(46,501)	(9,176)	1,051,781
<b>Non-current assets</b>				
Property and equipment, net	6,190	-	(372)	5,818
Intangible assets, net	44,372	-	(44,372)	-
Goodwill	122,192	-	(122,192)	-
Derivative instruments	117,098	-	-	117,098
Deferred income taxes	3,723	-	-	3,723
Other non-current assets	57,565	-	-	57,565
Total non-current assets	351,140	-	(166,936)	184,204
<b>TOTAL ASSETS</b>	<b>\$ 1,458,598</b>	<b>\$ (46,501)</b>	<b>\$ (176,112)</b>	<b>\$ 1,235,985</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	\$ 346,716	\$ -	\$ 6,076	\$ 352,792
Deferred revenue	9,928	-	-	9,928
Income taxes payable	1,931	-	-	1,931
Derivative instruments	21,107	-	-	21,107
Debt and financing	-	79,598	-	79,598
Total current liabilities	379,682	79,598	6,076	465,356
Liabilities subject to compromise	871,319	(871,319)	-	-
<b>Non-current liabilities</b>				
Derivative instruments	31,611	-	-	31,611
Deferred income taxes	128,520	-	(16,140)	112,380
Other non-current liabilities	18,196	-	-	18,196
Total non-current liabilities	178,327	-	(16,140)	162,187
<b>TOTAL LIABILITIES</b>	<b>\$ 1,429,328</b>	<b>\$ (791,721)</b>	<b>\$ (10,064)</b>	<b>\$ 627,543</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>29,270</b>	<b>745,220</b>	<b>(166,048)</b>	<b>608,442</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,458,598</b>	<b>\$ (46,501)</b>	<b>\$ (176,112)</b>	<b>\$ 1,235,985</b>

Reorganization adjustments include settlement of liabilities including liabilities subject to compromise, extinguishment of debts and issuance of common and preferred stocks at emergence.

The beginning balance of the additional paid-in capital for the Successor of \$159.5 million represents the amount of bargain gain recognized on application of push-down accounting as explained in Note 1. In accordance with ASC 805, the amount of additional paid-in capital was the result of the difference between the fair value of net assets acquired on the date of acquisition by the acquirer and the total consideration received.

The fair value of net assets was higher than the consideration received, due to price movements of derivative instruments between the date of the Transaction Agreement and the emergence date. Further, as a result of bargain gain recognition, amounts related to intangible assets and goodwill are reduced to nil.

## Intangible assets, including impairment

Intangible assets acquired outside of a business combination are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and/or accumulated impairment losses.

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 intangible assets with finite lives are assessed for impairment whenever indications of impairment exist. The carrying value of such assets is deemed to be impaired if the projected undiscounted cash flows are less than the carrying value. If there is such impairment, a loss is recognized based on the amount by which the carrying value exceeds the fair value. The amortization method and amortization period of an intangible asset with a finite useful life are reviewed at least 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 Operations.

Internally developed 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 developed 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.

Gains or losses arising from disposal 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 Operations when the asset is derecognized.

Intangible asset category	Amortization method	Rate/useful life
Technology	Straight-line	1-5 years
Brand	Straight-line	10 years

## Leases

### *As a lessee*

The Company applies ASC 842, *Leases*, to account for its leases. A lease is a contract or part of a contract whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to control the use of an asset for an agreed period of time. 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 fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset. ASC 842 requires lessees to classify most leases as either finance or operating leases. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, which for existing ROU assets ranges from two years to six years.

At the commencement date of the lease, Just Energy initially measures lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The lease payments also include payments of penalties for terminating the lease if the lease term reflects the exercising of the option to terminate. Lease liabilities are grouped into other liabilities on the Consolidated Balance Sheets.

In calculating the present value of lease payments, Just Energy uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease.

Just Energy applies the short-term lease exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a bargain purchase option). Lease payments on short-term leases are expensed on a straight-line basis over the lease term.

### ***As a lessor***

For sales-type leases where the Company is the lessor, the Company records its investment in equipment leased to customers on the basis of the present value of the lease payments not yet received. The current and long-term portions of Just Energy's net investment in sales-type leases are included in trade and other receivables, net. Unearned income is recognized as interest income over the lease term and is included in other income. Sales-type leases result in the recognition of revenue and direct costs at the commencement of the lease that are recorded to revenue and cost of goods sold, respectively.

### **Derivative instruments and mark-to-market accounting**

The Company enters into contracts for the purchase and sale of electricity and natural gas commodities utilizing instruments such as options, swaps and forwards primarily to manage commodity price risks. If the instrument meets the definition of a derivative under ASC 815, changes in the fair value of the derivative instruments are recognized in net income as unrealized gains and losses, referred to as mark-to-market accounting. The fair values of unsettled derivative instruments under mark-to-market accounting are reported in the Consolidated Balance Sheets as derivative instruments. When derivative instruments are settled and realized gains and losses are recorded, the previously recorded unrealized gains and losses and derivative instrument assets and liabilities are reversed.

Just Energy enters into fixed-term contracts with customers to provide electricity and natural gas at fixed prices. These customer contracts expose Just Energy to changes in consumption as well as changes in the market prices of electricity and natural gas. To reduce its exposure to movements in commodity prices, Just Energy enters into contracts with suppliers that expose the Company to changes in prices for the purchase and sale of electricity and natural gas. The primary factors affecting the fair value of derivative instruments at any point in time are the volume of open derivative positions and the changes of commodity market prices. Prices for electricity and natural gas are volatile, which can result in material changes in the fair value measurements reported in the Consolidated Financial Statements in the future.

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 in the Consolidated Statements of Operations. These embedded derivatives are measured at fair value with changes in fair value recognized in the Consolidated Statements of Operations.

All derivatives are recognized at fair value on the date on which the derivative is entered into and are remeasured to fair value at each reporting date. Derivative instruments are carried in the Consolidated Balance Sheets as assets when the fair value is positive and as 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 Operations and are included within unrealized gain (loss) on derivative instruments.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (the exit price). The fair value is based on assumptions that market participants would use when pricing the asset

or liability. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation, as follows:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The carrying amounts for cash and cash equivalents, trade and other receivable and accounts and trade and other payables approximate fair value based on the short-term nature of these amounts. See Note 11 for additional information regarding fair value measurement of derivative instruments.

Under the guidance of ASC 815, entities may choose to offset cash collateral posted or received against the fair value of derivative positions executed with the same counterparties under the same master netting agreements. The Company has chosen not to offset positions as defined in ASC 815.

### **Revenue recognition**

Just Energy has identified that the material performance obligation is the provision of electricity and natural gas to customers, which is satisfied over time throughout the contract term as energy is delivered. Just Energy utilizes the output method to recognize revenue based on the units of electricity and natural gas delivered and billed to the customer each month, and Just Energy has elected to adopt the practical expedient to recognize revenue in the amount to which the entity has a right to invoice, as the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance to date. Energy sales and services that have been delivered but not billed by period end are estimated. Accrued unbilled revenues are based on estimates of customer usage since the date of the last meter reading provided by the independent system operators or local distribution companies. Estimated amounts are adjusted when actual usage is known and billed.

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

Just Energy accounts for TDSP charges charged to electricity customers on a gross basis whereby TDSP charges to the customer and payments to the service provider are presented in sales and cost of goods sold, respectively. The Company undertakes to deliver the commodity to the customer at their location across various markets and contract offers. Arranging delivery to the customer's meter is a part of the activities the Company performs to fulfill its obligation to customers and, as such, the Company is the primary obligor to deliver the commodity to the customer. The Company determined that TDSP charges should be accounted for consistently on a gross basis for the relevant markets where the nature and contractual terms of TDSP charges were similar.

Just Energy is exposed to customer credit risk on its continuing operations in Texas, Alberta, Illinois (gas), California (gas) and Ohio (electricity) and for certain Commercial customers in dual-billing markets including Illinois (power), Pennsylvania (power), Massachusetts (power), New York and New Jersey. Credit review processes have been established to manage the customer default rate.

### **Foreign currency translation**

#### *Functional and reporting currency*

Items included in the Consolidated Financial Statements of each of the Company's entities are measured using the functional currency. The Consolidated Financial Statements are presented in U.S. dollars, which is the parent Company's reporting 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 Operations.

## *Translation of foreign operations*

Subsidiaries that have a functional currency different from the reporting currency are translated into the reporting currency as follows:

- Assets and liabilities for each Consolidated Balance Sheet presented are translated at the closing rate as at the date of that Consolidated Balance Sheet; and
- Income and expenses for each Consolidated Statement of Operations 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 are recorded in Other Comprehensive Income (Loss).

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.

## **Share-based compensation plans**

Share-based compensation plans were equity-settled transactions. Stock-based compensation is accounted for in accordance with ASC 718, *Compensation—Stock Compensation*. 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 units are exercised or exchanged, the amounts previously credited to contributed deficit are reversed and credited to shareholders' capital.

The Successor granted certain employees RSUs and PSUs that vest over the next four years, subject to certain terms and conditions. See Note 16 for further details.

## **Income taxes**

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* (ASC 740), which requires that the Company use the asset and liability method of accounting for deferred income taxes and provide deferred income taxes for all significant temporary differences.

