UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2020

Commission File Number: 001-35400

JUST ENERGY GROUP INC.

(Translation of registrant's name into English)

100 King Street West, Suite 2630
Toronto, Ontario M5X 1E1
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

DOCUMENTS INCLUDED AS PART OF THIS REPORT

Exhibit

99.1	Consolidated Interim Financial Statements (Unaudited) for the three months ended June 30, 2020 and 2019.
99.2	Management's Discussion and Analysis for the three months ended June 30, 2020.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JUST ENERGY GROUP INC.
(Registrant)

Dated: August 28, 2020

By: /s/ Jim Brown
Name: Jim Brown
Title: Chief Financial Officer

JUST ENERGY GROUP INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars)

	Notes		**As at June 30, 2020 (Unaudited)**		As at March 31, 2020 (Audited)
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**20,006**	$	26,093
Restricted cash			**376**		4,326
Trade and other receivables, net	5		**372,530**		403,907
Gas in storage			**12,283**		6,177
Fair value of derivative financial assets	7		**55,072**		36,353
Income taxes recoverable			**7,067**		6,641
Other current assets	6(a)		**143,857**		203,270
			611,191		686,767
Assets classified as held for sale	15		**3,402**		7,611
			614,593		694,378
Non-current assets					
Investments			**32,889**		32,889
Property and equipment, net			**23,903**		28,794
Intangible assets, net			**362,389**		370,958
Fair value of derivative financial assets	7		**26,929**		28,792
Deferred income tax assets			**3,644**		3,572
Other non-current assets	6(b)		**47,620**		56,450
			497,374		521,455
TOTAL ASSETS		**$**	**1,111,967**	$	1,215,833
LIABILITIES					
Current liabilities					
Trade and other payables	8	**$**	**559,441**	$	685,665
Deferred revenue			**1,795**		852
Income taxes payable			**6,433**		5,799
Fair value of derivative financial liabilities	7		**79,652**		113,438
Provisions			**142**		1,529
Current portion of long-term debt	9		**262,909**		253,485
			910,372		1,060,768
Liabilities related to assets classified as held for sale	15		**2,198**		4,906
			912,570		1,065,674
Non-current liabilities					
Long-term debt	9		**519,347**		528,518
Fair value of derivative financial liabilities	7		**57,700**		76,268
Deferred income tax liabilities			**2,720**		2,931
Other non-current liabilities			**32,670**		37,730
			612,437		645,447
TOTAL LIABILITIES			**1,525,007**		1,711,121
SHAREHOLDERS' DEFICIT					
Shareholders' capital	12		**1,246,991**		1,246,829
Equity component of convertible debentures			**13,029**		13,029
Contributed deficit			**(29,273)**		(29,826)
Accumulated deficit			**(1,730,433)**		(1,809,557)
Accumulated other comprehensive income			**87,053**		84,651
Non-controlling interest			**(407)**		(414)
TOTAL SHAREHOLDERS' DEFICIT			**(413,040)**		(495,288)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$**	**1,111,967**	$	1,215,833

Basis of presentation (Note 3)
Commitments and guarantees (Note 16)

See accompanying notes to the interim condensed consolidated financial statements

/s/ Scott Gahn
Scott Gahn
Chief Executive Officer and President

/s/ H. Clark Hollands
H. Clark Hollands
Corporate Director

JUST ENERGY GROUP INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE THREE MONTHS ENDED JUNE 30
(unaudited in thousands of Canadian dollars, except where indicated and per share amounts)

	Notes		2020		2019
CONTINUING OPERATIONS					
Sales	10	**$**	**593,134**	$	670,165
Cost of goods sold	4		**323,997**		457,941
GROSS MARGIN			**269,137**		212,224
INCOMES (EXPENSES)					
Administrative			**(39,953)**		(40,803)
Selling and marketing			**(46,959)**		(61,704)
Other operating expenses	13(a)		**(19,911)**		(35,765)
Finance costs	9		**(21,853)**		(23,546)
Unrealized gain (loss) of derivative instruments and other	4, 7		**77,349**		(241,999)
Realized loss of derivative instruments	4		**(134,446)**		(79,932)
Other expenses, net			**(632)**		(740)
Profit (loss) from continuing operations before income taxes			**82,732**		(272,265)
Provision for (recovery of) income taxes	11		**634**		(2,294)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**$**	**82,098**	$	(269,971)
DISCONTINUED OPERATIONS					
Loss from discontinued operations	15		**(2,948)**		(5,189)
PROFIT (LOSS) FOR THE PERIOD		**$**	**79,150**	$	(275,160)
Attributable to:					
Shareholders of Just Energy		**$**	**82,095**	$	(269,951)
Discontinued operations	15		**(2,948)**		(5,189)
Non-controlling interest			**3**		(20)
PROFIT (LOSS) FOR THE PERIOD		**$**	**79,150**	$	(275,160)
Earnings (loss) per share from continuing operations	14				
Basic		**$**	**0.52**	$	(1.82)
Diluted		**$**	**0.43**	$	(1.82)
Earnings (loss) per share from discontinued operations	15				
Basic		**$**	**(0.02)**	$	(0.03)
Diluted		**$**	**(0.02)**	$	(0.03)
Earnings (loss) per share available to shareholders	14				
Basic		**$**	**0.50**	$	(1.85)
Diluted		**$**	**0.41**	$	(1.85)

See accompanying notes to the interim condensed consolidated financial statements

JUST ENERGY GROUP INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED JUNE 30
(unaudited in thousands of Canadian dollars)

	Notes		2020		2019
PROFIT (LOSS) FOR THE PERIOD		**$**	**79,150**	$	(275,160)
Other comprehensive profit (loss) to be reclassified to profit or loss in subsequent periods:					
Unrealized gain (loss) on translation of foreign operations, net of tax			**1,143**		(7,019)
Unrealized gain on translation of foreign operations from discontinued operations			**426**		4,721
Gain on translation of foreign operations disposed and reclassified to consolidated statement of loss	15		**833**		-
			2,402		(2,298)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX		**$**	**81,552**	$	(277,458)
Total comprehensive income (loss) attributable to:					
Shareholders of Just Energy		**$**	**81,549**	$	(277,438)
Non-controlling interest			**3**		(20)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX		**$**	**81,552**	$	(277,458)

See accompanying notes to the interim condensed consolidated financial statements

JUST ENERGY GROUP INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE THREE MONTHS ENDED JUNE 30
(unaudited in thousands of Canadian dollars)

	Notes		2020		2019
ATTRIBUTABLE TO THE SHAREHOLDERS					
Accumulated earnings					
Accumulated earnings, beginning of period	4	$	**140,446**	$	533,107
Profit (loss) for the period as reported, attributable to shareholders			**79,147**		(275,140)
Accumulated earnings, end of period		$	**219,593**	$	257,967
DIVIDENDS AND DISTRIBUTIONS					
Dividends and distributions, beginning of period			**(1,950,003)**		(1,923,808)
Dividends and distributions declared and paid			**(23)**		(22,070)
Dividends and distributions, end of period		$	**(1,950,026)**	$	(1,945,878)
ACCUMULATED DEFICIT		$	**(1,730,433)**	$	(1,687,911)
ACCUMULATED OTHER COMPREHENSIVE INCOME					
Accumulated other comprehensive income, beginning of period	4	$	**84,651**	$	79,093
Other comprehensive income (loss)			**2,402**		(2,298)
Accumulated other comprehensive income, end of period		$	**87,053**	$	76,795
SHAREHOLDERS' CAPITAL	12				
Common shares					
Common shares, beginning of period		$	**1,099,864**	$	1,088,538
Share-based units exercised			**162**		6,960
Common shares, end of period		$	**1,100,026**	$	1,095,498
Preferred shares	12				
Preferred shares, beginning of period		$	**146,965**	$	146,965
Preferred shares, end of period		$	**146,965**	$	146,965
SHAREHOLDERS' CAPITAL		$	**1,246,991**	$	1,242,463
EQUITY COMPONENT OF CONVERTIBLE DEBENTURES					
Balance, beginning of period		$	**13,029**	$	13,029
Balance, end of period		$	**13,029**	$	13,029
CONTRIBUTED DEFICIT					
Balance, beginning of period		$	**(29,826)**	$	(25,540)
Add: Share-based compensation expense	13(a)		**692**		7,118
Discontinued operations			**-**		137
Less: Share-based units exercised			**(162)**		(6,960)
Share-based compensation adjustment			**-**		20
Non-cash deferred share grants			**23**		23
Balance, end of period		$	**(29,273)**	$	(25,202)
NON-CONTROLLING INTEREST					
Balance, beginning of period		$	**(414)**	$	(399)
Foreign exchange impact on non-controlling interest			**4**		23
Profit (loss) attributable to non-controlling interest			**3**		(20)
Balance, end of period		$	**(407)**	$	(396)
TOTAL SHAREHOLDERS' DEFICIT		$	**(413,040)**	$	(381,222)

See accompanying notes to the interim condensed consolidated financial statements

	Notes	2020	2019
Net inflow (outflow) of cash related to the following activities			
OPERATING			
Profit (loss) from continuing operations before income taxes		**$ 82,732**	$ (272,265)
Profit (loss) from discontinued operations before income taxes	15	**(2,948)**	(5,299)
Profit (loss) before income taxes		**79,784**	(277,564)
Items not affecting cash			
Amortization and depreciation	13(a)	**7,352**	11,938
Share-based compensation expense	13(a)	**692**	7,118
Financing charges, non-cash portion		**5,561**	4,316
Unrealized (gain) loss in fair value of derivative instruments and other	7	**(77,349)**	241,999
Net change in working capital balances		**(8,641)**	29,911
Adjustment for discontinued operations, net	15	**3,920**	(26,064)
Income taxes paid		**(670)**	(5,703)
Cash inflow (outflow) from operating activities		**10,649**	(14,049)
INVESTING			
Purchase of property and equipment		**(16)**	(562)
Purchase of intangible assets		**(1,670)**	(9,409)
Payments for acquired business		**-**	(12,013)
Cash outflow from investing activities		**(1,686)**	(21,984)
FINANCING			
Dividends/Distributions paid		**-**	(22,047)
Repayment of long-term debt	9	**(1,651)**	(1,645)
Leased asset payments		**(1,081)**	(1,468)
Debt issuance costs		**-**	(190)
Credit facilities withdrawal	9	**9,867**	54,155
Share swap payout		**(21,488)**	-
Cash inflow (outflow) from financing activities		**(14,353)**	28,805
Effect of foreign currency translation on cash balances		**(697)**	(168)
Net cash outflow		**(6,087)**	(7,396)
Cash and cash equivalents, beginning of period		**26,093**	9,927
Cash and cash equivalents, end of period		**$ 20,006**	$ 2,531
Supplemental cash flow information:			
Interest paid		**$ 12,934**	$ 15,208

See accompanying notes to the interim condensed consolidated financial statements

1. ORGANIZATION

Just Energy Group Inc. ("Just Energy" or the "Company") is a corporation established under the laws of Canada to hold securities and to distribute the income of its directly or indirectly owned operating subsidiaries and affiliates. The registered office of Just Energy is First Canadian Place, 100 King Street West, Toronto, Ontario, Canada. The unaudited interim condensed consolidated financial statements ("Interim Financial Statements") consist of Just Energy and its subsidiaries and affiliates. The Interim Financial Statements were approved by the Board of Directors on August 28, 2020.

2. OPERATIONS

Just Energy is a retail energy provider specializing in electricity and natural gas commodities and bringing energy efficient solutions and renewable energy options to customers. Currently operating in the United States ("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 Inc. ("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 natural gas or electricity under its fixed-price or price-protected program contracts for a period of up to five years, Just Energy's customers offset their exposure to changes in the price of these essential commodities. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Flat-bill products allow customers to pay a flat rate each month regardless of usage. Just Energy derives its margin or gross profit from the difference between the price at which it is able to sell the commodities to its customers and the related price at which it purchases the associated volumes from its suppliers.

Through the Filter Group business, Just Energy provides subscription-based home water filtration systems to residential customers, including under-counter and whole-home water filtration solutions. Just Energy markets smart thermostats, offering the thermostats as a standalone unit or bundled with certain commodity products. The smart thermostats are currently manufactured and distributed by ecobee Inc. ("ecobee"), a company in which Just Energy holds an approximate 8% fully diluted equity interest. Just Energy also offers green products through its JustGreen program. The JustGreen electricity product offers customers the option of having all or a portion of their electricity sourced from renewable green sources such as wind, solar, hydropower or biomass. The JustGreen gas product offers carbon offset credits that allow customers to reduce or eliminate the carbon footprint of their homes or businesses. Additional green products allow customers to offset their carbon footprint without buying energy commodity products and can be offered in all states and provinces without being dependent on energy deregulation.

Just Energy markets its product offerings through several sales channels including brokers, digital and telesales marketing, retail and affinity relationships.

In March 2019, Just Energy formally approved and commenced a process to dispose of its businesses in Germany, Ireland and Japan. In June 2019, Just Energy also formally approved and commenced a process to dispose of its business in the United Kingdom ("U.K."), as part of the Company's Strategic Review. The decision was part of a strategic transition to focus on the core business in North America. The U.K. and Ireland businesses were disposed of during the three months ended December 31, 2019 as described in Note 15. The disposal of operations in Japan was completed in April 2020, and the disposal of operations in Germany is expected to be completed in the near future. As at June 30, 2020, these operations were classified as a disposal group held for sale and as a discontinued operation. Previously, these operations were reported within the Consumer segment, while a portion of the U.K. business was allocated to the Commercial segment.

3. FINANCIAL STATEMENT PRESENTATION

(a) Compliance with IFRS

These Interim Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"), utilizing the accounting policies Just Energy outlined in its March 31, 2019 annual audited consolidated financial statements, except the adoption of new International Financial Reporting Standards ("IFRS"). Accordingly, certain information and footnote disclosures normally included in the annual audited consolidated financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed.

(b) Basis of presentation and going concern

These Interim Financial Statements should be read in conjunction with and follow the same accounting policies and methods of application as those used in the annual audited consolidated financial statements for the fiscal years ended March 31, 2020 and 2019.

The Interim Financial Statements are presented in Canadian dollars, the functional currency of Just Energy, and all values are rounded to the nearest thousand, except where otherwise indicated. The Interim 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 interim operating results are not necessarily indicative of the results that may be expected for the full fiscal year ending March 31, 2021, due to seasonal variations resulting in fluctuations in quarterly results. 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. Electricity consumption is lowest in October through December and April through June.

Certain figures in the comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the current period's interim condensed consolidated financial statements.

As described further in Note 9, the Company has a $370 million credit facility with a syndicate of lenders and a US$250 million non-revolving multi-draw senior unsecured term loan facility from another lender, maturing on December 1, 2020 and September 12, 2023, respectively. The facility maturing on December 1, 2020 has been classified in the Interim Financial Statements as a current liability and contributes to the net current liability position as at June 30, 2020. As at June 30, 2020, the Company was compliant with the requirements of its senior debt to EBITDA ratio covenant as a result of an amendment that provided, among other things, a temporary increase of the ratio from its lenders. As at June 30, 2020, the Company amended its senior secured credit facility to increase the senior debt to EBITDA covenant ratio from 1:50 to 2:00, and the total debt to EBITDA covenant ratio from 3.50:1 to 4.00:1 with respect to the fiscal quarter ending June 30, 2020. In addition, the lenders under the Company's senior unsecured term loan facility waived compliance with the senior debt to EBITDA and the total debt to EBITDA covenant ratios contained therein for the fiscal quarter ending June 30, 2020.

