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**the bermuda press [holdings] limited**

**To: All Shareholders**

**From: The Board of Directors**

**Date: June 30, 2022**

**Interim Report**

The Board of Directors is reporting on unaudited financial matters relating to the first six months of your Company's financial year ending 30 September 2022 in accordance with the BSX listing regulations (Section II A, chapter 6.9(2)).

<b><u>Six Months ended 31st March</u></b> (in 000's of Bermuda dollars)	<b><u>2022</u></b>	<b><u>2021</u></b>
Operating revenue	<b><u>\$10,128</u></b>	<b><u>\$10,068</u></b>
Profit attributable to Equity holders of the company	<b>\$190</b>	\$399
Dividends paid per share	<b>\$0.14</b>	nil
Earnings per share:		
Profit attributable to common shareholders	<b>\$190</b>	\$399
Average number of common shares outstanding	<b>1,425</b>	1,425
Basic and fully diluted earnings per share	<b>13 cents</b>	28 cents

Your Company's operating revenue increased 1% to \$10,128 for the six months ended 31 March 2022, as compared to \$10,068 for the same period in 2021.

Profitability for the six months ended 31 March 2022 was \$190, compared to \$399 for the same period in 2021, a decrease of \$209. This decrease is mainly due to inflationary cost increases and the resumption of full staff wages and benefits in the second half of 2021. In addition, the Company's publishing unit has borne significant legal costs before the Supreme Court in defense of the freedom of the press in Bermuda and our ability to report on important matters of public interest.

The slow recovery within the Bermuda economy following the COVID-19 business restrictions, combined with inflation on raw materials, continue to have a impact on your Company and the overall Bermudian market. Your Company's management continues to maximize operating

efficiencies to offset rising costs. The improved performance of the publishing business unit was offset by challenges faced by the commercial printing division. Remote working and corporate sustainability initiatives have changed the way local businesses are marketing and the need for printed products. The impact on operating revenues by segment are as follows:

- Publishing and retail division increased 5% or \$315,000 over the prior period. The publishing unit continues to navigate through the economic challenges and adjust to the customer needs by expanding its digital product offering to improve customer engagement. The retail division opened Stationery Store Plus in the second half of 2021; results from the Christmas season exceeded management expectations.
- Commercial printing decreased 18% or \$288,000 over the prior year. The commercial printing division continues to be significantly impacted by the shift to remote working, corporate sustainability initiatives, and a decreased demand for traditional printed materials.
- Real estate holdings are consistent with the prior year and remain the most profitable segment with an overall occupancy rate at March 31, 2022 of 94%, of which 54% is occupied by third party tenants.

Other key highlights since the Annual Report include:

- The Royal Gazette continues its investment in the people and systems required to meet the “Digital First” challenge. The transition to online platforms remains a priority to ensure the Royal Gazette maintains its place as the leader of independent journalism in Bermuda. Enhancements to our web media platforms will pick up pace later in 2022, with enhanced opportunities for reader engagement, simplified advertiser relationships, and improved monetization of content.
- Stationery Store Plus had a successful Christmas retail season, exceeding management expectations with its expanded STEAM and art supply product offering. Longer term, as the local economy improves, the Stationery Store will consolidate to one location, and a new tenant will be sought for the Reid Street storefront.
- Bermuda.com continues its re-launch under an advertiser membership model to assist the tourism industry to market its products and offerings in an affordable and scalable way.
- Print operations are being actively restructured, to enhance the product offering to customers and align operations with changed local demand for printing.
- Office Solutions has successfully moved to new point-of-sale, inventory and service management systems for its retail and equipment service businesses. These updated platforms allow the business to interact more efficiently with clients for enhanced customer service levels.

Basic earnings per share decreased to \$0.13 for the six months ended 31 March 2022, down from \$0.28 in the previous year. The market price for BPHL’s shares was \$4.50 at 31 March 2022, up from \$4.26 at 30 September 2021. The Board resumed payment of dividends to shareholders, with a dividend of \$0.07 for the quarter ended December 31, 2021. The Board foresees continuing

routine dividends given the improved financial position of the Company resulting from restructuring of the Company's business operations.

Your Company's management and Board continue to review the operations of all divisions to ensure that actions are taken toward loss-making businesses within the group, so that they are not being funded at the expense of our shareholders. We are also making efforts to improve shareholder value by undertaking strategies that will enhance future growth, diversification, and earnings.

We maintain our goal of increasing returns to shareholders and enhancing the book value per share. Regarding our share price, we seek to remedy the fact that BPHL shares are undervalued on the BSX. Among other measures to address this imbalance, the Company intends to purchase shares on the open market.

As we continue to monitor share price and repurchase shares, we will also maintain and examine options to increase the dividends we pay to shareholders whenever possible. Finally, we remain committed to reinvesting in the business – balancing profitability, risk, growth, and strategic investments for the long-term benefit of our shareholders and other stakeholders.

The total number of shares owned or influenced by Directors and Officers of the Company at 31 March 2022 amounts to 124,247. No rights to subscribe for shares in the Company have been granted to or exercised by any Director or Officer.

The Board of Directors would like to acknowledge and thank our employees for their financial sacrifice, commitment, hard work, and dedication to continue to serve the people of Bermuda.