The Company has two categories of income tax expense or benefit — current and deferred, as follows:

- Current income tax expense or benefit consists solely of current taxes payable less applicable tax credits; and
- Deferred income tax expense or benefit consists of the change in the net deferred income tax asset or liability, excluding amounts charged or credited to accumulated other comprehensive income (loss).

The Company reports some of its revenues and expenses differently for financial statement purposes than for income tax return purposes, resulting in temporary and permanent differences between the Company's Consolidated Financial Statements and income tax returns. The tax effects of such temporary differences are recorded as either deferred income tax assets or deferred income tax liabilities in the Company's Consolidated Balance Sheets. The Company measures its deferred income tax assets and deferred income tax liabilities using income tax rates that are expected to be in effect when the deferred tax is realized.

The Company recognizes deferred tax assets to the extent it believes these assets are more likely than not to be realized. In making this determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations.

The Company accounts for uncertain tax positions in accordance with ASC 740, which applies to all tax positions related to income taxes. Under ASC 740, tax benefits are recognized when it is more-likely-than-not that a tax position will be sustained upon examination by the authorities. The benefit recognized from a position is the amount of benefit that has surpassed the more-likely-than-not threshold, as it is more than 50% likely to be realized upon settlement.

In accordance with ASC 740, changes to existing net deferred tax assets or valuation allowance or changes to uncertain tax benefits are recorded to income tax expense (benefit). The Company records interest and penalties accrued related to uncertain tax benefits as interest expense and other expenses, respectively.

### **Provisions and restructuring**

Provisions are recognized when Just Energy has an existing condition, situation or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur, 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.

### **Customer acquisition costs**

Commissions and various other costs related to obtaining and renewing customer contracts are charged to selling and marketing expense in the Consolidated Statements of Operations in the period incurred except as disclosed below.

Commissions related to obtaining and renewing 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 customer acquisition cost in other current or non-current assets in the Consolidated Balance Sheets 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.

Just Energy capitalizes the incremental acquisition costs of obtaining a customer contract as an asset as these costs would not have been incurred if the contract had not been obtained and these costs are amortized in selling and marketing expense over the life of the contract. When the term of the contract is one year or less, the incremental costs incurred to obtain the customer contracts are expensed when incurred.

Just Energy expenses advertising costs as incurred, and these costs are presented in selling and marketing expenses in the Consolidated Statements of Operations and were \$4.8 million for the Successor period ended March 31, 2023, \$15.1 million for the Predecessor period ended December 16, 2022, and \$20.7 million for the year ended March 31, 2022.

### **Green provision and certificates**

Just Energy is a retailer of renewable energy certificates and carbon offsets and records a liability as such sales are recognized. A corresponding cost is included in cost of goods sold. Just Energy measures its liability based on the compliance requirements of different jurisdictions in which it has operations or where the customers voluntarily subscribed for green energy.

Renewable energy certificates and carbon offsets are purchased by Just Energy to settle its obligation with the regulators or for trading in the normal course of business. Renewable energy certificates and carbon offsets are held at cost and presented at the gross amount in the Consolidated Balance Sheets. These certificates and offsets are only netted against the obligation when the liability is retired as per the regulations of the respective jurisdiction. Any provision balance in excess of the renewable energy certificates and carbon offsets held or that Just Energy has committed to purchase is measured at fair value.

Any renewable energy-related derivatives are forward contracts and are recognized in accordance with the accounting policy discussed under “Derivative instruments and mark-to-market accounting” above.

## **5. IMPACT OF FUTURE PRONOUNCEMENTS IN U.S. GAAP**

The Financial Accounting Standards Board issued Accounting Standards Update 2022-04, *Liabilities — Supplier Finance Programs (Subtopic 405-50)*: Supplier finance programs, which also may be referred to as reverse factoring, payables finance, or structured payables arrangements, allow a buyer to offer its suppliers the option for access to payment in advance of an invoice due date, which is paid by a third-party finance provider or intermediary on the basis of invoices that the buyer has confirmed as valid. A complete analysis of the impact on the financial position and performance of the Company will be performed on the implementation of the update.

## **6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

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 U.S. GAAP that have a significant impact on the Consolidated Financial Statements relate to the following:

### **Provision for expected credit loss**

The measurement of the provision for ECL for trade accounts receivable requires the use of management’s judgment in estimation techniques, building models, selecting key inputs and making significant assumptions about future economic conditions and payment behavior of the customers, including the likelihood of customers defaulting and the resulting losses. The Company’s current significant estimates include the historical collection rates as a percentage of revenue and the use of the Company’s historical rates of recovery across aging buckets and the consideration of forward-looking information. All of these inputs are sensitive to the number of months or years of history included in the analysis, which is a key input and judgment made by management.

### **Deferred income taxes**

Significant management judgment is required to determine the amount of deferred income 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. Determining the tax treatment on certain transactions also involves management’s judgment.

### **Fair value of derivative instruments**

Where the fair values of derivative assets and liabilities recorded in the Consolidated Balance Sheets cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow models or transacted and quoted prices of identical assets that are not active. 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 derivative instruments. Refer to Note 11 for further details about the assumptions.

### **Contingencies**

Just Energy records reserves for estimated losses from contingencies when information available indicates that a loss is probable and the amount of the loss, or range of loss, can be reasonably estimated. Gain contingencies are not recorded until management determines it is certain that the future event will become or does become a reality. Such determinations are subject to interpretations

of current facts and circumstances, forecasts of future events, and estimates of the financial impacts of such events. Just Energy describes in detail its contingencies in Note 19.

## 7. TRADE AND OTHER RECEIVABLES, NET

### (a) Trade and other receivables, net

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Trade accounts receivable, net	\$ 132,846	\$ 147,063
Unbilled revenue, net	95,736	82,946
Commodity receivables	15,750	77,518
Lease receivable	3,671	—
Accrued gas receivable	2,448	1,414
<b>Total trade and other receivables, net</b>	<b>\$ 250,451</b>	<b>\$ 308,941</b>

### (b) Aging of accounts receivable

#### *Customer credit risk*

The lifetime ECL reflects Just Energy's best estimate of losses on the accounts receivable and unbilled revenue balances. Just Energy determines the lifetime ECL by using historical loss rates and forward-looking factors, if applicable. The Company accrues an allowance for current ECL based on (i) estimates of uncollectable revenues by analyzing accounts receivable aging and current and reasonable forecasts of expected economic factors including weather-related events; and (ii) historical collections and delinquencies.

Just Energy is exposed to customer credit risk on its continuing operations in Texas, Alberta, Illinois (gas), California (gas) and Ohio (electricity) and for certain commercial customers in dual-billing markets including Illinois (power), Pennsylvania (power), Massachusetts (power), New York and New Jersey. 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.

In the remaining markets, the LDCs provide collection services and assume the risk of any bad debts owing from Just Energy's customers for a fee that is recorded in cost of goods sold. Although there is no assurance that the LDCs providing these services will continue to do so in the future, management believes that the risk of the LDCs failing to deliver payment to Just Energy is minimal.

The aging of the trade accounts receivable, excluding the provision for expected credit losses, from the markets where the Company bears customer credit risk was as follows:

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Current	\$ 63,802	\$ 57,766
1–30 days	13,059	16,061
31–60 days	4,502	4,470
61–90 days	3,471	1,220
Over 90 days	2,291	5,106
<b>Total trade receivables</b>	<b>\$ 87,125</b>	<b>\$ 84,623</b>

(c) **Provision for expected credit losses**

Changes in the provision for expected credit losses related to the balances in the table above were as follows:

	Successor	Predecessor	
	For the period from December 17, 2022 to	For the period from April 1, 2022 to	For the year ended
	March 31, 2023	December 16, 2022	March 31, 2022
<b>Balance, beginning of period</b>	\$ 25,202	\$ 14,037	\$ 18,578
Provision for expected credit loss	11,419	42,164	24,242
Bad debts written off	(15,345)	(33,511)	(34,504)
Recoveries	402	1,437	5,148
Foreign exchange	(228)	1,075	573
<b>Balance, end of period</b>	\$ 21,450	\$ 25,202	\$ 14,037

**8. OTHER CURRENT AND NON-CURRENT ASSETS**

(a) **Other current assets**

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Prepaid expenses and deposits	\$ 46,557	\$ 40,347
Customer acquisition costs	47,651	35,680
Sales tax receivable	2,028	—
Inventory	1,143	926
Gas delivered in excess of consumption	650	793
<b>Total other current assets</b>	\$ 98,029	\$ 77,746

(b) **Other non-current assets**

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Customer acquisition costs	\$ 40,672	\$ 30,273
Other long-term assets	15,756	8,775
<b>Total other non-current assets</b>	\$ 56,428	\$ 39,048

**9. PROPERTY AND EQUIPMENT**

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Premise and ROU assets	\$ 4,855	\$ 24,834
Computer equipment	—	21,106
Other <sup>1</sup>	1,647	21,480
Total property and equipment	6,502	67,420
Accumulated depreciation <sup>2</sup>	(547)	(57,395)
Retirements and write-offs	—	(3,520)
<b>Net property and equipment</b>	\$ 5,955	\$ 6,505

<sup>1</sup> Other includes office equipment, furniture, fixtures and leasehold improvements.

<sup>2</sup> Depreciation expense on property and equipment totaled \$1.9 million for the Predecessor period ended December 16, 2022, and \$4.6 million for the year ended March 31, 2022.

