



## **Connecticut Water Service Announces Amendment to Merger Agreement with SJW Group to Allow for Solicitation of Alternative Proposals**

*Connecticut Water to Begin Soliciting Indications of Interest from Third Parties*

*Public Process Will Allow Shareholders to Have Full Confidence in the Company's Strategic Direction and Know that Every Viable Alternative Has Been Explored*

Clinton, Conn., May 31, 2018 – Connecticut Water Service, Inc. (NASDAQ: CTWS) today announced that it and SJW Group (NYSE: SJW) have amended the terms of the companies' merger agreement.

The amended agreement, which was unanimously approved by the Connecticut Water Board of Directors, includes a new go-shop provision, pursuant to which Connecticut Water, with the assistance of its financial advisors, will actively solicit proposals for an alternative merger, acquisition or other strategic transaction involving Connecticut Water. Connecticut Water has a right under the amended merger agreement to review and negotiate any alternative proposals received from third parties until 11:59 p.m. Eastern time on July 14, 2018.

Carol Wallace, Chairman of the Connecticut Water Board of Directors, said, "The Connecticut Water Board and management team are committed to acting in the best interests of the Company and our shareholders. Before announcing our agreement with SJW Group, the Board considered various alternatives and determined that the SJW Group merger delivered on this objective, providing substantial value to our shareholders both in the near-and long-term. We have heard from many stakeholders who also believe in the value and important benefits that the SJW Group merger provides for our shareholders, customers, employees and communities. We believe this additional step and public process by the Board is appropriate to allow all of our shareholders to have full confidence in the Company's strategic direction and to know that every viable alternative has been explored."

In connection with the solicitation process, Connecticut Water and its financial advisors will begin soliciting third party indications of interest today. Eversource Energy (NYSE: ES) will be among those invited to participate, however, Connecticut Water reaffirmed that the Board does not believe that Eversource's current \$63.50 per share proposal is a superior proposal to the SJW Group merger agreement. Moreover, the Connecticut Water Board has unanimously determined that it would not agree to a transaction with Eversource on the terms currently proposed, regardless of the outcome of the proposed SJW Group merger, because the Connecticut Water Board believes that the current Eversource proposal substantially undervalues Connecticut Water.

At this time, Connecticut Water remains subject to the SJW Group merger agreement, and the Connecticut Water Board has not changed its recommendation in favor of the merger of equals with SJW Group. As previously announced on March 15, 2018, under the terms of the agreement, Connecticut Water shareholders will receive 1.1375 shares of SJW Group common stock for each share of Connecticut Water common stock they own, the equivalent of \$64.72 per share based on SJW Group's closing stock price as of April 25, 2018.<sup>1</sup> Following closing of the transaction, Connecticut Water shareholders will own approximately 40 percent of the combined company and SJW Group shareholders will own approximately 60 percent, on a fully diluted basis.

Wells Fargo Securities, LLC is serving as Connecticut Water's financial advisor and Sullivan & Cromwell LLP as its legal counsel.

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<sup>1</sup> April 25, 2018 represents the date of the last unaffected stock price before an unsolicited proposal for SJW Group was made public. The value per share of the merger of equals with SJW Group is not fixed and fluctuates based on SJW Group's stock price.

## About CTWS

CTWS is a publicly traded holding company headquartered in Clinton, Connecticut. CTWS is the parent company of The Connecticut Water Company, The Maine Water Company, The Avon Water Company, and The Heritage Village Water Company. Together, these subsidiaries provide water service to more than 450,000 people in Connecticut and Maine, and wastewater service to more than 10,000 people in Connecticut.

## Forward-Looking Statements

This document contains forward-looking statements within the meaning of the Private Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “projects,” “strategy,” or “anticipates,” or the negative of those words or other comparable terminology.

