



MEDIA RELEASE

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Radio Jamaica urges support of amalgamation transaction with 1834 Investments Limited

Radio Jamaica Limited (RJL) today urged support for its proposed amalgamation transaction with 1834 Investments Limited (1834). The proposed deal, which is subject to approval by 1834 shareholders at a court-appointed shareholders meeting to be held on August 10,2022, will see RJL offer 0.4962 RJL shares for each 1834 share, or just about two 1834 shares per RJL share. The exchange ratio has been deemed fair in the opinion of the independent experts who have examined the deal.

Whilst the transaction is promoted ideally as an exchange of shares, RJL and 1834 have also agreed to allow for a cash payment, partial or in whole, for shareholders who, opt to cash out. RJL notes that major shareholders of 1834, holding some 52% in value, have already committed to a share swap. Underwriting arrangements have also been made with Victoria Mutual Investments Limited (VMIL) who will provide substantial liquidity for the cash requests; a demonstration of confidence in the future value of RJL.

RJL is looking forward to 1834 Shareholders opting for shares and being a part of a digitally transformed media and communications group for the future.

The amalgamation will give RJL access to 1834's balance sheet with a Net Book Value, NBV of \$1.5B comprising of approximately \$1b in near cash assets and the 7 North Street building which houses the headquarters of RJL's subsidiary, The Gleaner Company (Media) Limited. The building is currently under long term lease from 1834.

The near cash assets of 1834 Investments will help provide the capital required for RJL's continued digital transformation strategy to include Digital Switchover for Broadcast Television. At present, RJL subsidiary, Television Jamaica Limited ,TVJ, is being recognized at an international level for its pioneering role in the Caribbean for this next generation (dubbed "NextGenTV") of television services using the ATSC 3.0 digital standard. TVJ has already established the ATSC3.0 transmission at two locations in Kingston and St. Andrew as well as St. James.

DSO promises to be revolutionary for Jamaica's substantial Over The Air, OTA television market in that it will enable airing of multiple channels with high definition picture and with superior digital audio quality, accommodate TV on all devices capable of receipt of the signal-- dubbed "TV on the Go", and facilitate a robust emergency broadcast capability critical for the country. The revenue potential from these and other attributes of DSO and ATSC 3.0 holds good promise for the Group.

Apart from accelerating the DSO rollout, access to the funding through the transaction allows continuation of the Group's radio transmission modernisation programme , which will see the upgrade of transmission for all radio brands for greater reach and better quality. It will also facilitate the continued transformation to the digital publishing platforms of the Gleaner's newspaper brands.

The transaction will also see in the near-term operating synergies arising from removal of administrative costs, associated with 1834 operating as a publicly listed company, as well as other cost overlaps in services already in place within the RJL group.

Through the amalgamation RJL will assume control of the North Street operating location, an asset which was held on 1834's books at an encumbered value on account of the lease between the two companies. The elimination of the lease will see a write up of the value of the properties from the lease-encumbered value to market value, realising an increment to RJL's asset base and therefore shareholders' equity. There are other alternatives for value creation being examined with the building.

RJL believes that 1834 shareholders who vote in favor of the scheme and receive shares in RJL, will also benefit from a far more widely held and liquid stock than 1834 currently.

RJL directors and managers have expressed confidence that this transaction is beneficial to 1834 shareholders and remains the best option available for RJL to raise the necessary funding required for build-out of its strategy and therefore we encourage support for the amalgamation transaction.

Radio Jamaica Limited is incorporated and domiciled in Jamaica. RJL's primary activities, through its various subsidiaries, are the operation of a 'over-the-air' television station, three cable television channels, four radio stations and the publication of news and information in print and digital media formats on multiple platforms to global audiences. The shares of the company are listed on the main market of the Jamaica Stock Exchange as "RJR".

For more information on Radio Jamaica Limited please visit www.rjrgleaner.com

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