## 10. INTANGIBLE ASSETS

### (a) Intangible assets

Successor	March 31, 2023			
	Cost	Accumulated amortization	Impairment	Net book value
Technology	\$ 3,445	\$ (458)	\$ —	\$ 2,987
<b>Total intangible assets</b>	<b>\$ 3,445</b>	<b>\$ (458)</b>	<b>\$ —</b>	<b>\$ 2,987</b>

Predecessor	March 31, 2022			
	Cost	Accumulated amortization	Impairment	Net book value
Technology	\$ 107,463	\$ (71,611)	\$ (7,215)	\$ 28,637
Brand	14,802	(833)	—	13,969
Others	44,505	(43,296)	—	1,209
<b>Total intangible assets</b>	<b>\$ 166,770</b>	<b>\$ (115,740)</b>	<b>\$ (7,215)</b>	<b>\$ 43,815</b>

At emergence from CCAA, as explained in Note 4 due to the bargain gain, the predecessor values of technology and brand intangible assets were reduced to nil.

During the Predecessor period ended March 31, 2022 an amount of \$7.2 million was recognized in relation to impairment of technology assets that represents specific projects that no longer provide benefits.

### (b) Goodwill

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Opening balance	\$ —	\$ 130,235
Foreign exchange movement	—	710
<b>Closing balance</b>	<b>\$ —</b>	<b>\$ 130,945</b>

At emergence from CCAA, as explained in Note 4, the goodwill balances were eliminated, resulting from the business combination discussed therein.

## 11. DERIVATIVE INSTRUMENTS

### (a) Fair value of derivative instruments

The fair value of derivative 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 offsets and RECs, using a discounted cash flow method, which employs market forward curves that are either directly sourced from third parties or 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 applicable market forward curves and the implied volatility from other market-traded options. Green power options have been valued using historical volatility. Management periodically uses non-exchange-traded swap agreements based on CDDs and HDDs measured in its utility service territories to reduce the impact of weather volatility on Just Energy's electricity and natural gas volumes, commonly referred to as "weather derivatives". The fair value of these swaps on a given measurement station indicated in the derivative contract is determined by calculating the difference between the agreed strike and expected variable observed at the same station.

The following table illustrates unrealized gains (losses) related to Just Energy's derivative instruments classified as fair value through the Consolidated Statements of Operations and recorded on the Consolidated Balance Sheets as fair value of derivative

instrument assets and fair value of derivative instruments liabilities, with their offsetting values recorded in unrealized gain (loss) in fair value of derivative instruments and other on the Consolidated Statements of Operations.

	Successor	Predecessor	
	For the period from December 17, 2022 to	For the period from April 1, 2022 to	For the year ended
	March 31, 2023	December 16, 2022	March 31, 2022
Physical forward contracts and options (i)	\$ (373,963)	\$ (134,306)	\$ 476,050
Financial swap contracts and options (ii)	(259,316)	81,431	206,923
Foreign exchange forward contracts	(983)	3,576	(818)
Other derivative options	—	—	238
<b>Unrealized gain (loss) on derivative instruments</b>	<b>\$ (634,262)</b>	<b>\$ (49,299)</b>	<b>\$ 682,393</b>

The following table summarizes certain aspects of the fair value of derivative instrument assets and liabilities recorded in the Consolidated Balance Sheet as at March 31, 2023:

Successor	Derivative instrument assets (current)	Derivative instrument assets (non-current)	Derivative instrument liabilities (current)	Derivative instrument liabilities (non-current)
Physical forward contracts and options (i)	\$ 19,837	\$ 5,392	\$ 52,793	\$ 40,659
Financial swap contracts and options (ii)	60,890	14,500	43,514	13,755
Foreign exchange forward contracts	1,370	—	—	—
Other derivative options	40	85	457	133
<b>As at March 31, 2023</b>	<b>\$ 82,137</b>	<b>\$ 19,977</b>	<b>\$ 96,764</b>	<b>\$ 54,547</b>

The following tables summarize certain aspects of the fair value of derivative instrument assets and liabilities recorded in the Consolidated Balance Sheet as at March 31, 2022:

Predecessor	Derivative instrument assets (current)	Derivative instrument assets (non-current)	Derivative instrument liabilities (current)	Derivative instrument liabilities (non-current)
Physical forward contracts and options (i)	\$ 373,268	\$ 81,392	\$ 10,195	\$ 5,865
Financial swap contracts and options (ii)	161,838	51,161	2,134	6,856
Foreign exchange forward contracts	—	—	841	195
Other derivative options	3,594	461	—	—
<b>As at March 31, 2022</b>	<b>\$ 538,700</b>	<b>\$ 133,014</b>	<b>\$ 13,170</b>	<b>\$ 12,916</b>

Individual derivative asset and liability transactions are offset and the net amount reported in the Consolidated Balance Sheet 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. Individual derivative transactions are typically offset at the legal entity and counterparty level. The impact of netting derivative assets and liabilities is presented in the table below.

<b>Successor</b>	<b>Gross basis amount</b>	<b>Netting impact</b>	<b>Net basis amount</b>
Derivative instrument assets	\$ 722,978	\$ (620,864)	\$ 102,114
Derivative instrument liabilities	(772,353)	621,042	(151,311)
<b>As at March 31, 2023</b>	<b>\$ (49,375)</b>	<b>\$ 178</b>	<b>\$ (49,197)</b>

<b>Predecessor</b>	<b>Gross basis amount</b>	<b>Netting impact</b>	<b>Net basis amount</b>
Derivative instrument assets	\$ 910,174	\$ (238,460)	\$ 671,714
Derivative instrument liabilities	(265,011)	238,925	(26,086)
<b>As at March 31, 2022</b>	<b>\$ 645,163</b>	<b>\$ 465</b>	<b>\$ 645,628</b>

Below is a summary of the derivative instruments classified through the Consolidated Statement of Operations as at March 31, 2023, to which Just Energy has committed. Volumes are presented on an absolute notional basis.

	<b>Total remaining volume</b>	<b>Weighted average price</b>	<b>Expiry date</b>
<b>(i) Physical forward contracts and options</b>			
Electricity contracts	33,473,433 MWh	\$52.28 /MWh	December 31, 2029
Natural gas contracts	57,749,716 MMBtu	\$3.21 /MMBtu	March 31, 2027
RECs	3,328,344 MWh	\$14.43 /REC	December 31, 2029
Green Gas Certificates	10,000 tonnes	\$12.00 /tonnes	June 1, 2023
Electricity generation capacity contracts	1,907 MWCap	\$4,329.80 /MWCap	May 31, 2026
Ancillary service contracts	941,470 MWh	\$18.69 /MWh	December 31, 2025
<b>(ii) Financial swap contracts and options</b>			
Electricity contracts	26,235,793 MWh	\$50.66 /MWh	March 31, 2028
Natural gas contracts	122,674,800 MMBtu	\$3.56 /MMBtu	December 31, 2027
Ancillary service contracts	2,135,165 MWh	\$18.15 /MWh	December 31, 2025

These derivative 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 derivative instrument asset balance recognized in the Consolidated Financial Statements.

### **Fair value (FV) hierarchy of 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. Currently there are no derivatives carried in this level.

#### **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, significant inputs must be directly or indirectly observable in the market. Just Energy values its 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 extend only 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.

The unobservable inputs could range from \$5/MWh or \$0.50/Dth for power and natural gas, respectively.

### 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.

The following table illustrates the classification of derivative instrument assets (liabilities) in the FV hierarchy as at March 31, 2023:

<b>Successor</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Physical forward contracts	\$ —	\$ —	\$ (68,223)	\$ (68,223)
Financial swap contracts	—	(5,030)	23,151	18,121
Foreign exchange forward contracts	—	—	1,370	1,370
Other derivative options	—	—	(465)	(465)
<b>Total net derivative instrument assets</b>	<b>\$ —</b>	<b>\$ (5,030)</b>	<b>\$ (44,167)</b>	<b>\$ (49,197)</b>

The following table illustrates the classification of derivative instrument assets (liabilities) in the FV hierarchy as at March 31, 2022:

<b>Predecessor</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Physical forward contracts and options	\$ —	\$ —	\$ 438,600	\$ 438,600
Financial swap contracts and options	—	124,188	79,821	204,009
Foreign exchange forward contracts	—	—	(1,036)	(1,036)
Other derivative options	—	—	4,055	4,055
<b>Total net derivative instrument assets</b>	<b>\$ —</b>	<b>\$ 124,188</b>	<b>\$ 521,440</b>	<b>\$ 645,628</b>

The following table illustrates the changes in net fair value of derivative instrument assets (liabilities) classified as Level 3 in the FV hierarchy for the following periods:

	<b>Successor</b>	<b>Predecessor</b>
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Balance, beginning of period</b>	<b>\$ 521,440</b>	<b>\$ (33,489)</b>
Total gains	76,176	349,541
Purchases	(309,147)	283,394
Sales	99,602	(71,514)
Settlements	(432,238)	(6,492)
<b>Balance, end of period</b>	<b>\$ (44,167)</b>	<b>\$ 521,440</b>

## 12. TRADE AND OTHER PAYABLES

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Commodity suppliers' accruals and payables	\$ 169,758	\$ 209,703
Green provisions	54,873	52,478
Sales tax payable	—	15,656
Non-commodity trade accruals and accounts payable	32,900	53,872
Accrued gas payable	—	818
Other payables	1,673	17,396
<b>Total trade and other payables</b>	<b>\$ 259,204</b>	<b>\$ 349,923</b>

## 13. PREDECESSOR'S LIABILITIES SUBJECT TO COMPROMISE

	March 31, 2022
Commodity suppliers' accruals and payables	\$ 438,068
Non-commodity trade accruals and accounts payable	41,914
Debts and financings	365,908
<b>Total liabilities subject to compromise</b>	<b>\$ 845,890</b>

## 14. DEBT AND FINANCING

	Successor
	March 31, 2023
Credit facility (a)	63,690
<b>Total debt</b>	63,690
Less: Current portion	(63,690)
<b>Total debt and financing</b>	<b>\$ —</b>

Future annual minimum principal repayments are as follows:

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
Credit facility (c)	\$ 63,690	\$ —	\$ —	\$ —	\$ 63,690

As at March 31, 2023, \$63.7 million has been drawn against the facility and \$103.1 million of letters of credit are outstanding under the facility. As at March 31, 2023, the Company has \$17.9 million of the facility remaining for the future working capital and/or security requirements.