The Company's ability to continue as a going concern for the next 12 months is dependent on the continued availability of its credit facilities; the Company's ability to obtain waivers from its lenders for potential instances of non-compliance with covenants, if necessary; the ability to refinance, or, secure additional sources of financing, if necessary, or the completion of this Recapitalization transaction (the "Recapitalization"); the liquidation of available investments; and the continued support of the Company's lenders and suppliers. These conditions indicate the existence of material uncertainties that raise substantial doubt about 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. There can be no assurance that the Company will be successful in these initiatives, that lenders will provide further financing or relief for covenants, or that the Company can refinance or repay credit facilities from new sources of financing.

On July 8, 2020, the Company announced a comprehensive plan to strengthen and de-risk the business, positioning the Company for sustainable growth as an independent industry leader. The Recapitalization will be undertaken through a plan of arrangement under the Canada Business Corporations Act ("CBCA") and includes:

- Exchange of the 6.75% $100M convertible debentures and the 6.75% $160M convertible debentures (collectively, the "Subordinated Convertible Debentures") for issuance of common shares; upon completion of the Recapitalization, a material non-cash, accounting gain would be recognized as a result of the carrying value of the Subordinated Convertible Debentures being higher than the expected value of the common shares;
- Extension of the $335 million 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 (the "Eurobonds") shall be exchanged for a new term loan due March 2024, with interest to be paid-in-kind and issuance of common shares;
- Exchange of all 8.50%, fixed-to-floating rate, cumulative, redeemable, perpetual preferred shares (JE.PR.U) (the "preferred shares") for issuance of common shares;
- Common share issuance in exchange for cash investment commitments of $100 million;
- Initial reduction of annual cash interest expense by approximately $45 million; and
- Ongoing business as usual for employees, customers and suppliers enhanced by the relationship with a financially stronger Just Energy – no impact expected by the Recapitalization.

On August 26, 2020, the Company announced additional terms to the Recapitalization as follows:

- Pay accrued and unpaid interest in cash on the Subordinated Convertible Debentures until closing of the Recapitalization;
- Issue $15 million principal amount of New Subordinated Notes (the "New Subordinated Notes") to holders of the Subordinated Convertible Debentures, which New Subordinated Notes will have a six-year maturity and will bear an annual interest rate of 7% (which shall only be payable in kind semi-annually);
- Pay certain expenses of the ad hoc group of convertible debenture holders; and
- Issue approximately $3.7 million of common shares by way of an additional private placement to the Company's term loan lenders at the same subscription price available to all securityholders pursuant to the new equity subscription offering, proceeds of which will partially offset the incremental cash costs noted above.

All other terms of the Recapitalization remain unchanged.

The implementation of the Recapitalization is expected in September 2020, pending all approvals, including court and regulatory approvals. The Recapitalization has been approved by Just Energy's Board of Directors. Just Energy's financial advisor, BMO Capital Markets, has provided an opinion to Just Energy's Board of Directors that the terms of the Recapitalization are fair from a financial point of view to the holders of the existing Eurobond, Subordinated Convertible Debentures, preferred shares and common shares. The full text of the opinion was filed on SEDAR on August 26, 2020.

On July 17, 2020 the Superior Court of Justice which among other things, granted a limited stay of proceedings and established a record date for voting of security holders with respect to the Recapitalization as of July 23, 2020. The Company filed a revised version of the plan of arrangement on SEDAR on August 26, 2020.

The Company filed on SEDAR an information circular on July 21, 2020 describing the Recapitalization transaction which was approved at a Special Meeting of Shareholders and all applicable creditor classes on August 27, 2020.

These Interim Financial Statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. These adjustments could be material.

(c) Principles of consolidation

The Interim Financial Statements include the accounts of Just Energy and its directly or indirectly owned subsidiaries and affiliates as at June 30, 2020. Subsidiaries and affiliates are consolidated from the date of acquisition and control and, continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries and affiliates are prepared for the same reporting period as Just Energy, using consistent accounting policies. All intercompany balances, sales, expenses and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

(d) Significant accounting judgements, estimates, and assumptions

The preparation of the consolidated financial statements requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amount of assets, liabilities, income and expenses. The estimates and related assumptions based on previous experience and other factors are 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. There have been no material changes from the disclosures in the Annual Report for the period ended March 31, 2020 with regard to significant accounting judgements, estimates and assumptions.

COVID-19 impact

As a result of the continued and uncertain economic and business impact of the coronavirus disease (“COVID-19”) pandemic, we have reviewed the estimates, judgments and assumptions used in the preparation of the Interim Financial Statements, including with respect to: the determination of whether indicators of impairment exist for the assets and cash-generating units (“CGUs”) and the underlying assumptions used in the measurement of the recoverable amount of such assets or CGUs. We have also assessed the impact of COVID-19 on the estimates and judgments used in connection with the measurement of deferred income tax assets and the credit risk of Just Energy’s customers. Although we determined that no significant revisions to such estimates, judgments or assumptions were required for the period ended June 30, 2020, revisions may be required in future periods to the extent that the negative impacts on the business arising from COVID-19 continue or worsen. Any such revision (due to COVID-19 or otherwise) may result in, among other things, writedowns or impairments to the assets or CGUs, and/or adjustments to the carrying amount of the accounts receivable, or to the valuation of the deferred income tax assets, any of which could have a material impact on the results of operations and financial condition. While we believe the COVID-19 pandemic to be temporary, the situation is dynamic and the impact of COVID-19 on the Company’s results of operations and financial condition, including the duration and the impact on overall customer demand, cannot be reasonably estimated at this time.

4. ACCOUNTING POLICIES AND NEW STANDARDS ADOPTED

Adoption of International Financial Reporting Interpretations Committee ("IFRIC") Agenda Decision 11, Physical Settlement of Contracts to Buy or Sell a Non-Financial Item ("Agenda Decision 11")

The IFRIC reached a decision on Agenda Decision 11 during its meeting on March 5 and 6, 2019. The decision was in respect to a request about how an entity applies IFRS 9 to particular contracts to buy or sell a non-financial item at a fixed price.

The Company has reviewed the agenda decision and determined that a change is required in its accounting policy related to contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments. These are contracts the Company enters into that are accounted for as derivatives at fair value through profit or loss but physically settled by the underlying non-financial item. The IFRIC concluded that IFRS 9 neither permits nor requires an entity to reverse the accumulated gain or loss previously recognized on the derivative and recognize a corresponding adjustment to cost of goods sold or inventory when the contract is physically settled. The presentation of interim condensed consolidated financial statements of loss has been amended to comply with the IFRIC agenda decision.

Prior to the adoption of Agenda Decision 11, realized gains and losses on financial swap contracts and options were included in cost of goods sold. Upon adoption of Agenda Decision 11, realized gains and losses on financial swap contracts are recorded in the line item realized loss on derivative instruments. As a result of Agenda Decision 11, the amount of cost of goods sold previously reported for the three months ended June 30, 2019, has decreased by $79.9 million from $537.8 million previously reported to $457.9 million upon the adoption of the IFRIC Agenda Decision 11 with an increase in realized losses on derivative instruments by the same amount.

5. TRADE AND OTHER RECEIVABLES, NET

(a) Trade and other receivables

		As at June 30, 2020		As at March 31, 2020
Trade accounts receivable, net	**$**	**188,677**	$	241,969
Accrued gas receivables		**4,779**		7,224
Unbilled revenues, net		**120,312**		121,993
Other		**58,762**		32,721
	$	**372,530**	$	403,907

(b) Aging of accounts receivable

Customer credit risk

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 and Ohio (electricity). Credit review processes have been implemented to perform credit evaluations of customers and manage customer default. If a significant number of customers were to default on their payments, it could have a material adverse effect on the operations and cash flows of Just Energy. Management factors default from credit risk in its margin expectations for all of the above markets.

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. Management believes that the risk of the LDCs failing to deliver payment to Just Energy is minimal. There is no assurance that the LDCs providing these services will continue to do so in the future.

The aging of the trade accounts receivable from the markets where the Company bears customer credit risk was as follows:

	As at June 30, 2020	As at March 31, 2020
Current	**$ 79,981**	$ 83,431
1–30 days	**15,023**	26,678
31–60 days	**5,806**	6,513
61–90 days	**2,630**	5,505
Over 90 days	**23,302**	35,252
	$ 126,742	$ 157,379

(c) Allowance for doubtful accounts

Changes in the allowance for doubtful accounts related to the balances in the table above were as follows:

	As at June 30, 2020	As at March 31, 2020
Balance, beginning of period	**$ 45,832**	$ 182,365
Provision for doubtful accounts	**11,940**	80,050
Bad debts written off	**(23,274)**	(138,514)
Foreign exchange	**2,879**	3,124
Assets classified as held for sale	**-**	(81,193)
Balance, end of period	**$ 37,377**	$ 45,832
Allowance for doubtful accounts on accounts receivable	**$ 34,388**	$ 43,127
Allowance for doubtful accounts on unbilled revenue	**2,989**	2,705
Total allowance for doubtful accounts	**$ 37,377**	$ 45,832

6. OTHER CURRENT AND NON-CURRENT ASSETS

(a)

Other current assets	As at June 30, 2020	As at March 31, 2020
Prepaid expenses and deposits	$ 28,029	$ 55,972
Customer acquisition costs	66,865	77,939
Green certificates	43,784	63,728
Gas delivered in excess of consumption	2,030	2,393
Inventory	3,149	3,238
	$ 143,857	$ 203,270

(b)

Other non-current assets	As at June 30, 2020	As at March 31, 2020
Customer acquisition costs	$ 37,236	$ 43,686
Other long-term assets	10,384	12,764
	$ 47,620	$ 56,450

7. FINANCIAL INSTRUMENTS

(a) Fair value of derivative financial instruments and other

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Management has estimated the value of financial swaps, physical forwards and option contracts for electricity, natural gas, carbon and renewable energy certificates, and generation and transmission capacity contracts using a discounted cash flow method, which employs market forward curves that are either directly sourced from third parties or 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 and green power options have been valued using the Black option pricing model using the applicable market forward curves and the implied volatility from other market traded options. Management periodically uses non-exchange-traded swap agreements based on cooling degree days ("CDDs") and heating degree days ("HDDs") measured in its utility service territories to reduce the impact of weather volatility on Just Energy's electricity 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 financial instruments classified as fair value through profit or loss and recorded on the interim condensed consolidated statements of financial position as fair value of derivative financial assets and fair value of derivative financial liabilities, with their offsetting values recorded in unrealized loss in fair value of derivative instruments and other on the interim condensed consolidated statements of income (loss).

	Three months ended June 30, 2020	Three months ended June 30, 2019
Physical forward contracts and options (i)	**$ 48,380**	$ (224,974)
Financial swap contracts and options (ii)	**28,121**	(15,635)
Foreign exchange forward contracts	**(6,051)**	(227)
Share swap	**-**	836
Unrealized foreign exchange on 6.5% convertible bond	**12,218**	5,815
Weather derivatives (iii)	**(2,381)**	(3,021)
Other derivative options	**(2,938)**	(4,793)
Unrealized gain (loss) of derivative instruments and other	**$ 77,349**	$ (241,999)

The following table summarizes certain aspects of the fair value of derivative financial assets and liabilities recorded in the interim condensed consolidated statement of financial position as at June 30, 2020:

	Financial assets (current)	**Financial assets (non-current)**	**Financial liabilities (current)**	**Financial liabilities (non-current)**
Physical forward contracts and options (i)	**$ 46,342**	**$ 20,298**	**$ 41,935**	**$ 40,983**
Financial swap contracts and options (ii)	**5,738**	**1,823**	**32,032**	**16,447**
Foreign exchange forward contracts	**1,349**	**155**	**-**	**-**
Weather derivatives (iii)	**593**	**-**	**2,341**	**270**
Other derivative options	**1,050**	**4,653**	**3,344**	**-**
As at June 30, 2020	**$ 55,072**	**$ 26,929**	**$ 79,652**	**$ 57,700**

The following table summarizes certain aspects of the fair value of derivative financial assets and liabilities recorded in the interim condensed consolidated statement of financial position as at March 31, 2020:

	Financial assets (current)	**Financial assets (non-current)**	**Financial liabilities (current)**	**Financial liabilities (non-current)**
Physical forward contracts and options (i)	$ 24,549	$ 17,673	$ 57,461	$ 51,836
Financial swap contracts and options (ii)	6,915	1,492	53,917	24,432
Foreign exchange forward contracts	4,519	3,036	-	-
Weather derivatives (iii)	-	-	280	-
Other derivative options	370	6,591	1,780	-
As at March 31, 2020	$ 36,353	$ 28,792	$ 113,438	$ 76,268

Below is a summary of the financial instruments classified through profit or loss as at June 30, 2020, to which Just Energy has committed:

(i) Physical forward contracts and options consist of:

- Electricity contracts with a total remaining volume of 30,394,697 MWh, a weighted average price of $50.25/MWh and expiry dates up to December 31, 2029.
- Natural gas contracts with a total remaining volume of 80,779,715 GJs, a weighted average price of $2.57/GJ and expiry dates up to October 31, 2025.

- Renewable energy certificates ("RECs") with a total remaining volume of 3,386,395 MWh, a weighted average price of $38.21/REC and expiry dates up to December 31, 2028.
- Electricity generation capacity contracts with a total remaining volume of 2,369 MWCap, a weighted average price of $6,508.70/MWCap and expiry dates up to May 31, 2024.
- Ancillary contracts with a total remaining volume of 198,765 MWh, a weighted average price of $23.81/MWh and expiry dates up to December 31, 2020.

(ii) Financial swap contracts and options consist of:

- Electricity contracts with a total remaining volume of 14,686,500 MWh, an average price of $46.27/MWh and expiry dates up to December 31, 2024.
- Natural gas contracts with a total remaining volume of 112,528,362 GJs, an average price of $3.27/GJ and expiry dates up to December 31, 2025.
- Electricity generation capacity contracts with a total remaining volume of 12 MWCap, a weighted average price of $3,934.85/MWCap and expiry dates up to October 31, 2020.
- Ancillary contracts with a total remaining volume of 265,020 MWh, a weighted average price of $22.45/MWh and expiry dates up to December 31, 2020.

(iii) Weather derivatives consist of:

- HDD natural gas swaps with price strikes ranging from US$1.75 to US$7.35/MmBTU and temperature strikes from 1,051 to 5,059 HDD and an expiry date of March 31, 2021.
- HDD natural gas swaps with price strikes to be set on futures index and temperature strikes from 1,051 to 5,059 HDD and an expiry date of March 31, 2022.
- Electricity call options with price strikes of $100/MWh, temperature strikes 84 F-103 F and an expiry date of October 31, 2020.
- Put options for CDDs with temperature strikes at historical averages, total tick size of $22 per CDD and an expiry date of September 30 or October 31, 2020.

Share swap agreement

Just Energy had entered into a share swap agreement to manage the volatility associated with the Company's restricted share grants and deferred share grants plans. The value, on inception, of the 2,500,000 shares under this share swap agreement was approximately $33,803. On August 22, 2018, Just Energy reduced the notional value of the share swap to $23,803 through a payment of $10,000 and renewed the share swap agreement for an additional year. On March 31, 2020, the share swap agreement expired and settled. Net monthly settlements received (paid) under the share swap agreement are recorded in other loss.

These derivative financial instruments create a credit risk for Just Energy since they have been transacted with a limited number of counterparties. Should any counterparty be unable to fulfill its obligations under the contracts, Just Energy may not be able to realize the financial assets' balance recognized in the interim condensed 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 New York Mercantile Exchange ("NYMEX") financial gas fixed-for-floating swaps under Level 2.

