

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the accompanying short form base shelf prospectus dated January 4, 2018 to which it relates as amended or supplemented, and each document incorporated by reference or deemed to be incorporated by reference therein, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities in those jurisdictions. These securities have not and will not be registered under the United States Securities Act of 1933, as amended, or any securities laws of any state of the United States. Accordingly, subject to certain exceptions, these securities may not be offered or sold in the United States. This prospectus supplement, together with the accompanying short form base shelf prospectus dated January 4, 2018 to which it relates, and each document incorporated by reference therein, does not constitute an offer to sell, or a solicitation of an offer to buy, any of these securities within the United States. See "Plan of Distribution".*

*Information has been incorporated by reference in this prospectus supplement from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Just Energy Group Inc. at First Canadian Place, 100 King Street West, Suite 2630, Toronto, Ontario, M5X 1E1, telephone: 416-367-2452, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

**PROSPECTUS SUPPLEMENT  
TO THE SHORT FORM BASE SHELF PROSPECTUS DATED JANUARY 4, 2018**

New Issue

February 13, 2018



**JUST ENERGY GROUP INC.**

**\$100,000,000**

**6.75% Convertible Unsecured Senior Subordinated Debentures**

This prospectus supplement (the "**Prospectus Supplement**") together with the short form base shelf prospectus dated January 4, 2018 (the "**Prospectus**") qualifies the distribution of \$100 million aggregate principal amount of 6.75% convertible unsecured senior subordinated debentures (the "**Debentures**") of Just Energy Group Inc. ("**Just Energy**" or the "**Corporation**") at a price of \$1,000 per \$1,000 principal amount of Debentures (the "**Offering**"). The Debentures will bear interest at an annual rate of 6.75%, payable in Canadian dollars semi-annually in arrears, on March 31 and September 30 in each year, commencing on September 30, 2018 (each an "**Interest Payment Date**"). The September 30, 2018 interest payment will represent accrued interest from and including the date of the initial closing of the Offering, to but excluding September 30, 2018. The Debentures will mature on March 31, 2023 (the "**Maturity Date**"). Further particulars concerning the attributes of the Debentures are set out under "*Description of the Debentures*".

**Debenture Conversion Privilege**

Each Debenture will be convertible into freely tradeable (as defined herein) common shares ("**Common Shares**") of the Corporation at the option of the holder thereof at any time prior to the close of business on the earlier of the business day immediately preceding (i) the Maturity Date, and (ii) the date specified for redemption of the Debentures, at a conversion price of \$8.90 per Common Share (the "**Conversion Price**"), being a conversion rate of approximately 112.3596 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment in certain events as described in the trust indenture (the "**Debenture Indenture**") between the Corporation and Computershare Trust Company of Canada (the "**Debenture Trustee**") governing the terms of the Debentures. Holders converting their Debentures will receive accrued and unpaid interest on such Debentures for the period from and including the last interest payment date (or the date of issue of the Debentures if there has not yet been an interest payment date) to, but excluding, the date of conversion. Further particulars concerning the conversion privilege, including provisions for the adjustment of the Conversion Price, are set out under "*Description of the Debentures - Conversion Rights*".

The Debentures are not redeemable on or prior to March 31, 2021, except upon the satisfaction of certain conditions after a Change of Control (as defined herein) has occurred. After March 31, 2021 and prior to March 31, 2022, the Debentures may be redeemed by the Corporation, in whole or in part, at a redemption price equal to the principal amount of the Debentures being redeemed plus accrued and unpaid interest thereon, if any, for the period from and including the last Interest Payment Date to but excluding the date of redemption, provided that the Current Market Price (as defined herein) preceding the date on which notice of redemption is given is at least 125% of the Conversion Price. On and after March 31, 2022, and prior to maturity, the Debentures may be redeemed by the Corporation, in whole or in part, at a redemption price equal to the principal amount of the Debentures being redeemed plus accrued and unpaid interest thereon, if any, for the period from and including the last Interest Payment Date to but excluding the date of redemption. Just Energy shall provide not more than 60 days nor less than 30 days prior notice of redemption. See “*Description of the Debentures - Redemption*”.

The Corporation may, at its option, subject to applicable regulatory approval and provided that no Event of Default (as defined herein) has occurred and is continuing, elect to satisfy its obligation to pay, in whole or in part, the principal amount of the Debentures that are to be redeemed or that are to mature, upon not less than 30 days and not more than 60 days prior notice, by issuing to the holders thereof that number of freely tradeable Common Shares determined by dividing the principal amount of the Debentures being repaid by 95% of the Current Market Price on the date of redemption or maturity, as applicable. In addition, subject to applicable regulatory approval, freely tradeable Common Shares may be issued to the Debenture Trustee and sold, with the proceeds used to satisfy the obligation to pay interest on the Debentures. See “*Description of the Debentures - Method of Payment*”.

**There is currently no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased under this Prospectus Supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures, and the extent of issuer regulation. Investing in the Debentures involves risk. Prospective investors should consider the risk factors described under “*Risk Factors*” and “*Cautionary Statement Regarding Forward-Looking Statements*” and in the documents incorporated by reference into this Prospectus Supplement and the accompanying Prospectus.**

The Corporation has applied to list the Debentures and the Common Shares issuable upon conversion, redemption or maturity of the Debentures on the Toronto Stock Exchange (the “**TSX**”). Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX. In addition, the Corporation has applied to list the Common Shares issuable upon conversion, redemption or maturity of the Debentures on the New York Stock Exchange (the “**NYSE**”). Such listing will be subject to the Corporation fulfilling all of the listing requirements of the NYSE. The Common Shares are listed and posted for trading on the TSX and the NYSE under the symbol “**JE**”. On February 12, 2018, the last trading day on the TSX and the NYSE before the announcement of the Offering, the closing price of the Common Shares on the TSX and the NYSE was \$6.15 and US\$4.88, respectively.

The terms and offering price of the Debentures have been determined by negotiation between the Corporation, on the one hand, and CIBC World Markets Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., GMP Securities L.P., HSBC Securities (Canada) Inc., Industrial Alliance Securities Inc., Raymond James Ltd., AltaCorp Capital Inc. and Echelon Wealth Partners Inc. (collectively, the “**Underwriters**”), on the other hand. Concurrently with the Offering, the Debentures may be offered and sold in the United States in reliance on applicable private placement exemptions under United States securities laws. See “*Plan of Distribution*”.

## Price \$1,000 per Debenture

	Price to the Public	Underwriters' Commission <sup>(1)</sup>	Net Proceeds <sup>(2)</sup>
Per Debenture .....	\$1,000	\$40	\$960
Total <sup>(3)</sup> .....	\$100,000,000	\$4,000,000	\$96,000,000

Notes:

- (1) Pursuant to the terms of the Underwriting Agreement (as defined herein), the Underwriters will receive a commission (the “**Underwriters’ Commission**”) equal to 4.0% of the gross proceeds of the Offering.
- (2) After deducting the Underwriters’ Commission but before deducting expenses of the Offering, estimated to be \$650,000.
- (3) The Corporation has granted the Underwriters an over-allotment option, exercisable at any time not later than the 30<sup>th</sup> day following the closing of the Offering, to purchase up to \$15,000,000 aggregate principal amount of additional Debentures, on the same terms as set out above, solely to cover over-allotments, if any, and for market stabilization purposes (the “**Over-Allotment Option**”). If the Over-Allotment Option is exercised in full, the total “Price to the Public”, “Underwriters’ Commission” and “Net Proceeds” will be \$115,000,000, \$4,600,000 and \$110,400,000, respectively. This Prospectus Supplement qualifies the distribution of the Over-Allotment Option and the issuance of the Debentures upon exercise, if any, of the Over-Allotment Option. A purchaser who acquires Debentures forming part of the Underwriters’ over-allocation position acquires those Debentures under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “*Plan of Distribution*”.

<u>Underwriters’ position</u>	<u>Maximum size or number of securities available</u>	<u>Exercise period</u>	<u>Exercise price</u>
Over-Allotment Option	\$15,000,000 principal amount of Debentures	Exercisable not later than the 30 <sup>th</sup> day following the closing of the Offering	\$1,000 per Debenture

The Underwriters, as principals, conditionally offer the Debentures, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*”, and subject to the approval of certain legal matters on behalf of the Corporation by Fasken Martineau DuMoulin LLP and on behalf of the Underwriters by Blake, Cassels & Graydon LLP.

In connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Debentures at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”. **After the Underwriters have made a reasonable effort to sell all of the Debentures at the offering price set forth herein, such offering price may be decreased and may be further changed from time to time to an amount not greater than the offering price set forth herein. Any such reduction will not affect the net proceeds received by Just Energy. See “*Plan of Distribution*”.**

Subscriptions for the Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Debentures will be issued in electronic form or “book-entry only” form through the facilities of CDS Clearing and Depository Services Inc. (“**CDS**”). Except in limited circumstances, holders of beneficial interests in the Debentures will not have the right to receive physical certificates evidencing their ownership of Debentures. The closing of the Offering is expected to occur on or about February 22, 2018 (the “**Closing Date**”) or such other date as may be agreed upon by the Corporation and the Underwriters, which date shall in any event not be later than March 23, 2018.

**Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The Corporation and the Underwriters have not authorized anyone to provide prospective purchasers with additional or different information from that contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus.**

**The Debentures are being offered only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted.**

Deborah Merrill, James W. Lewis, Patrick McCullough, R. Scott Gahn, Brett A. Perlman and William Weld reside outside of Canada and have appointed the Corporation, located at 100 King Street West, Suite 2630, Toronto, Ontario, Canada M5X 1E1, as agent for service of process. Investors are advised that it may not be possible to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for services of process in Canada.

The Corporation's head office is located at 6345 Dixie Road, Suite 400, Mississauga, Ontario L5T 2E6. The registered office of the Corporation is located at 100 King Street West, Suite 2630, Toronto, Ontario M5X 1E1.

**Certain of the Underwriters (CIBC World Markets Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc.) are, directly or indirectly, wholly-owned subsidiaries of Canadian chartered banks which are lenders to the Corporation under a credit facility of up to \$342.5 million (the "Credit Facility"). In addition, ATB Financial is a majority shareholder of AltaCorp Capital Inc. ATB Financial is an affiliate of Alberta Treasury Branches which is a provincially regulated financial institution and is also a lender to the Corporation under the Credit Facility. Accordingly, pursuant to applicable securities legislation, the Corporation may be considered a "connected issuer" of CIBC World Markets Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc. and/or AltaCorp Capital Inc. for the purposes of securities legislation in certain jurisdictions. See "*Relationship Between the Underwriters and the Corporation*".**

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## **IMPORTANT NOTICE ABOUT THE INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of this Offering and also adds to and updates certain information contained in the accompanying Prospectus and the documents incorporated by reference therein. The second part, the accompanying Prospectus, gives more general information, some of which may not apply to this Offering.

The Corporation is not offering the Debentures in any jurisdiction where the offering is not permitted by law. This Prospectus Supplement and the accompanying Prospectus must not be used by anyone for any purpose other than in connection with the distribution of Debentures under this Offering. The Corporation does not undertake to update the information contained in this Prospectus Supplement or contained or incorporated by reference in the Prospectus, except as required by applicable securities laws.

Prospective purchasers should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The Corporation has not authorized anyone to provide prospective purchasers with different or additional information. The Corporation takes no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give prospective purchasers. Prospective purchasers should not assume that the information contained in this Prospectus Supplement is accurate as of any date other than the date on the front of this Prospectus Supplement or the respective dates of the documents incorporated by reference in the accompanying Prospectus. Information on any of the websites maintained by the Corporation is not incorporated into and does not otherwise constitute a part of this Prospectus Supplement or the accompanying Prospectus and must not be relied upon by prospective purchasers for the purpose of determining whether to invest in the Debentures.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus Supplement, the accompanying Prospectus and the documents incorporated by reference therein, contains forward-looking statements and forward-looking information (collectively, the “**forward-looking statements**”) within the meaning of applicable securities laws, including the “safe harbour” provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are often, but not always, identified by the use of words (including negative and grammatical variations thereof) such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “forecast”, “target”, “project”, “guidance”, “may”, “will”, “should”, “could”, “estimate”, “predict” or similar words suggesting future outcomes or language suggesting an outlook. Forward-looking statements in this Prospectus Supplement, the accompanying Prospectus and the documents incorporated by reference therein include, but are not limited to statements pertaining to expectations regarding: customer revenues and margins; customer additions and renewals; customer attrition; customer consumption levels; the Corporation’s ability to compete successfully; the treatment of governmental regimes; the Corporation’s EBITDA, Base EBITDA, Funds from Operations, Base Funds from Operations, Base Funds from Operations Payout Ratio and Embedded gross margin (see “*Non-IFRS Measures*”); litigation against the Corporation and/or its subsidiaries; the Corporation’s ability to declare and pay dividends and the timing thereof; the estimated amounts and timing of the payment of dividends, capital expenditures, future debt levels and revenues; the closing of the Offering; the listing of the Debentures on the TSX and NYSE and the listing of the Common Shares issuable upon conversion, redemption or maturity of the Debentures on the TSX and NYSE; the use of proceeds of the Offering; the exercise of the Over-Allotment Option; and the expenses of the Offering. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. In addition, this Prospectus Supplement, the accompanying Prospectus and the documents incorporated by reference therein may contain forward looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. See also “*Forward-Looking Statements*” in the AIF, the Annual MD&A and the Interim MD&A (as each term is defined below), which are incorporated by reference into this Prospectus Supplement and which are available at [www.sedar.com](http://www.sedar.com) and through the SEC’s website at [www.sec.gov](http://www.sec.gov) for further information with respect to forward-looking statements.

Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this Prospectus Supplement, the accompanying Prospectus and the documents incorporated by reference therein include, but are not limited to: general economic and business conditions in North America and globally; the ability of management to execute its business plan; levels of customer natural gas and electricity consumption; extreme weather conditions; rates of customer additions, attrition and renewals; fluctuations in natural gas and electricity prices and interest and exchange rates; actions taken by

governmental authorities, including energy marketing regulation, increases in taxes and changes in government regulations and incentive programs; dependence on suppliers; risks inherent in marketing operations, including credit risk; potential delays or changes in plans with respect to capital expenditures and the availability of capital on acceptable terms; availability of sufficient financial resources to fund the Corporation's capital expenditures; inability to obtain required consents, permits or approvals; incorrect assessments of the value of acquisitions; failure of the Corporation to realize the anticipated benefits of any acquisition; known or unknown liabilities acquired pursuant to acquisitions; volatility in the stock markets and in market valuations; competition for, among other things, customers, supply, capital and skilled personnel; the results of litigation; dependence on certain suppliers; and the other factors described under "*Risk Factors*" in this Prospectus Supplement and the accompanying Prospectus, and in the AIF and the Annual MD&A, which are incorporated by reference herein and in the accompanying Prospectus, and described in other filings made by the Corporation with Canadian securities regulatory authorities.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. The factors listed above should be considered carefully and we caution prospective purchasers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in such forward-looking statements. Further information regarding these factors may be found under the heading "*Risk Factors*" in this Prospectus Supplement, the accompanying Prospectus, the AIF and the Annual MD&A.