	Predecessor
	March 31, 2022
DIP Facility (b)	\$ 125,000
HomeWater financing (c)	1,419
<b>Total debt</b>	126,419
Less: Current portion	(126,289)
<b>Total debt and financing</b>	<b>\$ 130</b>

- (a) On emergence, Just Energy amended and restated its \$250 million CAD senior secured credit facility to June 15, 2025 with a syndicate of lenders. Certain principal amounts outstanding under the letter of credit facility are guaranteed by Export Development Canada. Just Energy's obligations under the \$250 million CAD senior secured 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 most of its operating subsidiaries and affiliates. Just Energy has also entered into an inter-creditor

agreement in which certain commodity and hedge providers are also secured by the same collateral. Under the credit facility agreement, the Company is required to meet a number of financial covenants and is subject to a number of restrictions, including but not limited to distributions, acquisitions and issuance of debt. As at March 31, 2023, the Company was compliant with all of its covenants. The \$250 million CAD senior secured credit facility includes provisions for commitment reductions in 2023 and 2024 to the extent liquidity exceeds CAD \$75 million. This will be tested based on liquidity at March 31, 2023, June 30, 2023, March 31, 2024 and June 30, 2024. There were not any commitment reductions based on liquidity at March 31, 2023, accordingly there will not be a commitment reduction on June 30, 2023. Under the terms of the senior secured credit facility, Just Energy is able to make use of Bankers' Acceptances and SOFR advances at stamping fees of 4.00%. Prime rate advances are at a rate of bank prime (Canadian bank prime rate or U.S. prime rate) plus 3.00% and letters of credit are at a rate of 4.00%. As at March 31, 2023, the Canadian prime rate was 6.70% and the U.S. prime rate was 8.00%. Interest rates are adjusted quarterly based on certain financial performance indicators.

- (b) In conjunction with the CCAA filing, the Company entered into the DIP Facility for \$125.0 million. Just Energy Ontario L.P., Just Energy Group Inc. and Just Energy (U.S.) Corp. were the borrowers under the DIP Facility and were supported by guarantees of certain subsidiaries and secured by a super-priority charge against and attaching to the property that secured the obligations arising under the credit facility, created by the Court Order. The DIP Facility had an interest rate of 13.0%, paid quarterly in arrears. On September 26, 2022, the Company voluntarily repaid \$70 million of principal plus accrued interest of the DIP Facility. On December 16, 2022, as part of the termination of the CCAA proceedings, the Company repaid the outstanding balance of \$55 million plus accrued interest of the DIP Facility, and the DIP Facility was terminated. For consideration for making the DIP Facility available, Just Energy paid a 1.0% origination fee, a 1.0% commitment fee on March 9, 2021 and a 1.0% amendment fee on November 16, 2021.
- (c) As of March 31, 2023, HomeWater repaid the outstanding loan payable to HTC. The loan was a result of factoring receivables to finance the cost of rental equipment with HTC and bore interest at 8.99% per annum. Principal and interest were payable monthly.

The following table details interest expense. Interest is expensed based on the effective interest rate method.

	Successor	Predecessor	
	For the period from December 17, 2022 to	For the period from April 1, 2022 to	For the year ended
	March 31, 2023	December 16, 2022	March 31, 2022
Credit Facility (a)	\$ 1,505	\$ 13,334	\$ 16,912
DIP Facility (b)	—	9,557	16,197
HomeWater financing (c)	4	52	231
Collateral cost and other	704	867	—
Supplier finance and others	—	—	1,528
<b>Total interest expense</b>	<b>\$ 2,213</b>	<b>\$ 23,810</b>	<b>\$ 34,868</b>

## 15. INCOME TAXES

### (a) Domestic and foreign components of income before income taxes

	Successor	Predecessor	
	For the period December 17, 2022 to	For the period April 1, 2022 to	For the year ended March 31
	March 31, 2023	December 16, 2022	2022
United States	\$ (472,472)	\$ 129,205	\$ 874,677
Foreign	(154,049)	141,436	(123,698)
<b>Total</b>	<b>\$ (626,521)</b>	<b>\$ 270,641</b>	<b>\$ 750,979</b>

**(b) Income tax expense (benefit)**

	Successor	Predecessor	
	For the period from December 17, 2022 to	For the period from April 1, 2022 to	For the year ended
	March 31, 2023	December 16, 2022	March 31, 2022
Current	\$	\$	\$
US - Federal	—	—	—
US - State	253	1,490	(320)
Foreign	1,286	638	(3,570)
Total - current	1,539	2,128	(3,890)
Deferred			
US - Federal	(53,798)	5,295	75,812
US - State	(15,925)	1,700	—
Foreign	(37,608)	42,143	573
Total - deferred	(107,331)	49,138	76,385
Total income tax expense (benefit)	\$ (105,792)	\$ 51,266	\$ 72,495

For the Successor period ended March 31, 2023, the effective tax rate was lower than the statutory rate of 21% primarily due to the increase in the valuation allowance and the impact of other items such as state income taxes, foreign tax rate differences, and non-deductible expenses. In the U.S., the company has recognized the unrealized loss on derivative instruments to the extent of deferred tax liabilities following which the company maintains an overall valuation allowance.

For the Predecessor period ended December 16, 2022, the effective tax rate was lower than the statutory rate of 21% primarily due to the impact of cancellation of debt income and other items such as state income taxes, differences in foreign tax rates, and non-deductible expenses.

In the prior year, the effective tax rate was lower than the statutory rate primarily due to the change in valuation allowance and the impact of other items such as state income taxes, foreign tax rate differences, and non-deductible expenses.

**(c) Deferred income tax balances**

The temporary differences, that give rise to the Company's deferred tax assets and liabilities consisted of the following:

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Deferred tax assets:		
Tax operating and capital losses	\$ 43,924	\$ 130,874
Intangible assets	19,625	21,396
Deferred financing costs	3,388	17,460
Interest disallowance carryforward per §163(j) of the Internal Revenue Code	25,929	16,411
Receivable allowances	4,488	3,491
Reserves and accruals not currently deductible for tax purposes	5,829	4,864
Property and equipment	1,856	1,600
Foreign exchange	1,777	328
Derivative instruments	18,946	—
Subtotal	125,762	196,424
Less: Valuation allowance	(121,424)	(96,240)
Total net deferred tax assets	4,338	100,184
Deferred tax liabilities:		
Derivative instruments	5,320	172,888

Property and equipment	–	2,890
Reserves and accruals not currently deductible for tax purposes	39	–
Total deferred tax liabilities	5,359	175,778
<b>Net deferred income tax assets (liabilities)</b>	<b>\$ (1,021)</b>	<b>\$ (75,594)</b>

**(d) Uncertain tax positions**

There are currently no open income tax audits as of March 31, 2023. The Company has been released from any income tax obligations that relate to claims that predate March 9, 2021 pursuant to the court order approving the Transaction. Tax years that remain subject to examination are tax years ending after March 9, 2021 to current in Canada and the U.S. respectively. The Company is unaware of any uncertain tax positions that could result in significant additional payments, accruals, or other material deviation in the next 12 months.

**(e) Operating loss carryforwards**

As at March 31, 2023, the Company has tax-effected cumulative net operating losses of \$39.5 million available for carryforward of which the Company has not recorded a deferred tax asset. These losses are set to expire starting 2029 until 2042. Certain U.S. tax losses are subject to annual limitation under Section 382 of the IRS code.

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The Company has evaluated both positive and negative evidence, and as a result, a valuation allowance of \$121.4 million has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized.

No income tax has been recognized on the cumulative undistributed earnings of the Company's foreign subsidiaries because they are considered to be indefinitely reinvested. Distribution of these earnings in the form of dividends is not expected to result in withholding tax so there is no deferred tax liability related to investments in these foreign subsidiaries.