Level 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs are classified as Level 3 in the FV hierarchy. For the power 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.

Weather derivatives are non-exchange-traded financial instruments used as part of a risk management strategy to mitigate the impact adverse weather conditions have on gross margin. The fair values of the derivatives are determined using an internally developed model that relies upon both observable inputs and significant unobservable inputs. Accordingly, the fair values of these derivatives are classified as Level 3. Market and contractual inputs to these models vary by contract type and would typically include notional amounts, reference weather stations, strike prices, temperature strike values, terms to expiration, historical weather data and historical commodity prices. The historical weather data and commodity prices were utilized to value the expected payouts with respect to weather derivatives and, as a result, are the most significant assumptions contributing to the determination of fair value estimates, and changes in these inputs can result in a significantly higher or lower fair value measurement.

For the share swap agreement, Just Energy uses a forward interest rate curve along with a volume weighted average share price to model out its value. As the inputs have no observable market, it is classified as Level 3.

Just Energy's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer.

Fair value measurement input sensitivity

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

The following table illustrates the classification of derivative financial assets (liabilities) in the FV hierarchy as at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Derivative financial assets	**$ -**	**$ -**	**$ 82,001**	**$ 82,001**
Derivative financial liabilities	**-**	**(25,377)**	**(111,975)**	**(137,352)**
Total net derivative financial assets (liabilities)	**$ -**	**$ (25,377)**	**$ (29,974)**	**$ (55,351)**

The following table illustrates the classification of derivative financial assets (liabilities) in the FV hierarchy as at March 31, 2020:

	Level 1	Level 2	Level 3	Total
Derivative financial assets	$ -	$ -	$ 65,145	$ 65,145
Derivative financial liabilities	-	(38,676)	(151,030)	(189,706)
Total net derivative financial assets (liabilities)	$ -	$ (38,676)	$ (85,885)	$ (124,561)

Commodity price sensitivity – Level 3 derivative financial instruments

If the energy prices associated with only Level 3 derivative financial instruments including natural gas, electricity, verified emission-reduction credits and RECs had risen (fallen) by 10%, assuming that all of the other variables had remained constant, profit (loss) before income taxes for the period ended June 30, 2020 would have increased (decreased) by $194,030 ($192,928), primarily as a result of the change in fair value of Just Energy's derivative financial instruments.

A key assumption used when determining the significant unobservable inputs included in Level 3 of the FV hierarchy consists of up to 5% price extrapolation to calculate monthly prices that extend beyond the market observable 12- to 15-month forward curve.

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

	Three months ended June 30, 2020	Year ended March 31, 2020
Balance, beginning of period	**$ (85,885)**	$ 17,310
Total gains	**(23,041)**	(3,822)
Purchases	**3,687**	(43,663)
Sales	**(7,988)**	14,549
Settlements	**83,253**	(70,259)
Balance, end of period	**$ (29,974)**	$ (85,885)

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

As at June 30, 2020 and March 31, 2020, 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.

Long-term debt recorded at amortized cost has a fair value as at June 30, 2020 of $589.8 million (March 31, 2020 - $596.2 million) and the interest payable on outstanding amounts is at rates that vary with bankers' acceptances, London Interbank Offering Rate ("LIBOR"), Canadian bank prime rate or U.S. prime rate, with the exceptions of the 8.75% loan, 6.75% $100M convertible debentures, 6.75% $160M convertible debentures and 6.5% convertible bonds, which are fair valued based on market value. The 6.75% $100M convertible debentures, 6.75% $160M convertible debentures and 6.5% convertible bonds are classified as Level 1 in the FV hierarchy.

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

(i) Market risk

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

Foreign currency risk

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

The performance of the Canadian dollar relative to the U.S. dollar could positively or negatively affect Just Energy's income, as a portion of Just Energy's income is generated in U.S. dollars and is subject to currency fluctuations upon translation to Canadian dollars. Due to its growing operations in the U.S., Just Energy expects to have a greater exposure to foreign currency fluctuations in the future than in prior years. Just Energy has economically hedged 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.

With respect to translation exposure, if the Canadian dollar had been 5% stronger or weaker against the U.S. dollar for the period ended June 30, 2020, assuming that all the other variables had remained constant, loss for the quarter ended June 30, 2020 would have been $2.9 million lower/higher and other comprehensive income (loss) would have been $3.0 million lower/higher.

Interest rate risk

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

A 1% increase (decrease) in interest rates would have resulted in an increase (decrease) of approximately $551 in profit (loss) before income taxes for the quarter ended June 30, 2020 (June 30, 2019 - $606).

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 financial instruments

If all the energy prices associated with derivative financial instruments including natural gas, electricity, verified emission-reduction credits and RECs had risen (fallen) by 10%, assuming that all of the other variables had remained constant, profit (loss) before income taxes for the quarter ended June 30, 2020 would have increased (decreased) by $188,963 ($187,861), primarily as a result of the change in fair value of Just Energy's derivative financial instruments.

For information on credit risk, refer to Note 5.

(ii) Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. Just Energy manages this risk by monitoring detailed daily cash flow forecasts covering a rolling 13-week period, cash forecasts for the next 12 months and quarterly forecasts for the following two-year period to ensure adequate and efficient use of cash resources and credit facilities.

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

As at June 30, 2020:

	Carrying amount	Contractual cash flows	Less than 1 year	1–3 years	4–5 years	More than 5 years
Trade and other payables	$ 559,441	$ 559,441	$ 559,441	$ -	$ -	$ -
Long-term debt[1]	782,256	822,902	263,592	263,105	296,205	-
Gas, electricity and non-commodity contracts	137,352	2,938,427	1,125,798	1,386,530	325,257	100,842
	$ 1,479,049	$ 4,320,770	$ 1,948,831	$ 1,649,635	$ 621,462	$ 100,842

[1] Included in long-term debt are the 6.75% $100M convertible debentures, 6.75% $160M convertible debentures and 6.5% convertible bonds, which may be settled through the issuance of shares at the option of the holder or Just Energy upon maturity.

In addition to the amounts noted above, as at June 30, 2020, the contractual net interest payments over the term of the long-term debt with scheduled repayment terms are as follows:

	Less than 1 year	1–3 years	4–5 years	More than 5 years
Interest payments	$ 42,895	$ 68,417	$ 5,834	$ -

(iii) 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. As at June 30, 2020, Just Energy has applied an adjustment factor to determine the fair value of its financial instruments in the amount of $17,063 (June 30, 2019 - $8,246) to accommodate for its counterparties' risk of default.

(iv) 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. Counter party limits are established within the Risk Management Policy. Any exceptions to these limits require approval from the Board of Directors of Just Energy. The Risk Department and Risk Committee monitor current and potential credit exposure to individual counterparties and also monitor overall aggregate counterparty exposure. However, the failure of a counterparty to meet its contractual obligations could have a material adverse effect on the operations and cash flows of Just Energy.

As at June 30, 2020, the estimated counterparty credit risk exposure amounted to $82,001 (June 30, 2019 - $102,209), representing the risk relating to Just Energy's exposure to derivatives that are in an asset position.

8. TRADE AND OTHER PAYABLES

		As at June 30, 2020		As at March 31, 2020
Commodity suppliers' accruals and payables	**$**	**364,355**	$	414,581
Green provisions and repurchase obligations		**69,648**		103,245
Sales tax payable		**27,216**		19,706
Non-commodity trade accruals and accounts payable		**67,843**		117,473
Current portion of payable to former joint venture partner		**16,179**		18,194
Accrued gas payable		**2,331**		3,295
Other payables		**11,869**		9,171
	$	**559,441**	$	685,665

9. LONG-TERM DEBT AND FINANCING

	Maturity		**As at June 30, 2020**		As at March 31, 2020
Credit facility (a)	December 1, 2020	**$**	**246,256**	$	236,389
Less: Debt issue costs (a)			**(683)**		(1,644)
Filter Group financing (b)	October 25, 2023		**8,039**		9,690
8.75% loan (c)	September 12, 2023		**270,543**		280,535
6.75% $100M convertible debentures (d)	March 31, 2023		**90,907**		90,187
6.75% $160M convertible debentures (e)	December 31, 2021		**154,791**		153,995
6.5% convertible bonds (f)	December 31, 2020		**12,403**		12,851
			782,256		782,003
Less: Current portion			**(262,909)**		(253,485)
		$	**519,347**	$	528,518

Future annual minimum principal repayments are as follows:

		Less than 1 year		**1–3 years**		**4–5 years**		**Total**
Credit facility (a)	$	246,256	$	-	$	-	$	246,256
Filter Group financing (b)		4,933		3,105		-		8,038
8.75% loan (c)		-		-		296,205		296,205
6.75% $100M convertible debentures (d)		-		100,000		-		100,000
6.75% $160M convertible debentures (e)		-		160,000		-		160,000
6.5% convertible bonds (f)		12,403		-		-		12,403
	$	263,592	$	263,105	$	296,205	$	822,902

The following table details the finance costs for the period ended June 30. Interest is expensed based on the effective interest rate.

		2020		2019
Credit facility (a)	$	**5,135**	$	6,052
Filter Group financing (b)		**206**		384
8.75% loan (c)		**9,264**		7,337
6.75% $100M convertible debentures (d)		**2,408**		2,337
6.75% $160M convertible debentures (e)		**3,496**		3,430
6.5% convertible bonds (f)		**275**		804
Supplier finance and others (g)		**1,069**		3,202
	$	**21,853**	$	23,546

(a) In April 2018, the credit facility size was increased to $352.5 million from $342.5 million, with an accordion for Just Energy to draw up to $370 million. On June 28, 2019, the Company exercised its option to access the amounts relating to the accordion agreement as part of the credit facility. Certain principal amount outstanding under the letter of credit facility is guaranteed by Export Development Canada under its Account Performance Security Guarantee Program. The Company amended its senior secured credit facility to increase the senior debt to EBITDA covenant ratio from 1.50:1 to 2.00:1 and the total debt to EBITDA covenant from 3.50:1 to 4.00:1 for the first quarter of fiscal 2021. As at June 30, 2020, the Company was compliant with all of these covenants. On July 8, 2020, the Company announced a comprehensive Recapitalization that is expected to be implemented in September 2020 and amended the maturity date of the existing credit facility from September 1, 2020 to December 1, 2020. The Recapitalization includes a $335 million extension of the credit facility for three years to December 2023.

Interest is payable on outstanding loans at rates that vary with Bankers' Acceptance rates, LIBOR, Canadian bank prime rate or U.S. prime rate. Under the terms of the operating credit facility, Just Energy is able to make use of Bankers' Acceptances and LIBOR advances at stamping fees of 3.750%. Prime rate advances are at a rate of bank prime (Canadian bank prime rate or U.S. prime rate) plus 2.750% and letters of credit are at a rate of 3.750%. Interest rates are adjusted quarterly based on certain financial performance indicators.

As at June 30, 2020, the Canadian prime rate was 2.45% and the U.S. prime rate was 3.25%. As at June 30, 2020, $246.3 million has been drawn against the facility and total letters of credit outstanding as of June 30, 2020 amounted to $63.2 million (March 31, 2020- $72.5 million). As at June 30, 2020, Just Energy has $60.5 million of the facility remaining for future working capital and/or security requirements. Just Energy's obligations under the credit facility are supported by guarantees of certain subsidiaries and affiliates and secured by a general security agreement and a pledge of the assets and securities of Just Energy and the majority of its operating subsidiaries and affiliates excluding, primarily, the Barbados and German operations.

(b) Filter Group has an outstanding loan payable to Home Trust Company ("HTC"). The loan is a result of factoring receivables to finance the cost of rental equipment over a period of three to five years with HTC and bears interest at 8.99% per annum. Principal and interest are repayable monthly.

(c) On September 12, 2018, Just Energy entered into a US$250 million non-revolving multi-draw senior unsecured term loan facility (the "8.75% loan") with Sagard Credit Partners, LP, and certain funds managed by a leading U.S.-based global fixed income asset manager. The 8.75% loan bears interest at 8.75% per annum payable semi-annually in arrears on June 30 and December 31 in each year plus fees and will mature on September 12, 2023. Counterparties were issued 7.5 million warrants at a strike price of $8.56 each, convertible to one Just Energy common stock. The value of these warrants has been assessed as nominal. The 8.75% loan has three tranches. The first tranche of US$50 million is earmarked for general corporate purposes, including to pay down Just Energy's credit facility. The second tranche of US$150 million is earmarked towards the settlement of Just Energy's 6.5% convertible bonds. The third tranche of US$50 million is earmarked for investments and future acquisitions. As of June 30, 2020, US$207.0 million was drawn from the 8.75% loan. In July 2019, the Company drew US$14 million on the debt which was secured by a personal guarantee from a director of the Company. At June 30, 2020, the Company has US$43.0 million available under the facility to draw, earmarked for investments and future acquisitions. The Company has amended the covenants on its senior unsecured term loan facility to increase the senior debt to EBITDA covenant ratio from 1.65:1 to 2.30:1 and the total debt to EBITDA covenant from 3.50:1 to 4.25:1 for the first quarter of fiscal 2021. As at June 30, 2020, the Company was compliant with all of these covenants. The Recapitalization announced by the Company on July 8, 2020 includes an extension of the senior unsecured loan facility for the US$205.9 million to March 2024, with a portion of interest to be paid in-kind.

(d) On February 22, 2018, Just Energy issued $100 million of convertible unsecured senior subordinated debentures (the "6.75% $100 million convertible debentures"). The 6.75% $100 million convertible debentures bear interest at an annual rate of 6.75%, payable semi-annually in arrears on March 31 and September 30 in each year and have a maturity date of March 31, 2023. Each $1,000 principal amount of the 6.75% $100 million convertible debentures is convertible at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the last business day immediately preceding the date fixed for redemption into 112.3596 common shares of Just Energy, representing a conversion price of $8.90, subject to certain anti-dilution provisions. Holders who convert their debentures will receive accrued and unpaid interest for the period from and including the date of the latest interest payment up to, but excluding, the date of conversion.

The conversion feature of the 6.75% $100 million convertible debentures has been accounted for as a separate component of shareholders' deficit in the amount of $9.7 million. Upon initial recognition of the convertible debentures, Just Energy recorded a deferred income tax liability of $2.6 million and reduced the equity component of the convertible debentures by this amount. The remainder of the net proceeds of the 6.75% $100 million convertible debentures has been recorded as long-term debt, which is being accreted up to the face value of $100 million over the term of the 6.75% $100 million convertible debentures using an effective interest rate of 10.7%. If the 6.75% $100 million convertible debentures are converted into common shares, the value of the conversion will be reclassified to share capital along with the principal amount converted. No amounts of the 6.75% $100 million convertible debentures have been converted or redeemed as at June 30, 2020.

(e) On October 5, 2016, Just Energy issued $160 million of convertible unsecured senior subordinated debentures (the "6.75% $160 million convertible debentures"). The 6.75% $160 million convertible debentures bear interest at an annual rate of 6.75%, payable semi-annually in arrears on June 30 and December 31 in each year and have a maturity date of December 31, 2021. Each $1,000 principal amount of the 6.75% $160 million convertible debentures is convertible at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the last business day immediately preceding the date fixed for redemption into 107.5269 common shares of Just Energy, representing a conversion price of $9.30, subject to certain anti-dilution provisions. Holders who convert their debentures will receive accrued and unpaid interest for the period from and including the date of the latest interest payment up to, but excluding, the date of conversion.

