

February 1, 2019

Dear Ascendant Group shareholders,

My name is Talbot Babineau and I am the Chief Executive Officer of IBV Capital. In 2015, our firm began investing in Ascendant Group Ltd. (“Ascendant” or the “Company”). Today, we’re fortunate enough to own about 10% of the Company, making us its largest independent shareholder.

On January 28, 2019, Ascendant issued a press release informing shareholders that they are evaluating their strategic alternatives, including the potential sale of the Company. Since our firm has invested over four years into studying Ascendant’s operations, finances, regulatory compact, and strategic alternatives, we feel obligated to share our knowledge to help fellow shareholders make an informed decision regarding the potential sale.

From one shareholder to another, we are proud that Ascendant is performing well. Recently, BELCO broke ground on the North Power Station. It’s a big investment, but a necessary one. This new power plant will provide Bermudian’s with safe, reliable, and cost-efficient electricity for decades to come.

BELCO had the confidence to make this investment because the Regulatory Authority, an independent body that regulates Bermuda’s electricity sector, has treated the Company fairly over the last few years. The Regulatory Authority is an important institution and to foster a stable electricity sector in Bermuda, it’s critical they continue to operate independently on behalf of all stakeholders.

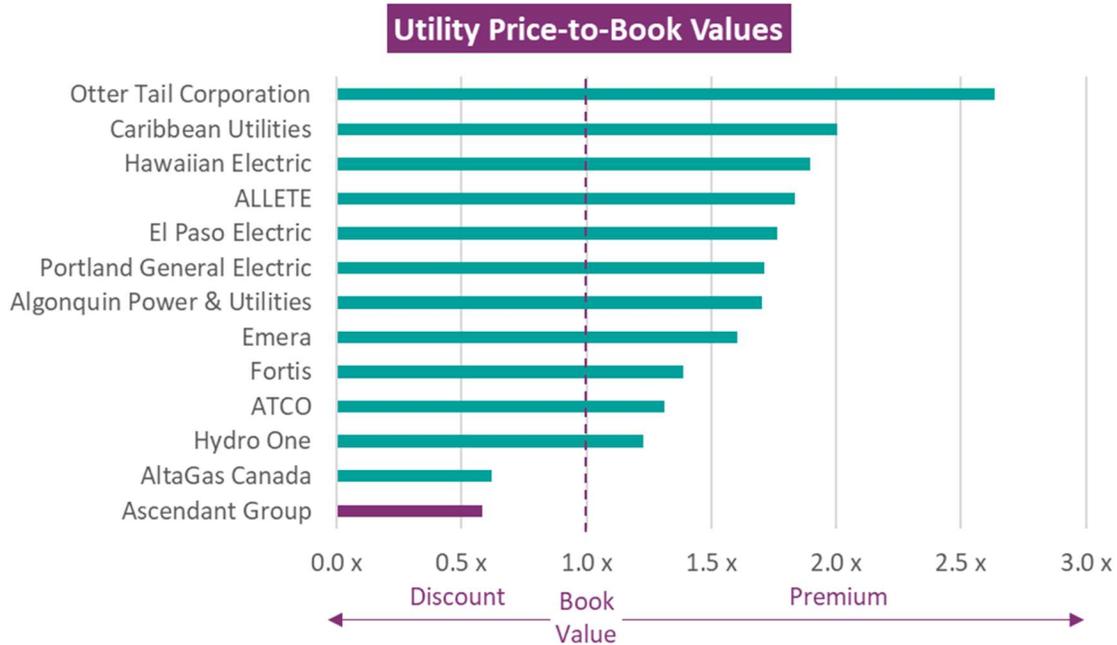
For instance, on behalf of customers, the Regulatory Authority has indicated they will incentivize BELCO to operate efficiently so BELCO can pass on efficiency gains to customers in the form of lower electricity prices. We agree with this approach and feel strongly about BELCO making a big effort to be more efficient.

In looking forward, the sale process Ascendant is undergoing will unlock endless possibilities for the Company and its shareholders. However, this process also gives us cause for concern. Today, the share price of Ascendant is \$17.50. This price is far too low relative to the Company’s true value. It’s so low that we’re concerned this process may not result in shareholders being offered a high enough price from a buyer that would make it worthwhile for all of us to want to sell the Company.

We’re afraid a similar scenario played out in Barbados, when a well-regarded foreign utility offered to buy Barbados Light and Power for \$25 per share. This foreign utility’s offer was 108% more than what Barbados Light and Power shares were trading for on the Barbados Stock Exchange. Shareholders jumped at the opportunity to sell the company, believing that they were receiving a windfall gain. Afterwards, it was reported that shareholders had sold the company for much less than its book value – the value of all its assets less all its liabilities. A very disappointing outcome.

We don’t want this to happen to Ascendant. We would like to see this sale process run its course and for all of Ascendant’s shareholders to benefit to the fullest extent possible. Ascendant is a very valuable asset and we understand its national significance. Companies like this should be sold in a thoughtful manner and for a premium to book value.

Less than a year ago, at Ascendant’s annual general meeting, management provided a list of companies that would act as a guide for evaluating how much the shares of Ascendant should be worth if the company were sold or listed on a different stock exchange. This list included island utilities, small American utilities, and a basket of Canadian utilities.



Note: Book values are as of September 30, 2018, prices are as of February 1, 2019.

These companies, like Ascendant, are valuable because they enjoy a growing rate base and operate within sophisticated regulatory environments. Ascendant, more so than these other utilities, also enjoys considerably financial flexibility because it has little debt on its balance sheet. Not surprisingly, all of Ascendant’s utility peers, other than AltaGas Canada, which is emerging from financial distress, is valued at a premium (over 1.0x) to book value. In many cases, significantly above book value.

Ascendant’s book value – it’s assets less all its liabilities - is currently \$30 per share. Since we as shareholders know the Company is a prized asset, we should only be considering what premium over book value we would be willing to accept from a buyer.

While this process unfolds at Ascendant, as shareholders it’s important we stay well informed of the choices we’ll soon have to make. I would welcome the opportunity to share our knowledge of the Company, its prospects, and our options, with any fellow shareholder (or stakeholder). So please, feel free to reach out to me directly at [talbot@ibvcapital.com](mailto:talbot@ibvcapital.com) or (416)-603-4282 x 221.

Sincerely,

Talbot Babineau, CFA  
President & Chief Executive Officer