Prospective purchasers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. When relying on the Corporation's forward-looking statements to make decisions with respect to the Corporation, prospective purchasers and others should carefully consider the foregoing factors and other uncertainties and potential events. No assurance can be given that the expectations reflected in the forward looking statements contained in this Prospectus Supplement and the accompanying Prospectus will prove to be correct. Furthermore, the forward-looking statements contained in this Prospectus Supplement and the accompanying Prospectus are made as of the date of this Prospectus Supplement or the accompanying Prospectus, as applicable, and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this Prospectus Supplement and the accompanying Prospectus, including the documents incorporated by reference herein and therein, are expressly qualified by this cautionary statement.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**This Prospectus Supplement is deemed, as of the date hereof, to be incorporated by reference into the accompanying Prospectus only for the purpose of the distribution of Debentures under the Offering.**

The following documents filed with the securities commission or similar regulatory authority in all of the provinces of Canada are specifically incorporated by reference into, and form an integral part of, the Prospectus as supplemented by this Prospectus Supplement:

- (a) the annual information form of the Corporation dated May 26, 2017 in respect of the year ended March 31, 2017 (the "**AIF**");
- (b) the audited comparative consolidated annual financial statements of the Corporation as at and for the year ended March 31, 2017, together with the notes thereto and the independent auditors' report thereon (the "**Annual Financial Statements**");
- (c) the management's discussion and analysis of financial condition and results of operations of the Corporation for the year ended March 31, 2017 (the "**Annual MD&A**");
- (d) the unaudited interim condensed consolidated financial statements of the Corporation as at and for the three and nine months ended December 31, 2017, together with the notes thereto (the "**Unaudited Interim Financial Statements**");
- (e) the management's discussion and analysis of financial condition and results of operations of the Corporation for the three and nine months ended December 31, 2017 (the "**Interim MD&A**");

- (f) the management information circular of the Corporation dated May 26, 2017 for the annual and special meeting of shareholders of the Corporation held on June 27, 2017 (the “**2017 Circular**”); and
- (g) the “template version” of the “marketing materials” dated February 12, 2018 (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements* (“**NI 41-101**”)) consisting of the term sheet in respect of the Offering.

Copies of the documents incorporated by reference in the Prospectus, as supplemented by this Prospectus Supplement, may be obtained on request without charge from the Secretary of Just Energy at First Canadian Place, 100 King Street West, Suite 2630, Toronto, Ontario, M5X 1E1, telephone: 416-367-2452, and are also available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

Any document of the type referred to in Section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* (excluding confidential material change reports) filed by the Corporation with a securities commission or similar regulatory authority in Canada after the date of this Prospectus Supplement and before the termination or completion of the distribution of the Debentures hereunder, will be deemed to be incorporated by reference into the Prospectus, as supplemented by this Prospectus Supplement, for the purpose of this Offering.

**Any statement contained in this Prospectus Supplement, in the accompanying Prospectus, or in a document incorporated or deemed to be incorporated by reference therein shall be deemed to be modified or superseded to the extent that a statement contained herein or therein, or in any subsequently filed document which also is, or is deemed to be, incorporated by reference into the Prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement or the Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.**

#### **MARKETING MATERIALS**

Any “template version” of “marketing materials” (as such terms are defined in NI 41-101) has been incorporated by reference in this Prospectus Supplement. However, such “template version” of “marketing materials” will not form part of this Prospectus Supplement to the extent that the contents of the “template version” of “marketing materials” are modified or superseded by a statement contained in this Prospectus Supplement. Any “template version” of “marketing materials” filed on SEDAR after the date of this Prospectus Supplement and before the termination of the distribution of Debentures under this Offering will be deemed to be incorporated by reference into this Prospectus Supplement.

#### **NON-IFRS MEASURES**

The documents incorporated by reference in this Prospectus Supplement and the accompanying Prospectus refer to certain financial measures that are not determined in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the International Accounting Standards Board. Such non-IFRS financial measures include “EBITDA”, “Base EBITDA”, “Funds from Operations”, “Base Funds from Operations”, “Base Funds from Operations Payout Ratio”, and “Embedded gross margin”. These financial measures do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures presented by other companies. These non-IFRS 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, but the Corporation believes these non-IFRS financial measures are useful in providing relative performance and measuring change. Definitions of non-IFRS financial measures used by the Corporation are found under the heading “*Key terms*” in the Annual MD&A and “*Non-IFRS financial measures*” in the Interim MD&A.

## MARKET AND INDUSTRY DATA

Certain documents incorporated by reference in this Prospectus Supplement and in the accompanying Prospectus contain market and industry data obtained from a combination of third-party sources and the estimates of management of the Corporation. Although management believes that these third-party sources and the estimates of management are reliable, the accuracy and completeness of such data is not guaranteed and has not been verified by any independent sources. Market and industry data, including estimates and projections relating to size of market and market share, is inherently imprecise and cannot be verified due to limitations in the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations inherent in any market research or other survey. Management's estimates are based on internal research, its knowledge of the relevant market and industry and extrapolations from third-party sources. While we are not aware of any misstatements regarding the market and industry data presented in the documents incorporated by reference herein and in the accompanying Prospectus, such data involve risks and uncertainties and are subject to change based on various factors, including those factors discussed under "*Cautionary Statement Regarding Forward-Looking Statements*".

## ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Corporation, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**"), provided that on the date hereof the Common Shares are listed on a "designated stock exchange", as defined in the Tax Act, which currently includes the TSX and the NYSE, the Debentures offered pursuant to this Prospectus Supplement and the Common Shares issuable on the conversion, redemption or maturity of the Debentures, in all such cases if issued on the date hereof, would be qualified investments under the Tax Act and Regulations for trusts governed by registered retirement savings plans ("**RRSPs**"), registered education savings plans ("**RESPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans (except, in the case of the Debentures, a deferred profit sharing plan to which the Corporation, or an employer that does not deal at arm's length with the Corporation, has made a contribution), registered disability savings plans ("**RDSPs**") and tax-free savings accounts ("**TFSAs**").

Notwithstanding that the Debentures and Common Shares may be qualified investments as discussed above, if the Debentures or Common Shares are a "prohibited investment" (as defined in the Tax Act) for a TFSA, RRSP, RRIF, RDSP or RESP, the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF, or the subscriber of the RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Debentures and Common Shares will not be a prohibited investment provided the holder, subscriber or annuitant, as the case may be, deals at arm's length with the Corporation for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Corporation. In addition, a Common Share will not be a "prohibited investment" if the Common Share is "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for a trust governed by a TFSA, RRSP, RRIF, RDSP or RESP. Holders of TFSAs or RDSPs, subscribers of RESPs and annuitants of RRSPs or RRIFs should consult their own tax advisors to ensure that the Debentures and Common Shares would not be a prohibited investment in their particular circumstances.

## CURRENCY AND EXCHANGE RATE INFORMATION

In this Prospectus Supplement, unless otherwise specified or the context otherwise requires, "Canadian dollars", "Cdn.\$" or "\$" means lawful currency of Canada and "United States dollars", "US dollars" or "US\$" means lawful currency of the United States. The rate of exchange on February 12, 2018 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was Cdn.\$1.00 equals US\$0.7935 and for the conversion of United States dollars into Canadian dollars was US\$1.00 equals Cdn.\$1.2603.

The following table sets forth, for each of the periods indicated, the high, low and average spot rates for US\$1.00 in terms of Canadian dollars, as reported by the Bank of Canada.

	<b>Nine months ended December 31, 2017 (Cdn.\$)</b>	<b>Nine months ended December 31, 2016 (Cdn.\$)</b>	<b>Fiscal year ended March 31, 2017 (Cdn.\$)</b>	<b>Fiscal year ended March 31, 2016 (Cdn.\$)</b>
High.....	1.3743	1.3582	1.3582	1.4589
Low.....	1.2128	1.2544	1.2544	1.1951
Average .....	1.2901	1.3089	1.3126	1.3114

## SUMMARY OF THE OFFERING

*The following is only a brief summary of the principal features of the Offering and is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this Prospectus Supplement and the accompanying Prospectus. For a more detailed description of the terms of the Debentures, see “Description of the Debentures”.*

- Offering:** 100,000 Debentures (115,000 Debentures assuming the exercise in full of the Over- Allotment Option) having an aggregate principal amount of \$100,000,000 (\$115,000,000 assuming the exercise in full of the Over-Allotment Option).
- Over-Allotment Option** Just Energy has granted to the Underwriters the Over-Allotment Option to purchase up to 15% of the Debentures issued at a price of \$1,000 per Debenture on the same terms and conditions as the Offering, exercisable in whole or in part, at the sole discretion of CIBC World Markets Inc. and National Bank Financial Inc. on behalf of the Underwriters at any time up until 30 days after the closing of the Offering for the purposes of covering the Underwriters’ over-allocation position and for market stabilization purposes.
- Price:** \$1,000 per Debenture.
- Use of Proceeds:** The Corporation intends to use the net proceeds of the Offering to redeem, in full, the \$100 million aggregate principal amount outstanding under Just Energy’s 5.75% convertible unsecured subordinated debentures due 2018 (the “**\$100 Million Convertible Debentures**”) following closing of the Offering and for general corporate purposes. See “*Use of Proceeds*”.
- Listing and Trading:** The Corporation has applied to list the Debentures and the Common Shares issuable upon conversion, redemption or maturity of the Debentures on the TSX. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX. In addition, the Corporation has applied to list the Common Shares issuable upon conversion, redemption or maturity of the Debentures on the NYSE. Such listing will be subject to the Corporation fulfilling all of the listing requirements of the NYSE.
- Closing Date:** On or about February 22, 2018, but in any event no later than March 23, 2018.
- Risks and Uncertainties:** An investment in Debentures and/or the Common Shares issuable upon the conversion of Debentures is subject to a number of risks that should be considered by a prospective purchaser. An investment in the Debentures should be considered speculative due to various factors and should only be made by persons who can afford the total loss of their investment. An investment in the Debentures involves certain business risks and certain risks related to the Debentures which should be carefully considered by prospective purchasers, including: market risks relating to changes in the market or fair value of a particular instrument or commodity; liquidity risks relating to not being able to settle the Corporation’s future debt obligations; counterparty risks relating to the potential of a counterparty failing to perform under its contractual obligations; legal and regulatory risks relating to changes in regulations or legislation affecting Just Energy’s business model, costs or operations; the risk of existing and potential litigation against Just Energy; retail customer risk relating to a change in customer behaviour and from an increase in competition in the retail energy industry; business operations risks relating to any unplanned interruption or cyber-attack, manual or system errors; business earnings risk unique to the retail energy sales industry; credit and liquidity risks relating to not being able to pay interest or principal on the Debentures when due; risks relating to the ability of purchasers not being able to resell the Debentures as there is currently no market through which the Debentures may be sold; prior ranking indebtedness risks as well as outstanding indebtedness risks relating to not being able to pay amounts due on any or all of the Debentures outstanding following the payment of senior and secured indebtedness in full; absence of covenant

protection risks in that there is no restriction from Just Energy incurring additional indebtedness; risks relating to the prevailing yields on similar securities, risks relating to the possible dilutive effects on holders of Common Shares and future financings upon the redemption of the Debentures; risks relating to not being able to pay the purchase price for the Debentures upon a change of control; market risks relating to the volatility of the market price of the Debentures and the Common Shares; risks relating to changes in tax laws; and risks relating to management's discretion in the use of proceeds.

Such risks could have a material adverse effect on the Corporation's future results of operations, business, prospects or financial condition, and could cause actual events to differ materially from those described in forward-looking statements.

See "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements".

**Maturity Date:** March 31, 2023.

**Interest:** 6.75% per annum. Interest on the Debentures is payable semi-annually in arrears on March 31 and September 30 of each year, commencing September 30, 2018. The first interest payment on September 30, 2018 will include interest accrued from and including the Closing Date to, but excluding, September 30, 2018.

Subject to receipt of applicable regulatory approvals and provided that no Event of Default has occurred and is continuing, Just Energy may elect to satisfy, in whole or in part, its obligation to pay interest on the Debentures by issuing and delivering to the Debenture Trustee freely tradeable Common Shares to be sold by the Debenture Trustee, with the proceeds used to pay interest owing on the Debentures. See "Description of the Debentures - Method of Payment".

**Conversion:** Each Debenture will be convertible into freely tradeable Common Shares at the option of the holder thereof at any time prior to the close of business on the business day immediately preceding the earlier of the Maturity Date and the date specified by Just Energy for redemption of the Debentures, at the Conversion Price of \$8.90 per Common Share, being a conversion rate of approximately 112.3596 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment in certain events. Holders converting their Debentures will receive accrued and unpaid interest on such Debentures for the period from and including the last interest payment date (or the date of issue of the Debentures if there has not yet been an interest payment date) to, but excluding, the date of conversion. Further particulars concerning the conversion privilege, including provisions for the adjustment of the Conversion Price, are set out under "Description of the Debentures - Conversion Rights".

"freely tradeable" will be defined in the Debenture Indenture to mean in respect of any Common Shares or any other securities of the Corporation or any other person, as the case may be, that they (i) may be issued without the necessity of filing a prospectus or any other similar offering document (other than such prospectus or similar offering document that has already been filed) under applicable securities legislation and such issue does not constitute a distribution (other than a distribution already qualified by prospectus or similar offering document or that is otherwise exempt from prospectus requirements) under applicable securities legislation; and (ii) can be traded in Canada by the holder thereof without any restriction under applicable securities legislation, such as hold periods, except in the case of a control distribution (as defined in the applicable securities legislation) or any other trade prohibited under insider trading rules of applicable securities legislation.

**Redemption:** The Debentures are not redeemable on or prior to March 31, 2021, except upon the satisfaction of certain conditions after a Change of Control has occurred. After March 31, 2021 and prior to March 31, 2022, the Debentures may be redeemed by

Just Energy, in whole or in part, at a redemption price equal to the principal amount of the Debentures being redeemed plus accrued and unpaid interest thereon, if any, for the period from and including the last Interest Payment Date to but excluding the date of redemption, provided that the Current Market Price preceding the date on which notice of redemption is given is at least 125% of the Conversion Price. On and after March 31, 2022, and prior to maturity, the Debentures may be redeemed by Just Energy, in whole or in part, at a redemption price equal to the principal amount of the Debentures being redeemed plus accrued and unpaid interest thereon, if any, for the period from and including the last Interest Payment Date to but excluding the date of redemption. Just Energy shall provide not more than 60 days nor less than 30 days prior notice of redemption. See “*Description of the Debentures - Redemption*”.