## **16. SHAREHOLDERS' CAPITAL**

### *Common Stock*

Just Energy is authorized to issue 6,500,000 of shares of common stock at \$0.001 par value. Each holder of shares of common stock is entitled to one vote for each share of common stock held of record by such holder on all matters on which stockholders generally are entitled to vote. Subject to the rights of the holders of preferred stock, the holders of shares of common stock shall be entitled to receive such dividends and other distributions (payable in cash, property or capital stock of the Company) when, as and if declared thereon by the board of directors of the Company from time to time equally on a per share basis in such dividends and distributions. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, after payment or provision for payment of the debts and other liabilities of the Company, and subject to the rights of the holders of preferred stock, the holders of shares of common stock shall be entitled to receive all the remaining assets of the Company available for distribution to its stockholders, ratably in proportion to the number of shares of common stock held by them.

### *Preferred Stock*

Just Energy is authorized to issue 374,041 shares of preferred stock at \$0.001 par value.

#### Series A Senior Preferred Stock

Subject to certain exceptions contained in the Series A Certificate of Designations with respect to the Series A Senior Preferred Stock, generally, holders of preferred stock have no voting rights. The Series A Senior Preferred Stock has no stated maturity and will remain outstanding indefinitely until redeemed in accordance with the terms of the Certificate of Designations.

Preferential cumulative dividends shall accrue on each share of Series A Senior Preferred Stock outstanding on a daily basis in arrears, (i) commencing on December 16, 2022, at a rate of 12.50% per annum; and (ii) commencing on December 17, 2026 and each one-year anniversary, thereafter, increased by 1.00%. Dividends will be due and payable quarterly in arrears on the last day of each fiscal quarter of the Company, with the first such date to occur on March 31, 2023, by either (at the election of the Company) (A) a cash payment or (B) to the extent not paid in cash, automatically compounded monthly on each such date. On each dividend payment date for which the Company does not pay in cash all dividends that accumulated during such period, any such accrued but unpaid dividends shall (whether or not earned or declared) become part of the stated value of such share as of the applicable dividend payment date. All dividends are prior to and in preference over any dividend on any common stock or any other preferred stock (other than Series B Senior Preferred Stock).

Subject to the consent of a majority of the holders of the Series B Senior Preferred Stock, any restrictions in the Company's senior secured credit facility or any other applicable restrictions, the Company is required to pay from excess free cash flow, if any, an amount determined pursuant to the Series A Certificate of Designations to holders of Series A Senior Preferred shares on each of September 30, 2023 and September 23, 2024 (collectively, the "ECF Payments"). All ECF Payments are prior to and in preference over any dividend on any common stock and shall be declared and fully paid before any dividends are declared and paid, or any other distributions are made, on any or any other preferred stock (other than Series B Senior Preferred Stock). Any ECF Payments shall be applied to redeem the number of Series A Senior Preferred shares as determined in accordance with the Series A Certificate of Designation.

In addition to any mandatory redemptions required pursuant to the Series A Certificate of Designations on a change of control or bankruptcy event, at any time, to the extent not prohibited (by law or otherwise), the Company may elect to redeem all outstanding shares of Series A Senior Preferred Stock, or any portion thereof, in cash at a redemption price per share of Series A Senior Preferred Stock as determined in accordance with the Series A Certificate of Designations.

#### Series B Senior Preferred Stock

Subject to certain exceptions contained in the Series B Certificate of Designations with respect to the Series B Senior Preferred Stock, generally, holders of preferred stock have no voting rights. The Series B Senior Preferred Stock has no stated maturity and will remain outstanding indefinitely until redeemed in accordance with the terms of the Certificate of Designations.

Preferential cumulative dividends shall accrue on each share of Series B Senior Preferred Stock outstanding on a daily basis in arrears, (i) commencing on January 24, 2023, at a rate of 15.00% per annum; and (ii) commencing on January 24, 2027 and each one-year anniversary, thereafter, increased by 1.00%. Dividends will be due and payable quarterly in arrears on the last day of each fiscal quarter of the Company, with the first such date to occur on March 31, 2023, by either (at the election of the Company) (A) a cash payment or (B) to the extent not paid in cash, automatically compounded monthly on each such date. On each dividend payment date for which the Company does not pay in cash all dividends that accumulated during such period, any such accrued but unpaid dividends shall (whether or not earned or declared) become part of the stated value of such share as of the applicable dividend payment date. All dividends are prior to and in preference over any dividend on any common stock or any other preferred stock (other than Series B Senior Preferred Stock), including the Series A Senior Preferred Stock.

In addition to any mandatory redemptions required pursuant to the Series B Certificate of Designations on a change of control or bankruptcy event, at any time, to the extent not prohibited (by law or otherwise), the Company may elect to redeem all outstanding shares of Series B Senior Preferred Stock, or any portion thereof, in cash at a redemption price per share of Series B Senior Preferred Stock as determined in accordance with the Series B Certificate of Designations.

(a) Details of issued and outstanding shareholders' capital:

	Successor		Predecessor	
	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Shares	Amount	Shares	Amount
<b>Common shares:</b>				
<b>Issued and outstanding</b>				
<b>Balance, beginning of period</b>	—	\$ —	48,078,637	\$ —
Common shares issued	5,000,000	5	—	—
Additional paid-in capital <sup>1</sup>	—	354,399	—	1,168,162
<b>Balance, end of year</b>	5,000,000	\$ 354,404	48,078,637	\$ 1,168,162
<b>Preferred shares:</b>				
<b>Issued and outstanding</b>				
Series A Senior Preferred Stock	254,040	—	—	—
Series B Senior Preferred Stock	23,000	—	—	—
Additional paid-in capital	—	274,040	—	—
Dividends accrued on preferred shares	—	9,894	—	—
<b>Balance, end of year</b>	277,040	\$ 283,934	—	\$ —
<b>Shareholders' capital</b>	5,277,040	\$ 638,338	48,078,637	\$ 1,168,162

<sup>1</sup> This includes an additional \$159.5 million related to adjustments for net assets acquired by the acquirer against the consideration received. For details please refer to Note 4.

Just Energy defines capital as shareholders' equity (excluding accumulated other comprehensive income (loss)).

(b) Share-based compensation plan:

On December 16, 2022, the Board of Directors of Just Energy approved the MIP for the purpose of promoting the interests of Just Energy by (a) attracting and retaining exceptional employees and directors of, and consultants, advisors and other service providers to, Just Energy and its subsidiaries, and (b) enabling such individuals to acquire an equity interest in and participate in the long-term growth and financial success of Just Energy by providing for equity-based awards thereunder. Subject to adjustment in accordance with its terms, the maximum number of shares of common stock that may be issued in satisfaction of awards under the MIP is 599,000 shares of common stock.

On March 25, 2023, Just Energy issued an aggregate of 84,045 RSUs and 126,067 PSUs to executives pursuant to Restricted Share Unit Agreements and Performance Share Unit Agreements, respectively. Pursuant to each the Restricted Share Unit Agreement, the RSUs vest ratably over a four-year period, subject to certain terms and conditions, including ongoing employment. Pursuant to each Performance Share Unit Agreement, PSUs are subject to both time and performance vesting. PSUs will time vest on the same basis as the RSUs and will performance vest pursuant to the valuation of the common stock on a change of control (as defined in the MIP) or public listing of Just Energy. The PSUs can vest up to 133% of the amount issued. Upon a change of control (as defined in the MIP) or public listing of the shares of common stock of Just Energy, all RSUs will vest automatically.

On April 1, 2023, a total of 96,869 RSUs were issued to certain non-executive employees of Just Energy and its subsidiaries pursuant to Restricted Share Unit Agreements. The RSUs vest ratably over a four-year period, subject to certain terms and conditions, including ongoing employment.

On April 1, 2023, a total of 5,132 RSUs were issued to the three independent directors pursuant to Director Restricted Share Unit Agreements executed in accordance with Just Energy's Directors Compensation, Travel and Expense Policy. Pursuant to the Director Restricted Share Unit Agreements, the RSUs vest ratably each quarter commencing April 1, 2023 to March 31, 2024.

On April 4, 2023, a total of 13,343 RSUs and 20,015 PSUs were issued to a new executive employee under the same terms and conditions for executives as noted above.

## 17. PREDECESSOR RESTRUCTURING GAIN

	For the period from April 1, 2022 to December 16, 2022
Long-term debt extinguished upon emergence	\$ 237,679
Unsecured liabilities extinguished upon emergence	39,464
Reorganization upon emergence	78,216
<b>Total restructuring gain</b>	<b>\$ 355,359</b>

Under ASC 852, *Reorganizations*, upon emergence from bankruptcy, certain liabilities subject to compromise have been extinguished, resulting in a restructuring gain.

## 18. PREDECESSOR REORGANIZATION COSTS

Reorganization costs represent the amounts incurred related to the filings under the CCAA Proceedings and consist of:

	For the period from April 1, 2022 to December 16, 2022	For the year ended March 31, 2022
Professional and advisory costs	\$ 54,491	\$ 47,433
Key employee's retention plan	4,743	7,245
Prepetition claims and other costs <sup>1</sup>	18,838	51,557
<b>Total reorganization costs</b>	<b>\$ 78,072</b>	<b>\$ 106,235</b>

<sup>1</sup>These represent charges associated with early termination of certain agreements allowed by the CCAA filing, settlement of claims and the acceleration of deferred financing costs and other fees for the long-term debt subject to compromise and certain other related costs.

