



2020 Annual Letter

To our fellow shareholders:

2020, what can I say, it was an awful and disruptive year. There is nothing that I can tell you that you probably don't know already. We do not really know the genesis of the cause but we most certainly know the effects.

It was frustrating and scary. There was no real direction other than "follow the science" and even then, there were many camps that said "We are the science...follow us" ...and other camps that said "No, they don't understand the science...we do.... follow us".

During all this broadcasting was supposed to remain calm, do its duty and be honest, supportive, respectable, and responsible. Not all media followed this mantra, but radio broadcasters did.

We, radio, seized this moment and concentrated on being a support for our communities. We were responsible for accurate local information. We were responsible for keeping the spirits high during the fog of day and night. Fortunately, we are radio, and our listeners could not see us sweat as we navigated the shoals of the pandemic.

It injured us financially, but we never left the battlefield of professionalism. We reinforced our flotilla of stations so that they would not be in peril. We did not lose money, nor burn even one dollar of our cash during this time. Income, yes, we lost a lot... but what we lost we replaced in pride of a job well done. Saga survived the punch but gave back to our communities the love, laughter, information and support that radio can provide.

May we never see 2020 or its remnants again. What you will hear are the sounds of a confident and survived industry that learned many lessons during the darkness and came out with a deeper understanding of its mission. Saga and our radio stations stand on guard for our cities, states, and nation.

I usually talk about individual station accomplishments, but not this time. We pulled it tight, stayed on mission and did it well. However, there is always a bill to pay, and the following is an update of 2020.

Net Revenue for the year was \$95.8 million with station operating income of \$20.4 million. Free cash flow was \$7.6 million. Net revenue declined 35.3% between the first and second quarter with the onset of the pandemic. From the initial low point net revenue steadily improved with an increase of 43.2% between the second and third quarter and 19.1% between the third and fourth quarter. Saga continues to maintain a very strong balance sheet with \$51.4 million cash on hand at the end of the year with \$10 million in outstanding bank debt.

Let me just end this letter by saying that after Q1 of 2021, we see a sense of normalcy returning to our economy and the businesses and services that rely on us for their forward momentum.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Christian', with a stylized flourish at the end.

Ed Christian