“**Current Market Price**” will be defined in the Debenture Indenture to mean the volume-weighted average trading price per Common Share for the 20 consecutive trading days, ending on the fifth trading day preceding the date of determination, on the TSX (or, if the Common Shares are not listed on the TSX, on such stock exchange on which the Common Shares are listed as may be selected for such purpose by the board of directors of Just Energy (“**Board**” or “**Board of Directors**”) and approved by the Debenture Trustee, or if the Common Shares are not listed on any stock exchange, then on the over-the-counter market). The volume weighted average trading price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said 20 consecutive trading days by the total number of Common Shares so sold.

**Payment upon Redemption or Maturity:**

On redemption or at maturity of the Debentures, Just Energy will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon.

Just Energy may, at its option, on not more than 60 days and not less than 30 days prior notice, subject to applicable regulatory approval and provided no Event of Default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the Debentures that are to be redeemed or that are to mature, by issuing and delivering to the holders thereof that number of freely tradeable Common Shares determined by dividing the principal amount of the Debentures being repaid by 95% of the Current Market Price on the date of redemption or maturity, as applicable. No fractional Common Shares will be issued on redemption or at maturity but in lieu thereof Just Energy will satisfy fractional interests by a cash payment equal to the Current Market Price multiplied by the fractional Common Share, less any taxes required to be deducted or withheld. See “*Description of the Debentures - Method of Payment*”.

**Change of Control:**

Within 30 days following the occurrence of a Change of Control, Just Energy will be required to make an offer in writing to purchase all of the Debentures then outstanding (the “**Debenture Offer**”), at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest earned from and including the last Interest Payment Date to but excluding the date of repurchase (the “**Debenture Offer Price**”). If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered to Just Energy pursuant to a Debenture Offer, Just Energy will have the right to redeem all of the remaining Debentures at the Debenture Offer Price.

“**Change of Control**” will be defined in the Debenture Indenture to mean the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction of more than 66 $\frac{2}{3}$ % of the outstanding voting securities of Just Energy and, for greater certainty, excludes an acquisition, merger, reorganization, amalgamation, arrangement, combination or other similar

transaction involving Just Energy if immediately after the closing of such transaction no person, or group of persons acting jointly or in concert, holds voting control or direction over more than 66⅔% of the outstanding voting securities of Just Energy or the successor entity resulting from such transaction. See “*Description of the Debentures - Change of Control*”.

Subject to regulatory approval, if a Change of Control occurs in which 10% or more of the consideration for the Common Shares consists of: (i) cash, (ii) equity securities that are not traded or intended to be traded immediately following such transaction on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transaction on a stock exchange, the holders of the Debentures (the “**Debentureholders**”) will be entitled to convert their Debentures and receive, subject to and upon completion of the Change of Control, in addition to the number of Common Shares they would otherwise be entitled to receive upon conversion, an additional number of Common Shares as outlined in the table under “*Description of the Debentures - Change of Control*”.

**Subordination:**

The payment of the principal of, and interest on, the Debentures will be subordinated and postponed in right of payment, as set forth in the Debenture Indenture, to the full and final payment of all Senior Indebtedness of the Corporation (as defined herein), including indebtedness to trade and other creditors of Just Energy, and will rank senior to the \$100 Million Convertible Debentures and to all other present and future unsecured subordinated indebtedness of Just Energy and, subject to indebtedness preferred by mandatory provisions of law, will rank *pari passu* with the \$160 million aggregate principal amount 6.75% convertible unsecured senior debentures due 2021 (the “**\$160 Million Convertible Debentures**”), with each other Debenture issued under the Debenture Indenture and with all other present and future unsecured senior subordinated indebtedness of Just Energy except for sinking fund provisions (if any) applicable to different series of debentures or other similar types of obligations of Just Energy. The Debentures will not limit the ability of Just Energy to incur additional indebtedness, including indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging its properties to secure any indebtedness. See “*Description of the Debentures - Subordination*”.

## JUST ENERGY GROUP INC.

Just Energy is an energy management solutions provider specializing in electricity and natural gas commodities, energy efficient solutions and renewable energy options. With offices located across the United States, Canada, the United Kingdom, Germany, Ireland and Japan, Just Energy serves approximately 1.5 million residential and commercial customers. The Corporation offers a wide range of energy products including long-term fixed-price, variable rate, and flat bill programs, home energy management services, including LED retrofits, thermostats and smart irrigation controllers, as well as renewable energy solutions, such as carbon offsets and renewable energy certificates. The Corporation markets its products and services under the following brands: Just Energy, Hudson Energy, GreenStar Energy, Tara Energy, Just Energy Advanced Solutions, TerraPass and Interactive Energy Group. Please see “*Just Energy Group Inc. - Recent Developments*” below.

Just Energy commenced operations in 1997 in the Province of Ontario under a predecessor company, listing as Energy Savings Income Fund (the “**Fund**”) on the TSX in April 2001. Pursuant to a plan of arrangement approved by unitholders of the Fund on June 29, 2010, and by the Alberta Court of the Queen’s Bench on June 30, 2010, Just Energy Group Inc. was established on January 1, 2011 under the *Canada Business Corporations Act* (the “**CBCA**”).

By fixing the price of electricity or natural gas under its fixed-price energy 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 and indexed 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 a consistent price regardless of usage. The Corporation 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 price at which it purchases the associated volumes from its commodity suppliers as well as from margins obtained through the sale of home energy management services and products. Under the Corporation’s TerraPass brand, through carbon offset and Renewable Energy Credits programs, customers can reduce the negative impact of their own day-to-day energy consumption. In certain markets, the Corporation bundles smart thermostats with its other services, which the Corporation believes increases customer loyalty and margins. The Corporation launched its Just Energy Perks program in 2016 which allows customers to gain points used to purchase energy efficient products or gift cards from its partner Energy Earth.

The Corporation’s principal executive office is located at 6345 Dixie Road, Suite 400, Mississauga, Ontario, L5T 2E6. Just Energy’s website address is [www.justenergygroup.com](http://www.justenergygroup.com). Information contained on Just Energy’s website does not constitute part of this Prospectus Supplement or the Prospectus.

### Recent Developments

#### *EdgePower Acquisition*

On February 5, 2018, Just Energy and an indirect wholly owned subsidiary of Just Energy, Just Energy (U.S.) Corp. (“**Just Energy (U.S.)**”), entered into a share purchase agreement (the “**Share Purchase Agreement**”) with Karl Swanson, Nathan Glasgow (collectively, the “**Principal Sellers**”), Mike Ogburn, Henry Cross, Shawn Adams, Theodore Belanger, Steve Beaulieu and Skyler Ogden, pursuant to which Just Energy (U.S.) agreed to acquire all of the issued and outstanding shares of EdgePower Inc. for total consideration of approximately US\$14 million on closing, subject to customary adjustments based on working capital (the “**EdgePower Acquisition**”). As partial consideration for such shares and in accordance with the terms of the Share Purchase Agreement, US\$7 million in Common Shares (the “**Consideration Shares**”) will be issued by the Corporation to the Principal Sellers on the closing of the EdgePower Acquisition, US\$3 million of which will be subject to a three year escrow hold period.

EdgePower Inc. is an energy monitoring and management company operating out of Aspen, Colorado. EdgePower Inc. provides lighting and heating, ventilation and air conditioning controls in over 480 facilities and enterprise monitoring for over 700 buildings in North America. The EdgePower Acquisition will facilitate Just Energy in continuing to build out an energy management solutions platform in the commercial space and create synergies with Just Energy’s lighting systems and commercial commodity business.

### *At-the-Market Offering Renewal*

On January 5, 2018, Just Energy renewed its “at-the-market” offering (the “**ATM Offering**”) in the United States. Pursuant to the ATM Offering, Just Energy is offering up to US\$146,096,810 aggregate principal amount of 8.50% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Shares (the “**Series A Preferred Shares**”). Dividends on the Series A Preferred Shares will initially accrue at the rate of 8.50% per annum of the US\$25.00 liquidation preference per Series A Preferred Share and will thereafter accrue at a floating rate. The Series A Preferred Shares are convertible into Common Shares upon a change of control of Just Energy.

### *Energy Broker Business*

In the fall of 2017, the Corporation launched its energy broker business under the brand, Interactive Energy Group, which markets energy solutions to businesses for multiple suppliers. Just Energy also provides LED retrofit services in certain markets including Ontario and Texas.

### *Termination of Exclusivity with Red Ventures LLC*

On August 1, 2017, the Corporation announced that it had 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 Just Ventures LLC in the United States and Just Ventures L.P. in Canada.

### *Re-Branding Commerce Energy*

On April 3, 2017, the Corporation announced that, effective April 1, 2017, its subsidiary, Commerce Energy, Inc. had re-branded as Just Energy. The change represented a transition in name only and did not otherwise affect the status of existing customer contracts.

## **USE OF PROCEEDS**

The Corporation estimates that the net proceeds from the Offering will be approximately \$95,350,000, without giving effect to the exercise of the Over-Allotment Option and after deducting the Underwriters’ Commission and the estimated expenses of the Offering of \$650,000 payable by Just Energy. After giving effect to the Over-Allotment Option, the Corporation estimates that the net proceeds from the Offering will be approximately \$109,750,000, assuming full exercise of the Over-Allotment Option and after deducting the Underwriters’ Commission and the estimated expenses of the Offering of \$650,000 payable by Just Energy. The Corporation intends to use the net proceeds of the Offering to redeem the \$100 Million Convertible Debentures following closing of the Offering.

The Corporation intends to spend the funds available to it as stated in this Prospectus Supplement; however, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary. Pending use of the net proceeds of the Offering, such net proceeds will be invested in accordance with determinations by the Board, with any remaining proceeds being used for working capital and general corporate purposes.

## **CONSOLIDATED CAPITALIZATION**

The following table sets forth the consolidated capitalization of the Corporation as at December 31, 2017, on an actual basis and an as adjusted basis to give effect to this Offering and the use of the net proceeds therefrom as described under “Use of Proceeds” and the distribution of the Consideration Shares. Prospective purchasers should read the following table in conjunction with the “Use of Proceeds” appearing elsewhere in this Prospectus Supplement as well as the Unaudited Interim Financial Statements incorporated by reference into this Prospectus Supplement.

	<b>December 31, 2017</b>	
	(\$000's)	(\$000's)
	<b>Actual</b>	<b>As Adjusted After Giving Effect to the Offering and Use of Proceeds<sup>(1)(2)</sup></b>
Long-term debt:		
Credit Facility .....	137,226	137,226
\$100 Million Convertible Debentures .....	97,955	-
US\$150 Million Convertible Bonds .....	182,091	182,091
\$160 Million Convertible Debentures .....	147,477	147,477
Debentures .....	-	90,446
Total long-term debt.....	564,749	557,240
Shareholders' equity:		
Common Shares.....	1,069,150	1,077,932 <sup>(3)</sup>
Equity component of convertible debentures .....	13,508	9,503
Series A Preferred Shares	132,908	135,848 <sup>(4)</sup>
Contributed surplus (deficit).....	(42,385)	(42,385)
Deficit .....	(1,311,203)	(1,311,203)
Accumulated other comprehensive income .....	62,307	62,307
Total shareholders' equity (deficiency).....	(75,715)	(67,997) <sup>(4)</sup>
Total capitalization.....	489,034	489,242

Notes:

- (1) Prior to the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, total long term debt will be \$570.9 million, total shareholders' equity will be \$(67.5) million and total capitalization will be \$503.4 million.
- (2) Reflects the anticipated redemption of approximately \$100 million of the \$100 Million Convertible Debentures (plus the anticipated payment of accrued interest of approximately \$2.9 million on the \$100 Million Convertible Debentures) with the net proceeds of the Offering. See "Use of Proceeds".
- (3) Assumes the issuance of the Consideration Shares pursuant to the EdgePower Acquisition. See "Recent Developments".
- (4) Includes \$2.9 million Preferred Shares issued by the Corporation under the ATM Offering during the month of January 2018.

### EARNINGS COVERAGE RATIO

The following earnings coverages are calculated on a consolidated basis for the twelve-month periods ended March 31, 2017 and December 31, 2017 and are derived from audited financial information of the Corporation in the case of the period ended March 31, 2017 and unaudited financial information of the Corporation in the case of the period ended December 31, 2017.

Under IFRS, the Debentures will be classified on the Corporation's consolidated statements of financial position as a liability, with a portion allocated to equity related to the conversion feature. Initially, the liability recorded in respect of the Debentures will be equal to their principal amount less the portion allocated to equity in respect of the conversion feature and the amount of the transaction costs related to the issuance of the Debentures. Interest is charged to expense using the effective interest rate method such that at maturity the initial liability in respect of the Debentures will accrete to their principal amount. The final determination as to the allocation of the Debentures between liability and equity will be made after the closing of the Offering.

For the twelve-month period ended March 31, 2017, the Corporation's borrowing cost requirements, after giving effect to the issuance of the Debentures (but excluding any exercise of the Over-Allotment Option) and the use of proceeds as described under "Use of Proceeds" was \$79.1 million and the Corporation's profit before interest expense and income taxes for the same period was \$568.5 million, for an earnings coverage ratio of 7.2.

For the twelve-month period ended December 31, 2017, the Corporation's borrowing cost requirements, after giving effect to the issuance of the Debentures (but excluding any exercise of the Over-Allotment Option) and the use of proceeds as described under "Use of Proceeds" was \$55.5 million and the Corporation's profit before interest expense and income taxes for the same period was \$257.2 million, for an earnings coverage ratio of 4.6.

## DESCRIPTION OF THE DEBENTURES

*The following is a summary of the material attributes and characteristics of the Debentures. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Debenture Indenture, which will be filed with the applicable Canadian securities regulatory authorities and available on SEDAR at [www.sedar.com](http://www.sedar.com).*

### General

The Debentures will be issued under the Debenture Indenture. The Debenture Trustee is the trustee under the Debenture Indenture and the Corporation's transfer agent.

The Debentures to be issued will be in the aggregate principal amount of \$100,000,000 (\$115,000,000 assuming the Over-Allotment Option is exercised in full). The Corporation may, from time to time, without the consent of the Debentureholders, issue additional debentures of a different series under the Debenture Indenture, in addition to the Debentures offered hereby.

The Debentures will be dated as of the Closing Date and will have a maturity date of March 31, 2023. The Debentures will be issuable only in denominations of \$1,000 and integral multiples thereof and will bear interest from and including the date of issue at 6.75% per annum, which will be payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2018. The first interest payment will include interest accrued from and including the Closing Date to, but excluding, September 30, 2018. Assuming the Closing Date occurs on February 22, 2018, the first interest payment payable on September 30, 2018 will be approximately \$41.25 per \$1,000 principal amount of Debentures.