## 19. COMMITMENTS AND CONTINGENCIES

Commitments for each of the next five years and thereafter are as follows:

As at March 31, 2023:

	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total
Trade and other payables	\$ 259,204	\$ —	\$ —	\$ —	\$ 259,204
Lease liabilities	1,356	2,935	500	—	4,791
Gas, electricity and non-commodity contracts	1,703,309	1,722,158	383,933	4,400	3,813,800
<b>Total</b>	<b>\$ 1,963,869</b>	<b>\$ 1,725,093</b>	<b>\$ 384,433</b>	<b>\$ 4,400</b>	<b>\$ 4,077,795</b>

Just Energy has entered into leasing contracts for office buildings and administrative equipment. These leases have a leasing period of between one and six 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

	As at March 31, 2023				
	Under 1 year	1-3 years	3-5 years	Over 5 years	Total
Surety bonds (i)	\$ 40,566	\$ —	\$ —	\$ —	\$ 40,566
Letters of credit (ii)	\$ 103,121	—	—	—	\$ 103,121



- (i) Pursuant to separate arrangements with Surety Bond Providers, Just Energy has had surety bonds issued 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. As at March 31, 2023, Just Energy has provided cash collateral or letters of credit for certain outstanding surety bonds.
- (ii) The Company has issued letters of credit in accordance with its credit facility to various counterparties, primarily utilities, state regulatory bodies in the markets it operates in, as well as suppliers.

## **(b) Operations**

In the normal course of business, Just Energy and/or Just Energy's subsidiaries have entered into agreements that include guarantees in favor 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 regulation or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction.

## **(c) Legal proceedings**

Just Energy and its subsidiaries are party to legal proceedings from time to time. Other than as set out below, Just Energy believes that each proceeding constitutes legal matters that are 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.

On March 9, 2021, Just Energy filed for and received creditor protection pursuant to the Court Order under the CCAA and similar protection under Chapter 15 of the Bankruptcy Code in the United States in connection with the Weather Event. The Transaction provided that certain secured creditors received cash payments and/or equity in exchange for their debt, and existing equity holders' interests were cancelled or redeemed for no consideration. In addition, no amounts were available for distribution to the Just Energy Entities' general unsecured creditors, including the previously disclosed class action against Just Energy, Just Energy Corp. and Just Energy Ontario L.P. with Haidar Omarali as plaintiff, and certain other class action claims. Pursuant to the approval and vesting order with respect to the CCAA proceedings dated November 3, 2022, Just Energy and its subsidiaries were discharged from any liabilities with respect to such claims.

On July 23, 2019, JEGI announced that management identified customer enrolment and non-payment issues primarily in Texas. In response to this announcement, and in some cases in response to this and other subsequent related announcements, putative class action lawsuits were filed in the United States District Court for the Southern District of New York, in the United States District Court for the Southern District of Texas and in the Ontario Court, on behalf of investors that purchased Just Energy Group Inc. securities during various periods, ranging from November 9, 2017 through August 19, 2019. The U.S. lawsuits have been consolidated in the United States District Court for the Southern District of Texas with one lead plaintiff and the Ontario lawsuits have been consolidated with one lead plaintiff. The U.S. lawsuit seeks damages allegedly arising from violations of the United States Securities Exchange Act. The Ontario lawsuit seeks damages allegedly arising from violations of Canadian securities legislation and of common law. The Ontario lawsuit was subsequently amended to, among other things, extend the period to July 7, 2020. On September 2, 2020, pursuant to Just Energy's plan of arrangement, the Superior Court of Justice (Ontario) ordered that all existing equity class action claimants be irrevocably and forever limited solely to recovery from the proceeds of the insurance policies payable on behalf of Just Energy or its directors and officers in respect of any such existing equity class action claims, and such existing equity class action claimants shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any of the released parties or any of their respective current or former officers and directors in respect of any existing equity class action claims, other than enforcing their rights to be paid by the applicable insurer(s) from the proceeds of the applicable insurance policies. Pursuant to the Approval and Vesting Order, the September 2, 2020 Superior Court of Justice (Ontario) order continued to have effect and all existing equity class action claimants are irrevocably and forever limited solely to recovery from the proceeds of the insurance policies payable on behalf of Just Energy or its directors and officers in respect of any such existing equity class action claims, and such existing equity class action claimants shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any of the released parties or any of their respective current or former officers and directors in respect of any existing equity class action claims, other than enforcing their rights to be paid by the applicable insurer(s) from the proceeds of the applicable insurance policies. Just Energy denies the allegations and will continue to vigorously defend against these claims if they proceed.

On November 12, 2021, the Company initiated a lawsuit against ERCOT and the PUCT in the Houston Court. The lawsuit sought to recover payments that were made by the Just Energy to ERCOT for certain invoices relating to the Weather Event. On February 2, 2022, the Houston Court dismissed the lawsuit against the PUCT. On June 27, 2022, the Houston Court denied ERCOT's third motion to dismiss the lawsuit. On July 19, 2022, ERCOT filed a notice of appeal of the dismissal to the U.S. Court of Appeals for the Fifth Circuit (the "Fifth Circuit"). On January 5, 2023, the Fifth Circuit ruled in favor of ERCOT and vacated the decision of the Houston Court, thereby effectively dismissing the lawsuit.

## 20. RELATED PARTY TRANSACTIONS

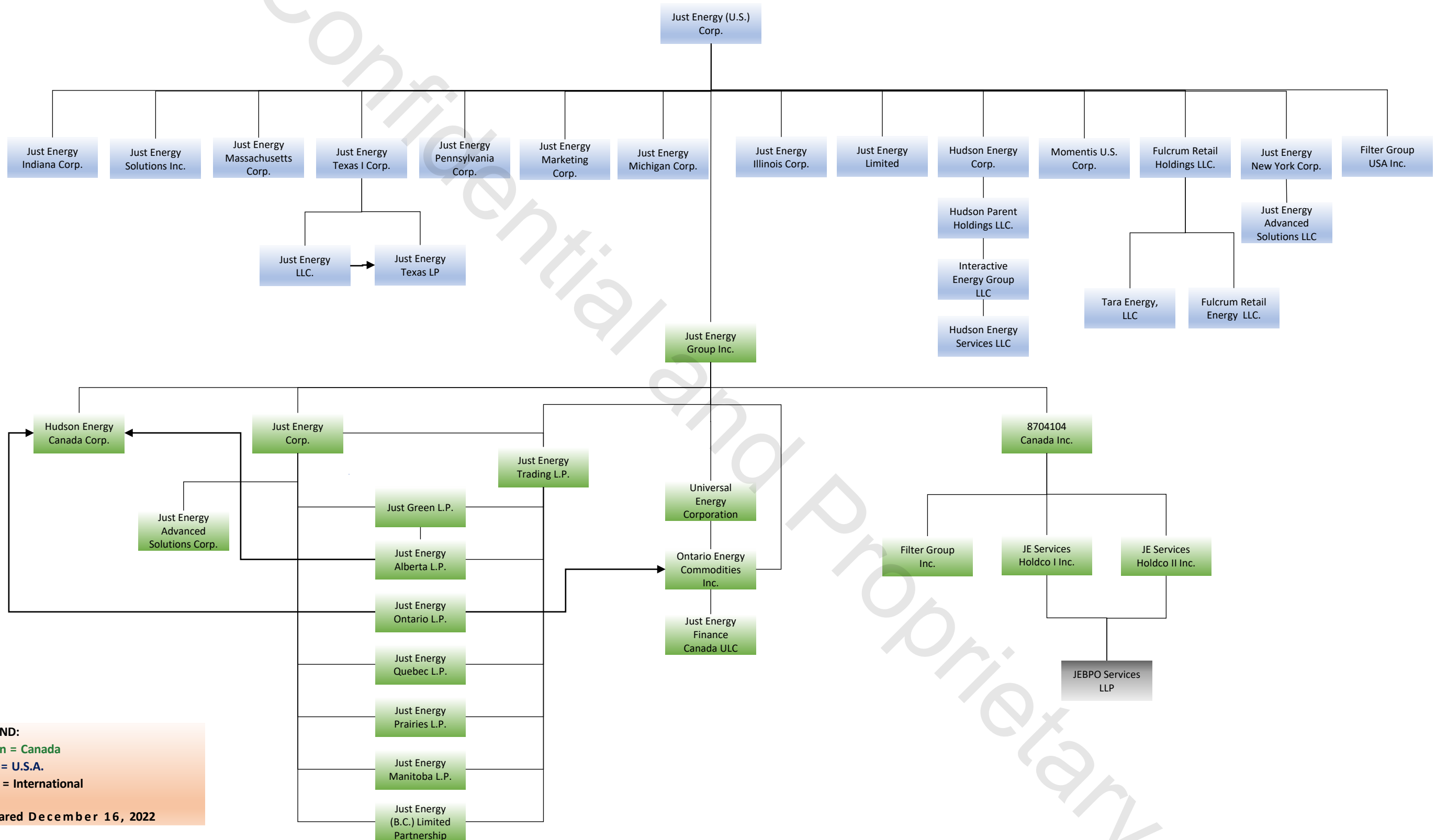
Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party making financial or operating decisions. The definition includes subsidiaries and other persons. PIMCO and certain of its subsidiaries are related parties. For details on related party transactions during the year, please refer to Note 1, 14 and 16 of these Consolidated Financial Statements.

