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the bermuda press [holdings] limited

To: All Shareholders

From: The Board of Directors

Date: June 28, 2024

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 2024 in accordance with the BSX listing regulations (Section II A, chapter 6.9(2)).

<u>Six Months ended 31st March</u> (in 000's of Bermuda dollars)	<u>2024</u>	<u>2023</u>
Operating revenue	<u>\$9,177</u>	<u>\$9,542</u>
(Loss) Profit attributable to Equity holders of the company	(\$568)	\$33
Dividends paid per share	\$0.00	\$0.17
Earnings per share:		
(Loss) Profit attributable to common shareholders	(\$568)	\$33
Average number of common shares outstanding	1,207	1,425
Basic and fully diluted earnings per share	(\$0.47)	\$0.02

Your Company's operating revenue decreased 3.8% to \$9,176,000 for the six months ended 31 March 2024, as compared to \$9,541,000 for the same period in 2023. Management continues to navigate the Company through the challenges local companies are facing in Bermuda, with a diminishing local economy and inflation.

Your Company's profitability for the six months ended 31 March 2024 was a loss of \$568,000, compared to a profit of \$33,000 for the same period in 2023, a decrease of \$601,000. This decrease is mainly due to a decline in advertising revenues, a temporary gap in tenancy during renovation of our buildings, and the increasing costs of doing business in Bermuda.

The cost of living in Bermuda has risen significantly and your Company has increasingly faced challenges in retaining and attracting employees. To ensure the high-quality products and service

that have been provided to the Bermuda community for nearly 200 years is maintained, a salary review of key departments was conducted to adjust compensation in line with the local market.

Your Company's management has worked relentlessly to find operating efficiencies and to reduce operating costs in its effort to minimize the impact of global and local inflation. Your Company's management and Board continue to strategically review operations of all divisions and ensure that changes are implemented in loss-making businesses within the group.

Management is keenly focused on ensuring operations are not being funded at the expense of our shareholders, and actively considers new business opportunities that leverage our assets and community position.

Key financial highlights for the first six months include:

- Publishing revenues for the first six months decreased 5.1% or \$270,000 over the prior period. Local advertisers face significant challenges in the Bermuda economy, and this has impacted their expenditure on marketing and recruitment ads. The latest retail sales index figures in Bermuda show five consecutive months of declining retail activity. The Company is making significant upgrades to its digital delivery platforms in preparation for online subscriptions.
- Retail and office equipment revenues for the first six months increased 1% or \$6,000 over the prior period. Management continues to face challenges with rising costs of direct materials and staff costs, reduced demand for office equipment, and increased overseas purchases by residents.
- Commercial printing revenues increased 1% or \$16,000 over the prior year. The commercial printing division continues to face significant rising costs in direct materials in the production of printed materials. Additionally, the transition to digital marketing, online forms and record keeping, combined corporate sustainable initiatives, has resulted in less demand for printed materials.
- The Company's local real estate holdings saw a decrease in rental revenue of 14% or \$189k. The decrease is a result of lease expirations. Significant building upgrades are underway and new tenants have been secured to occupy parts of the vacated spaces. Based on discussions in progress for the remaining available spaces, management believes rental revenues will recover in the coming year. Real estate holdings remain the most profitable segment with an overall occupancy rate of 92% at 31 March 2024, of which 51% is occupied by third party tenants.

Basic earnings per share decreased to a loss of \$0.47 for the six months ended 31 March 2024, down from a profit of \$0.02 in the previous year. The market price for BPHL's shares continues to trade at \$8.00 per share as at 31 March 2024, the same as the prior year. During the first half of the year the Board decided to suspend the payment of dividends to shareholders given the significant capital investments being made to maintain the competitiveness of the Company's real estate portfolio, as well as the financial constraints arising from inflation and the strained local economy. The Board reviews the Company's performance and its ability to make dividend

payments to shareholders on a quarterly basis.

The total number of shares owned or influenced by Directors and Officers of the Company at 31 March 2024 amounts to 105,128. No rights to subscribe for shares in the Company have been granted to or exercised by any Director or Officer.

The Board would like to acknowledge and thank our employees for their commitment and hard work in serving the Company and the people of Bermuda.