The principal amount of the Debentures is payable in lawful money of Canada or, at the option of the Corporation, subject to the receipt of applicable regulatory approvals and provided that no Event of Default has occurred and is continuing, by delivery of fully paid, non-assessable and freely tradeable Common Shares as further described under "*Description of the Debentures - Method of Payment - Payment of Principal on Redemption or at Maturity*". The interest on the Debentures is payable in lawful money of Canada, including, at the option of the Corporation, in accordance with the Common Share Interest Payment Election as defined and described under "*Description of the Debentures - Method of Payment - Interest Payment Election*".

The Debentures are direct obligations of the Corporation and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to other liabilities of the Corporation as described under "*Description of the Debentures - Subordination*". The Debenture Indenture does not restrict the Corporation from incurring additional indebtedness for borrowed money or otherwise or from mortgaging, pledging or charging the Corporation's properties to secure any indebtedness.

### Subordination

The payment of the principal of, and interest on, the Debentures will be subordinated and postponed in right of payment, as set forth in the Debenture Indenture, to the full and final payment of all Senior Indebtedness of the Corporation including indebtedness to trade and other creditors of the Corporation. "**Senior Indebtedness**" of the Corporation will be defined in the Debenture Indenture to mean, in effect, the principal of and premium or make-whole amount, if any, and interest, or any other amounts payable thereunder, if any, on all existing and future indebtedness (including any indebtedness to trade creditors), liabilities and obligations of Just Energy (including, amounts drawn under the Credit Facility, the US\$150 million aggregate principal amount 6.50% convertible bonds of the Corporation issued on January 29, 2014 (the "**US\$150 Million Convertible Bonds**"), but excluding the Debentures, the \$100 Million Convertible Debentures and the \$160 Million Convertible Debentures), unless it is provided by the terms of the instrument creating or evidencing such indebtedness, liabilities or obligations that such indebtedness, liabilities or obligations are *pari passu* with or subordinate in right of payment to Debentures which by their terms are subordinated; and provided that Senior Indebtedness shall not include the indebtedness, liabilities or obligations of a subsidiary of Just Energy to the extent Just Energy is a creditor of such subsidiary ranking at least *pari passu* with such indebtedness, liabilities or obligations. The Debentures will rank senior to the \$100 Million Convertible Debentures and to all other present and future unsecured subordinated indebtedness of Just Energy and, subject to indebtedness preferred by mandatory provisions of law, each Debenture issued under the Debenture

Indenture will rank *pari passu* with the \$160 Million Convertible Debentures, with each other Debenture issued under the Debenture Indenture and with all other present and future unsecured senior subordinated indebtedness of Just Energy except for sinking fund provisions (if any) applicable to different series of debentures or other similar types of obligations of Just Energy.

The Debenture Indenture will provide that in the event of any distribution of the assets of Just Energy on any dissolution, winding-up, liquidation or reorganization of Just Energy (whether in bankruptcy, insolvency or receivership proceedings, or upon an “assignment for the benefit of creditors” or any other marshalling of the assets, properties or liabilities of Just Energy, or otherwise), the holders of Senior Indebtedness will receive payment in full, or provision will be made for such payment, before the holders of Debentures will be entitled to receive any payment on account of the indebtedness, liabilities and obligations of the Corporation under the Debenture Indenture or the Debentures, whether on account of principal, interest or otherwise.

The Debenture Indenture will also provide that no payment on account of the indebtedness, liabilities and obligations of the Corporation under the Debenture Indenture or the Debentures, whether on account of principal, interest or otherwise, shall be made by Just Energy: (i) upon the occurrence of a default, an event of default or an acceleration under any Senior Indebtedness or any swap obligation of any holder of Senior Indebtedness (a “**Senior Creditor**”) or its affiliates; (ii) upon any default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof; or (iii) if such payment would result in a default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof; unless and until such default shall have been cured or waived or shall have ceased to exist, and neither the Debenture Trustee nor the holders of Debentures shall be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without limitation by set-off, combination of accounts or otherwise in any manner whatsoever) on account of the Debentures after the happening of such a default, and unless and until such default shall have been cured or waived or shall have ceased to exist, such payments shall be held in trust for the benefit of, and, if and when such Senior Indebtedness shall have become due and payable, shall be paid over to, the Senior Creditors until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution to the Senior Creditors.

### **Conversion Rights**

Each Debenture will be convertible into freely tradeable Common Shares at the option of the holder thereof at any time prior to the close of business on the business day immediately preceding the earlier of the Maturity Date and the date specified by the Corporation for redemption of the Debentures, at the Conversion Price of \$8.90 per Common Share, being a conversion rate of approximately 112.3596 Common Shares per \$1,000 principal amount of Debentures (the “**Conversion Rate**”), subject to adjustment in certain events. Holders converting their Debentures will receive accrued and unpaid interest on such Debentures for the period from and including the last interest payment date (or the date of issue of the Debentures if there has not yet been an interest payment date) to, but excluding, the date of conversion.

Subject to the provisions thereof, the Debenture Indenture will provide for the adjustment of the Conversion Price in certain events including:

- (a) the subdivision or consolidation of the outstanding Common Shares;
- (b) the distribution or the fixing of a record date for the distribution or issuance to all or substantially all of the holders of Common Shares of:
  - (i) Common Shares, securities convertible into Common Shares or shares of another class other than (i) a dividend paid in the ordinary course or (ii) a distribution to holders of Common Shares who have elected to receive such distribution in the form of Common Shares or such other shares in lieu of cash dividends paid in the ordinary course;
  - (ii) a quarterly dividend in an amount greater than \$0.144 per Common Share per quarter;
  - (iii) certain options, rights or warrants;

- (iv) evidence of indebtedness of the Corporation; or
  - (v) assets (excluding quarterly dividends paid in the ordinary course in an amount not greater than \$0.144 per Common Share per quarter); and
- (c) the payment of cash or any other consideration in respect of an issuer bid (other than a normal course issuer bid) by Just Energy or any of its subsidiaries to shareholders of the Corporation to the extent that the cash and fair market value of any other consideration included in the payment per Common Share exceeds the current market price of the Common Shares on the date of expiry of such issuer bid.

There will be no adjustment of the Conversion Price in respect of any event described in (b) above if the holders of the Debentures are allowed (with the approval of the TSX) to participate as though they had converted their Debentures prior to the applicable record date or effective date. The Corporation will not be required to make adjustments in the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

In the case of any reclassification or capital reorganization (other than a change resulting from consolidation or subdivision) of the Common Shares, or in the case of any consolidation, amalgamation, arrangement, merger or acquisition of Just Energy by, with or into any other entity, or in the case of any sale or conveyance of the assets of the Corporation as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of the Corporation, the terms of the conversion privilege will be adjusted so that each holder of a Debenture will, after such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, acquisition, sale, conveyance, liquidation, dissolution or winding-up, be entitled to receive, subject to the prior approval of the TSX, the number of Common Shares or other securities or property such holder would be entitled to receive if, on the effective date thereof, it had been the holder of the number of Common Shares into which the Debenture was convertible prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, acquisition, sale, conveyance, liquidation, dissolution or winding-up. Notwithstanding the foregoing, if prior to the date that is five years plus one day from the last date of original issuance of Debentures, Debentureholders would otherwise be entitled to receive, upon conversion of the Debentures, any property (including cash) or securities that would not constitute “prescribed securities” for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied immediately before January 1, 2008 (referred to herein as “**Ineligible Consideration**”), such Debentureholders shall not be entitled to receive such Ineligible Consideration but the Corporation or the successor or acquirer, as the case may be, shall have the right (at the sole option of the Corporation or the successor or acquirer, as the case may be) to deliver either such Ineligible Consideration or “prescribed securities” for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied immediately before January 1, 2008 with a market value (as conclusively determined by the Board) equal to the market value of such Ineligible Consideration.

No fractional Common Shares will be issued on any conversion but in lieu thereof the Corporation will satisfy fractional interests by a cash payment equal to the Current Market Price multiplied by any fractional Common Share, less any taxes required to be deducted or withheld, if any; provided, however Just Energy shall not be required to make any payment of less than \$10.00.

### **Redemption**

The Debentures are not redeemable on or prior to March 31, 2021, except upon the satisfaction of certain conditions after a Change of Control has occurred. After March 31, 2021 and prior to March 31, 2022, the Debentures may be redeemed by the Corporation, in whole or in part, at a redemption price equal to the principal amount of the Debentures being redeemed plus accrued and unpaid interest thereon, if any, for the period from and including the last Interest Payment Date to but excluding the date of redemption provided that the Current Market Price preceding the date on which notice of redemption is given is at least 125% of the Conversion Price. On and after March 31, 2022, and prior to maturity, the Debentures may be redeemed by the Corporation, in whole or in part, at a redemption price equal to the principal amount of the Debentures being redeemed plus accrued and unpaid interest thereon, if any, for the period from and including the last Interest Payment Date to but excluding the date of redemption. Just Energy shall provide not more than 60 days nor less than 30 days prior notice of redemption.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis or in such other manner as the Debenture Trustee deems equitable, subject to the consent of the TSX, if applicable. The Corporation will have the right to purchase Debentures in the market, by tender or by private contract at any time subject to regulatory requirements.

### **Restriction on Share Redemption or Maturity Right**

The Corporation shall not, directly or indirectly (through a subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- (a) the number of securities to be issued;
- (b) the price at which securities are to be issued, converted or exchanged; or
- (c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly: (i) the exercise or potential exercise of the right to issue Common Shares on redemption or maturity of the Debentures; or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the right to issue Common Shares on redemption or maturity of the Debentures.

### **Change of Control**

Within 30 days following the occurrence of a Change of Control, the Corporation will be required to make an offer in writing to purchase all of the Debentures then outstanding, at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest earned from and including the last Interest Payment Date to but excluding the date of repurchase. The Debenture Indenture will contain notification and repurchase provisions requiring the Corporation to give written notice to the Debenture Trustee of the occurrence of a Change of Control within 30 days of such event together with the Debenture Offer. The Debenture Trustee will thereafter promptly deliver to each holder of Debentures a notice of the Change of Control together with a copy of the Debenture Offer to repurchase all the outstanding Debentures.

If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered to the Corporation pursuant to a Debenture Offer, the Corporation will have the right to redeem all of the remaining Debentures at the Debenture Offer Price. Notice of such redemption must be given by the Corporation to the Debenture Trustee within 10 days following the expiry of the Debenture Offer, and as soon as possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered pursuant to a Debenture Offer.

In addition to the requirement of Just Energy to make a Debenture Offer in the event of a Change of Control, if a Change of Control occurs in which 10% or more of the consideration for the Common Shares in the transaction or transactions constituting a Change of Control consists of: (i) cash, (ii) equity securities that are not traded or intended to be traded immediately following such transaction on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transaction on a stock exchange, holders of Debentures will be entitled to convert their Debentures and receive, subject to and upon completion of the Change of Control, in addition to the number of Common Shares they would otherwise be entitled to receive as set out under "Description of the Debentures - Conversion Rights" above, an additional number of Common Shares per \$1,000 principal amount of Debentures as set out below (the "**Make-Whole Premium**").

The number of additional Common Shares per \$1,000 principal amount of Debentures constituting the Make-Whole Premium will be determined by reference to the table below and is based on the date on which the Change of Control becomes effective (the "**Effective Date**") and the price (the "**Cash Offer Price**") paid per Common Share in the transaction constituting the Change of Control. If holders of Common Shares receive (or are entitled and able in all circumstances to receive) only cash in the transaction, the Cash Offer Price will be the cash amount paid per

Common Share. Otherwise, the Cash Offer Price will be equal to the Current Market Price of the Common Shares immediately preceding the Effective Date of such transaction.

The following table illustrates what the Make-Whole Premium would be for each hypothetical Cash Offer Price and Effective Date set out below, expressed as additional Common Shares per \$1,000 principal amount of Debentures. For greater certainty, the Corporation will not be obliged to pay the Make-Whole Premium other than by issuance of Common Shares upon conversion, subject to the provision relating to adjustment of the Conversion Rate in certain circumstances and following the completion of certain types of transactions described under “*Description of the Debentures - Conversion Rights*” above.

<b>Cash Offer</b>						
<b>Price (\$)</b>	<b>February 22, 2018</b>	<b>March 31, 2018</b>	<b>March 31, 2019</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>	<b>March 31, 2022</b>
6.15	50.4634	50.3285	50.2420	50.2420	50.2420	50.2420
6.25	48.6000	48.4640	47.7072	47.6404	47.6404	47.6404
6.50	44.2431	44.1046	43.1292	41.6923	41.4866	41.4866
6.75	40.2756	40.1363	38.9600	37.2593	35.7885	35.7885
7.00	36.6571	36.5200	35.1671	33.2414	30.4975	30.4975
7.50	30.3360	30.2053	28.5760	26.3013	22.5693	20.9737
8.00	25.0488	24.9288	23.1163	20.6250	16.5913	12.6404
9.00	16.8822	16.7933	14.8544	12.2622	8.1667	0.3178
10.00	11.1000	11.0500	9.2100	6.8440	3.1260	-
12.00	4.1408	4.1408	2.8700	1.4125	-	-
14.00	0.9100	0.9100	0.3429	-	-	-
16.00	-	-	-	-	-	-

The actual Cash Offer Price and Effective Date may not be set out in the table, in which case:

- (a) if the actual Cash Offer Price on the Effective Date is between two Cash Offer Prices in the table or the actual Effective Date is between two Effective Dates in the table, the Make-Whole Premium will be determined by a straight-line interpolation between the Make-Whole Premiums set out for the two Cash Offer Prices and the two Effective Dates in the table based on a 365-day year, as applicable;
- (b) if the Cash Offer Price on the Effective Date is equal to or exceeds \$16.00 per Common Share, subject to adjustment as described below, the Make-Whole Premium will be zero; and
- (c) if the Cash Offer Price on the Effective Date is less than \$6.15 per Common Share, subject to adjustment as described below, the Make-Whole Premium will be zero.

The Cash Offer Prices set out in the table above will be adjusted as of any date on which the Conversion Rate of the Debentures is adjusted. The adjusted Cash Offer Prices will equal the Cash Offer Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Cash Offer Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of additional Common Shares set out in the table above will be adjusted in the same manner as the Conversion Rate as set out above under “*Description of the Debentures - Conversion Rights*”. For greater certainty, there will be no additional Common Shares payable or adjustment to the Conversion Rate due to an adjustment to the Conversion Rate by adding the Make-Whole Premium as described above.

