

30 September 2019

Dear Shareholder,

I am pleased to enclose the six-month earnings report for Ascendant Group Limited (“Ascendant” or the “Company”) for the period ending 30 June 2019. A copy of this report may also be found on the Company’s website at ‘[www.ascendant.bm](http://www.ascendant.bm)’.

As you will recall, the Board of Directors of the Company (the “Board”) announced on 3 June 2019 that the Company had signed an agreement with Algonquin Power & Utilities Corp (“Algonquin”) to sell the Company for US\$36 per share, subject to shareholder and regulatory approvals. Following that announcement, a special general meeting was held on 9 August 2019 for shareholders to vote on the sale. We are pleased to report that the required approval of two-thirds of the total issued and outstanding shares of the Company was exceeded. Thank you to all shareholders who voted.

The Board has provided the strategy that has brought Ascendant this far. We have laid the foundation for reliably powering Bermuda in cleaner, more efficient, and more cost-effective ways. Algonquin will bring the knowledge, experience and capital necessary to carry Ascendant into the future and this will benefit all our stakeholders – our employees, customers and the Bermudian community.

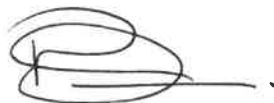
For the sale to proceed, various regulatory approvals are required. Among them, the Regulatory Authority (the “Authority”) will consider our application to transfer ownership of Bermuda Electric Light Company Limited’s operating licenses to the new company. Algonquin will also make an application to the Minister of Finance under Section 114B of the Companies Act 1981 for permission to conduct business in Bermuda. The Authority and Minister of Finance may take several months before reaching a decision.

All parties will work diligently to obtain the necessary approvals so the transition can happen in a timely manner to minimise any disruption to our companies, employees and our customers.

Should the sale of the Company receive the necessary approvals, you are reminded that final payment will be made in US dollars. If you wish your payment to be made into a US dollar account or an account other than the account the Company has on record for you for the payment of dividends, please send an email to [jkromer@ascendant.bm](mailto:jkromer@ascendant.bm) with your name, receiving bank and account details.

I look forward to providing you with further updates in the coming months.

Sincerely,



Peter Durhager  
Chairman of the Board  
Ascendant Group Limited

Management is reporting on unaudited financial matters relating to the first six months of Ascendant Group Limited's ["Ascendant" or the "Company"] financial year ending 31 December, 2019 in accordance with the Bermuda Stock Exchange ["BSX"] Listing Regulations [Section IIA, Regulation 6.9 (2)].

\$000's	SIX MONTHS ENDED 30 JUNE, 2019	SIX MONTHS ENDED 30 JUNE, 2018	VARIANCE
Operating revenues and other income	\$107,180	\$105,528	\$1,652
Core earnings from operations	7,535	11,090	(3,555)
Core earnings	2,674	4,051	(1,377)
Restructuring charges	(4,620)	(912)	(3,708)
Net earnings attributed to shareholders	\$(1,946)	\$3,139	\$(5,085)

Per share amounts:	SIX MONTHS ENDED 30 JUNE, 2019	SIX MONTHS ENDED 30 JUNE, 2018	VARIANCE
Dividends per share	\$0.23	\$0.23	\$-
Core earnings per share:			
Basic	\$0.28	\$0.41	\$(0.13)
Fully diluted	\$0.27	\$0.40	\$(0.13)
Net earnings per share:			
Basic	\$(0.20)	\$0.32	\$(0.52)
Fully diluted	\$(0.20)	\$0.31	\$(0.51)

Ascendant's year-to-date core earnings from operations, before corporate expenses were \$7.5 million compared to \$11.1 million for the same period in 2018. The year over year changes for the first six months of 2019 include:

Bermuda Electric Light Company Limited ("BELCO") experienced decreased sales, with base rate electricity sales lower by \$3.9 million. BELCO's total expenses increased with depreciation associated with new assets higher by \$0.6 million and service allocations from Ascendant increasing \$0.7 million, offset by salary savings of \$0.8 million compared to the same period in the prior year.

Ascendant's non-utility businesses continued to grow with core earnings increasing \$0.5 million over the prior year.

Core earnings year-to date in 2019 were \$2.7 million, or \$0.28 per share compared to \$4.1 million, or \$0.41 per share for the same period in 2018. In addition to the changes in core earnings from operations described above, corporate expenses decreased \$2.2 million in the first six months of 2019 as cost saving measures led to reduced personnel, directors' costs and consultants' fees. Cost recoveries from affiliates also increased by \$0.8 million in this period.

Reported earnings year-to-date in 2019 were \$(1.9) million, or \$(0.20) per share compared to \$3.1 million, or \$0.32 per share, for the same period in 2018. Reported earnings were impacted by the same changes to core earnings described above as well as \$4.6 million in costs associated with

financial advisory and legal fees associated with the sale of the Company.

Cash flow from operations (excluding the effect of working capital changes) totaled \$9.8 million for the first half of 2019 compared to \$14.1 million in the same period of 2018. This change in cash flow from operations reflects the changes to core earnings from operations described above.

Capital expenditures for the first half of 2019 were \$73.1 million compared to \$36.5 million for the same period of 2018, reflecting spending associated with the Company's capital plan. Construction of the 10 MW battery storage system was completed, and construction of 56 megawatts (MW) of replacement generation continues. A rate case was submitted in April 2019 to the Regulatory Authority in respect of the retail tariff methodology released by the Authority in October 2018 which provided clarity on future rate setting methods and timing. With these accomplishments, the Company has laid the groundwork for Bermuda's energy future.

The Board of Directors announced in January, 2019 that it was beginning a process of evaluating strategic alternatives for the Company, including the potential sale of Ascendant Group Limited. Following a robust assessment process and invitation to selected interested parties to submit bids, on 3 June, 2019 the Board of Directors announced that the Company had signed an agreement with Algonquin Power & Utilities Corp ("APUC") to sell the Company for \$36 per share, subject to shareholder and regulatory approvals.

APUC is an established renewable energy and utility group with North American assets in excess of \$10 billion. They currently own and operate 54 energy facilities, of which 90% are renewable. As part of their proposal

APUC has committed to continue to run all Ascendant companies locally with current Bermudian management, to support BELCO in its collaboration with the Authority in implementing the Integrated Resource Plan for Bermuda and introducing modern energy technologies to accelerate the introduction of renewables, conservation and battery storage for the island.

The Board of Directors takes the view that APUC can provide the resources and experience required to build on the foundation it has established and for Ascendant to realise its strategy of providing a strong future for its staff and customers.

The Company's share repurchase programme was suspended on 1 April, 2019 as a result of the invitation for bids referred to above. Trading was suspended on 3 June, 2019, but resumed 4 June, 2019. Since that time, shares have traded as high as \$34.95 per share, with a closing price of \$24.01 per share on 30 June, 2019.

The total interests of all directors and executive officers of the Company totals 394,471 shares. In addition, under the Company's long-term incentive and retention share programs, which are designed to attract, retain and motivate senior management to achieve strategic objectives, executive officers have been granted awards that may be paid in cash or shares. The total share awards outstanding total 748,088 shares.

The Company's Board of Directors declared dividends totaling 22.50 cents per common share in the first half of 2019.

Further Financial Information: Ascendant's financial results are stated in accordance with International Financial Reporting Standards (IFRS). Further financial information may be found on our web site at [ascendant.bm](http://ascendant.bm).