## 21. INVESTMENTS

On December 1, 2021, Generac completed the acquisition of all issued and outstanding shares of ecobee, including all of the ecobee shares held by the Company. The Predecessor held approximately 8% of the ecobee shares. This sale had resulted in a gain on investment of \$15.0 million recorded in the Consolidated Statement of Operations for the year ended March 31, 2022. In December 2022, the Predecessor received an additional \$1.5 million in Generac common stock and in January 2023, the Successor received \$4.1 million in additional Generac common stock, both amounts resulting from earn out provisions based on certain performance targets achieved by ecobee.

## 22. SUPPLEMENTAL CASH FLOW INFORMATION

	Successor	Predecessor	
	For the period from December 17, 2022 to March 31, 2023	For the period from April 1, 2022 to December 16, 2022	For the year ended March 31, 2022
Accounts receivable and unbilled revenue, net	\$ 35,259	\$ (44,437)	\$ (86,389)
Customer acquisition costs	(4,407)	(17,963)	7,902
Commodity receivable	37,244	22,496	40,835
Gas in storage	19,421	(20,817)	(1,880)
Prepaid expenses and deposits	9,016	(26,499)	(12,358)
Provisions	—	(667)	(4,641)
Trade and other payables	(99,932)	26,556	32,024
<b>Net change in non-cash working capital balances</b>	<b>\$ (3,399)</b>	<b>\$ (61,331)</b>	<b>\$ (24,507)</b>



**\*201724900798\***

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
09/06/2017	201724900798	REG. OF FOR. PROFIT LIM. LIAB. CO. (LFP)	99.00	100.00	.00	.00	.00

**Receipt**

This is not a bill. Please do not remit payment.

CORPORATION SERVICE COMPANY  
ATTN: DEANNE E. SCHAUSEIL  
50 W. BROAD STREET  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE**

**Ohio Secretary of State, Jon Husted**

**4068998**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**INTERACTIVE ENERGY GROUP LLC**

and, that said business records show the filing and recording of:

Document(s)

**REG. OF FOR. PROFIT LIM. LIAB. CO.**

Document No(s):

**201724900798**

**Effective Date: 09/05/2017**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the  
Secretary of State at Columbus, Ohio  
this 6th day of September, A.D. 2017.

*Jon Husted*

Ohio Secretary of State

## **Exhibit B-2 "Experience & Plans"**

### **Experience**

We have a combined 50+ years of retail and brokerage experience on the team. This combined knowledge allows us to tailor Supplier offerings to meet the needs of our customers. Our team monitors current industry trends, market analytics and customer analytics to determine how to serve our customers in the best way possible.

IEG has customers in multiple states in the US, but the customer base is primarily located in Texas. IEG seeks to expand its geographical and product offerings to its customers. IEG has primarily focused on power but intends to expand into natural gas where applicable.

### **Customers**

IEG typically targets small commercial and C&I customers. Based on the customer's needs, we then provide Supplier options to the customer and they enter into power and/or gas contracts with a Supplier. Supplier products offered to customers can range from standard fixed offerings to "one off" offerings, which are tailored to meet the customer's specific needs. These products can either be fixed or floating rate or a blend of the two, and normally have terms of less than five years. The customer contracts directly with a Supplier to serve their electricity and gas needs and receives a bill directly from the Supplier. The types of contracts vary and must be supported by the Supplier.

### **Plans and Services**

IEG plans to broker electricity and gas services in Ohio for all utilities. All customer billing, TPV, etc. will be completed by the Supplier.

### **Complaint Handling**

We require 2 years minimum experience in retail energy to be hired as one of our commercial energy advisors, either from another retail energy provider or a reputable aggregator, consultant, or brokerage. Each new Commercial Energy Advisor will spend their first week in the office learning the strategic processes of the IEG Sales and Operations Team. New hires will be taught how to request usage, build an RFP and submit a completed energy contract. Each Commercial Energy Advisor will also be trained on all of the applicable municipal, state and federal regulations and laws. Following, each new hire will spend two weeks shadowing a Senior Energy Advisor both in the office and out in the field. They will observe how a senior level salesperson manages their day. They will learn prospecting, how to work up a proposal, deliver a presentation to the client, and close the deal within the terms and conditions of the energy retailer the customer chooses.

The Applicants brokers will manage a direct business relationship with customers and will proactively check in with customer to ensure they are satisfied with the level of service they are receiving. Customers will have direct access to the Applicants brokers for inquires/requests and to report dissatisfaction. Customers will be encouraged to work with the applicable retailer to resolve billing and service related inquires/requests. As a last resort, Applicants brokers will guide customers to follow the applicable external dispute resolution process as required (i.e., Public Utilities Commission).

### **Key Personnel**

We have a combined 50+ years of retail and brokerage experience on the team. Key personnel are below:

**Tracy Hodge** serves as the General Manager of Interactive Energy Group. She has over 18 years of retail energy experience and joined as employee number 4 of the commercial brokerage in 2005. She was also the Director of Product Operations at Ambit Energy for 5 years where she worked on strategy, marketing, project management, operations, analytics, customer experience improvements, and development initiatives.

**Courtney Love** is the Sr. Finance and Operations Analyst of Interactive Energy Group. She has over 5 years of deregulated energy experience. She leads all customer service initiatives, commissions, customer analytics, pricing, financial reporting and supporting supplier relationships.

## **Texas**

### Docket 49688: Settlement Agreement and Report to Commission Relating to Commission Staff's Investigation of Just Energy Texas Affiliate Companies:

On October 11, 2019, Commissioners gave final approval of a settlement reached between Just Energy Texas, Amigo Energy and Tara Energy and the PUCT's Office of Oversight and Enforcement Staff ("O&E"). The settlement resolved outstanding questions dating back to 2013 and 2014. Specifically, the settlement addressed issues related to customer switch-holds, and rules surrounding calculations of customer discounts that have since been repealed. The Companies voluntarily stopped placing switch-holds (and have not yet resumed) and maintain that the methodology for calculating customer discounts was correct. The commissioner order approved the settlement's aggregate penalty to the Just Energy companies of \$700,000, with \$225,000 of this aggregate amount to be directed to bill payment assistance agencies and customers needing help paying electric bills. Just Energy admitted no wrongdoing as a part of the settlement.

### Investigation No 2018110002

In July 2019 PUCT O&E staff notified Amigo that it concluded an investigation into Amigo customer billing, specifically customers billed amounts that were allegedly higher than the price disclosed, and in some cases higher than what the customer authorized back in the summer of 2018. Amigo provided O&E staff a report, by customer, of the amount of refunds by customer, and the method used to calculate the amounts provided. This investigation has concluded.

### Investigation Nos. 2018030005, 2018030007, 2018030009

In September 2018 PUCT O&E staff notified Just Energy, Amigo Energy and Tara Energy that it had concluded an investigation of compliance with bill payment assistance rules, both the collection of funds and disbursement to assistance agencies. No issues were identified by PUCT O&E.

### Investigation No. 2020040005

In July 2020 PUCT O&E staff notified Just Energy it was conducting an investigation into compliance with PUCT rules related to door-to-door sales enrollments in November and December of 2019, requests for disconnections of service from December 2019 through March 2020, terms of service language related to arbitration, and call center hold times. PUCT O&E staff resolved this investigation by imposing a \$60,000 penalty against Just Energy due to certain arbitration language found in our terms of service. The language was updated without any further PUCT concerns.

### Investigation No. 2020030049

In March 2020 PUCT O&E staff notified Hudson Energy, Just Energy, Amigo Energy and Tara Energy it was conducting an investigation into compliance with PUCT rules related to disconnection request orders during a weather moratorium in 2018 and 2019. The companies reviewed all reported instances and found that in no case was a customer's electric service disconnected during the moratorium periods. This investigation was resolved with no financial penalty issued.

Investigation No. 2019020003

In November 2019, PUCT O&E staff sent a warning letter to Just Energy related to concerns with contract expirations and complaint handling. Processes were reviewed and implemented to ensure full compliance going forward.

Investigation No. 2020040006

In April 2020 PUCT O&E staff notified Just Energy of an investigation of Just Energy's compliance with requirements in the Electricity Relief Program, Docket No. 50664. The program was established to help customers impacted by COVID-19 through unemployment or low income. The company responded to all questions received and is not aware of any PUCT concerns. No corrective action recommended. Resolved with Investigation No. 2020040005.

Investigation No. 2021080001

In August 2021, PUCT Department of Investigation and Enforcement (DICE) staff notified Just Energy of an investigation regarding enrollments and use of third parties. No corrective action recommended. Resolved with Investigation No. 2020040005.

Investigation No. SIR2022010001

In January 2022, PUCT Department of Investigation and Enforcement (DICE) staff notified Just Energy LP (Just Energy) of an investigation regarding our Sustainable Living Bundle agreement which required a one-time purchase from our affiliate Terrapass. DICE concluded their investigation without any corrective action or penalty.

Investigation No. 2022030003

In April 2022, PUCT Department of Investigation and Enforcement (DICE) staff notified Fulcrum Retail Energy, LLC d/b/a Amigo Energy of an investigation regarding our Refer-A-Friend program and Electricity Facts Label updates. DICE concluded their investigation without any corrective action or penalty.