## **Method of Payment**

### **Payment of Principal on Redemption or at Maturity**

On redemption or at maturity of the Debentures, the Corporation will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures, together with any accrued and unpaid interest thereon. The Corporation may, at its

option, on not more than 60 days and not less than 30 days prior notice, subject to applicable regulatory approval and provided no Event of Default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the Debentures that are to be redeemed or that are to mature, by issuing and delivering to the holders thereof that number of freely tradeable Common Shares determined by dividing the principal amount of the Debentures being repaid by 95% of the Current Market Price on the date of redemption or maturity, as applicable. No fractional Common Shares will be issued on redemption or at maturity but in lieu thereof the Corporation will satisfy fractional interests by a cash payment equal to the Current Market Price multiplied by the fractional Common Share less any taxes required to be deducted or withheld.

### **Interest Payment Election**

The Corporation may elect, subject to regulatory approval and provided that no Event of Default has occurred and is continuing, from time to time to satisfy its obligation to pay all or any part of the interest on the Debentures (the “**Interest Obligation**”), on the date it is payable under the Debenture Indenture (an “**Interest Payment Date**”), by delivering a sufficient number of Common Shares to the Debenture Trustee to satisfy all or any part, as the case may be, of the Interest Obligation in accordance with the Debenture Indenture (the “**Common Share Interest Payment Election**”). The Debenture Indenture will provide that, upon such election, the Debenture Trustee shall have the power to (a) accept delivery from the Corporation of Common Shares, (b) accept bids with respect to, and consummate sales of, such Common Shares on behalf of the Corporation, each as the Corporation may direct in its absolute discretion, (c) invest the proceeds of such sales in Government Obligations (as defined in the Debenture Indenture) which mature prior to the applicable Interest Payment Date, and use the proceeds received from such Government Obligations, together with any proceeds from the sale of Common Shares not invested as aforesaid, to satisfy the Interest Obligation, and (d) perform any other action necessarily incidental thereto as directed by the Corporation in its absolute discretion.

The Debenture Indenture will set forth the procedures to be followed by the Corporation and the Debenture Trustee in order to effect the Common Share Interest Payment Election. Neither the Corporation’s making of the Common Share Interest Payment Election nor the consummation of sales of Common Shares will (a) result in the holders of the Debentures not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the interest payable on such Interest Payment Date, or (b) entitle such holders to receive any Common Shares in satisfaction of the Interest Obligation.

### **Events of Default and Waiver**

The Debenture Indenture will provide that an event of default (“**Event of Default**”) in respect of the Debentures will occur if any one or more of the following described events has occurred and is continuing with respect to such Debentures: (a) failure for 30 days to pay interest on such Debentures when due; (b) failure to pay the principal of such Debentures when due, whether at maturity, upon redemption, by declaration or otherwise; (c) failure to make a Debenture Offer as and when required pursuant to the Debenture Indenture; (d) certain events of bankruptcy, insolvency or certain reorganizations of the Corporation under bankruptcy or insolvency laws; or (e) certain events with respect to the winding-up or liquidation of Just Energy occur. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion (subject to waiver thereof by the Debentureholders), and will upon request of holders of not less than 25% of the principal amount of the Debentures then outstanding, declare the principal of and interest on all outstanding Debentures to be immediately due and payable. In certain cases, the holders of more than 50% of the principal amount of such Debentures then outstanding may, on behalf of the holders of all such Debentures, waive any Event of Default and/or cancel any such declaration upon such terms and conditions as such holders may prescribe.

### **Modification**

The rights of the holders of the Debentures as well as any other series of debentures that may be issued under the Debenture Indenture may be modified in accordance with the terms of the Debenture Indenture. For that purpose, among others, the Debenture Indenture will contain certain provisions which will make binding on all Debentureholders resolutions passed at meetings of the holders of Debentures by votes cast thereat by holders of not less than 66⅔% of the principal amount of the Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66⅔% of the principal amount of the

Debentures then outstanding. In certain cases, the modification will, instead or in addition, require assent by the holders of the required percentage of Debentures of each particularly affected series.

The Corporation and the Debenture Trustee may, without the consent or concurrence of the holders of debentures under the Debenture Indenture, by supplemental indenture or otherwise, make any changes or corrections in the Debenture Indenture which they have been advised by counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained therein or in any indenture supplemental thereto.

### **Book-Based System for Debentures**

On the Closing Date (i) the Debentures will be issued and deposited in “book entry only” form or electronic form with CDS or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Debentures will not be issued to purchasers; and (iii) purchasers will receive only a customer confirmation from the Underwriter or other registered dealer who is a participant in the depository of CDS (a “**Participant**”) and from or through whom a beneficial interest in the Debentures are purchased.

Neither the Corporation nor the Underwriters or the Debenture Trustee will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Debentures held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Debentures; or (c) any advice or representation made by or with respect to CDS and those contained in this Prospectus Supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and persons, other than Participants, having an interest in the Debentures must look solely to Participants for the payment of the principal and interest on the Debentures paid by or on behalf of Just Energy to CDS.

As indirect holders of Debentures, investors should be aware that they (subject to the situations described below): (a) may not be able to sell the Debentures to institutions required by law to hold physical certificates for securities they own; and (b) may be unable to pledge Debentures as security.

The Debentures will be issued in fully registered and certificate form (the “**Debenture Certificates**”) only if: (a) required to do so by applicable law; (b) the book-based system ceases to exist; (c) the Corporation or CDS advises the Debenture Trustee that CDS is no longer willing or able to continue as depository with respect to the Debentures and the Corporation has not appointed a successor depository; (d) the Corporation, at its option, decides to terminate the book-based system; or (e) after the occurrence of an Event of Default, Participants acting on behalf of beneficial owners representing, in the aggregate, more than 25% of the aggregate principal amount of the Debentures then outstanding advise CDS in writing that the continuation of a book-based system through CDS is no longer in their best interest, and provided that the Debenture Trustee has not waived the Event of Default in accordance with the terms of the Debenture Indenture.

Upon the termination of the book-based system on the occurrence of any of the events described in the immediately preceding paragraph, the Debenture Trustee must notify the beneficial owners of the Debentures, through CDS, of the availability through CDS of Debenture Certificates. Upon surrender by CDS of the Debentures and receipt of instructions from CDS for the new registrations, the Debenture Trustee will deliver the Debentures in the form of Debenture Certificates and thereafter the Corporation will recognize the holders of such Debenture Certificates as Debenture holders under the Debenture Indenture.

Interest on the Debentures will be paid directly to CDS while the book-based system is in effect. If Debenture Certificates are issued, interest will be paid by cheque drawn on the Corporation and sent by prepaid mail to the registered holder by the Debenture Trustee or by such other means as may become customary for the payment of interest. Payment of principal, including payment in the form of Common Shares if applicable, and the interest due, at maturity or on a redemption date, will be paid directly to CDS by the Debenture Trustee while the book-based system is in effect. If Debenture Certificates are issued, payment of principal, including payment in the form of Common Shares, if applicable, and interest due, at maturity or on a redemption date, will be paid upon surrender thereof at any office of the Debenture Trustee or as otherwise specified in the Debenture Indenture.

Transfers of beneficial ownership in Debentures will be effected through records maintained by CDS or its nominees for such Debentures (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons other than Participants). Unless Just Energy elects, in its sole discretion, to prepare and deliver Debenture Certificates, beneficial owners who are not Participants in CDS' book-based system, but who desire to purchase, sell or otherwise transfer ownership of or other interests in Debentures, may do so only through Participants in CDS' book-based system.

### **Governing Law**

Each of the Debenture Indenture and the Debentures will be governed by, and will be construed in accordance with, the laws of the Province of Ontario.

### **DESCRIPTION OF THE COMMON SHARES**

Each Common Share entitles the holder thereof to receive notice of and to attend all meetings of shareholders of the Corporation and to one vote per Common Share at such meetings (other than meetings of another class of shares of the Corporation). The holders of Common Shares are, at the discretion of the Board and subject to the preferences accorded to the holders of preferred shares and any other shares of the Corporation ranking senior to the Common Shares from time to time, as well as applicable legal restrictions, entitled to receive any dividends declared by the Board on the Common Shares.

### **Dividends**

The Corporation's dividend policy provides that the amount of cash dividends, if any, to be paid on the Common Shares, is subject to the discretion of the Board and may vary depending on a variety of factors, including: (i) the prevailing economic and competitive environment; (ii) the Corporation's results of operations and earnings; (iii) financial requirements for Just Energy's operations and growth; (iv) the satisfaction of solvency tests imposed by the CBCA for the declaration and payment of dividends; (v) contractual restrictions and financing agreement covenants; and (vi) other relevant factors and conditions existing from time to time. It is the current intention of the Board to pay a dividend on Just Energy's outstanding Common Shares of \$0.50 annually (\$0.125 quarterly) per Common Share. There is no guarantee that the Corporation will maintain this dividend policy.

Shareholders of record on a dividend record date are entitled to receive dividends paid by the Corporation in respect of that month. Cash dividends are paid on the last business day of the calendar month to the shareholders of record on the 15th day of such month or the first business day thereafter.

### **PLAN OF DISTRIBUTION**

Pursuant to an underwriting agreement dated February 13, 2018 between Just Energy and the Underwriters (the "**Underwriting Agreement**"), Just Energy has agreed to issue and sell and the Underwriters have severally agreed to purchase, as principals, on the Closing Date, subject to the conditions stipulated in the Underwriting Agreement, an aggregate of 100,000 Debentures offered hereby at a price of \$1,000 per Debenture for total gross consideration of \$100,000,000. The Debentures are being offered to the public in all of the provinces of Canada. The offering price and terms of the Debentures were determined by negotiation between Just Energy and the Underwriters.

The Underwriting Agreement provides that Just Energy will pay the Underwriters at the time of closing of the Offering a fee of \$40.00 per Debenture sold pursuant to the Offering (including any Debentures sold pursuant to the exercise of the Over-Allotment Option).

Just Energy has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part at any one time not later than the 30<sup>th</sup> day following the Closing Date, to purchase up to an additional 15,000 Debentures on the same terms as set forth above solely to cover over-allocations, if any, and for market stabilization purposes. This Prospectus Supplement also qualifies the grant of the Over-Allotment Option and the Debentures issuable upon the exercise thereof. A purchaser who acquires any Debentures forming part of the Underwriters' over-allocation position acquires such Debentures under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint nor joint and several and may be terminated at their discretion upon the occurrence of certain stated events, including, but not limited to: (i) the occurrence or discovery of any material change in the assets, liabilities (contingent or otherwise), financial condition, properties, business, affairs, operations, results of operations, income, cash flow or capital of Just Energy or its material subsidiaries, or any change in any material fact contained or referred to in this Prospectus Supplement, which in the reasonable opinion of any Underwriter, or any of them, would reasonably be expected to have a significant adverse effect on the market price or value of the Common Shares or the Debentures; and (ii) the development, occurrence or coming into effect or existence of any event, action, state, condition or occurrence (including financial occurrence) of national or international consequence, or any governmental action, applicable law, inquiry or other occurrence of any nature whatsoever, which, in the reasonable opinion of the Underwriters, seriously adversely affects or involves, or will seriously adversely affect, or involve, the financial markets or the business, operations or affairs of Just Energy and its subsidiaries, taken as a whole. The Underwriters are, however, obligated to take up and pay for all of the Debentures if any of the Debentures are purchased under the Underwriting Agreement. Subject to the terms of the Underwriting Agreement, Just Energy has also agreed to indemnify the Underwriters and their respective directors, officers, employees and agents against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Underwriters may be required to make in respect thereof.

Just Energy has also agreed with the Underwriters that it will not, for the period commencing on the Closing Date and ending 90 days after the Closing Date, issue, sell, agree to issue or sell, or announce an intention to issue or sell any Common Shares or other equity securities, Debentures or any securities convertible into or exchangeable for Common Shares, except pursuant to (i) the exercise of the Over-Allotment Option; (ii) the conversion or exercise of the Debentures, the \$100 Million Convertible Debentures, the \$160 Million Convertible Debentures, the US\$150 Million Convertible Bonds or other existing outstanding convertible securities; (iii) issuances under the ATM Offering; (iv) the issuance of common shares to the sellers of EdgePower Inc. as all or part of the purchase price for such acquisition; or (v) grants of securities and exercises of securities granted under its stock option plans, employee purchase plans, restricted share grant plans or deferred share grant plans, without the consent of the CIBC World Markets Inc. and National Bank Financial Inc. on behalf of the Underwriters, such consent not to be unreasonably withheld, delayed or conditioned.

The Corporation has applied to list the Debentures and the Common Shares issuable upon conversion, redemption or maturity of the Debentures on the TSX. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX. In addition, the Corporation has applied to list the Common Shares issuable upon conversion, redemption or maturity of the Debentures on the NYSE. Such listing will be subject to the Corporation fulfilling all of the listing requirements of the NYSE. There is currently no market through which any of the Debentures may be sold and purchasers may not be able to resell any of the Debentures purchased under this Prospectus Supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures, and the extent of issuer regulation. See “*Risk Factors*”.

The Underwriters propose to offer the Debentures initially at the offering price set forth herein. After the Underwriters have made a reasonable effort to sell all of the Debentures at such price, such offering price may be decreased and may be further changed from time to time to an amount not greater than the offering price set forth herein, and the compensation realized by the Underwriters pursuant to the Offering will effectively be decreased by the amount that the price paid by purchasers for the Debentures is less than the original offering price. Any such reduction will not affect the net proceeds received by Just Energy.

Pursuant to policy statements of the relevant securities commissions, the Underwriters may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase Debentures and/or Common Shares. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX including the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made on behalf of a client where the client’s order was not solicited during the period of distribution.

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or maintain the market price of the Debentures and/or Common Shares at levels other than those which might otherwise prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Debentures while the Offering is in progress. These transactions may also include making short sales of the Debentures, which involve the sale by the Underwriters of a greater number of Debentures than they are required to purchase in the Offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the Over-Allotment Option, or may be “naked short sales”, which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Debentures in the open market. In making this determination, the Underwriters will consider, among other things, the price of the Debentures available for purchase in the open market compared with the price at which they may purchase Debentures through the Over-Allotment Option. If, following the closing of the Offering, the market price of the Debentures decreases, the short position created by the over-allocation position in the Debentures may be filled through purchases in the open market, creating upward pressure on the price of the Debentures. If, following the closing of the Offering, the market price of Debentures increases, the over-allocation position in the Debentures may be filled through the exercise of the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing Debentures in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Debentures in the open market that could adversely affect investors who purchase in the Offering. Any naked short position would form part of the Underwriters’ over-allocation position. A purchaser who acquires Debentures forming part of the Underwriters’ over-allocation position resulting from any covered short sales or naked short sales will acquire such Debentures under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Debentures and the Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws, and may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement permits the Underwriters, either directly or through their U.S. registered broker dealer affiliates, to offer and sell the Debentures that they purchase pursuant to the Underwriting Agreement to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in the United States in transactions in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder and similar exemptions under applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters may offer and sell the Debentures outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Debentures within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act and similar exemptions under applicable state securities laws. This Prospectus Supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Debentures in the United States.

