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the bermuda press [holdings] limited

To: All Shareholders

From: The Board of Directors

Date: June 30, 2021

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 2021 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>2021</u> | <u>2020</u> |
|--|------------------------|------------------------|
| Operating revenue | <u>\$10,068</u> | <u>\$11,088</u> |
| Profit attributable to Equity holders of the company | \$399 | (\$110) |
| Dividends paid per share | nil | 7 cents |
| Earnings per share: | | |
| Profit attributable to common shareholders | \$399 | (\$110) |
| Average number of common shares outstanding | 1,425 | 1,425 |
| Basic and fully diluted earnings per share | 28 cents | (8 cents) |

Your Company's net income increased to a net profit of \$399,000 for the six months ended 31 March 2021, as compared to a net loss of \$110,000 for the same period in 2020. This increased profitability is due to restructuring undertaken by our business units in response to the COVID-19 restrictions and weakness in the overall the local economy. The restructuring has included staff accepting temporary wage reductions and/or reductions in working hours. Operating revenues for the group decreased by \$1,020,000 or 9%. COVID-19 restrictions have an ongoing detrimental effect on the Bermuda economy with a particular impact on the local business sector. The decreases in operating revenues by segment are as follows:

- Publishing and retail division decreased by 10% or \$807,000 over the prior period. Business closures, reduced store capacity and the shift to online ordering and delivery resulted in reduced spending on advertising.

- Commercial printing decreased by 12% or \$225,000 over the prior year. The shift to remote working and corporate sustainable initiatives decreased the demand for traditional printed materials.

Your Company's management continues to work diligently to find operating efficiencies and to further reduce costs in the effort to minimize the impact of COVID-19 restrictions on our financial performance. Operating expenses decreased year over year by \$1,502,000. These savings were found in reduced business activities, pay reductions and operational efficiencies. Your Company's management and Board continue to review operating results of all divisions to ensure that loss-making businesses are not being funded at the expense of our shareholders.

The Company's local real estate holdings remain the most profitable segment with an overall occupancy rate at 31 March 2021 of 95%, of which 55% is occupied by third party tenants.

Basic earnings per share increased to \$0.28 for the six months ended 31 March 2021, up from a loss of \$0.08 in the previous year. The market price for BPHL's shares was \$4.26 at 31 March 2021 down from \$5.00 at 30 September 2020. The Board suspended the dividends of \$0.07 per for the quarter starting with the quarter ended March 31, 2020 given the pandemic's economic impact on business operations. The Board will continue to review the Company's performance and the ability to resume dividend payments to shareholders.

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 shift towards digital delivery of information and services is a priority to ensure the Gazette continues its centuries' long duty providing independent journalism in Bermuda, while remaining a viable business.
- A new tenant took occupancy of the 2nd floor space at the Roger Davidson building on 1 January 2021 improving occupancy rates.
- The Stationery Store is expanding its product offering by reoccupying the first floor space of the Roger Davidson building. A new tenant will be sought once the local economy improves post pandemic.
- Print operations continue to be restructured to align with changing patterns in local demand for printing.
- Office Solutions service staff have been trained on the next generation of Canon products.

The total number of shares owned or influenced by Directors and Officers of the Company at 31 March 2021 amounts to 123,289. No rights to subscribe for shares in the Company have been granted to or exercised by any Director or Officer.

The Board of Directors acknowledge and thank our employees for their financial sacrifice, commitment, and hard work. We believe their dedication is to the benefit of both the Company and the people of Bermuda.