The 6.75% $160 million convertible debentures will not be redeemable at the option of the Company on or before December 31, 2019. After December 31, 2019 and prior to December 31, 2020, the 6.75% $160 million convertible debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days' and not less than 30 days' prior notice, at a price equal to their principal amount plus accrued and unpaid interest, provided that the weighted average trading price of the common shares of Just Energy on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is at least 125% of the conversion price.

The conversion feature of the 6.75% $160 million convertible debentures has been accounted for as a separate component of shareholders' deficit in the amount of $8.0 million. Upon initial recognition of the convertible debentures, Just Energy recorded a deferred income tax liability of $2.1 million and reduced the equity component of the convertible debentures by this amount. The remainder of the net proceeds of the 6.75% $160 million convertible debentures has been recorded as long-term debt, which is being accreted up to the face value of $160 million over the term of the 6.75% $160 million convertible debentures using an effective interest rate of 9.1%. If the 6.75% $160 million convertible debentures are converted into common shares, the value of the conversion will be reclassified to share capital along with the principal amount converted. No amounts of the 6.75% $160 million convertible debentures have been converted or redeemed as at June 30, 2020.

(f) On January 29, 2014, Just Energy issued US$150 million of European-focused senior convertible unsecured convertible bonds (the "6.5% convertible bonds"). The 6.5% convertible bonds bear interest at an annual rate of 6.5%, payable semi-annually in arrears in equal installments on January 29 and July 29 in each year and have a maturity date of December 31, 2020.

A conversion right in respect of a bond could have been exercised, at the option of the holder thereof, at any time from May 30, 2014 to July 7, 2019, and was not. The initial conversion price is US$9.3762 per common share (being C$10.2819) but is subject to adjustments. In the event of the exercise of a conversion right, the Company may, at its option, subject to applicable regulatory approval and provided no event of default has occurred and is continuing, elect to satisfy its obligation in cash equal to the market value of the underlying shares to be received.

As a result of the debt being denominated in a different functional currency than that of Just Energy, the conversion feature is recorded as a financial liability instead of a component of equity. Therefore, the conversion feature of the 6.5% convertible bonds has been accounted for as a separate financial liability with an initial value of US$8.5 million. The remainder of the net proceeds of the 6.5% convertible bonds has been recorded as long-term debt, which is being accreted up to the face value of $150.0 million over the term of the 6.5% convertible bonds using an effective interest rate of 8.8%. At each reporting period, the conversion feature is recorded at fair value with changes in fair value recorded through profit or loss. On July 29, 2019, the Company redeemed US$13.2 million of the 6.5% convertible bonds. The remaining lenders of $9.2 million of the 6.5% convertible bonds elected to extend the maturity date of the bonds from July 29, 2019 to December 31, 2020, pursuant to an option offered by the Company announced on July 17, 2019.

(g) Supplier finance and other costs for the quarter ended June 30, 2020 primarily consists of charges for extended payment terms.

As described within Note 3 of these Interim Financial Statements, the Company has presented a Recapitalization plan which, if implemented, will impact the future payments and amounts with respect to its outstanding debt and interest payments.

10. REPORTABLE BUSINESS SEGMENTS

Just Energy's reportable segments are the Consumer segment and the Commercial segment.

The chief operating decision maker monitors the operational results of the Consumer and Commercial segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on certain non-IFRS measures such as base gross margin.

Transactions between segments are in the normal course of operations and are recorded at the exchange amount. Allocations made between segments for shared assets or allocated expenses are based on the number of residential customer equivalents in the respective segments.

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.

For the three months ended June 30, 2020:

	Consumer	Commercial	Corporate and shared services	Consolidated
Sales	$ 371,796	$ 221,338	$ -	$ 593,134
Cost of goods sold	185,441	138,556	-	323,997
Gross margin	186,355	82,782	-	269,137
Depreciation of property and equipment	2,661	26	-	2,687
Amortization of intangible assets	3,704	888	-	4,592
Administrative expenses	8,461	5,835	25,657	39,953
Selling and marketing expenses	27,556	19,403	-	46,959
Other operating expenses	9,115	3,517	-	12,632
Segment profit (loss) for the period	$ 134,858	$ 53,113	$ (25,657)	$ 162,314
Finance costs				(21,853)
Unrealized gain of derivative instruments and other				77,349
Realized loss of derivative instruments				(134,446)
Other income, net				(632)
Provision for income taxes				(634)
Profit for the period from continuing operations				$ 82,098
Loss from discontinued operations				(2,948)
Profit for the period				79,150
Capital expenditures	$ 1,521	$ 165	$ -	$ 1,686

As at June 30, 2020	Consumer	Commercial	Corporate and shared services	Consolidated
Total goodwill	$ 170,854	$ 98,748	$ -	$ 269,602
Total assets	$ 859,268	$ 252,699	$ -	$ 1,111,967
Total liabilities	$ 1,383,132	$ 139,531	$ -	$ 1,522,663

For the three months ended June 30, 2019:

	Consumer	Commercial	Corporate and shared services	Consolidated
Sales	$ 409,998	$ 260,167	$ -	$ 670,165
Cost of goods sold	259,260	198,681	-	457,941
Gross margin	150,738	61,486	-	212,224
Depreciation of property and equipment	2,950	38	-	2,988
Amortization of intangible assets	7,680	692	-	8,372
Administrative expenses	11,234	6,152	23,417	40,803
Selling and marketing expenses	41,798	19,906	-	61,704
Other operating expenses	22,969	1,436	-	24,405
Segment profit (loss) for the period	$ 64,107	$ 33,262	$ (23,417)	$ 73,952
Finance costs				(23,546)
Unrealized loss of derivative instruments and other				(241,999)
Realized loss of derivative instruments				(79,932)
Other income				(740)
Recovery of income taxes				2,294
Loss for the period from continuing operations				$ (269,971)
Loss from discontinued operations				(5,189)
Loss for the period				(275,160)
Capital expenditures	$ 9,170	$ 749	$ -	$ 9,919
As at June 30, 2019				
Total goodwill	$ 172,072	$ 165,324	$ -	$ 337,396
Total assets	$ 1,117,435	$ 419,380	$ -	$ 1,536,815
Total liabilities	$ 1,713,787	$ 204,250	$ -	$ 1,918,037

Sales from external customers

The revenue is based on the location of the customer.

	Three months ended June 30, 2020	Three months ended June 30, 2019
Canada	**$ 58,147**	$ 75,485
U.S.	**534,987**	594,680
Total	**$ 593,134**	$ 670,165

For the three months ended June 30, 2020, revenue generated from the sale of electricity made up 89% of total revenue while gas amounted to 11%, consistent with the prior comparable quarter.

Non-current assets

Non-current assets by geographic segment consist of property and equipment and intangible assets and are summarized as follows:

	As at June 30, 2020	As at March 31, 2020
Canada	$ 232,219	$ 233,678
United States	154,073	166,074
Total	$ 386,292	$ 399,752

11. INCOME TAXES

	Three months ended June 30, 2020	Three months ended June 30, 2019
Current income tax expense	$ 873	$ 462
Deferred income tax recovery	(239)	(2,756)
Provision for (recovery of) income taxes	$ 634	$ (2,294)

12. SHAREHOLDERS' CAPITAL

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

(a) Details of issued and outstanding shareholders' capital are as follows:

	Three months ended June 30, 2020		Year ended March 31, 2020	
	Shares	**Amount**	Shares	Amount
Common shares:				
Issued and outstanding				
Balance, beginning of period	151,614,238	$ 1,099,864	149,595,952	$ 1,088,538
Share-based awards exercised	26,336	162	2,018,286	11,326
Balance, end of period	151,640,574	$ 1,100,026	151,614,238	$ 1,099,864
Preferred shares:				
Issued and outstanding				
Balance, beginning of period	4,662,165	$ 146,965	4,662,165	$ 146,965
Balance, end of period	4,662,165	$ 146,965	4,662,165	$ 146,965
Shareholders' capital	156,302,739	$ 1,246,991	156,276,403	$ 1,246,829

(b) Dividends and distributions

In the second quarter of fiscal 2020, the Company made the decision to suspend its dividend on common shares. For the quarter ended June 30, 2020, dividends of $nil (2019 - $0.125) per common share were declared by Just Energy. These dividends amounted to $nil (2019 - $18,714).

As a result of the dividend suspension, distributions related to the dividends also ceased. Distributions in the first quarter of fiscal 2021 amounted to $23 (2019 - $23) which was paid in accordance with the terms of the Canadian and U.S. plans during the year.

For the quarter ended June 30, 2020, dividends of $nil (2019 - US$0.53125) per preferred share were declared by Just Energy. These dividends amounted to $nil (2019 - $3,333).

In connection with amendments to the credit facility and 8.75% loan agreement announced on December 2, 2019, the agreements governing both facilities have been changed to restrict the declaration and payment of dividends until the Company's senior debt to EBITDA ratio is no more than 1.50:1 for two consecutive fiscal quarters. Accordingly, as at December 2, 2019, the Company suspended the declaration and payment of dividends on the Series A Preferred Shares until the Company is permitted to declare and pay dividends under the agreements governing its facilities. However, dividends on the Series A Preferred Shares continue to accrue in accordance with Series A Preferred Share terms during the period in which dividends are suspended. Any dividend payment following the suspended period will be credited against the earliest accumulated but unpaid dividend.

As described within Note 3 of these interim condensed consolidated financial statements, the Company has presented a Recapitalization plan which, if implemented, will impact the Series A Preferred Share dividend payments.

13. OTHER EXPENSES

(a) Other operating expenses

	Three months ended June 30, 2020	Three months ended June 30, 2019
Amortization of intangible assets	**$ 4,592**	$ 8,372
Depreciation of property and equipment	**2,687**	2,988
Bad debt expense	**11,940**	17,287
Share-based compensation	**692**	7,118
	$ 19,911	$ 35,765

(b) Employee expenses

	Three months ended June 30, 2020	Three months ended June 30, 2019
Wages, salaries and commissions	**$ 36,219**	$ 61,757
Benefits	**6,488**	7,270
	$ 42,707	$ 69,027

Employee expenses of $15.2 million and $27.5 million are included in administrative expense and selling and marketing expenses, respectively, in the first quarter fiscal 2021 interim condensed consolidated statements of income (loss). Corresponding amounts of $23.4 million and $45.6 million, respectively, are reflected in the comparable quarter in fiscal 2020.

14. PROFIT (LOSS) PER SHARE

	Three months ended June 30, 2020	Three months ended June 30, 2019
BASIC EARNINGS (LOSS) PER SHARE		
Profit (loss) from continuing operations available to shareholders	**$ 82,098**	$ (269,971)
Dividend to preferred shareholders, net of tax	**3,319**	2,450
Earnings (loss) from continuing operations available to shareholders, net of tax	**78,779**	(272,421)
Basic weighted average shares outstanding	**151,622,538**	149,846,539
Basic earnings (loss) per share from continuing operations available to shareholders	**$ 0.52**	$ (1.82)
Basic earnings (loss) per share available to shareholders	**$ 0.50**	$ (1.85)
DILUTED EARNINGS (LOSS) PER SHARE		
Profit (loss) from continuing operations available to shareholders	**$ 78,779**	$ (272,421)
Adjustment for dilutive impact of convertible debentures	**4,541**	-
Adjusted earnings (loss) from continuing operations available to shareholders	**$ 83,320**	$ (272,421)
Basic weighted average shares outstanding	**151,622,538**	149,846,539
Dilutive effect of:		
Restricted share and performance bonus grants	**2,222,576** [1]	3,123,247 [1]
Deferred share grants	**203,185** [1]	184,546 [1]
Convertible debentures	**39,574,831** [1]	30,662,288 [1]
Shares outstanding on a diluted basis	**193,623,130**	183,816,620
Diluted earnings (loss) from continuing operations per share available to shareholders	**$ 0.43**	$ (1.82)
Diluted earnings (loss) per share available to shareholders	**$ 0.41**	$ (1.85)

[1] The assumed conversion into shares results in an anti-dilutive position; therefore, these items have not been included in the computation of diluted earnings (loss) per share. The potentially dilutive instruments are the convertible features on the 6.5% convertible bonds, 6.75% $160M convertible debentures and 6.75% $100M convertible debentures as well as the stock options and share grants.

15. 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. On November 29, 2019, Just Energy closed its previously announced sale of Hudson U.K. to Shell Energy Retail Limited. On April 10, 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, 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 a loss on sale of $1.1 million primarily due to the realization of cumulative translation adjustments of exchange differences from accumulated other comprehensive income, which is included in profit (loss) from discontinued operations. As at June 30, 2020, the remaining operations were classified as a disposal group held for sale and as discontinued operations. The tax impact on the discontinued operations is minimal.

Assets and liabilities of the discontinued operations classified as held for sale were as follows:

	As at June 30, 2020	As at March 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	**$ 1,222**	$ 898
Current trade and other receivables	**997**	4,978
Income taxes recoverable	**12**	12
Other current assets	**599**	1,140
	2,830	7,028
Non-current assets		
Property and equipment	**37**	38
Intangible assets	**535**	545
ASSETS CLASSIFIED AS HELD FOR SALE	**$ 3,402**	$ 7,611
Liabilities		
Current liabilities		
Trade and other payables	**$ 2,117**	$ 4,823
Deferred revenue	**81**	83
LIABILITIES CLASSIFIED AS HELD FOR SALE	**$ 2,198**	$ 4,906

16. COMMITMENTS AND CONTINGENCIES

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

As at June 30, 2020

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
Gas, electricity and non-commodity contracts	$ 1,125,798	$ 1,386,530	$ 325,257	$ 100,842	$ 2,938,427

(a) Surety bonds and letters of credit

Pursuant to separate arrangements with several bond agencies, 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 June 30, 2020 amounted to $48.9 million (March 31, 2020 - $66.2 million).

As at June 30, 2020, Just Energy had total letters of credit outstanding in the amount of $63.2 million (Note 9(a)).

(b) Legal proceedings

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

In March 2012, Davina Hurt and Dominic Hill filed a lawsuit against Commerce Energy Inc. ("Commerce"), Just Energy Marketing Corp. and the Company in the Ohio Federal Court claiming entitlement to payment of minimum wage and overtime under Ohio wage claim laws and the Federal Fair Labor Standards Act ("FLSA") on their own behalf and similarly situated door-to-door sales representatives who sold for Commerce in certain regions of the United States. The Court granted the plaintiffs' request to certify the lawsuit as a class action. Approximately 1,800 plaintiffs opted into the federal minimum wage and overtime claims, and approximately 8,000 plaintiffs were certified as part of the Ohio state overtime claims. On October 6, 2014, the jury refused to find a willful violation but concluded that certain individuals were not properly classified as outside salespeople in order to qualify for an exemption under the minimum wage and overtime requirements. On September 28, 2018, the Court issued a final judgment, opinion and order. Just Energy filed its appeal to the Court of Appeals for the Sixth Circuit on October 25, 2018. Oral testimony was heard on October 24, 2019. A decision is pending. Just Energy strongly believes it complied with the law, which is consistent with the recent findings in Encino Motorcars, LLC v. Navarro, 138 S. Ct. 1134, 1142 (2018) and Kevin Flood, et al. v. Just Energy Marketing Group, et al. 2d Circular No. 17-0546.