## **RELATIONSHIP BETWEEN THE UNDERWRITERS AND THE CORPORATION**

CIBC World Markets Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc. (collectively with Alberta Treasury Branches, the “**Affiliates**”), are, directly or indirectly, wholly-owned subsidiaries of Canadian chartered banks which are lenders to the Corporation under the Credit Facility. In addition, ATB Financial is a majority shareholder of AltaCorp Capital Inc. ATB Financial is an affiliate of Alberta Treasury Branches which is a provincially regulated financial institution and is also a lender to the Corporation under the Credit Facility. Accordingly, pursuant to applicable securities legislation, the Corporation may be considered a “connected issuer” of CIBC World Markets Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc. and/or AltaCorp Capital Inc. for the purposes of securities legislation in certain jurisdictions. As at February 12, 2018, \$68.4 million is

outstanding under the Credit Facility. The Corporation's obligations under the Credit Facility are secured guarantees of certain subsidiaries of the Corporation and secured by a general security agreement and a pledge of the assets and securities of Just Energy and the majority of its operating subsidiaries excluding, primarily, Just Energy's U.K. operations. In addition, as of February 12, 2018, approximately \$134.5 million in letters of credit were outstanding under the Credit Facility. There has been no material change in the financial position of the Corporation or the value of the security for the Credit Facility since the Credit Facility was renewed, except as previously disclosed by the Corporation or as described elsewhere in this Prospectus Supplement or the documents incorporated by reference herein.

The Corporation is not in default of any of its obligations to such banks and financial institutions under the Credit Facility. On November 6, 2017, the Corporation obtained a waiver from the lending syndicate that waived the lenders' right to demand repayment of the Credit Facility in relation to the a breach by the Corporation, as at September 30, 2017, of the distributable free cash flow covenant in the Credit Facility. On January 24, 2018, Just Energy received a consent from the lenders which suspended for the months of January 2018 and February 2018 the "clean-down" repayment requirements in the Credit Facility which requires that all amounts of principal be repaid with no drawdowns permitted for three business days. Just Energy requested the suspension of this requirement primarily due to the unusually cold weather in December 2017 and January 2018 with the corresponding customer receivables not collected until February 2018. Other than the waivers described above, since the execution of the agreements relating to the Credit Facility, the lenders thereunder have not waived any other breach on the Corporation's part or on the part of the Corporation's subsidiaries. The decision to issue the Debentures and the determination of the terms of the distribution of the Debentures were made through negotiation between the Corporation and the Underwriters. None of the Affiliates had any involvement in such decision or determination. As a consequence of the Offering, CIBC World Markets Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc. and/or AltaCorp Capital Inc. will receive their proportionate share of the Underwriters' Commission.

## PRIOR SALES

### Common Shares

The following table describes the number of Common Shares issued by the Corporation during the 12 month period prior to the date of this Prospectus Supplement.

<u>Date of Issuance</u>	<u>Number of Common Shares Issued</u>	<u>Price</u>
March 16, 2017 .....	34,978	N/A <sup>(1)</sup>
March 31, 2017 .....	5,921	N/A <sup>(1)</sup>
June 9, 2017 .....	1,130,114	N/A <sup>(1)</sup>
June 16, 2017 .....	326,946	N/A <sup>(1)</sup>
September 18, 2017 .....	59,770	N/A <sup>(1)</sup>
December 15, 2017 .....	480	N/A <sup>(1)</sup>
December 18, 2017 .....	1,451	N/A <sup>(1)</sup>
December 19, 2017 .....	45,872	N/A <sup>(1)</sup>
February 12, 2018 .....	30,791	N/A <sup>(1)</sup>

Note:

(1) Common Shares issued in exchange for the same number of RSGs, PBGs and/or DSGs (each as defined below) for no additional consideration.

### Series A Preferred Shares

The following table describes the number of Series A Preferred Shares issued by the Corporation during the 12 month period prior to the date of this Prospectus.

<u>Date of Issuance</u>	<u>Number of Series A Preferred Shares Issued</u>	<u>Price</u>
February 7, 2017 .....	4,040,000	US\$25.0000 <sup>(1)</sup>
May 2, 2017 .....	12,222	US\$26.2369 <sup>(2)</sup>

<b>Date of Issuance</b>	<b>Number of Series A Preferred Shares Issued</b>	<b>Price</b>
May 3, 2017 .....	23,922	US\$26.0286 <sup>(2)</sup>
May 4, 2017 .....	3,000	US\$26.0420 <sup>(2)</sup>
May 8, 2017 .....	160	US\$26.0000 <sup>(2)</sup>
May 10, 2017 .....	19,084	US\$26.0054 <sup>(2)</sup>
June 1, 2017 .....	4,348	US\$26.0271 <sup>(2)</sup>
June 2, 2017 .....	38,252	US\$26.0017 <sup>(2)</sup>
June 5, 2017 .....	200	US\$26.0000 <sup>(2)</sup>
June 6, 2017 .....	2,152	US\$26.0051 <sup>(2)</sup>
June 7, 2017 .....	6,010	US\$26.0021 <sup>(2)</sup>
June 8, 2017 .....	14,300	US\$26.0000 <sup>(2)</sup>
September 13, 2017 .....	26,200	US\$26.0181 <sup>(2)</sup>
September 26, 2017 .....	100	US\$26.0000 <sup>(2)</sup>
January 10, 2018 .....	6,909	US\$24.5797 <sup>(2)</sup>
January 11, 2018 .....	5,754	US\$24.5785 <sup>(2)</sup>
January 12, 2018 .....	7,380	US\$24.3842 <sup>(2)</sup>
January 15, 2018 .....	4,272	US\$24.5030 <sup>(2)</sup>
January 17, 2018 .....	4,230	US\$24.5236 <sup>(2)</sup>
January 18, 2018 .....	4,729	US\$24.6740 <sup>(2)</sup>
January 19, 2018 .....	1,439	US\$24.5627 <sup>(2)</sup>
January 22, 2018 .....	12,192	US\$24.4557 <sup>(2)</sup>
January 23, 2018 .....	3,923	US\$24.3104 <sup>(2)</sup>
January 30, 2018 .....	50,000	US\$24.0000 <sup>(2)</sup>

Notes:

- (1) Represents the price to the public disclosed on the cover of the prospectus supplement dated January 30, 2017.
- (2) Represents the average sales price for the Series A Preferred Shares sold by B. Riley FBR, Inc. (formerly known as FBR Capital Markets & Co.) (“FBR”) under the at-the-market issuance sales agreement dated May 2, 2017, as amended January 5, 2018, between Just Energy and FBR.

### Restricted Grants and Performance Bonus Grants

Restricted share grants (“RSGs”) are made under the Corporation’s 2010 Restricted Share Grant Plan, as amended from time to time. Performance Bonus Grants (“PBGs”) are made under the Corporation’s 2013 Performance Bonus Incentive Plan, as amended from time to time. The grant date value of the RSGs and PBGs is generally based on the simple average closing price of the Common Shares on the TSX for the five or ten trading days prior to the grant date.

The following table describes the number of RSGs and PBGs granted during the 12 month period prior to the date of this Prospectus Supplement and the grant value of such RSGs and PBGs.

<b>Date of Grant</b>	<b>Number of RSGs/PBGs Granted</b>	<b>Grant Date Value</b>
May 26, 2017 .....	2,369,530	\$7.08
August 9, 2017 .....	5,000	\$6.66
September 5, 2017 .....	30,000	\$7.20
February 7, 2018 .....	125,000	\$5.09

### Deferred Share Grants

In lieu of a portion of their cash compensation, our non-management directors receive deferred share grants (“DSGs”) at the end of each quarter under our 2010 Directors’ Compensation Plan, as amended from time to time. The number of DSGs granted to a director is determined by dividing the amount of compensation being paid in DSGs by the simple average closing price of the Common Shares on the TSX for the ten trading days preceding the quarter end.

The following table describes the number of DSGs granted to our non-management directors during the previous four fiscal quarters and the ten trading day simple average closing price of the Common Shares used to determine the number of DSGs granted.

<b>Quarter Ended</b>	<b>Total Number of DSGs Granted</b>	<b>10 Day Average Closing Price</b>
March 31, 2017 .....	5,401	\$8.20
June 30, 2017 .....	6,250	\$6.99
September 30, 2017 .....	5,288	\$6.98
December 31, 2017 .....	6,729	\$5.50

In addition to the above, our directors receive grants of additional DSGs in lieu of the monthly cash dividends otherwise payable on the Common Shares underlying their DSGs. The number of additional DSGs granted to a director is determined by dividing the aggregate amount of the dividend that would have been paid on such director's DSGs if they had been issued as Common Shares by the simple average closing price of the Common Shares for the last ten trading days of the month in respect of which such dividend is otherwise payable. An aggregate of 6,624 additional DSGs were granted to our directors from February 1, 2017 to January 31, 2018 in lieu of the dividends that otherwise would have been paid on the Common Shares underlying their DSGs.

### TRADING PRICE AND VOLUME

#### Common Shares

The Common Shares are listed on the TSX and NYSE under the trading symbol "JE". The following table sets forth certain trading information for the Common Shares for the periods indicated.

<b>Period<sup>(1)</sup></b>	<b>TSX</b>			<b>NYSE</b>		
	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume</b>	<b>High (US\$)</b>	<b>Low (US\$)</b>	<b>Volume</b>
<b>2017</b>						
February .....	7.94	7.37	6,036,596	6.04	5.63	2,956,068
March .....	8.44	7.61	5,692,403	6.35	5.70	3,232,976
April .....	8.49	8.16	3,468,396	6.34	5.98	2,309,123
May .....	8.62	7.01	8,163,415	6.29	5.21	3,563,695
June .....	7.23	6.38	8,475,286	5.44	4.83	4,105,014
July .....	6.95	6.31	4,375,027	5.51	4.90	2,393,520
August .....	7.25	6.47	5,541,505	5.78	5.11	2,939,096
September .....	7.25	6.78	6,163,168	5.89	5.49	3,523,499
October .....	7.45	7.01	3,506,626	5.91	5.44	3,049,788
November .....	7.25	5.23	9,583,471	5.62	4.08	4,044,159
December .....	5.90	5.16	15,779,192	4.54	4.06	4,886,443
<b>2018</b>						
January .....	5.60	5.00	7,805,261	4.47	4.00	4,108,501
February 1 to 12 .....	6.18	4.84	7,238,546	4.90	3.86	3,571,473

Note:

- (1) High and low price based on intraday high and low trading prices. Source for TSX data in the above table is the TSX. Source for NYSE data in the above table is Capital IQ.

On February 12, 2018, being the last trading day prior to the date of this Prospectus Supplement, the closing price of the Common Shares was \$6.15 on the TSX and US\$4.88 on the NYSE (as reported by such stock exchanges).

## \$100 Million Convertible Debentures

The \$100 Million Convertible Debenture are listed on the TSX under the trading symbol “JE.DB.B”. The following table sets forth certain trading information for our 5.75% Debentures for the periods indicated as reported by the TSX.

<b>\$100 Million Convertible Debentures<sup>(1)</sup></b>			
<b>Period<sup>(2)</sup></b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume<sup>(3)</sup></b>
<b>2017</b>			
February .....	101.25	100.24	27,855
March .....	100.95	100.30	26,290
April .....	101.50	100.50	11,090
May .....	102.50	100.00	19,860
June .....	102.25	100.49	15,550
July .....	101.98	100.50	17,620
August .....	101.00	100.10	7,820
September .....	100.64	100.20	17,090
October .....	100.60	100.25	12,770
November .....	101.00	99.00	22,785
December .....	100.50	98.97	15,345
<b>2018</b>			
January .....	100.51	99.31	16,700
February 1 to 12 .....	100.45	99.75	14,690

Notes:

- (1) Price per \$100.00 principal amount of the 5.75% Debentures.
- (2) High and low price based on intraday high and low trading prices. Source for data in the above table is the TSX.
- (3) Volume figures presented as reported by the TSX (based on board lots of \$100 principal amount).

On , February 12, 2018, the last trading day prior to the date of this Prospectus Supplement, the closing price of the \$100 Million Convertible Debentures on the TSX was \$100.00 (as reported by such stock exchange).

## \$160 Million Convertible Debentures

The \$160 Million Convertible Debentures are listed on the TSX under the trading symbols “JE.DB.C”. The following tables set forth certain trading information for our \$160 Million Convertible Debentures for the periods indicated as reported by the TSX.

<b>\$160 Million Convertible Debentures<sup>(1)</sup></b>			
<b>Period<sup>(2)</sup></b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume<sup>(3)</sup></b>
<b>2017</b>			
February .....	105.00	103.56	26,670
March .....	107.00	103.75	29,950
April .....	107.35	105.01	30,520
May .....	108.50	103.00	44,860
June .....	104.50	102.02	25,460
July .....	103.00	100.99	15,630
August .....	104.01	101.50	20,500
September .....	103.50	102.75	24,330
October .....	104.01	102.81	7,270
November .....	103.61	98.75	52,450
December .....	100.50	97.50	28,050
<b>2018</b>			
January .....	100.97	98.50	35,740
February 1 to 12 .....	100.80	96.50	27,180

Notes:

- (1) Price per \$100.00 principal amount of the \$160 Million Convertible Debentures.
- (2) High and low price based on intraday high and low trading prices. Source for data in the above table is the TSX.
- (3) Volume figures presented as reported by the TSX (based on board lots of \$100 principal amount).

On , February 12, 2018, the last trading day prior to the date of this Prospectus Supplement, the closing price of the \$160 Million Convertible Debentures on the TSX was \$99.00 (as reported by such stock exchange).

### **US\$150 Million Convertible Bonds**

The US\$150 Million Convertible Bonds were listed on the Professional Securities Market of the London Stock Exchange (“**LSE**”) under the trading symbol 48IL on June 12, 2014. To date the LSE has not reported any trading activity.

### **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Corporation, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations pursuant to the Tax Act that generally apply to a holder of Debentures who acquires Debentures pursuant to the Offering and who, for purposes of the Tax Act and at all relevant times: (i) holds the Debentures and the Common Shares, if any, issued on the conversion, redemption or maturity of the Debentures (collectively, the “**Securities**”) as capital property, (ii) deals at arm’s length with the Corporation and the Underwriters, and (iii) is not affiliated with the Corporation or the Underwriters (a “**Holder**”).