The accuracy of such statements is subject to a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the risk that the conditions to the closing of the transaction are not satisfied, including the risk that required approvals from the shareholders of the Company or the stockholders of SJW Group for the transaction are not obtained; (2) the risk that the regulatory approvals required for the transaction are not obtained, or that in order to obtain such regulatory approvals, conditions are imposed that adversely affect the anticipated benefits from the proposed transaction or cause the parties to abandon the proposed transaction; (3) the risk that the anticipated tax treatment of the transaction is not obtained; (4) the effect of water, utility, environmental and other governmental policies and regulations; (5) litigation relating to the transaction; (6) uncertainties as to the timing of the consummation of the transaction and the ability of each party to consummate the transaction; (7) risks that the proposed transaction disrupts the current plans and operations of SJW Group or the Company; (8) the ability of SJW Group and the Company to retain and hire key personnel; (9) competitive responses to the proposed transaction; (10) unexpected costs, charges or expenses resulting from the transaction; (11) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (12) the combined companies' ability to achieve the growth prospects and synergies expected from the transaction, as well as delays, challenges and expenses associated with integrating the combined companies' existing businesses; and (13) legislative and economic developments. These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the joint proxy statement/prospectus that is included in the Registration Statement on Form S-4 filed by SJW Group with the SEC on April 25, 2018 in connection with the proposed transaction and the Company's quarterly report on Form 10-Q for the period ended March 31, 2018 filed with the SEC on May 9, 2018.

In addition, actual results are subject to other risks and uncertainties that relate more broadly to the Company's overall business and financial condition, including those more fully described in the Company's filings with the SEC including its annual report on Form 10-K for the fiscal year ended December 31, 2017 and SJW Group's overall business, including those more fully described in SJW Group's filings with the SEC including its annual report on Form 10-K for the fiscal year ended December 31, 2017. Forward looking statements are not guarantees of performance, and speak only as of the date made, and neither the Company or its management nor SJW Group or its management undertakes any obligation to update or revise any forward-looking statements.

## Additional Information and Where to Find It

In connection with the proposed transaction between the Company and SJW Group, SJW Group filed with the SEC a Registration Statement on Form S-4 that includes a joint proxy statement of the Company and SJW Group that also constitutes a prospectus of SJW Group. The Company will also file a GREEN proxy card with the SEC, and the Company and SJW Group may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the joint proxy statement/prospectus, Form S-4 or any other document which the Company or SJW Group has filed or may file with the SEC. **INVESTORS AND SECURITY HOLDERS OF THE COMPANY AND SJW GROUP ARE URGED TO READ THE REGISTRATION STATEMENT, THE JOINT PROXY STATEMENT/PROSPECTUS AND ALL OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS.**

Investors and security holders may obtain free copies of the Form S-4 and joint proxy statement/prospectus and any other documents filed with the SEC by the Company or SJW Group through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of documents filed with the SEC by the Company will be made available free of charge on the Company's investor relations website at <https://ir.ctwater.com>. Copies of documents filed with the SEC by SJW Group will be made available free of charge on SJW Group's investor relations website at [https://sjwgroup.com/investor\\_relations](https://sjwgroup.com/investor_relations).

### **No Offer or Solicitation**

This communication is for informational purposes only and is not intended to and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, or a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, sale or solicitation would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

### **Participants in the Solicitation**

The Company, SJW Group and certain of their respective directors and officers, and other members of management and employees, may be deemed to be participants in the solicitation of proxies from the holders of the Company and SJW Group securities in respect of the proposed transaction between the Company and SJW Group. Information regarding the Company's directors and officers is available in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2017 and its proxy statement for its 2018 annual meeting dated April 6, 2018, which are filed with the SEC. Information regarding the SJW Group's directors and officers is available in SJW Group's annual report on Form 10-K for the fiscal year ended December 31, 2017 and its proxy statement for its 2018 annual meeting dated March 6, 2018, which are filed with the SEC. Investors may obtain additional information regarding the interest of such participants by reading the Form S-4 and the joint proxy statement/prospectus and other documents filed with the SEC by the Company and SJW Group. These documents will be available free of charge from the sources indicated above.

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