In May 2015, Kia Kordestani, a former door-to-door independent contractor sales representative for Just Energy Corp., filed a lawsuit against Just Energy Corp., Just Energy Ontario L.P. and the Company (collectively referred to as "Just Energy") in the Superior Court of Justice, Ontario, claiming status as an employee and seeking benefits and protections of the Employment Standards Act, 2000, such as minimum wage, overtime pay, and vacation and public holiday pay on his own behalf and similarly situated door-to-door sales representatives who sold in Ontario. On Just Energy's request, Mr. Kordestani was removed as a plaintiff but replaced with Haidar Omarali, also a former door-to-door sales representative. On July 27, 2016, the Court granted Omarali's request for certification, refused to certify Omarali's request for damages on an aggregate basis, and refused to certify Omarali's request for punitive damages. Omarali's motion for summary judgment was dismissed in its entirety on June 21, 2019. A trial date has been set commencing November 15, 2021.

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 Superior Court of Justice, 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. 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 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. Just Energy denies the allegations and will vigorously defend these claims.

In March of 2020, the seller representative with respect to the acquisition of Filter Group Inc. (the "Claimant") delivered a Notice of Dispute under the purchase agreement among the Claimant, Just Energy, a subsidiary of Just Energy (the "Buyer") and other sellers with respect to the purchase of Filter Group Inc. by the Buyer on September 10, 2018 (the "Purchase Agreement"). In this arbitral proceeding, the Claimant alleges, among other things, that the Buyer breached its responsibilities by failing to conduct the business of Filter Group Inc. in a commercially reasonable manner to reduce or avoid the achievement of the EBITDA targets contained in the Purchase Agreement and failed to honour the obligations to the Claimant that would have been owing had the target EBITDA been achieved in the first period under the Purchase Agreement. The Claimant seeks, among other things, the immediate exchange of the 9,500,000 class A special shares of the Buyer for common shares of Just Energy, being the number of common shares of Just Energy that would be exchanged if the entire earn-out under the Purchase Agreement was achieved. Just Energy denies the allegations and will vigorously defend the proceeding.

Management's discussion and analysis – August 28, 2020

The following management's discussion and analysis ("MD&A") is a review of the financial condition and operating results of Just Energy Group Inc. ("Just Energy" or the "Company") for the quarter ended June 30, 2020. This MD&A has been prepared with all information available up to and including August 28, 2020. This MD&A should be read in conjunction with Just Energy's unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2020. The financial information contained herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars unless otherwise noted. Quarterly reports, the annual report and supplementary information can be found on Just Energy's corporate website at www.justenergygroup.com. Additional information can be found on SEDAR at www.sedar.com or on the U.S. Securities and Exchange Commission's ("SEC") website at www.sec.gov.

COVID-19 CONSIDERATIONS

The rapid outbreak of the novel strain of the coronavirus, specifically identified as the COVID-19 pandemic, has caused governments worldwide to enact emergency measures and restrictions to combat the spread of the virus. These measures and restrictions, which include the implementation of travel bans, mandated and voluntary business closures, self-imposed and mandatory quarantine periods, isolation orders and social distancing, have caused material disruption to businesses globally, resulting in economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The future impact of the COVID-19 pandemic on liquidity, volatility, credit availability, and market and financial conditions generally could change at any time. The duration and impact of the COVID-19 outbreak on the economy are unknown at this time and, as a result, it is difficult to estimate the longer-term impact on our operations and the markets for our products.

RECAPITALIZATION

On July 8, 2020, the Company announced a comprehensive plan to strengthen and de-risk the business, positioning the Company for sustainable growth as an independent industry leader (the "Recapitalization"). The Recapitalization will be undertaken through a plan of arrangement under the Canada Business Corporations Act ("CBCA") and includes:

- Exchange of the 6.75% $100M convertible debentures and the 6.75% $160M convertible debentures (collectively, the "Subordinated Convertible Debentures") for issuance of common shares; upon completion of the Recapitalization, a material non-cash accounting gain would be recognized as a result of the carrying value of the Subordinated Convertible Debentures being higher than the expected value of the common shares.
- Extension of the $335 million 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 (the "Eurobonds") shall be exchanged for a new term loan due March 2024, with interest to be paid-in-kind and issuance of common shares;
- Exchange of all 8.50%, fixed-to-floating rate, cumulative, redeemable, perpetual preferred shares (JE.PR.U) (the "preferred shares") for issuance of common shares;
- Common share issuance in exchange for cash investment commitments of $100 million;
- Initial reduction of annual cash interest expense by approximately $45 million; and
- Ongoing business as usual for employees, customers and suppliers enhanced by the relationship with a financially stronger Just Energy – no impact expected by the Recapitalization.

On August 26, 2020, the Company announced additional terms to the Recapitalization as follows:

- Pay accrued and unpaid interest in cash on the Subordinated Convertible Debentures until closing of the Recapitalization;

- Issue $15 million principal amount of New Subordinated Notes (the "New Subordinated Notes") to holders of the Subordinated Convertible Debentures, which New Subordinated Notes will have a six-year maturity and will bear an annual interest rate of 7% (which shall only be payable in kind semi-annually);

- Pay certain expenses of the ad hoc group of convertible debenture holders; and

- Issue approximately $3.7 million of common shares by way of an additional private placement to the Company's term loan lenders at the same subscription price available to all securityholders pursuant to the new equity subscription offering, proceeds of which will partially offset the incremental cash costs noted above.

All other terms of the Recapitalization remain unchanged.

The implementation of the Recapitalization is expected in September 2020, pending all approvals, including court and regulatory approvals. The Recapitalization has been approved by Just Energy's Board of Directors. Just Energy's financial advisor, BMO Capital Markets, has provided an opinion to Just Energy's Board of Directors that the terms of the Recapitalization are fair from a financial point of view to the holders of the existing Eurobond, Subordinated Convertible Debentures, preferred shares and common shares. The full text of the opinion was filed on SEDAR on August 26, 2020.

On July 17, 2020, the Company obtained an interim order from the Ontario Superior Court of Justice which, among other things, grants a limited stay of proceedings and establishes the record date for voting of securityholders with respect to the plan of arrangement as July 23, 2020.

The Company filed on SEDAR an information circular on July 21, 2020 describing the Recapitalization transaction which was approved at a Special Meeting of Shareholders and all applicable creditor classes on August 27, 2020. The Company filed a revised version of the plan of arrangement on SEDAR on August 26, 2020.

Additional information on the Recapitalization can be obtained through the Company's documents filed on SEDAR or on the SEC's website at www.sec.gov, including, without limitation, the Company's management proxy circular.

The Company's ability to continue as a going concern for the next 12 months is dependent on the continued availability of its credit facilities; the Company's ability to obtain waivers from its lenders for potential instances of non-compliance with covenants, if necessary; the ability to refinance, or secure additional sources of financing, if necessary, or, the completion of this Recapitalization transaction; the liquidation of available investments; and the continued support of the Company's lenders and suppliers. These conditions indicate the existence of material uncertainties that raise substantial doubt about 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. There can be no assurance that the Company will be successful in these initiatives, that lenders will provide further financing or relief for covenants, or that the Company can refinance or repay credit facilities from new sources of financing.

Forward-looking information

This MD&A may contain forward-looking statements and information, including statements and information regarding: guidance for base EBITDA for the fiscal year ended March 31, 2021; the ability of the Company to reduce both selling and marketing expenses and administrative expenses, and both the quantum of such reductions and the impact thereof on the Company's current fiscal year; the Company's ability to identify further opportunities to improve its cost structure; discussions with lenders; the impact of COVID-19; the Company's transition from an RCE (defined in the Key Terms below) growth focus to retaining strong-fit customers that will drive greater profitability; improvement in the Company's expected credit loss experience; the Company's ability to attract and retain strong-fit customers and the impact thereof on the achievement by the Company of greater profitability; and the impact of the actions and remediation efforts taken or implemented by the Company in remediating the material weaknesses in the Company's internal controls over financial reporting. 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, the impact of the evolving COVID-19 pandemic on the Company's business, operations and sales, including risks associated with reliance on suppliers; 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 the performance of acquired companies. Additional information on these and other factors that could affect Just Energy's operations or financial results is included in Just Energy's Annual Information Form and other reports on file with Canadian securities regulatory authorities, which can be accessed through the SEDAR website at www.sedar.com or by visiting EDGAR on the SEC's website at www.sec.gov.

Company overview

Just Energy is a retail energy provider specializing in electricity and natural gas commodities and bringing energy efficient solutions and renewable energy options to customers. Currently operating in the United States ("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 Inc. ("Filter Group"), Hudson Energy, Interactive Energy Group, Tara Energy and TerraPass.

Continuing operations overview

CONSUMER SEGMENT

The sale of gas and electricity to customers with annual consumption equivalent to 15 RCEs or less is undertaken by the Consumer segment. Marketing of the energy products of this segment is primarily done through retail, online and telesales. Consumer customers make up 36% of Just Energy's RCE base, which is currently focused on longer-term price-protected, flat-bill and variable rate product offerings, as well as JustGreen products. To the extent that certain markets are better served by shorter-term or enhanced variable rate products, the Consumer segment's sales channels offer these products.

In fiscal 2019, Just Energy added home water filtration systems to its line of consumer product and service offerings and is considering appropriate refinements to its value-added product offerings.

COMMERCIAL SEGMENT

Customers with annual consumption equivalent to over 15 RCEs are served by the Commercial segment. These sales are made through three main channels: brokers, door-to-door commercial independent contractors and inside commercial sales representatives. Commercial customers make up 64% of Just Energy's RCE base. 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. Gross margin per RCE for this segment is lower than it is for the Consumer 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 Consumer customers.

ABOUT THE ENERGY MARKETS

Just Energy offers products and services to address customers' essential needs, including electricity and natural gas commodities, health and well-being products such as water quality and filtration devices, and utility conservation products which bring energy efficient solutions and renewable energy options to customers.

Natural gas

Just Energy offers natural gas customers a variety of products ranging from month-to-month variable-price contracts to five-year fixed-price contracts. Gas supply is purchased from market counterparties based on forecasted Consumer and small Commercial RCEs. For larger Commercial customers, gas supply is generally purchased concurrently with the execution of a contract. Variable rate products allow customers to maintain competitive rates while retaining the ability to lock into a fixed price at their discretion. Flat-bill products 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 load. Just Energy mitigates exposure to weather variations through active management of the gas portfolio, which involves, but is not limited to, the purchase of options, including weather derivatives. Just Energy's ability to successfully mitigate weather effects is limited by the degree to which weather conditions deviate from normal. To the extent that balancing requirements are outside the 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 realized customer gross margin may increase or decrease depending upon market conditions at the time of balancing.

Territory	*Gas delivery method*
Manitoba, Ontario, Quebec and Michigan	The volumes delivered for a customer typically remain constant throughout the year. Sales 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 winter months is higher than in the spring and summer months. 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.

Electricity

Just Energy services various territories in Canada and the U.S. 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. Some of these products provide customers with price-protection programs for the majority of their electricity requirements. Just Energy uses historical usage data for all enrolled customers to predict future customer consumption and to help with long-term supply procurement decisions. Flat-bill products offer a consistent price regardless of usage.

Just Energy purchases power supply from market counterparties for residential and Commercial customers based on forecasted customer aggregation. Power 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. Similar to gas, Just Energy mitigates exposure to weather variations through active management of the power 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. To the extent that balancing power purchases are outside the acceptable forecast, 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 impact Just Energy's gross margin depending upon market conditions at the time of balancing.

JustGreen

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

JustGreen programs for gas customers involve the purchase of carbon offsets from carbon capture and reduction projects. JustGreen's electricity product offers 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. 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 gas and electricity in eligible markets across North America. Of all Consumer customers who contracted with Just Energy in the past year, 55% purchased JustGreen for some or all of their energy needs. On average, these customers elected to purchase 90% of their consumption as green supply. For comparison, as reported for the trailing 12 months ended June 30, 2019, 44% of Consumer customers who contracted with Just Energy chose to include JustGreen for an average of 79% of their consumption. As at June 30, 2020, JustGreen makes up 17% of the Consumer gas portfolio, compared to 7% a year ago. JustGreen makes up 21% of the Consumer electricity portfolio, compared to 14% in the prior comparable period.

TerraPass

Through TerraPass, customers can offset their environmental impact by purchasing high quality environmental products. TerraPass supports projects throughout North America that destroy greenhouse gases, produce renewable energy and restore freshwater ecosystems. Each project is made possible through the purchase of renewable energy credits and carbon offsets. TerraPass offers various purchase options for residential or commercial customers, depending on the impact the customer wishes to make.

Key terms

"6.5% convertible bonds" refers to the US$150 million in convertible bonds issued in January 2014, which mature on December 31, 2020. As of June 30, 2020, the 6.5% convertible bonds had US$9.2 million outstanding.

"6.75% $160M convertible debentures" refers to the $160 million in convertible debentures issued in October 2016, which have a maturity date of December 31, 2021 and traded as TSX: JE.DB.C.

"6.75% $100M convertible debentures" refers to the $100 million in convertible debentures issued in February 2018, which have a maturity date of March 31, 2023 and traded as TSX: JE.DB.D.

"8.75% loan" refers to the US$250 million non-revolving multi-draw senior unsecured term loan facility entered into on September 12, 2018, which has a maturity date of September 12, 2023. As of June 30, 2020, the 8.75% loan has an outstanding balance of US$207.0 million.

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

"Commodity RCE attrition" refers to the percentage of energy customers whose contracts were terminated prior to the end of the term either at the option of the customer or by Just Energy.

"Customer count" refers to the number of customers with a distinct address rather than RCEs (see key term below).

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

"Filter Group financing" refers to the outstanding loan balance between Home Trust Company ("HTC") and Filter Group. The loan bears an annual interest rate of 8.99%.

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

"Maintenance capital expenditures" means the necessary property and equipment and intangible asset capital expenditures required to maintain existing operations at functional levels.

"Preferred shares" refers to the 8.50%, fixed-to-floating rate, cumulative, redeemable, perpetual preferred shares that were initially issued at a price of US$25.00 per preferred share in February 2017. The cumulative feature means that preferred shareholders are entitled to receive dividends at a rate of 8.50% on the initial offer price, as and if declared by the Board of Directors.

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

“Selling commission expenses” means customer acquisition costs amortized under IFRS 15 or directly expensed within the current period and consist of commissions paid to independent sales contractors, brokers and sales agents. “Selling non-commission and marketing expenses” means the cost of selling overhead, including marketing cost not directly associated with the costs of direct customer acquisition costs within the current period. The total of these selling commission expenses and selling non-commission and marketing expenses is reflected on the statement of income (loss) as selling and marketing expenses.

“Strategic Review” means the Company’s formal review announced on June 6, 2019 to evaluate strategic alternatives available to the Company. The Company is no longer in active discussions regarding a specific transaction at this time but is continuing to explore and evaluate alternatives under the Strategic Review process, including implementation of the Recapitalization, additional cost reduction and optimization strategies, improving efficiencies and eliminating redundancies, sales of certain assets and other improvements to liquidity and leverage.

Non-IFRS financial measures

Just Energy’s unaudited interim condensed consolidated financial statements are prepared in accordance with IFRS. The financial measures that are defined below do not have a standardized meaning prescribed by IFRS 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 IFRS; 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 include the effect of the adoption of IFRIC 11 for realized gains (losses) on derivative instruments and other. 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 do not impact the long-term financial performance of Just Energy and thus have included them in the base gross margin calculation.

EBITDA

“EBITDA” refers to earnings before finance costs, income taxes, depreciation and amortization with an adjustment for discontinued operations. EBITDA is a non-IFRS measure that reflects the operational profitability of the business.