Generally, the Securities will be considered to be capital property to a Holder provided that the Holder does not hold the Securities in the course of carrying on a business of buying and selling, trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder: (i) that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules); (ii) that is a “specified financial institution” (as defined in the Tax Act); (iii) an interest in which is a “tax shelter investment” (as defined in the Tax Act); (iv) who makes or has made an election under subsection 261(3) of the Tax Act to report its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency; (v) who has entered or will enter into a “derivative forward agreement” as that term is defined in the Tax Act with respect to any of the Securities; or (vi) that is a corporation resident in Canada and is (or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is), or becomes (or does not deal at arm’s length for the purposes of the Tax Act with a corporation resident in Canada that becomes) as part of a transaction or event or series of transactions or events that includes the acquisition of Debentures or Common Shares issuable on the conversion, redemption or maturity of the Debentures, controlled by a non-resident corporation for purposes of section 212.3 of the Tax Act. Any such Holder should consult its own tax advisor with respect to an investment in the Securities. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Securities.

This summary is based on the facts set out in this Prospectus Supplement, the provisions of the Tax Act and the Regulations in force at the date hereof, all specific proposals to amend the Tax Act or the Regulations which have been publicly announced by or on behalf of the Minister of Finance (Canada) (the “**Minister**”) prior to the date hereof (the “**Proposed Amendments**”), as well as counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) made publicly available prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed; however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law or in administrative policies or assessing practices, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

On July 18, 2017, the Minister released a consultation paper that included an announcement of the Government of Canada's intention to amend the Tax Act to, among other things, increase the amount of tax applicable to passive investment income earned through a private corporation. On October 18, 2017, the Minister announced that the government intends to move forward with these passive investment measures, which are expected to be introduced in the 2018 Federal Budget. No specific amendments to the Tax Act have been introduced in connection with this announcement. This summary does not address the potential implications of these measures. Holders that are private corporations should consult their own tax advisors with respect to the implications of these measures as they relate to the holding, acquisition and disposition of the Securities.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to a particular Holder or prospective Holder of Securities, and no representation with respect to the income tax consequences to any Holder or prospective Holder is made. This summary is not exhaustive of all Canadian federal income tax consequences. Consequently, prospective Holders should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring the Securities pursuant to the Offering, having regard to their particular circumstances.**

### **Holders Resident in Canada**

The following portion of this summary is generally applicable to a Holder of Securities who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada (a "**Resident Holder**").

Certain Resident Holders who might not otherwise be considered to hold their Debentures and Common Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Debentures and Common Shares and all other "Canadian securities" as defined in the Tax Act owned by such Resident Holder in the taxation year in which the election is made, or in any subsequent taxation year, deemed to be capital property. Resident Holders contemplating making a subsection 39(4) election should consult their own tax advisors for advice as to whether the election is available or advisable in their particular circumstances.

### **Taxation of Interest on Debentures**

A Resident Holder of Debentures that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Debentures that accrues (or is deemed to accrue) to it to the end of the taxation year or that has become receivable by or is received by the Resident Holder before the end of that taxation year, including on a conversion, redemption or repayment at maturity, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder, including an individual (other than a unit trust or trust of which a corporation or partnership is a beneficiary) will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income), including on a conversion, redemption or repayment at maturity, except to the extent that the interest was included in the Resident Holder's income for a preceding taxation year. In addition, if at any time a Debenture should become an "investment contract" (as defined in the Tax Act) in relation to a Resident Holder, such Resident Holder will be required to include in computing income for a taxation year any interest that accrues to the Resident Holder on the Debenture up to the end of any "anniversary day" (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in computing the Resident Holder's income for that year or a preceding year.

Any premium paid by the Corporation to a Resident Holder as a penalty or bonus on a purchase for cancellation of a Debenture before maturity, will be deemed to be received by such Resident Holder as interest on the Debenture and will be required to be included in computing the Resident Holder's income, as described above, at the time of the purchase for cancellation to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the purchase for cancellation of, the interest that, but for the purchase for

cancellation, would have been paid or payable by the Corporation on the Debenture for a taxation year ending after the purchase for cancellation.

A Resident Holder of Debentures that throughout the relevant taxation year is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay the refundable tax on its “aggregate investment income”, which is defined in the Tax Act to include interest income.

As described above under the heading “*Description of the Debentures - Interest Payment Election*”, the Corporation may elect to pay interest by issuing Common Shares to the Debenture Trustee for sale on behalf of the Corporation, in which event a Resident Holder would be entitled to receive a cash payment equal to the interest owed to the Resident Holder from the proceeds of sale of such Common Shares by the Debenture Trustee. If the Corporation were to pay interest in this manner, the Canadian federal income tax consequences to a Resident Holder would generally be the same as those described above.

### **Exercise of the Conversion Privilege**

A Resident Holder who converts a Debenture into Common Shares (or Common Shares and cash delivered in lieu of a fraction of a Common Share) pursuant to the conversion privilege under the terms of the Debenture will be deemed not to have disposed of the Debenture and, accordingly, will not recognize a capital gain (or capital loss) upon such conversion. Under the current administrative practice of CRA, a Resident Holder who, upon conversion of a Debenture, receives cash not in excess of \$200 in lieu of a fraction of a Common Share may either treat this amount as proceeds of disposition of a portion of the Debenture, thereby recognizing a capital gain (or capital loss), or reduce the adjusted cost base of the Common Shares that the Resident Holder receives on the conversion by the amount of the cash received.

Upon a conversion of a Debenture, interest accrued thereon, to the extent not otherwise previously included in income, will be included in computing the income of the Resident Holder as described above under “*Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Interest on Debentures*”.

The aggregate cost to a Resident Holder of the Common Shares acquired on the conversion of a Debenture into Common Shares (or Common Shares and cash delivered in lieu of a fraction of a Common Share) will generally be equal to the aggregate of the Resident Holder’s adjusted cost base of the Debenture immediately before the conversion, minus any reduction of adjusted cost base for fractional shares as discussed above. The adjusted cost base to a Resident Holder of Common Shares acquired at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Resident Holder as capital property immediately before the time.

### **Disposition of Debentures**

A disposition or deemed disposition of a Debenture by a Resident Holder, including a redemption, payment on maturity or purchase for cancellation, but not including the conversion of a Debenture into Common Shares pursuant to the Resident Holder’s right of conversion described above, will generally result in the Resident Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition (net of any amount otherwise required to be included in the Resident Holder’s income as interest), are greater (or less) than the aggregate of the Resident Holder’s adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “*Canadian Federal Income Tax Considerations - Taxation of Capital Gains and Capital Losses*”.

If the Corporation elects to pay any amount upon the redemption, purchase or maturity of a Debenture by issuing Common Shares to a Resident Holder (but not including by the conversion of a Debenture into Common Shares pursuant to the Resident Holder’s conversion privilege as described above), the Resident Holder’s proceeds of disposition of the Debenture will be equal to the fair market value, at the time of disposition of the Debenture, of the Common Shares and any other consideration so received (except consideration received in satisfaction of any accrued interest). The Resident Holder’s cost of the Common Shares so received will be equal to the fair market value of such Common Shares received on the date of redemption, purchase or maturity. The adjusted cost base to a Resident Holder of Common Shares acquired at any time will be determined by averaging the cost of such Common

Shares with the adjusted cost base of any other Common Shares owned by the Resident Holder as capital property immediately before the time.

Upon an assignment or other transfer of a Debenture, interest accrued thereon from the last Interest Payment Date to the date of assignment or other transfer, to the extent that such interest has not otherwise been included in computing the income of the Resident Holder for the taxation year or a preceding taxation year, will be included in computing the income of the Resident Holder as described above under “*Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Interest on Debentures*”, and will be excluded in computing the Resident Holder’s proceeds of disposition of the Debentures.

### **Receipt of Dividends on Common Shares**

A Resident Holder generally will be required to include in computing its income for a taxation year any dividends received or deemed to be received on such Resident Holder’s Common Shares during such taxation year.

In the case of a Resident Holder who is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules that apply to dividends received from “taxable Canadian corporations” (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit for “eligible dividends” (as defined in the Tax Act). There may be limitations on the Corporation’s ability to designate dividends as “eligible dividends”.

Taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

In the case of a Resident Holder that is a corporation, the amount of any such dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances. Certain corporations, including a “private corporation” or a “subject corporation” (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on Common Shares in a taxation year to the extent that such dividends are deductible in computing the corporation’s taxable income for the year.

### **Disposition of Common Shares**

A disposition or deemed disposition of a Common Share by a Resident Holder (except to the Corporation other than a purchase by the Corporation in the open market, if the Corporation acquired the Common Shares in the manner in which shares would normally be purchased by any member of the public in the open market) will generally result in the Resident Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the Common Share are greater (or less) than the aggregate of the Resident Holder’s adjusted cost base thereof and any reasonable cost of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “*Canadian Federal Income Tax Considerations - Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

### **Taxation of Capital Gains and Capital Losses**

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year will be included in the Resident Holder’s income for the year, and one-half of any capital loss (an “**allowable capital loss**”) realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may, generally, be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of any dividends received or deemed to be received by the Resident Holder on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the

circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, refundable tax on its “aggregate investment income” (as defined in the Tax Act) including taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Resident Holders are urged to consult their own tax advisors with respect to the potential application of alternative minimum tax.

### **Holders Not Resident in Canada**

The following section of this summary applies to a Holder of Securities who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention, (i) is neither a resident of Canada nor deemed to be resident in Canada, (ii) does not, and is not deemed to, use or hold the Securities in the course of carrying on business in Canada, (iii) is entitled to receive all payments (including interest and principal) in respect of a Debenture, and (iv) deals at arm’s length with any transferee that is resident in Canada and to whom the Holder disposes of a Debenture (a “**Non-Resident Holder**”).

This summary does not apply to (a) an insurer who carries on an insurance business in Canada and elsewhere or (b) a Non-Resident Holder that is at any time a “specified shareholder” (as defined in subsection 18(5) of the Tax Act) of the Corporation or that, at any time, does not deal at arm’s length for purposes of the Tax Act with a “specified shareholder” of the Corporation. Generally, for this purpose, a “specified shareholder” is a person that owns, has a right to acquire or is otherwise deemed to own, either alone or together with persons with whom such person does not deal at arm’s length for purposes of the Tax Act, shares of the capital stock of the Corporation that either: (i) give the holders of such shares 25% or more of the votes that could be cast at an annual meeting of the shareholders of the Corporation; or (ii) have a fair market value of 25% or more of the fair market value of all of the issued and outstanding shares of capital stock of the Corporation. Such Non-Resident Holders should consult their own tax advisors.

The following discussion assumes that the Common Shares will at all times be “prescribed securities” for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied immediately before January 1, 2008.

### **Taxation of Interest on Debentures**

A Non-Resident Holder will not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Corporation as, on account or in lieu of, or in satisfaction of, interest or principal on the Debentures.

### **Exercise of Conversion Privilege**

The conversion of a Debenture into only Common Shares (or Common Shares and cash delivered in lieu of a fraction of a Common Share pursuant to the current administrative practice of the CRA) on the exercise of a conversion privilege by a Non-Resident Holder will be deemed not to constitute a disposition of the Debenture and, accordingly, a Non-Resident Holder will not recognize a gain (or loss) on such conversion.

Upon the conversion of a Debenture into Common Shares (or Common Shares and cash delivered in lieu of a fraction of a Common Share), any payment representing interest accrued from the most recent Interest Payment Date to the date of conversion will be subject to the Canadian federal income tax considerations described above under “*Canadian Federal Income Tax Considerations - Holders Not Resident in Canada – Taxation of Interest on Debentures*”.

### **Disposition of Debentures and Common Shares**

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of Debentures or Common Shares unless the Non-

Resident Holder's Debentures or Common Shares, as the case may be, are, or are deemed to be, "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable tax treaty between Canada and the country of residence of the Non-Resident Holder.

Generally, provided the Common Shares are listed on a designated stock exchange (which currently includes the TSX and the NYSE) at the time of disposition of a Debenture or Common Share, the Debenture or Common Share, as the case may be, generally will not constitute taxable Canadian property to a Non-Resident Holder at such time, unless, at any particular time during the 60-month period preceding the disposition, (i) one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder does not deal with at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, has owned 25% or more of the issued shares of any class or series of the capital stock of the Corporation, and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: (a) real or immovable properties situated in Canada, (b) "Canadian resource properties" (as defined in the Tax Act), (c) "timber resource properties" (as defined in the Tax Act), and (d) options in respect of, or interests in, or for civil law rights in, property described in any of the foregoing, whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property.

In the event that the Debentures or Common Shares constitute or are deemed to constitute taxable Canadian property to any Non-Resident Holder, an applicable tax treaty or convention may exempt the Non-Resident Holder from tax under the Tax Act in respect of the disposition thereof.

**Non-Resident Holders owning Debentures or Common Shares that may constitute taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.**

#### **Receipt of Dividends on Common Shares**

Where a Non-Resident Holder receives or is deemed to receive a dividend on Common Shares, the amount of such dividend will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the Non-Resident Holder's country of residence. Where the Non-Resident Holder is a resident of the United States who is entitled to the full benefits of the *Canada-United States Income Tax Convention* (1980), as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

### **RISK FACTORS**

**An investment in Debentures and/or the Common Shares issuable upon the conversion of the Debentures is subject to a number of risks that should be considered by prospective purchasers and their advisors. An investment in the Debentures should be considered speculative due to various factors and should only be made by persons who can afford the total loss of their investment.** Before deciding whether to purchase Debentures, prospective purchasers should consider carefully the risks described below relating to the ownership of the Debentures and the Offering as well as the other information contained in and incorporated by reference into this Prospectus Supplement and the accompanying Prospectus, including, in particular, under the heading "*Risk Factors*" in the AIF and the Annual MD&A, as such disclosure may be modified by any disclosure made in this Prospectus Supplement and the accompanying Prospectus. Such information does not purport to be an exhaustive list. If any of the identified risks were to materialize, it could have a materially adverse effect on the Corporation's future results of operations, business, prospects or financial condition, and could cause actual events to differ materially from those described in forward-looking statements. Additional risks and uncertainties not currently known to the Corporation, or which the Corporation currently deems to be immaterial, may also have an adverse effect on Just Energy and/or its future results of operations, business, prospects or financial condition.

In addition to the risk factors described in this Prospectus Supplement and the accompanying Prospectus, the following risk factors from the Annual MD&A should be considered by prospective investors: commodity price risk; commodity volume balancing risk; interest rate risk; foreign exchange rate risk; credit agreement and other

debt; working capital requirements (availability of credit); earnings seasonality and volatility; cash dividends are not guaranteed; share ownership dilution; credit risk; supply delivery risk; regulatory environment; litigation; consumer contract attrition rate renewals; customer credit risk; competition; sales channel risk; retailer and product acceptance risk; cyber risk; information technology systems; model risk; accounting estimates risks; risks from adoption of new accounting standards or interpretations; risks from deficiencies in internal control over financial reporting; outsourcing and third party service agreements; disruption to infrastructure; share price volatility risk; and management retention risk.

### ***Offering Risks***

#### **Credit Risk and Earnings Coverage Ratios**

The likelihood that purchasers of the Debentures will receive payments owing to them under the terms of the Debentures will depend on the financial health and creditworthiness of the Corporation and the ability of the Corporation to earn revenues. See “*Earnings Coverage Ratios*”, which is relevant to an assessment of the risk that the Corporation may be unable to pay interest or principal on the Debentures when due.