Investigation No. SIR2023040007

In May 2023, PUCT Department of Investigation and Enforcement (DICE) staff notified Fulcrum Retail Energy, LLC d/b/a Amigo Energy of an investigation regarding our annual billing of Firm Fuel Supply Service (FFSS) charges. This investigation also inquired about Amigo Energy and Tara Energy's billing and disclosure of Market Securitization Default and Uplift charges. This investigation is pending closure from DICE.

**California**

Resource Adequacy Capacity Issue

The California capacity wholesale market is restricted due to market scarcity issues and as a result there isn't enough of Resource Adequacy (aka – capacity or RA) available to purchase in the marketplace. As a result, Just Energy Solutions Inc. incurred penalties for shortages in 2019 and 2020. From a reliability standpoint, no shortage was ever experienced, as there is a CAISO backstop capacity mechanism in place to cover shortages. The matter has been closed.



### CPUC Cease and Desist Notice

On February 12, 2019, Just Energy Solutions Inc. (Just Energy) received a notice from the California Public Utilities Commission's Consumer Protection and Enforcement Division (CPUC) referencing eight customer complaints. The notice directed Just Energy to cease and desist from 1) posing as employees of the utility, 2) misrepresenting the purpose of the door-to-door knock, 3) not presenting proper identification, 4) misrepresenting the cost of service, 5) soliciting consumers that don't want to be contacted, and 6) misquoting bill savings. Just Energy submitted a written response to the CPUC on 4/29/2019 communicating improved processes and controls to avoid future similar issues. No fault or penalty was assessed against Just Energy in this process.

### 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	Electric	325638
Just Energy Alberta L.P.	Alberta	Direct Seller	345191
Just Energy (B.C.) Limited Partnership	British Columbia	Gas	A-6-22
Just Energy Solutions Inc.	California	Electric	1092
Just Energy Solutions Inc. dba Just Energy	California	Gas	CTA0010
Hudson Energy Services LLC	Connecticut	Gas	12-04
Just Energy Solutions Inc. dba Just Energy	Delaware	Electric	Order No. 7330
Interactive Energy Group LLC	Illinois	Electric (Broker)	Docket 17-0390
Just Energy Illinois Corp. dba Just Energy	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 dba Hudson Energy	Illinois	Electric	Docket 07-0455
Interactive Energy Group LLC	Maine	Electric (Broker)	Docket 2017-00298
Just Energy Manitoba L.P.	Manitoba	Gas	680
Just Energy Solutions Inc. dba Just Energy	Maryland	Electric	IR-639
Just Energy Solutions Inc. dba Just Energy	Maryland	Gas	IR-737
Hudson Energy Services LLC	Maryland	Electric	IR-1114
Hudson Energy Services LLC	Maryland	Gas	IR-1120
Interactive Energy Group LLC	Maryland	Electric (Broker)	IR-3982
Interactive Energy Group LLC	Maryland	Gas (Broker)	IR-3980

Affiliate	Province/ State	License Type	License Order/Docket #
Interactive Energy Group LLC	Massachusetts	Electric (Broker)	EB-433
Interactive Energy Group LLC	Massachusetts	Gas (Broker)	RA-200
Just Energy Massachusetts Corp.	Massachusetts	Electric	CS-069
Hudson Energy Services LLC	Massachusetts	Electric	CS-061
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. dba Just Energy	New Jersey	Gas	GSL-0116 /DKT No. GE19020207L
Just Energy Solutions Inc. dba Just Energy	New Jersey	Electric	ESL-0046/ DKT No. EE19020208L
Hudson Energy Services LLC dba Hudson Energy	New Jersey	Gas	GSL- 0069
Hudson Energy Services LLC dba Hudson Energy	New Jersey	Electric	ESL - 0083
Interactive Energy Group LLC	New Jersey	Energy Agent	EA-0484
Just Energy New York Corp. dba Just Energy	New York	Electric	Approved ESCO
Just Energy New York Corp. dba Just Energy	New York	Gas	Approved ESCO
Hudson Energy Services LLC dba Hudson Energy	New York	Gas	Approved ESCO
Hudson Energy Services LLC	New York	Electric	Approved ESCO
Interactive Energy Group LLC	Ohio	Gas (Broker)	Certificate 17-624G
Interactive Energy Group LLC	Ohio	Electric (Broker)	Certificate 17-1266E
Just Energy Solutions Inc. dba Just Energy	Ohio	Electric	Certificate 01-74E (10)
Just Energy Solutions Inc.	Ohio	Gas	Certificate 02-023G
Hudson Energy Services LLC dba Hudson Energy	Ohio	Gas	Certificate 12-271G
Hudson Energy Services LLC	Ohio	Electric	Certificate 12-538 E

Affiliate	Province/ State	License Type	License Order/Docket #
Universal Energy Corporation	Ontario	Electric	ER-2021-0291
Universal Energy Corporation	Ontario	Gas	GM-2021-0274
Just Energy Ontario L.P.	Ontario	Gas	GM-2020-0121
Just Energy Ontario L.P.	Ontario	Electric	ER-2020-0120
Hudson Energy Canada Corp.	Ontario	Electric	ER-2020-0117
Hudson Energy Canada Corp.	Ontario	Gas	GM-2020-0118
Just Energy New York Corp.	Ontario	Electric Wholesaler	EW-2019-0108
Just Energy Solutions Inc.	Ontario	Electric Wholesaler	EW-2021-0127
Just Energy Solutions Inc. dba Just Energy	Pennsylvania	Electric (PECO)	A-110117
Just Energy Solutions Inc. dba Just Energy	Pennsylvania	Gas (PECO)	A-125138
Just Energy Pennsylvania Corp. dba Just Energy	Pennsylvania	Gas (Columbia)	A-2009-2098011
Just Energy Pennsylvania Corp. dba Just Energy	Pennsylvania	Electric (Duquesne)	A-2009-2097544
Hudson Energy Services LLC dba Hudson Energy	Pennsylvania	Electric	A-2010-2192137
Hudson Energy Services LLC	Pennsylvania	Gas	A-2018-3002121
Interactive Energy Group LLC	Pennsylvania	Gas (Broker)	A-2017-2634175
Interactive Energy Group LLC	Pennsylvania	Electric (Broker)	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. dba Amigo Energy	Texas	Electric	REP Certification No. 10081
Fulcrum Retail Energy LLC. dba Tara Energy Resources	Texas	Electric	37601
Interactive Energy Group LLC	Texas	Broker	BR190398

Affiliate	Province/ State	License Type	License Order/Docket #
Just Energy Texas LP dba Just Energy	Texas	Electric	REP Certification No. 10052
Just Energy Texas LP dba Just Energy RGV	Texas	Electric	34387
Hudson Energy Services LLC dba Hudson Energy	Texas	Electric	REP Certification No. 10092 under Docket 30061
Hudson Energy Services LLC dba Amigo Commercial	Texas	Electric	53890
Hudson Energy Services LLC dba Tara Commercial	Texas	Electric	53890
Hudson Energy Services LLC dba Just Energy Commercial	Texas	Electric	53890
Tara Energy, LLC dba Smart Paid Electric	Texas	Electric	REP Certification No. 10051
Just Energy Solutions Inc.	Virginia	Gas	G-30
Just Energy Solutions Inc.	Virginia	Electric	E-26
Just Energy (U.S.) Corp.	US Federal	Electric	FERC - ER10-379
Just Energy Solutions Inc.	US Federal	Electric	FERC - ER97-4253
Just Energy New York Corp.	US Federal	Electric	FERC - ER13-1081-000
Just Energy Illinois Corp.	US Federal	Electric	FERC - ER13-1104-000
Just Energy Pennsylvania Corp.	US Federal	Electric	FERC- ER17-2428-000
Just Energy Texas I Corp.	US Federal	Electric	FERC-ER17-2429-000
Hudson Energy Services LLC	US Federal	Electric	FERC-ER17-2427-000

# Competitive Retail Natural Gas Service Affidavit

County of Harris :

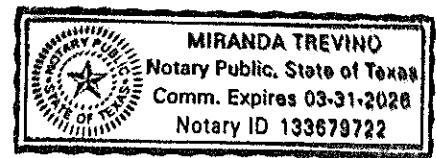
State of Texas :

Scott Fordham, Affiant, being duly sworn/affirmed, hereby states that:

1. The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant, and that it will amend its application while it is pending if any substantial changes occur regarding the information provided.
2. The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.
3. The applicant will timely pay any assessment made pursuant to Sections 4905.10 and 4911.18(A), Ohio Revised Code.
4. Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.
5. Applicant 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. Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.
7. Applicant will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the 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 consumer complaints.
9. The facts set forth above are true and accurate 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.

10. Affiant further sayeth naught.

Scott Fordham Chief Operating Officer  
Signature of Affiant & Title



Sworn and subscribed before me this 29 day of August, 2023  
Month Year

[Signature]  
Signature of official administering oath

Scott Fordham - COO  
Print Name and Title

My commission expires on 3-31-26

**This foregoing document was electronically filed with the Public Utilities  
Commission of Ohio Docketing Information System on**

**9/18/2023 7:45:44 AM**

**in**

**Case No(s). 17-1992-GA-AGG**

**Summary: In the Matter of the Application of Interactive Energy Group LLC**