BASE EBITDA

“Base EBITDA” refers to EBITDA adjusted to exclude the impact of unrealized and realized mark to market gains (losses) arising from IFRS requirements for derivative financial instruments, Texas residential enrolment and collections impairment, Strategic Review costs, impairment of goodwill and intangible assets, discontinued operations and restructuring as well as adjustments reflecting share-based compensation, non-controlling interest and amortization of sales commissions with respect to Filter Group. This measure reflects operational profitability as the non-cash share-based compensation expense is treated as an equity issuance for the purposes of this calculation, since it will be settled in common shares; the mark to market gains (losses) are associated with supply already sold in the future at fixed prices; and the mark to market gains (losses) of weather derivatives are not yet realized. The Texas residential enrolment and collections impairment, Strategic Review costs, restructuring and discontinued operations are one-time, non-recurring events. Management has isolated the impact of the incremental Texas residential enrolment and collections recorded as at June 30, 2019, as presented in base EBITDA. All other bad debt charges, including any residual bad debt from the Texas enrolment and collection issues, are included in base EBITDA from July 1, 2019 onward.

Just Energy ensures that customer margins are protected by entering into fixed-price supply contracts. Under IFRS, 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 these short-term 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.

Included in base EBITDA are gains (losses) from the Company's portfolio of equity investments and acquisitions which are presented in the Company's unaudited interim condensed consolidated financial statements. The impact from fair value adjustments of contingent consideration liabilities that are related solely to performance is included in base EBITDA, while any impact from fair value adjustments of contingent consideration liabilities relating to changes in Just Energy's share price is excluded from base EBITDA. Management believes that volatility in share price does not impact the financial performance of Just Energy as the contingent consideration is settled in shares.

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 commodity contracts is included in the calculation of base EBITDA (as selling and marketing 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 finance costs 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 embedded gross margin is the difference between existing energy customer contract prices and the cost of supply for the remainder of the term, with appropriate assumptions for 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 or ten-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. As the mix of customers continues to reflect a higher proportion of Commercial volume, the EGM may, depending on currency rates, grow at a slower pace than customer growth; however, the underlying costs necessary to realize this margin will also decline.

Financial and operating highlights

For the three months ended June 30

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

	Fiscal 2021	% increase (decrease)	Fiscal 2020
Sales	$ **593,134**	**(11)%**	$ 670,165
Cost of goods sold	**323,997**	**(29)%**	457,941
Gross margin	**269,137**	**27%**	212,224
Realized loss of derivative instruments and other	**(132,858)**	**66%**	(79,932)
Base gross margin[1]	**136,279**	**3%**	132,292
Administrative expenses[2]	**39,953**	**(2)%**	40,803
Selling commission expenses	**35,979**	**1%**	35,502
Selling non-commission and marketing expense	**10,981**	**(58)%**	26,202
Finance costs	**21,853**	**(7)%**	23,546
Profit (loss) from continuing operations	**82,098**	**NMF[3]**	(269,971)
Loss from discontinued operations	**(2,948)**	**(43)%**	(5,189)
Profit (loss) for the period[4]	**79,150**	**NMF[3]**	(275,160)
Earnings per share from continuing operations available to shareholders – basic	**0.52**		(1.82)
Earnings per share from continuing operations available to shareholders – diluted	**0.43**		(1.82)
Dividends	**-**	**(100)%**	22,047
Base EBITDA from continuing operations[1]	**40,479**	**67%**	24,184
Unlevered free cash flow[1]	**25,255**	**NMF[3]**	(4,790)
Embedded gross margin[1]	**1,642,500**	**(21)%**	2,090,500
Total customers (RCEs)	**3,183,000**	**(11)%**	3,565,000
Total gross customer (RCE) additions	**46,000**	**(77)%**	196,000
Total net customer (RCE) additions	**(205,000)**	**NMF[3]**	(73,000)

[1] See "Non-IFRS financial measures" on page 6.

[2] Includes $3.6 million of Strategic Review costs for the first quarter of fiscal 2021.

[3] Not a meaningful figure.

[4] Profit (loss) includes the impact of unrealized gains (losses), which represents the mark to market of future commodity supply acquired to cover future customer demand as well as weather hedge contracts entered into as part of the Company's risk management practice. The supply has been sold to customers at fixed prices, minimizing any realizable impact of mark to market gains and losses.

Just Energy's sales decreased by 11% from $670.2 million to $593.1 million for the three months ended June 30, 2020. The decline in sales is primarily due to the 11% decrease in the overall RCE customer base from the prior comparable quarter resulting from the shift in focus to the Company's strategy to increase the credit quality of customers and to onboard higher quality customers through alternative channels; management's decision to exit the Georgia gas market; a reduction in the Company's customer base due to regulatory restrictions in Alberta, Ontario and California; selling constraints posed by COVID-19; as well as competitive pressures on pricing in the U.S. Base gross margin for the three months ended June 30, 2020 increased by 3% to $136.3 million due to optimization of weather hedge costs, higher JustGreen margin and a favourable exchange rate, partially offset by a decline in the customer base.

Base EBITDA from continuing operations for the quarter was $40.5 million, an increase of 67% compared to the first quarter of fiscal 2020. The increase was primarily attributable to higher base gross margin, a decrease in selling non-commission and marketing expenses and bad debt expense resulting from prior year cost containment efforts and improving customer enrolment controls and operational processes.

For the three months ended June 30, 2020, administrative expenses of $40.0 million decreased 2% from the prior comparable quarter. Excluding the impact of the Strategic Review costs of $3.6 million in the quarter, administrative expenses decreased 11% due to savings from prior year restructuring actions and optimized customer service cost structure amid COVID-19.

Selling commission expenses for the three months ended June 30, 2020 were $36.0 million, a 1% increase from the prior comparable quarter as lower commission spend amid COVID-19 was offset by an increase of amortization of previously capitalized customer acquisition costs. Selling non-commission and marketing expenses declined 58% from $26.2 million for the three months ended June 30, 2019 to $11.0 million for the three months ended June 30, 2020 as a result of cost reductions due to the suspension in the door-to-door channel, prior year realized cost savings and current year cost containment actions.

Finance costs for the three months ended June 30, 2020 amounted to $21.9 million, a decrease of 7% primarily driven by lower interest expense from the decreased prime rate and interest rates during COVID-19, lower collateral related costs associated with Texas electricity markets and lower utilization of the supplier credit term extensions compared to the prior quarter, offset by higher premium and fees associated with the 8.75% loan.

Profit from continuing operations for the three months ended June 30, 2020 was $82.1 million, representing earnings per share of $0.52 on a basic basis and $0.43 on a diluted basis. For the prior comparable quarter, the loss was $270.0 million, representing a loss per share of $1.82 on a basic and diluted basis.

Base gross margin[1]

For the three months ended June 30
(thousands of dollars)

	Fiscal 2021			Fiscal 2020		
	Consumer	**Commercial**	**Total**	Consumer	Commercial	Total
Gas	**$ 27,816**	**$ 6,429**	**$ 34,245**	$ 17,073	$ 2,092	$ 19,165
Electricity	**83,210**	**18,824**	**102,034**	88,903	24,224	113,127
	$ 111,026	**$ 25,253**	**$ 136,279**	$ 105,976	$ 26,316	$ 132,292
Increase (decrease)	**5%**	**(4)%**	**3%**			

[1] See “Non-IFRS financial measures” on page 6.

CONSUMER ENERGY

Base gross margin for the three months ended June 30, 2020 for the Consumer segment was $111.0 million, an increase of 5% from $106.0 million recorded in the prior comparable quarter. Gas base gross margin increased 63%, while electricity base gross margin decreased 6%.

Average realized base gross margin for the Consumer segment for the rolling 12 months ended June 30, 2020 was $360/RCE, an increase of 22% from $295/RCE reported in the prior comparable period. The increase is primarily attributable to the margin optimization improvements on power customers.

Gas

Base gross margin from gas customers in the Consumer segment was $27.8 million for the three months ended June 30, 2020, an increase of 63% from $17.1 million recorded in the prior comparable quarter. The change is primarily a result of optimization of weather hedge costs, as well as a favourable foreign exchange impact from the strengthening of the U.S. dollar.

Electricity

Base gross margin from electricity customers in the Consumer segment was $83.2 million for the three months ended June 30, 2020, a decrease of 6% from $88.9 million recorded in the prior comparable quarter. The change is primarily a result of the decline in the residential electricity customer base of 4% during the quarter ended June 30, 2020, partially offset by optimization of weather hedge costs and favourable foreign exchange impact from the strengthening of the U.S. dollar.

COMMERCIAL ENERGY

Base gross margin for the Commercial segment was $25.3 million for the three months ended June 30, 2020, a decrease of 4% from $26.3 million recorded in the prior comparable quarter. Gas and electricity base gross margins increased by 207% and decreased by 22%, respectively.

Average realized base gross margin for the rolling 12 months ended June 30, 2020 was $94/RCE, an increase of 16% from $81/RCE reported in the prior comparable period.

Gas

Gas base gross margin for the Commercial segment was $6.4 million, an increase of 207% from $2.1 million recorded in the prior comparable quarter driven by a favourable change in resettlements.

Electricity

Electricity base gross margin for the Commercial segment was $18.8 million, a decrease of 22% from $24.2 million recorded in the prior comparable quarter due to the decline in the Commercial electricity customer base of 7%, as a result of more stringent enrolment controls amid COVID-19.

Base EBITDA

For the three months ended June 30
(thousands of dollars)

		Fiscal 2021		Fiscal 2020
Reconciliation to unaudited interim condensed consolidated statements of income (loss)				
Profit (loss) for the period	**$**	**79,150**	$	(275,160)
Add (subtract):				
Finance costs		**21,853**		23,546
Provision for income taxes		**634**		(2,294)
Loss from discontinued operations		**2,948**		5,189
Depreciation and amortization		**7,352**		11,938
EBITDA	**$**	**111,937**	$	(236,781)
Add (subtract):				
Unrealized (gain) loss of derivative instruments and other		**(77,349)**		241,999
Realized gain included in cost of goods sold		**1,588**		-
Contingent consideration revaluation		**-**		6,929
Texas residential enrolment and collections impairment		**-**		4,900
Strategic Review costs		**3,614**		-
Share-based compensation		**692**		7,117
Profit (loss) attributable to non-controlling interest		**(3)**		20
Base EBITDA	**$**	**40,479**	$	24,184

Gross margin per unaudited interim condensed consolidated statements of loss	**$ 269,137**	$ 212,224
Realized loss of derivative instruments and other	**(132,858)**	(79,932)
Base gross margin	**136,279**	132,292
Add (subtract):		
Administrative expenses	**(39,953)**	(40,803)
Selling and marketing expenses	**(35,979)**	(35,502)
Selling non-commission and marketing expense	**(10,981)**	(26,202)
Bad debt expense	**(11,940)**	(17,288)
Texas residential enrolment and collections impairment	**-**	4,900
Amortization included in cost of sales	**74**	578
Strategic Review costs	**3,614**	-
Other income	**(632)**	6,189
Profit (loss) attributable to non-controlling interest	**(3)**	20
Base EBITDA	**$ 40,479**	$ 24,184

Summary of quarterly results for continuing operations

(thousands of dollars, except per share amounts)

	Q1 Fiscal 2021	Q4 Fiscal 2020	Q3 Fiscal 2020	Q2 Fiscal 2020
Sales	**$ 593,134**	$ 675,683	$ 658,521	$ 768,440
Cost of goods sold	**323,997**	388,174	446,552	843,788
Gross margin	**269,137**	287,509	211,969	(75,348)
Realized gain (loss) of derivative instruments and other	**(132,858)**	(107,089)	(69,485)	230,732
Base gross margin	**136,279**	180,420	142,484	155,384
Administrative expenses	**39,953**	46,051	39,616	41,466
Selling commission expenses	**35,979**	36,983	36,698	33,499
Selling non-commission and marketing expenses	**10,981**	16,584	14,572	20,780
Finance costs	**21,853**	26,770	28,178	28,451
Profit (loss) for the period from continuing operations	**82,098**	(138,210)	20,600	89,349
Profit (loss) for the period from discontinued operations, net	**(2,948)**	(2,721)	6,293	(9,809)
Profit (loss) for the period	**79,150**	(140,931)	26,893	79,540
Earnings (loss) for the period from continuing operations per share – basic	**0.52**	(0.93)	0.18	0.55
Earnings (loss) for the period from continuing operations per share – diluted	**0.43**	(0.93)	0.16	0.45
Base EBITDA from continuing operations	**40,479**	74,632	37,949	49,069

	Q1 Fiscal 2020	Q4 Fiscal 2019	Q3 Fiscal 2019	Q2 Fiscal 2019
Sales	$ 670,165	$ 797,409	$ 734,205	$ 804,309
Cost of goods sold	457,941	574,543	584,136	648,311
Gross margin	212,224	222,866	150,069	155,998
Realized gain (loss) of derivative instruments and other	(79,932)	(50,435)	14,392	(6,976)
Base gross margin	132,292	172,431	164,461	149,022
Administrative expenses	40,803	38,998	41,921	44,478
Selling commission expenses	35,502	39,480	28,973	26,326
Selling non-commission and marketing expenses	26,202	23,861	22,733	24,101
Restructuring costs	-	8,862	2,746	1,319
Finance costs	23,546	28,581	22,762	20,123
Profit (loss) for the period from continuing operations	(269,971)	(25,817)	35,890	(56,305)
Profit (loss) for the period from discontinued operations, net	(5,189)	(93,593)	(90,156)	32,885
Loss for the period	(275,160)	(119,410)	(54,266)	(23,420)
Earnings (loss) for the period from continuing operations per share – basic	(1.82)	(0.23)	0.27	(0.38)
Earnings (loss) for the period from continuing operations per share – diluted	(1.82)	(0.23)	0.25	(0.38)
Base EBITDA from continuing operations	24,184	59,479	57,105	37,380

Just Energy’s results reflect seasonality, as electricity consumption is slightly greater in the first and second quarters (summer quarters) and gas consumption is significantly greater during the third and fourth quarters (winter quarters). 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 reporting[1]
For the three months ended June 30
(thousands of dollars)

				Fiscal 2021
	Consumer	**Commercial**	**Corporate and shared services**	**Consolidated**
Sales	**$ 371,796**	**$ 221,338**	**$ -**	**$ 593,134**
Cost of goods sold	**(185,441)**	**(138,556)**	**-**	**(323,997)**
Gross margin	**186,355**	**82,782**	**-**	**269,137**
Realized loss of derivative instruments and other	**(75,329)**	**(57,529)**	**-**	**(132,858)**
Base gross margin	**111,026**	**25,253**	**-**	**136,279**
Add (subtract):				
Administrative expenses	**(8,461)**	**(5,835)**	**(25,657)**	**(39,953)**
Selling commission expenses	**(18,451)**	**(17,528)**	**-**	**(35,979)**
Selling non-commission and marketing expenses	**(9,106)**	**(1,875)**	**-**	**(10,981)**
Bad debt expense	**(8,449)**	**(3,491)**	**-**	**(11,940)**
Amortization included in cost of goods sold	**74**	**-**	**-**	**74**
Strategic Review costs	**-**	**-**	**3,614**	**3,614**
Other income, net	**(632)**	**-**	**-**	**(632)**
Loss attributable to non-controlling interest	**(3)**	**-**	**-**	**(3)**
Base EBITDA from continuing operations	**$ 65,998**	**$ (3,476)**	**$ (22,043)**	**$ 40,479**

				Fiscal 2020
	Consumer	Commercial	Corporate and shared services	Consolidated
Sales	$ 409,998	$ 260,167	$ -	$ 670,165
Cost of goods sold	(259,260)	(198,681)	-	(457,941)
Gross margin	150,738	61,486	-	212,224
Realized loss of derivative instruments and other	(44,762)	(35,170)	-	(79,932)
Base gross margin	105,976	26,316	-	132,292
Add (subtract):				
Administrative expenses	(11,234)	(6,152)	(23,417)	(40,803)
Selling commission expenses	(18,132)	(17,370)	-	(35,502)
Selling non-commission and marketing expenses	(23,666)	(2,536)	-	(26,202)
Bad debt expense	(16,139)	(1,149)	-	(17,288)
Texas residential enrolment and collections impairment	4,900	-	-	4,900
Amortization included in cost of goods sold	578	-	-	578
Other income, net	6,189	-	-	6,189
Profit attributable to non-controlling interest	20	-	-	20
Base EBITDA from continuing operations	$ 48,492	$ (891)	$ (23,417)	$ 24,184

[1] The segment definitions are provided on page 3.