#### **No Prior Public Market for the Debentures**

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this Prospectus Supplement. The Corporation has applied to list the Debentures and the Common Shares issuable upon conversion, redemption or maturity of the Debentures on the TSX. In addition, the Corporation has applied to list the Common Shares issuable upon conversion, redemption or maturity of the Debentures on the NYSE. Listing on the TSX and NYSE will be subject to the Corporation fulfilling all of the listing requirements of requirements of the TSX and NYSE, as applicable. No assurance can be given that an active or liquid trading market for the Debentures will develop or be sustained. If an active or liquid market for the Debentures fails to develop or be sustained, the price at which the Debentures trade may be adversely affected.

The market price of the Debentures may be volatile and subject to wide fluctuations and will be based on a number of factors, including: (i) the prevailing interest rates being paid by companies similar to the Corporation; (ii) the overall condition of the financial and credit markets; (iii) interest rate volatility; (iv) the markets for similar securities; (v) actual or anticipated fluctuations in the financial condition, results of operations and prospects of the Corporation; (vi) the publication of earnings estimates or other research reports and speculation in the press or investment community; (vii) the market price and volatility of the Common Shares; (viii) changes in the industry in which the Corporation operates and competition affecting the Corporation; and (ix) general market and economic conditions in North America and globally.

The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Debentures.

#### **Prior Ranking Indebtedness**

The Debentures will be subordinate to all Senior Indebtedness of the Corporation and to any indebtedness of trade creditors of the Corporation. Therefore, if the Corporation becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Corporation’s assets will be available to pay its obligations with respect to the Debentures only after it has paid all of its senior and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding.

In addition, a significant amount of the Corporation’s business is conducted through its subsidiaries. None of the Corporation’s subsidiaries has guaranteed or otherwise become obligated with respect to the Debentures and, as a result, the Debentures will be structurally subordinated to all liabilities and other obligations of the Corporation’s subsidiaries. Accordingly, the Corporation’s right to receive assets from any of its subsidiaries upon the Corporation’s bankruptcy, liquidation or reorganization, and the right of Debentureholders to participate in those assets, is structurally subordinated to claims of that subsidiary’s creditors, including trade creditors. Even if the Corporation were a creditor of any of its subsidiaries, the Corporation’s rights as a creditor would be subordinate to

any security interest in the assets of that subsidiary and any indebtedness of that subsidiary senior to that held by the Corporation.

### **Outstanding Indebtedness**

As of December 31, 2017, the Corporation had \$564.7 million of total indebtedness outstanding. The Corporation may incur additional indebtedness in the future to help fund the growth of its business, subject to market and other conditions. The Corporation's substantial indebtedness and interest expense could have important consequences to the Corporation, including:

- (a) limiting its ability to use a substantial portion of cash flow from operations in other areas of its business, including for working capital, capital expenditures and other general business activities, because the Corporation must dedicate a substantial portion of these funds to service its debt;
- (b) requiring the Corporation to seek to incur further indebtedness in order to make the capital expenditures and other expenses or investments planned by the Corporation to the extent future cash flows are insufficient;
- (c) limiting the Corporation's ability to obtain future financing for working capital, capital expenditures, debt service requirements, acquisitions and the execution of growth strategy, and other expenses or investments planned by the Corporation;
- (d) limiting the Corporation's flexibility and its ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in its business and its industry;
- (e) limiting the Corporation's ability to satisfy its obligations under its indebtedness (which could result in an event of default and acceleration if the Corporation fails to comply with the requirements of its indebtedness);
- (f) increasing the Corporation's vulnerability to a downturn in its business and to adverse economic and industry conditions generally;
- (g) placing the Corporation at a competitive disadvantage as compared to its competitors that are less leveraged; and
- (h) limiting the Corporation's ability, or increasing the costs, to refinance indebtedness.

### **Repayment of the Debentures**

The Debentures will mature on March 31, 2023. The Corporation may not be able to refinance the principal amount of the Debentures in order to repay the principal outstanding or may not have generated enough cash from operations to meet this obligation. There is no guarantee that the Corporation will be able to repay the outstanding principal amount upon maturity of the Debentures.

### **Absence of Covenant Protection**

The Debenture Indenture will not restrict the Corporation from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging its properties to secure any indebtedness. Nor will the Debenture Indenture prohibit or limit the ability of the Corporation to pay dividends, except where an Event of Default has occurred and such default has not been cured or waived. The Debenture Indenture will not contain any provision specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Corporation.

### **Prevailing Yields on Similar Securities**

Prevailing yields on similar securities will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline.

### **Possible Dilutive Effects on Holders of Common Shares**

The Corporation may determine to redeem outstanding Debentures for Common Shares or repay outstanding principal amounts of the Debentures at maturity by issuing additional Common Shares. Accordingly, holders of Common Shares may suffer dilution.

### **Possible Dilutive Effects of Future Financings**

Future sales or issuances of debt or equity securities could increase the Corporation's debt service obligations, decrease the value of any existing Common Shares, dilute investors' voting power, reduce Just Energy's earnings per share and make future sales of Just Energy's equity securities more difficult. Sales of Common Shares by shareholders might also make it more difficult for Just Energy to sell equity securities at a time and price that it deems appropriate. Just Energy cannot predict the effect, if any, that future sales and issuances of debt or equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares.

### **Redemption Prior to Maturity**

The Debentures may be redeemed, at the option of the Corporation, on and after March 31, 2021 and prior to the Maturity Date at any time and from time to time (provided that, in the case of any redemption on or after March 31, 2021 and before March 31, 2022, the Current Market Price of the Common Shares preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price), upon payment of the principal, together with any accrued and unpaid interest.

The Corporation may exercise this redemption option if the Corporation is able to refinance at a lower interest rate or it is otherwise in the interest of the Corporation to redeem the Debentures. The Corporation's ability to redeem the Debentures may be limited by law, by the Debenture Indenture, by the terms of other existing or future agreements relating to the Credit Facility or other credit facilities and other indebtedness and agreements that the Corporation may enter into in the future which may replace, supplement or amend its future debt. See "*Description of the Debentures - Redemption*".

### **Change of Control**

The Corporation will be required to make an offer to purchase all of the outstanding Debentures for cash in the event of certain transactions that would constitute a Change of Control. The Corporation cannot assure holders of Debentures that, if required, it would have sufficient cash or other financial resources at that time or would be able to arrange financing to pay the purchase price of the Debentures in cash. The Corporation's ability to purchase the Debentures in such an event may be limited by law, by the Debenture Indenture governing the Debentures, by the terms of other present or future agreements relating to the Corporation's credit facilities and other indebtedness and agreements that the Corporation may enter into in the future which may replace, supplement or amend the Corporation's future debt. The Corporation's future credit agreements or other agreements may contain provisions that could prohibit the purchase by the Corporation of the Debentures without the consent of the lenders or other parties thereunder. If the Corporation's obligation to offer to purchase the Debentures arises at a time when the Corporation is prohibited from purchasing or redeeming the Debentures, the Corporation could seek the consent of lenders to purchase the Debentures or could attempt to refinance the borrowings that contain this prohibition. If the Corporation does not obtain a consent or refinance these borrowings, the Corporation could remain prohibited from purchasing the Debentures. The Corporation's failure to purchase the Debentures would constitute an Event of Default under the Debenture Indenture, which might constitute a default under the terms of the Corporation's other indebtedness at that time.

In the event that Debentureholders holding 90% or more of the Debentures have tendered their Debentures for purchase pursuant to a Debenture Offer, the Corporation may redeem the remaining Debentures on the same terms. In such event, the conversion privilege associated with the Debentures would be eliminated. See “*Description of the Debentures - Change of Control*”.

### **Conversion Following Certain Transactions**

Pursuant to the Debenture Indenture, in the event of certain transactions each Debenture will become convertible into the securities, cash or property receivable by a shareholder of Just Energy in accordance with such transactions. This change could substantially reduce or eliminate any potential future value of the conversion privilege associated with the Debentures. For example, if the Corporation were acquired in a cash merger, each Debenture would become convertible solely into cash and would no longer be convertible into securities whose value would vary depending on the Corporation’s future prospects and other factors, subject to the specific provisions of the Debenture Indenture in this regard. See “*Description of the Debentures - Conversion Rights*”.

### **Volatility of Market Price of the Debentures**

The price of the Debentures was established by negotiation between the Corporation and the Underwriters with reference to the market price of the Common Shares and other factors, and may not be indicative of the price at which the Debentures will trade following the completion of the Offering. The market price of the Debentures may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation’s control, including the following: (i) the prevailing interest rates being paid by companies similar to the Corporation; (ii) the overall condition of the financial and credit markets; (iii) interest rate volatility; (iv) the markets for similar securities; (v) actual or anticipated fluctuations in the financial condition, results of operations and prospects of the Corporation; (vi) the publication of earnings estimates or other research reports and speculation in the press or investment community; (vii) the market price and volatility of the Common Shares (discussed below); (viii) changes in the industry in which the Corporation operates and competition affecting the Corporation; and (ix) general market and economic conditions in North America and globally, along with a variety of additional factors, including, without limitation, those set forth under “*Cautionary Statement Regarding Forward-Looking Statements*”.

The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Debentures.

### **Volatility of Market Price of Common Shares**

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation’s control, including the following: (i) the Corporation’s operating results failing to meet the expectations of securities analysts or investors in any quarter, (ii) the publication of earnings estimates or other research reports and speculation in the press or investment community; (iii) actual or anticipated fluctuations in the financial condition, results of operations and prospects of the Corporation; (iv) changes in the industry in which the Corporation operates and competition affecting the Corporation; and (v) general market and economic conditions in North America and globally; (vi) acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under “*Cautionary Statement Regarding Forward-Looking Statements*”. In addition, the market price for securities in the stock markets have at times experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Debentures and the Common Shares.

The volatility in the price of the Common Shares may affect the ability of holders of Debentures to sell the Debentures at an advantageous price and may result in greater volatility in the market price of the Debentures than would otherwise be expected for non-convertible securities.

## **Change in Tax Laws**

The Debenture Indenture will not contain a requirement that the Corporation increase the amount of interest or other payments to holders of Debentures in the event that the Corporation is required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts on the Debentures. At present, the Corporation will not withhold from such payments to holders of Debentures resident in Canada or who deal at arm's length with the Corporation, but no assurance can be given that applicable income tax laws will not be changed in a manner that may require the Corporation to withhold amounts in respect of tax payable on such amounts.

## **Investment Eligibility**

The Corporation will endeavour to ensure that the Debentures continue to be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans (other than deferred profit sharing plans to which the Corporation, or an employee that does not deal at arm's length with the Corporation, has made a contribution), registered education savings plans, registered disability savings plans and tax free savings accounts. No assurance can be given in this regard. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments by such plans.

## **Use of Proceeds of the Offering**

The Corporation currently intends to allocate the net proceeds received from the Offering as described under the heading "*Use of Proceeds*" in this Prospectus Supplement. However, management will have discretion concerning the use of proceeds of the Offering as well as the timing of their expenditures. As a result, investors will be relying on the judgment of management as to the application of the net proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

## **Enforcement of Judgments Against Foreign Persons**

The Corporation is a corporation existing under the CBCA. Certain of the Corporation's directors and officers, and certain of the experts named in this Prospectus Supplement, are residents of Canada or otherwise reside outside the United States, and a portion of their assets and of the Corporation's assets, are located outside the United States. The Corporation has appointed an agent for service of process in the United States, but it may be difficult for holders of the Debentures and the Common Shares issuable upon the conversion of the Debentures who reside in the United States to effect service within the United States upon those directors, officers and experts who are not residents of the United States. It may also be difficult for holders of the Debentures and the Common Shares issuable upon the conversion of the Debentures who reside in the United States to realize upon judgments of courts of the United States predicated upon the Corporation's civil liability and the civil liability of its directors, officers and experts under the United States federal securities laws.

## **LEGAL MATTERS**

Ernst & Young LLP, Chartered Accountants, are the auditors of the Corporation and have confirmed that they are independent of Just Energy in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario and within the meaning of PCAOB Rule 3520, Auditor Independence.

Certain Canadian legal matters in connection with the Offering will be passed upon by Fasken Martineau DuMoulin LLP, on behalf of Just Energy, and by Blake, Cassels & Graydon LLP, on behalf of the Underwriters. As at the date hereof, the partners and associates of Fasken Martineau DuMoulin LLP, as a group, and of Blake, Cassels & Graydon LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares of the Corporation.

## **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

The Debenture Trustee is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

### **PURCHASERS' CONTRACTUAL RIGHTS**

Original purchasers of Debentures will have a non-assignable contractual right of rescission, exercisable against the Corporation following the issuance of Common Shares to such purchaser upon the conversion of the Debentures, to receive the amount paid for such Debentures upon surrender of the Common Shares if this Prospectus Supplement or any amendment thereto contains a misrepresentation (as such term is defined in the *Securities Act* (Ontario)), provided such remedy for rescission is exercised within 180 days of the date of purchase of the Debentures under this Prospectus Supplement, following which this contractual right of rescission will be null and void. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 the *Securities Act* (Ontario) or otherwise at law. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages, or consult with a legal adviser.

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of convertible securities such as the Debentures, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the convertible security is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages, or consult with a legal advisor.

**CERTIFICATE OF THE UNDERWRITERS**

Dated: February 13, 2018

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the short form prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

**CIBC WORLD MARKETS INC.**

**NATIONAL BANK FINANCIAL INC.**

By: (Signed) "*Michael Mahoney*"

By: (Signed) "*Brad Spruin*"

**BMO NESBITT BURNS INC.**

**RBC DOMINION  
SECURITIES INC.**

**SCOTIA CAPITAL  
INC.**

**TD SECURITIES INC.**

By: (Signed)  
"*Daniel Armstrong*"

By: (Signed)  
"*Kyle Walker*"

By: (Signed)  
"*Derek Chu*"

By: (Signed)  
"*John Kroeker*"

**CANACCORD GENUITY CORP.**

**GMP SECURITIES L.P.**

By: (Signed) "*Steve Winokur*"

By: (Signed) "*Harris Fricker*"

**HSBC SECURITIES  
(CANADA) INC.**

**INDUSTRIAL ALLIANCE  
SECURITIES INC.**

**RAYMOND JAMES LTD.**

By: (Signed) "*Jay Lewis*"

By: (Signed) "*David Beatty*"

By: (Signed) "*James Tower*"

**ALTACORP CAPITAL INC.**

**ECHELON WEALTH  
PARTNERS INC.**

By: (Signed) "*Gurdeep Gill*"

By: (Signed) "*Beth Shaw*"