

Radio Jamaica Limited Report to Stockholders

The directors are pleased to present the audited financial results of the RJRGLEANER Communications Group for the financial year ended March 31, 2022.

The Group recorded a pre-tax profit of \$409 million and after-tax profit of \$342 million for the year, compared to a pre-tax profit of \$232 million and an after-tax profit of \$171 million for the prior year, representing a 76% and 100% improvement respectively.

Primary contributors to the year's performance were: -

- A \$519 million or 10% increase in the Group's revenues. This was mainly driven by increases in the Audio division (\$110 million or 15%), Print and Online divisions (\$50 million or 2%) and Audio/Visual division (\$337 million or 14%). The company saw upswings and increased activities in the current year despite the continued impact of COVID-19 on the business.
- Other income of \$131 million increased by \$50 million or 62% when compared to the prior year, due mainly to profit on sale of an unused transmission tower at Half-Way Tree in St. Andrew, proceeds from sale of replaced motor vehicles and income from sale of library content and newsprint waste.
- Direct expenses were \$222 million higher than the prior year, due mainly to increased newsprint costs, circulation and distribution expenses and salaries reverting to full year value in the financial year.
- Selling expenses of \$845 million for the year increased by \$155 million mainly driven by increased distribution-related commissions and sales commissions commensurate with the increase in revenue and increased promotional and marketing activities and events that were suspended in the previous year.
- Administrative expenses of \$1.3 billion fell by \$107 million compared with the prior year, mainly driven by savings due to cost containment measures.
- Other operating expenses of \$729 million were higher by \$113 million or 18% compared with the prior year, due mainly to increased utility costs, technology licenses and maintenance of transmitters and other equipment.
- Finance Cost of \$48 million was below prior year by \$3 million due to the renegotiation of lower interest rates and the payout of high interest cost facilities during the period.
- Net Loss in Associates of \$12 million showed an increase of \$11 million on prior year's loss due to losses from companies impacted by the pandemic.
- Earnings per share (EPS) of 14 cents increased by 100% on the prior year.

The results reflect some measure of return to normality in some areas of the business. There remains concern for some aspects of the print and online's return to pre-pandemic performance which is happening more slowly than anticipated. At the same time, we are pleased with the growth rate in digital business revenues, though lower than required to offset the slow recovery in the traditional print earnings. The strategy of continued digital transformation of the overall business and the digital first publication strategies will be maintained as their benefits are being realised.

We have started the Digital Switch Over process for all television services, which will take a few years before analogue switch off, but the investment in excellent content that is desired by audiences will be ramped up as we provide better quality content for our cable channels, JNN, RETV and TVJSN, all of which will benefit from greater reach and better cost per thousand advertising rates for clients going forward.

Bolstered by an upgrade of its transmission network, Radio Jamaica 94FM remains strong, relevant and active for the good of our nation, while FAME 95FM continues to experience a resurgence in its market attractiveness and

performance. These flagship brands have anchored our two other stations, Power 106FM and HITZ 92FM, both being strengthened in their niche audience areas at this time.

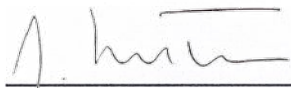
Complemented by a second consecutive year of profitability for our Over-the-Top streaming technology platform, 1spotmedia, these audio and audio-visual content offerings locally and globally continue the transformation of the Group into a digitally driven media and communications leader for Jamaican content, based in Jamaica but accessible on multiple platforms globally.

The Group's investments in associated companies Jamaica Holdings, Sifi Studios, ePost Caribbean and Starapple, saw lower than expected returns during the year due in part to the effects of the pandemic and other challenges associated with building out the revenue book. The Group remains focused on the future value potential of these investments.

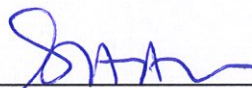
The financial year marks a rebuilding of those areas of the foundation of our business that were shaken by the COVID-19 pandemic, even as there was accelerated work on the ongoing transformation of our core activities to be digitally led. Our investments in digital technologies and data analytics are helping us understand better our customers' desires which we are committed to meet efficiently.

The Board and Management continue to explore options to accelerate our growth and remain strongly appreciative of the support of advertisers, advertising agencies, staff, our audiences and our readers for their steadfast support.

Approved for issue by the Board of Directors on July 14, 2022, and signed on its behalf by:



Joseph M. Matalon, CD
Chairman



Gary Allen CD, JP
Chief Executive Officer