Consumer Energy contributed $66.0 million to base EBITDA from continuing operations for the three months ended June 30, 2020, an increase of 36% from $48.5 million in the prior comparative quarter, primarily driven by higher base gross margin, cost reductions in the door-to-door channel, prior year restructuring actions and lower bad debt from improving controls and operational processes in the prior year. Selling commission expenses increased 2% from the prior comparable quarter due to lower commission spend amid COVID-19, offset by an increase of amortization of previous capitalized customer acquisition costs. Consumer selling non-commission and marketing expense decreased 62% for the three months ended June 30, 2020 as a result of cost reductions in the door-to-door channel and prior year restructuring actions.

Commercial base EBITDA from continuing operations for the three months ended June 30, 2020 decreased $2.6 million to negative $3.5 million, primarily driven by lower base gross margin due to a contraction of the California customer base and higher bad debt expense amid COVID-19. Commercial administrative costs were down 5% for the three months ended June 30, 2020, reflecting the realization of cost savings as a result of the restructuring actions in fiscal 2019. Selling commission expenses for the Commercial segment increased 1% due to ramp-up of the amortization of previously capitalized acquisition costs. Commercial selling non-commission and marketing expense decreased 26% for the three months ended June 30, 2020 as a result of the prior year restructuring actions and lower Just Energy Advanced Solutions expenses.

Corporate and shared services costs relate to management oversight of the business units, public reporting and filings, corporate governance and other shared services functions. The corporate expenses decreased 6%, excluding Strategic Review costs of $3.6 million, which are non-recurring and therefore excluded from base EBITDA.

The acquisition costs per customer for the last 12 months for Consumer and Commercial customers were as follows:

	Fiscal 2021	Fiscal 2020
Consumer	**$290/RCE**	$277/RCE
Commercial	**$50/RCE**	$54/RCE

The average acquisition cost for the Consumer segment was $290/RCE for the quarter ended June 30, 2020, an increase of 5% from the $277/RCE reported in fiscal 2020, primarily related to increased commission costs to acquire new customers. The increase was driven by the change in sales channel mix to higher cost acquisition channels, including retail, aimed at acquiring higher quality customers and higher commissions amortization, offset by lower selling activity during the first quarter of fiscal 2021 due to COVID-19.

The $50/RCE average acquisition cost for Commercial RCEs was 7% lower than the prior comparable period due to lower commission spend in the first quarter of fiscal 2021 amid COVID-19. As at June 30, 2019, the average acquisition cost for commercial brokers was $54/RCE.

For more information on the operating segments as per IFRS, reference Note 10 of the interim condensed consolidated financial statements for the three months ended June 30, 2020.

Customer summary

CUSTOMER COUNT

	As at June 30, 2020	As at March 31, 2020	June 30 vs. March 31 variance	As at June 30, 2019	2020 vs. 2019 variance
Consumer	**947,000**	988,000	(4)%	1,147,000	(17)%
Commercial	**114,000**	119,000	(4)%	115,000	(1)%
Total customer count	**1,061,000**	1,107,000	(4)%	1,262,000	(16)%

As at June 30, 2020, the total customer count decreased 16% to 1,061,000 compared to June 30, 2019 and 4% compared to March 31, 2020, excluding discontinued operations. The decline in customers is a result of the Company's focus on renewing and signing higher quality, lower attrition customers, as well as the natural attrition of the customer base. The customer count captures customers with a distinct service address.

COMMODITY RCE SUMMARY

	April 1, 2020	Additions	Attrition	Failed to renew	June 30, 2020	% decrease	June 30, 2019	% decrease
Consumer								
Gas	317,000	-	(13,000)	(5,000)	**299,000**	(6)%	384,000	(22)%
Electricity	876,000	18,000	(29,000)	(19,000)	**846,000**	(3)%	957,000	(12)%
Total Consumer RCEs	1,193,000	18,000	(42,000)	(24,000)	**1,145,000**	(4)%	1,341,000	(15)%
Commercial								
Gas	429,000	4,000	(29,000)	(8,000)	**396,000**	(8)%	435,000	(9)%
Electricity	1,766,000	24,000	(76,000)	(72,000)	**1,642,000**	(7)%	1,789,000	(8)%
Total Commercial RCEs	2,195,000	28,000	(105,000)	(80,000)	**2,038,000**	(7)%	2,224,000	(8)%
Total RCEs	3,388,000	46,000	(147,000)	(104,000)	**3,183,000**	(6)%	3,565,000	(11)%

Just Energy's total RCE base at June 30, 2020 is 3.2 million. Gross RCE additions for the quarter ended June 30, 2020 were 46,000, compared to 196,000 for the prior year, reflecting the selling constraints posed by COVID-19 and a transition from a purely RCE driven focus to a greater focus on attracting and retaining strong-fit customers that will drive greater profitability. Net additions were negative 205,000 for the quarter ended June 30, 2020, compared with negative 73,000 net RCE additions for the first quarter of fiscal 2020.

Consumer RCE additions amounted to 18,000 for the quarter ended June 30, 2020, a 76% decrease from the corresponding quarter ended June 30, 2019, primarily driven by the selling constraints posed by COVID-19, a greater emphasis on attracting and retaining strong-fit customers that will drive greater profitability and the natural attrition in response to the pricing actions implemented in fiscal 2020. Consumer attrition RCEs decreased 59% for the quarter ended June 30, 2020 to 42,000, reflecting the flattening of departures from the prior comparable quarter when pricing actions were taken to significantly raise gross margin/RCE. Consumer failed to renew RCEs for the quarter ended June 30, 2020 decreased 20% to 24,000 RCEs due to more competitive retention offers, timing of Consumer customer contract expirations, and operational changes implemented to focus on and improve customer retention. As at June 30, 2020, the U.S. and Canadian operations accounted for 81% and 19% of the Consumer RCE base, respectively.

Commercial RCE additions were 28,000 for the quarter ended June 30, 2020, a 77% decrease over the prior comparable period in fiscal 2020 due to the selling constraints posed by COVID-19 and competitive pressures on pricing in the U.S. market. Commercial failed to renew RCEs for the quarter ended June 30, 2020 of 80,000 RCEs decreased 11% from the corresponding period in fiscal 2020. As at June 30, 2020, the U.S. and Canadian operations accounted for 73% and 27% of the Commercial RCE base, respectively.

Overall, as at June 30, 2020, the U.S. and Canadian operations accounted for 76% and 24% of the RCE base, respectively, compared to 74% and 26%, respectively, as at June 30, 2019.

COMMODITY RCE ATTRITION

	Trailing 12 months ended June 30, 2020	Trailing 12 months ended June 30, 2019
Consumer	**27%**	22%
Commercial	**9%**	7%

The Consumer attrition rate for the trailing 12 months ended June 30, 2020 increased five percentage points to 27%. The Commercial attrition rate for the trailing 12 months ended June 30, 2020 increased two percentage points to 9%. Consumer attrition rates for the trailing 12 months ended June 30, 2020 include the impact of the rectified Texas enrolment issues.

The Consumer attrition rate for the three months ended June 30, 2020 decreased three percentage points to 4% from the prior comparable quarter in fiscal 2020, while the Commercial attrition rate for the three months ended June 30, 2020 remained consistent at 3% compared to the quarter ended June 30, 2019, reflecting the attrition improvements in customer survival curves directly attributable to the Company's greater emphasis on attracting and retaining strong-fit customers.

COMMODITY RCE RENEWALS

	Trailing 12 months ended June 30, 2020	Trailing 12 months ended June 30, 2019
Consumer	**78%**	69%
Commercial	**47%**	54%

The Consumer renewal rate increased nine percentage points to 78% for the trailing 12 months ended June 30, 2020, while the Commercial renewal rate decreased by seven percentage points to 47% as compared to the first quarter of fiscal 2020. The increase in the Consumer renewal rate was driven by improved retention offerings, while the decline in the Commercial renewal rate reflected a competitive market for Commercial renewals with competitors pricing aggressively and Just Energy's focus on improving longer-term, retained customer-base profitability rather than pursuing low margin sales.

The Consumer renewal rate for the three months ended June 30, 2020, increased from 74% for the three months ended June 30, 2019 to 77%, driven by improved retention offerings. The Commercial renewal rate for the three months ended June 30, 2020 decreased from 54% to 46% as the Commercial segment continues to face the same competitive pressures experienced during the trailing 12 months; however, Just Energy continues to focus on improving longer-term, retained customer-base profitability.

ANNUAL GROSS MARGIN PER RCE

The table below depicts the annual design margins on new and renewed contracts signed during the quarter, which does not include ancillary revenues. This table reflects the gross margin (sales price less costs of associated supply) earned on new additions and renewals, for standard (non-green) commodities.

	Q1 Fiscal 2021	Number of RCEs	Q1 Fiscal 2020	Number of RCEs
Consumer customers added or renewed	**$ 370**	**17,000**	$ 357	218,000
Commercial customers added or renewed[1]	**125**	**29,000**	76	182,000

[1]Annual gross margin per RCE excludes margins from Interactive Energy Group and large Commercial and Industrial customers.

For the three months ended June 30, 2020, the average gross margin per RCE for the customers added or renewed by the Consumer segment was $370/RCE, an increase of 4% from $357/RCE reported in the prior comparable period. The increase in gross margin on Consumer customers added and renewed is a result of the stronger U.S. dollar and a shift in small volume customer usage from lower margin Commercial customers to higher margin Consumer customers.

For the Commercial segment, the average gross margin per RCE for the customers signed during the three months ended June 30, 2020 was $125/RCE, an increase of 64% from $76/RCE reported in the prior comparable period due to the stronger U.S. dollar and the adding and renewing of a larger proportion of lower usage, higher margin Commercial customers as a result of COVID-19 sales constraints.

Liquidity and capital resources from continuing operations

SUMMARY OF CASH FLOWS

For the three months ended June 30
(thousands of dollars)

		Fiscal 2021		Fiscal 2020
Operating activities from continuing operations	**$**	**10,649**	$	(14,049)
Investing activities from continuing operations		**(1,686)**		(21,984)
Financing activities from continuing operations, excluding dividends		**(14,355)**		50,852
Effect of foreign currency translation		**(695)**		(168)
Increase in cash before dividends		**(6,087)**		14,651
Dividends (cash payments)		**-**		(22,047)
Increase (decrease) in cash		**(6,087)**		(7,396)
Cash and cash equivalents – beginning of period		**26,093**		9,927
Cash and cash equivalents – end of period	**$**	**20,006**	$	2,531

The Company's total available liquidity at June 30, 2020 was $80.5 million consisting of $20.0 million of cash on hand and $60.5 million available under the Company's credit facility. Comparable total availability at June 30, 2019 was $16.0 million consisting of $2.5 million of cash on hand and $13.5 million available under the Company's credit facility.

OPERATING ACTIVITIES FROM CONTINUING OPERATIONS

Cash flow from continuing operating activities for the quarter ended June 30, 2020 was an inflow of $10.6 million, compared to an outflow of $14.0 million in the prior comparable quarter. Cash flow from operations was higher in the current quarter as a result of the overhead cost savings realized from the restructuring actions implemented in fiscal 2019 as well as other fiscal 2020 operational efficiencies, the improvement in residential customer collections due to the enhancement of enrolment controls in the Texas market, the decrease in the funding required by discontinued operations and lower cash taxes, partially offset by costs incurred for the Strategic Review.

INVESTING ACTIVITIES FROM CONTINUING OPERATIONS

Investing activities for the quarter ended June 30, 2020 included purchases of property and equipment and intangible assets totalling $nil and $1.7 million, respectively, compared with $0.6 million and $9.4 million, respectively, in fiscal 2020. Additionally, in the first quarter of fiscal 2020 investing activities included a $12.0 million expenditure related to the Filter Group acquisition.

FINANCING ACTIVITIES FROM CONTINUING OPERATIONS

Financing activities, excluding dividends, relate primarily to the issuance and repayment of long-term financing. During the quarter ended June 30, 2020, Just Energy withdrew an additional $9.9 million on the credit facility, compared with $54.2 million for the three months ended June 30, 2019. This inflow was offset by the repayments of $21.5 million of the share swap instrument, $1.7 million on the Filter Group financing as well as leased asset payments of $1.1 million. This is compared to repayments of $1.6 million on the Filter Group financing and $1.5 million on leased asset payments.

Just Energy's liquidity requirements are driven by the delay from the time that a customer contract is signed until cash flow is generated. The elapsed period between the time a customer is signed and receipt of the first payment from the customer varies with each market. The time delays per market are approximately two to nine months. These periods reflect the time required by the various LDCs to enrol, flow the commodity, bill the customer and remit the first payment to Just Energy. In Alberta and Texas and for Commercial direct-billed customers, Just Energy receives payment directly.

DIVIDENDS

During the quarter ended June 30, 2020, Just Energy did not pay cash dividends to its shareholders, compared to $22.0 million paid in the prior comparable quarter. On August 14, 2019, the Company announced the suspension of the declaration and payment of dividends on its common shares.

Preferred shareholders are entitled to receive dividends at a rate of 8.50% on the initial offer price of US$25.00 per preferred share when, as and if declared by the Board of Directors, out of funds legally available for the payments of dividends, on the applicable dividend payment date. As the preferred shares are cumulative, dividends on preferred shares will accrue even if they are not paid. Common shareholders will not receive dividends until any preferred share dividends in arrears are paid. On December 2, 2019, the Company announced the suspension of the declaration and payment of dividends on the preferred shares. Dividends on the preferred shares will continue to accrue in accordance with preferred share terms during the period in which dividends are suspended. Any dividend payment following the suspended period will be credited against the earliest accumulated but unpaid dividend.

Free cash flow and unlevered free cash flow[1]

For the three months ended June 30
(thousands of dollars)

	2020	2019
Cash flows from operating activities	$ 10,649	$ (14,049)
Add (subtract):		
Maintenance capital expenditures	(1,686)	(9,971)
Free cash flow	8,963	(24,020)
Finance costs, cash portion	16,292	19,230
Unlevered free cash flow	$ 25,255	$ (4,790)

[1] See “Non-IFRS financial measures” on page 6.

For the quarter ended June 30, 2020, free cash flow was an inflow of $25.3 million compared to an outflow of $4.8 million for the prior comparable quarter. The improvement was primarily driven by a reduction in cash disbursements as a result of the overhead cost savings realized from the restructuring actions implemented in fiscal 2019 as well as other fiscal 2020 operational efficiencies, an improvement in residential customer collections due to the implementation of enrolment controls in the Texas market, a decrease in capital expenditures due to a more rigorous investment approval process, a decrease in funding required by discontinued operations and lower cash taxes, partially offset by costs incurred for the Strategic Review.

