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the bermuda press [holdings] limited

To: All Shareholders

From: The Board of Directors

Date: March 9, 2026

Annual Report

The Board of Directors is reporting on audited financial matters relating to your Company's financial year ending 30 September 2025 in accordance with the BSX listing regulations (Section II A, chapter 6.9(2)).

<u>Fiscal year ended 30th September</u> (in 000's of Bermuda dollars)	<u>2025</u>	<u>2024</u>
Operating revenue from continuing operations	\$14,425	\$13,957
Operating profit (loss) from continuing operations	28	(1,003)
Net Profit (loss) from continuing operations	(311)	(1,589)
Net loss from discontinued operations	(310)	(1,313)
Impairment loss on remeasurement of asset held for sale	nil	(582)
Comprehensive loss attributable to equity holders of the Company	(621)	(2,902)
Dividends paid per share	\$0.00	\$0.10
Earnings per share:		
Loss attributable to common shareholders	(\$621)	(\$2,902)
Number of issued ordinary shares	1,202	1,213
Basic and fully diluted earnings per share	(\$0.51)	(\$2.40)

In 2025, your Company showed improved operating performance and financial results, reflecting the early benefits of a multi-year strategic transformation of exiting underperforming operations, strengthening cash generation, and improving the Company's financial position for long-term sustainability and growth in Bermuda's changed markets.

Improved Operations and Cash Flows

The Company's comprehensive net loss for 2025 was \$621,000 compared to \$2,902,000 in 2024, a significant improvement over the prior year. The reported loss for 2025 was largely impacted by non-recurring items associated with the exiting from discontinued operations in both commercial printing and retail and the legal costs associated with defending litigation. When looking at operating results from continuing operations, your company has returned to profitability. Posting an operating profit from continuing operations of \$28,000 compared to a \$1,003,000 loss in 2024. Additionally, cash flows generated from operating activities increased in 2025 to \$903,000 compared to cash used in operating activities of \$109,000 in 2024.

Discontinued operations incurred a net loss of \$310,000 in 2025 compared to \$1,313,000 in the prior year, largely due to the exiting of retail operations and the write-off of remaining commercial printing inventory.

Looking at your Company's continuing operations, revenue in 2025 increased to \$14,425,000 from \$13,957,000 in the prior year, driven by strength in publishing revenues. Disciplined cost controls throughout the year resulted in operating expenses from continuing operations decreasing to \$14,397,000 in 2025 from \$14,960,000 in the prior year, despite inflationary pressures. These positive outcomes lead to a smaller net loss from continuing operations of \$311,000 in 2025 compared to a net loss of \$1,589,000 in the prior year.

Balance Sheet Strength

Your company ended the year with a strong financial position, reporting total assets of \$23,396,000 and shareholders' equity of \$18,956,000, representing an equity-to-assets ratio of 81%. This conservative balance sheet provides resilience and flexibility in an environment characterised by economic volatility and evolving market conditions.

The Company's investment property portfolio continues to appreciate, the portfolio was independently appraised at \$27,300,000. While carried at \$10,300,000 on the balance sheet, this unrealized gain of the portfolio provides a significant cushion of value and positions the company well for future strategic options.

Capital Investments

During fiscal 2025, your company made strategic capital investments of \$1,885,000, primarily focused on enhancing its real estate portfolio and maintaining operating infrastructure. A term loan facility of \$2,000,000 was utilized in fiscal 2024 to support these investments. Your Company's net debt position at the end of 2025 was \$729,000; representing just 3.8% of our equity base.

Looking Ahead

As the Company enters fiscal 2026, management is focused on maximizing returns from its real estate portfolio, strengthening digital publishing operations, improving operational efficiency, and maintaining a strong balance sheet to support sustainable long-term value creation. Your

Company has reaffirmed its commitment to The Royal Gazette as Bermuda's most trusted news source by continuing to invest in its digital publishing capabilities to grow audiences and diversify revenue. While no dividend was declared for fiscal 2025, the Board emphasized its long-term intention to return capital to shareholders when conditions permit.

Subsequent Events

Your company has moved ahead with the significant events since our fiscal year end, including:

- After more than 50 years in its old location, The Royal Gazette operations moved into its new modern offices in Crown House.
- Significant upgrades are underway in our commercial properties to maintain their value and marketability to tenants.
- The Royal Gazette building is currently under renovation and is expected to reopen in March 2026 as Bermuda's first indoor pickleball club.
- The Company also completed the merger of the Engravers company (a company that held the Mills Creek property) and is progressing with a new acquisition in the City of Hamilton.

The Board express gratitude to our entire team for their dedication and professionalism during a period of significant change. We thank our shareholders, readers and business partners for the trust they place in the Company. The Board and management team remain committed to creating long-term value for all shareholders while maintaining the strong community connection that has defined your Company for generations.