

News

For Immediate Release

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Hamilton, Bermuda (May 5, 2020)

Ascendant Group Limited Announces Three Month Results

Ascendant Group Limited (“Ascendant” or the “Company”) (BSX: AGL.BH), a publicly traded provider of energy and energy-related services, today announced results for the first quarter of 2020, with core earnings of \$4.1 million, or \$0.42/share, compared to \$1.0 million, or \$0.10/share, for the same period in 2019 and net earnings of \$4.1 million, or \$0.42/share, compared to \$(0.5) million, or \$(0.06)/share, for the same period in 2019.

Highlights

- Solid operating results across all business lines
- Bermuda Electric Light Company Limited (“BELCO”) cost restructuring measures showing results with lower customer rates and stable earnings despite weak economic environment
- 56 MW of replacement generation at the North Power Station has been commissioned and is now in full operation
- Sale of Ascendant Group Limited to Algonquin Power & Utilities Corp. (“Algonquin”) for \$36 per share, approved by shareholders and awaiting approval by the Regulatory Authority

Ascendant CEO Sean Durfy said: “The Company performed well overall and our results were stable during the first quarter. Bermuda continued to face economic headwinds during the quarter which led to the multi-year trend of lower electricity demand. The other companies in the Ascendant Group were flat. While the Ascendant Group companies were only minimally impacted by the COVID-19 Pandemic in the first quarter, we are now focused on its impact on our operations and the Bermuda community going forward. We have taken measures to ensure the health and safety of our staff and are working with customers to ease their financial burden if they have become unemployed as a result of the pandemic. I would like to sincerely thank our staff who continue to come to work every day to keep the power on and our customers’ facilities maintained. It’s in times of crisis that Bermuda can rely on the essential services provided by our greatest asset – our people.”

BELCO President Dennis Pimentel said: “Despite a challenging economy and falling demand for electricity, it has been an exciting time at BELCO as we continue to make excellent progress on our capital plan. The North Power Station was completed, commissioned and is now supplying Bermuda’s base load energy needs more efficiently than ever before. This \$120 million project is something our entire team can be proud of. BELCO has also started on a \$50 million, three-year grid upgrade and modernisation project that will be more reliable and allow

for large and small scale renewables to be added to the grid. These projects will ensure Bermuda is served by cleaner, safer and more reliable energy while we transition to a renewable energy future.”

Earnings

(\$000's)	Three months ended 31 March		
	2020	2019	Variance
BELCO	\$4,916	\$2,320	\$2,596
AG Holdings	918	1,048	(130)
ABIL	249	218	31
Core earnings from operations	6,093	3,586	2,497
Corporate expenses	(1,959)	(2,550)	591
Core Earnings	4,124	1,036	3,088
Restructuring costs	-	(1,569)	1,569
Net Earnings	\$4,124	\$(533)	\$4,657
Net Earnings Per Share (Basic)	\$0.42	\$(0.06)	\$0.48

Core earnings from operations, before corporate expenses, were \$4.1 million compared to \$1.0 million for the first quarter of 2019.

The increase in core earnings from operations was largely the result of decreased operational expenses across the Ascendant Group companies, offset by lower revenues arising from lower electricity demand at BELCO.

First quarter reported earnings were \$4.1 million or \$0.42 per share compared to \$(0.5) million or \$(0.06) per share for the same period in 2019

Cash flow and capital spending

(\$ thousands)	Three months ended 31 March		
	2020	2019	Variance
Cash and cash equivalents:	\$32,813	\$19,468	\$13,345
Cash provided by / (used in):			



Operating Activities	6,199	787	5,412
Investing Activities	(13,749)	(28,202)	14,453
Financing Activities	10,015	23,692	(13,677)
Cash and cash equivalents:	\$35,278	\$15,745	\$19,533

Cash flow provided by operations, after non-cash working capital adjustments, increased \$5.4 million to \$6.2 million for the three month period ended 31 March 2020. The increase was primarily driven by improved operating results and the timing of fuel shipment payments, vendor payments and customer collections.

Capital expenditures for the first three months of 2020 were \$13.8 million compared to \$28.2 million for the same period of 2019, as the Company continues to invest in its capital plan following completion of BELCO's battery energy storage system in 2019. The North Power Station was successfully commissioned on 31 March 2020, and BELCO continues with a three-year, \$50 million investment to modernise its transmission and distribution network.

The Company's Board of Directors declared a quarterly dividend of 11.25 cents per common share.

Non-IFRS Measures

Ascendant uses financial measures that are not defined under IFRS and may not be comparable to similar measures presented by other issuers. Ascendant calculated the non-IFRS measures by adjusting for specific items that management believes are not reflective of the normal, ongoing operations of the business. Refer to the Non-IFRS Financial Measures section of the Company's year-end Management's Discussion and Analysis ("2019 MD&A") which can be found on Ascendant's website at www.ascendant.bm.

Forward Looking Information

This news release contains forward-looking statements that reflect management's current beliefs with respect to the Company's future growth, results of operations, performance, business prospects and opportunities. These statements are based on reasonable assumptions and information currently available to Ascendant's management and are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Additional information about these assumptions, risks and uncertainties is included in the "Primary Factors Affecting Ascendant's Business" section in the 2019 MD&A, which can be found on Ascendant's website at www.ascendant.bm.

The quarterly Consolidated Financial Statements and Management's Discussion and Analysis are available on Ascendant's website at www.ascendant.bm.

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**About Ascendant Group Limited**

Ascendant Group Limited is a Bermuda-based, publicly traded holding company that through its subsidiaries provides energy and energy-related services. Ascendant Group Limited (AGL.BH) is listed on the Bermuda Stock Exchange (BSX) and is the parent company of Bermuda Electric Light Company Limited (BELCO), and AG Holdings Limited, which includes AIRCARE LTD., IFM Limited, iEPC Limited and Ascendant Properties Limited. For further information about Ascendant Group Limited, visit www.ascendant.bm.