Embedded gross margin[1]

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

	As at June 30, 2020	As at June 30, 2019	% decrease
Total embedded gross margin	$ 1,642.5	$ 2,090.5	(21)%

[1] See “Non-IFRS financial measures” on page 6.

Management’s estimate of the EGM for continuing operations within its customer contracts amounted to $1,642.5 million as at June 30, 2020, a decrease of 21% compared to $2,090.5 million as at June 30, 2019. The decrease is due to the decline in the North American commodity customer base, partially offset by the stronger U.S. dollar.

Balance sheet as at June 30, 2020, compared to March 31, 2020

Total cash decreased from $26.1 million as at March 31, 2020 to $20.0 million as at June 30, 2020. The decrease in cash is primarily attributable to the seasonality of payments relating to the commodity business moving from winter to spring.

As of June 30, 2020, trade receivables and other and unbilled revenue amounted to $252.2 million and $120.3 million, respectively, compared to March 31, 2020, when the trade receivables and other and unbilled revenue amounted to $281.9 million and $122.0 million, respectively.

Trade payables and other decreased from $685.7 million to $559.4 million during the quarter ended June 30, 2020, as a result of the seasonality of payments relating to the commodity business moving from winter to spring as well as lower commission and green provision spend amid COVID-19.

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

Total long-term debt remained consistent at $782.3 million as at June 30, 2020, with increases in debt from additional drawings and foreign exchange due to the strengthening of the U.S. dollar were offset by principal repayments of debt.

	As at June 30, 2020	As at March 31, 2020	As at June 30, 2019
Assets:			
Cash	**$ 20,006**	$ 26,093	$ 2,531
Trade and other receivables	**372,530**	403,907	456,962
Total fair value of derivative financial assets	**82,001**	65,145	102,209
Other current assets	**143,857**	203,270	127,555
Liabilities:			
Trade payables and other	**$ 559,441**	$ 685,665	$ 528,386
Total fair value of derivative financial liabilities	**137,351**	189,706	276,148
Total long-term debt	**782,256**	782,003	774,885

Provision for income tax
For the three months ended June 30
(thousands of dollars)

	Fiscal 2021	Fiscal 2020
Current income tax expense	**$ 873**	$ 462
Deferred income tax recovery	**(239)**	(2,756)
Provision for (recovery of) income tax	**$ 634**	$ (2,294)

Just Energy recorded a current income tax expense of $0.9 million for the three months ended June 30, 2020, compared to $0.5 million expense in the prior comparable period. Just Energy continues to have a current tax expense from profitability in taxable jurisdictions.

During the three months ended June 30, 2020, a deferred tax recovery of $0.2 million was recorded as compared to a recovery of $2.8 million in the prior comparable quarter. A greater benefit was recognized in the first quarter of fiscal 2020 due to the ability to partially recognize current year losses carried forward.

Contractual obligations

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

PAYMENTS DUE BY PERIOD
(thousands of dollars)

	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years	Total
Trade and other payables	$ 559,441	$ -	$ -	$ -	$ 559,441
Long-term debt	263,592	263,105	296,205	-	822,902
Interest payments	42,895	68,417	5,834	-	117,146
Gas, electricity and non-commodity contracts	1,125,798	1,386,530	325,257	100,842	2,938,427
	$ 1,991,726	$ 1,718,052	$ 627,296	$ 100,842	$ 4,437,916

On August 1, 2017, Just Energy announced that it reached an agreement with its joint venture partner, Red Ventures LLC, to end the exclusive relationship for online sales of the Just Energy brand in North America. To facilitate the transaction, Just Energy acquired the outstanding 50% interest of each of Just Ventures LLC in the United States and Just Ventures L.P. in Canada. As at June 30, 2020, the current liabilities amount to $16.2 million and long-term liabilities amount to $20.6 million.

OTHER OBLIGATIONS

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

Transactions with related parties

Just Energy does not have any material transactions with any individuals or companies that are not considered independent of Just Energy or any of its subsidiaries and/or affiliates other than the related party transaction discussed in the interim condensed consolidated financial statements.

Off balance sheet items

The Company has issued letters of credit in accordance with its credit facility totalling $63.2 million (March 31, 2020 – $72.5 million) to various counterparties, primarily utilities in the markets it operates in, as well as suppliers.

Pursuant to separate arrangements with several bond agencies, 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 June 30, 2020 were $48.9 million (March 31, 2020 – $63.4 million).

Critical accounting estimates and judgments

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

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

COVID-19 IMPACT

As a result of the continued and uncertain economic and business impact of the coronavirus disease 2019 (COVID-19) pandemic, we have reviewed the estimates, judgments and assumptions used in the preparation of our financial statements, including with respect to: the determination of whether indicators of impairment exist for our assets and cash-generating unit's ("CGU") and the underlying assumptions used in the measurement of the recoverable amount of such assets or CGU. We have also assessed the impact of COVID-19 on the estimates and judgments used in connection with our measurement of deferred tax assets and the credit risk of our customers. Although we determined that no significant revisions to such estimates, judgments or assumptions were required for the quarter ended June 30, 2020, revisions may be required in future periods to the extent that the negative impacts on our business arising from COVID-19 continue or worsen. Any such revision (due to COVID-19 or otherwise) may result in, among other things, write-downs or impairments to our assets or CGU, and/or adjustments to the carrying amount of our accounts receivable, or to the valuation of our deferred tax assets, any of which could have a material impact on our results of operations and financial condition. While we believe the COVID-19 pandemic to be temporary, the situation is dynamic and the impact of COVID-19 on our results of operations and financial condition, including the duration and the impact on overall customer demand, cannot be reasonably estimated at this time.

FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Just Energy enters into contracts with customers to provide electricity and gas at fixed prices and provide comfort to certain customers that a specified amount of energy will be derived from green generation or carbon destruction. These customer contracts expose Just Energy to changes in market prices to supply these commodities. To reduce 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. Certain derivative contracts were purchased to manage Electricity Reliability Council of Texas ("ERCOT") collateral requirements.

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 IFRS 9 is not applied. Just Energy's policy is not to use derivative instruments for speculative purposes.

Just Energy uses a forward interest rate curve along with a volume weighted average share price to value its share swap. The conversion feature on the 6.5% convertible bonds is valued using an option pricing model.

Just Energy's U.S. operations introduce foreign exchange-related risks. Just Energy enters into foreign exchange forwards in order to hedge its exposure to fluctuations in cross border cash flows, however, hedge accounting under IFRS 9 is not applied.

The consolidated financial statements are in compliance with IAS 32, Financial Instruments: Presentation; IFRS 9, Financial Instruments; and IFRS 7, Financial Instruments: Disclosure. Due to commodity volatility and to the size of Just Energy, the swings in mark to market on these positions will increase the volatility in Just Energy's earnings.

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

Level 1 – 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 Note 13 of the consolidated financial statements for the quarter ended June 30, 2020. 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 and Ohio (electricity). 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, including RCE's, 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. Reference the "Risk factors – Customer credit risk" section below for further details.

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.

Just Energy common and preferred shares

As at August 28, 2020, there were 151,640,574 common shares and 4,662,165 preferred shares of Just Energy outstanding.

Legal proceedings

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

In March 2012, Davina Hurt and Dominic Hill filed a lawsuit against Commerce Energy Inc. ("Commerce"), Just Energy Marketing Corp. and the Company in the Ohio Federal Court claiming entitlement to payment of minimum wage and overtime under Ohio wage claim laws and the Federal Fair Labor Standards Act ("FLSA") on their own behalf and similarly situated door-to-door sales representatives who sold for Commerce in certain regions of the United States. The Court granted the plaintiffs' request to certify the lawsuit as a class action. Approximately 1,800 plaintiffs opted into the federal minimum wage and overtime claims, and approximately 8,000 plaintiffs were certified as part of the Ohio state overtime claims. On October 6, 2014, the jury refused to find a willful violation but concluded that certain individuals were not properly classified as outside salespeople in order to qualify for an exemption under the minimum wage and overtime requirements. On September 28, 2018, the Court issued a final judgment, opinion and order. Just Energy filed its appeal to the Court of Appeals for the Sixth Circuit on October 25, 2018. Oral testimony was heard on October 24, 2019. A decision is pending. Just Energy strongly believes it complied with the law, which is consistent with the recent findings in Encino Motorcars, LLC v. Navarro, 138 S. Ct. 1134, 1142 (2018) and Kevin Flood, et al. v. Just Energy Marketing Group, et al. 2d Circular No. 17-0546.

In May 2015, Kia Kordestani, a former door-to-door independent contractor sales representative for Just Energy Corp., filed a lawsuit against Just Energy Corp., Just Energy Ontario L.P. and the Company (collectively referred to as "Just Energy") in the Superior Court of Justice, Ontario, claiming status as an employee and seeking benefits and protections of the Employment Standards Act, 2000, such as minimum wage, overtime pay, and vacation and public holiday pay on his own behalf and similarly situated door-to-door sales representatives who sold in Ontario. On Just Energy's request, Mr. Kordestani was removed as a plaintiff but replaced with Haidar Omarali, also a former door-to-door sales representative. On July 27, 2016, the Court granted Omarali's request for certification, refused to certify Omarali's request for damages on an aggregate basis, and refused to certify Omarali's request for punitive damages. Omarali's motion for summary judgment was dismissed in its entirety on June 21, 2019. A trial date has been set commencing November 15, 2021.

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 Superior Court of Justice, 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. 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 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. Just Energy denies the allegations and will vigorously defend these claims.

In March of 2020, the seller representative with respect to the acquisition of Filter Group Inc. (the "Claimant") delivered a Notice of Dispute under the purchase agreement among the Claimant, Just Energy, a subsidiary of Just Energy (the "Buyer") and other sellers with respect to the purchase of Filter Group Inc. by the Buyer on September 10, 2018 (the "Purchase Agreement"). In this arbitral proceeding, the Claimant alleges, among other things, that the Buyer breached its responsibilities by failing to conduct the business of Filter Group Inc. in a commercially reasonable manner to reduce or avoid the achievement of the EBITDA targets contained in the Purchase Agreement and failed to honour the obligations to the Claimant that would have been owing had the target EBITDA been achieved in the first period under the Purchase Agreement. The Claimant seeks, among other things, the immediate exchange of the 9,500,000 class A special shares of the Buyer for common shares of Just Energy, being the number of common shares of Just Energy that would be exchanged if the entire earn-out under the Purchase Agreement was achieved. Just Energy denies the allegations and will vigorously defend the proceeding.

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 Internal Control over Financial Reporting ("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

Both the CEO and CFO have designed, or caused to be designed under their supervision, the Company's ICFR, which has been effected by the Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Based on that evaluation, the CEO and CFO concluded that because of the material weaknesses described below, the Company's ICFR was not effective.

Identification of material weaknesses in reconciliation and estimation of certain balance sheet accounts

During the quarter ended March 31, 2020, and following our discovery of certain historical errors related to our cost of goods sold and trade accounts payable and other captions within our consolidated financial statements for the year ended March 31, 2019 and other historical periods, as discussed elsewhere in this Management's Discussion and Analysis, and in accordance with the internal control reporting requirements, our management completed an assessment of the effectiveness of our ICFR as at March 31, 2020. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework (2013). 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. Management's evaluation of our ICFR identified material weaknesses resulting from several design and operational control deficiencies within the system of internal control that allowed these errors to manifest and the failure to detect them for an extended period of time, as follows:

Control activities and monitoring

The Company did not design or maintain effective control activities and monitoring activities over the following:

The Company did not design an effective control activity regarding our reconciliation and estimation procedures as disclosed within the restatement tables of Note 5 of the consolidated financial statements for the year ended March 31, 2020. Specifically, the Company did not establish, to an appropriate degree of precision, a control to identify material misstatements regarding differences between commodity suppliers' payables, initial estimates and final costs incurred, including establishing lookback procedures related to such estimates. Further, the Company did not design, to an appropriate degree of precision, a control to fully reconcile certain of the trade accounts payable and other accounts, which also included certain reclassifications to other balance sheet accounts.

The Company did not maintain monitoring of the design of certain aspects of the financial statement close process. Specifically, both the finance and operations teams did not coordinate activities to explain certain balance sheet reconciliations. Additionally, the Company did not design effective controls to prevent or detect misstatements during the operation of the financial statement close process, including finalization of the trial balance to the preparation of financial statements in fiscal 2020 and previous periods.

A material weakness is a deficiency, or a combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim condensed consolidated financial statements will not be prevented or detected on a timely basis. Due to the aforementioned adjustments, management identified material weaknesses for the year ended March 31, 2020.

Remediation of material weaknesses in internal control over financial reporting

Management is committed to the planning and implementation of remediation efforts to address the material weakness, as well as to foster improvement in the Company's internal controls. These remediation efforts are underway and are intended to address the identified material weakness and enhance the overall financial control environment.

While performing year-end close procedures for fiscal 2020, the Company engaged third parties to assist the Company in addressing the identified material weaknesses and made operational and financial reporting control changes throughout the organization.

Management is enhancing its system of internal control methodology to foster a stronger interaction between the Company's finance and operations teams to produce more precise information for accruals and reconciliation performance by requiring both teams to participate in reconciliation and monitoring activities. The Company has deployed a formal balance sheet reconciliation policy across the organization, trained accountants and other participants to perform reconciliations, and instituted a quality review of certain reconciliations within the Company. During closing of the first quarter of fiscal 2021, management further increased the amount of personnel to perform the close and estimation processes for commodity suppliers' payables, initial estimates and final costs incurred, to assist in the performance of balance sheet reconciliations. Additionally, the Company has engaged a third party to deploy a third-party reconciliation tool to further increase the rigour used in performance balance sheet reconciliations.

To further remediate the material weakness identified herein, the management team, including the CEO and CFO, have reaffirmed and re-emphasized the importance of internal control as part of its commitment to competence, to control consciousness and to fostering a strong control environment. The Company hired a full-time chief accounting officer and a full-time controller in fiscal 2020, both with expertise in finance and accounting, and within the retail energy sector. The remediation of these material weaknesses is ongoing, as not enough time has elapsed in order to conclude that the remediation efforts are operating effectively.

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 our stated goals under all potential future conditions.

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.justenery.com and is included in Just Energy's Management Proxy Circular. Just Energy actively monitors the corporate governance and disclosure environment to ensure timely compliance with current and future requirements.

Outlook

Just Energy looks forward to the implementation of the Recapitalization, which is expected to occur in September 2020, pending all approvals, including court and regulatory approvals.

Just Energy continues to demonstrate its commitment to controlling costs and significantly improving the quality of the customer book, building off the success achieved on these efforts in fiscal 2020 as it moves back to basics. In fiscal 2021, the Company is on pace to realize the full benefit of the cost saving actions taken in fiscal 2020 and sustain a spending rate of approximately $100 million less than fiscal 2019. The Company continues to evaluate spend and identify opportunities to further streamline the business without sacrificing opportunities for profitable growth.

Just Energy is focused on its core North American retail energy operations. Just Energy continues to actively evaluate the optimal strategy for its remaining non-core operations, particularly value-added products, considering the Company's renewed focus on its commodity business.

Given the uncertainty associated with COVID-19, and the impact it has had on sales, the Company is maintaining the previously provided guidance range of between $130 million and $160 million of base EBITDA for fiscal 2021. The Company also expects to achieve between $70 million and $100 million of unlevered free cash flow in fiscal 2021, subject to management's decision to reduce extended supplier payables.