

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

Three months ended March 31, 2024 and 2023
(Unaudited)



NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102 "Continuous Disclosure Obligations", Part 4, Subsection 4.3(3a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. These unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditor, PricewaterhouseCoopers LLP, has not performed a review of these financial statements in accordance with standards established by CPA (Chartered Professional Accountants) Canada for a review of interim financial statements by an entity's auditor.

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GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)

	Three months ended March 31,	
	2024	2023
	\$	\$
Revenue (Note 15)	34,750	39,218
Operational expenses before depreciation and amortization and other items		
Direct expenses (Note 16)	25,461	30,703
General and administrative (Note 16)	9,611	10,756
	(322)	(2,241)
Interest expense, net (Note 17)	1,448	295
Depreciation and amortization (Note 10)	2,970	2,972
(Gain) loss on disposal, net (Note 5)	(210)	5,982
Other income (Note 19)	(621)	-
Restructuring and other expenses, net (Note 18)	1,608	305
Share of earnings from joint ventures and associates (Note 6)	(322)	(98)
Net loss before income taxes	(5,195)	(11,697)
Income tax recovery (Note 20)	(693)	(2,843)
Net loss for the period	(4,502)	(8,854)
Net loss attributable to:		
Common shareholders	(4,429)	(5,217)
Non-controlling interests	(73)	(3,637)
Net loss attributable to common shareholder per share		
Basic and diluted	(0.03)	(0.04)
Weighted average number of common shares		
Basic and diluted	131,131,598	132,329,984

See accompanying notes to these condensed interim consolidated financial statements.

GLACIER MEDIA INC.
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	Three months ended March 31,	
	2024	2023
	\$	\$
Net loss for the period	(4,502)	(8,854)
Other comprehensive (loss) income (net of tax) (Note 14)		
Actuarial loss on defined benefit pension plans ⁽¹⁾	(25)	(84)
Currency translation adjustment ⁽²⁾	(326)	9
Share of other comprehensive income from joint ventures and associates ⁽¹⁾ (Note 6)	956	81
Other comprehensive income (net of tax)	605	6
Total comprehensive loss	(3,897)	(8,848)
Total comprehensive loss attributable to:		
Common shareholders	(3,673)	(5,215)
Non-controlling interests	(224)	(3,633)

⁽¹⁾ Recorded directly in deficit.

⁽²⁾ Recycled through the consolidated statement of operations in current and future periods.

See accompanying notes to these condensed interim consolidated financial statements.

GLACIER MEDIA INC.

INTERIM CONSOLIDATED BALANCE SHEETS

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	As at	
	March 31, 2024	December 31, 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	5,997	6,553
Trade and other receivables	28,160	32,048
Inventory	319	317
Prepaid expenses	2,221	2,192
	36,697	41,110
Non-current assets		
Investments in joint ventures and associates (Note 6)	27,381	26,472
Other assets	2,661	2,567
Right-of-use assets (Note 7)	6,010	6,842
Property, plant and equipment (Note 8)	18,818	19,356
Intangible assets (Note 9)	27,321	28,211
Goodwill	21,644	21,518
Post-employment benefit asset	4,208	4,498
Deferred income tax asset	22,852	21,622
	167,592	172,196
Liabilities		
Current liabilities		
Trade and other payables	27,025	27,671
Deferred revenue	10,206	8,946
Current portion of lease liabilities (Note 7)	2,433	2,912
Current portion of debt (Note 12)	7,057	7,152
Other current liabilities (Note 11)	5,392	1,095
	52,113	47,776
Non-current liabilities		
Non-current portion of deferred revenue	545	525
Lease liabilities (Note 7)	4,354	4,760
Other non-current liabilities (Note 11)	1,792	6,863
Uncertain tax liability (Note 21)	48,313	47,346
	107,117	107,270
Equity		
Share capital (Note 13)	224,370	224,370
Contributed surplus (Note 16 b)	24,740	24,662
Accumulated other comprehensive loss (Note 14)	(263)	(88)
Retained deficit	(196,671)	(193,173)
Total equity attributable to common shareholders	52,176	55,771
Non-controlling interests	8,299	9,155
	60,475	64,926
Total liabilities and equity	167,592	172,196

See accompanying notes to these condensed interim consolidated financial statements.

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)
(UNAUDITED)

	Attributable to common shareholders							
	Share capital		Contributed surplus	Accumulated other comprehensive loss	Retained earnings (deficit)	Total	Non-controlling interest	Total equity
	Shares	Amount						
		\$	\$	\$	\$	\$	\$	
Balance, January 1, 2023	131,629,429	224,538	24,098	(258)	(97,445)	150,933	16,108	167,041
Net loss for the period	-	-	-	-	(5,217)	(5,217)	(3,637)	(8,854)
Other comprehensive income (loss) (net of tax)	-	-	-	5	(3)	2	4	6
Total comprehensive (loss) income for the period	-	-	-	5	(5,220)	(5,215)	(3,633)	(8,848)
Repurchase of common shares (Note 13)	(437,831)	(150)	-	-	-	(150)	-	(150)
Stock base compensation (Note 16 b)	-	-	137	-	-	137	-	137
Repurchase of non-controlling interest	-	-	-	-	-	-	(19)	(19)
Disposal of subsidiaries with non-controlling interest (Note 5)	-	-	-	-	4,457	4,457	(4,457)	-
Disposal of subsidiaries with accumulated other comprehensive income (Note 5)	-	-	-	-	(743)	(743)	-	(743)
Distributions to non-controlling interests	-	-	-	-	-	-	(923)	(923)
Balance, March 31, 2023	131,191,598	224,388	24,235	(253)	(98,951)	149,419	7,076	156,495
Balance, January 1, 2024	131,131,598	224,370	24,662	(88)	(193,173)	55,771	9,155	64,926
Net loss for the period	-	-	-	-	(4,429)	(4,429)	(73)	(4,502)
Other comprehensive income (loss) (net of tax)	-	-	-	(175)	931	756	(151)	605
Total comprehensive loss for the period	-	-	-	(175)	(3,498)	(3,673)	(224)	(3,897)
Stock base compensation (Note 16 b)	-	-	78	-	-	78	-	78
Distributions to non-controlling interests	-	-	-	-	-	-	(632)	(632)
Balance, March 31, 2024	131,131,598	224,370	24,740	(263)	(196,671)	52,176	8,299	60,475

See accompanying notes to these condensed interim consolidated financial statements.

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	Three months ended March 31,	
	2024	2023
	\$	\$
Operating activities		
Net loss for the period	(4,502)	(8,854)
Items not affecting cash:		
Depreciation and amortization (Note 11)	2,970	2,972
(Gain) loss on disposal, net (Note 5)	(210)	5,982
Net loss (gain) on sale of assets	13	(117)
Employee future benefit expense (less than) in excess of of employer contributions	256	684
Deferred income tax recovery	(1,221)	(2,912)
Interest expense, net (Note 17)	1,448	295
Share of earnings from joint ventures and associates (Note 6)	(322)	(98)
Restructuring expenses	113	214
Share-based compensation expenses (Note 16 b)	78	137
Other non-cash items	(74)	28
Cash flow from operations before changes in operating accounts	(1,451)	(1,669)
Changes in operating accounts		
Trade and other receivables	1,827	1,600
Inventory	(2)	(216)
Prepaid expenses	(49)	(25)
Trade and other payables	(1,828)	(720)
Deferred revenue	1,288	485
Cash used in operating activities	(215)	(545)
Investing activities		
Net cash disposed of on disposal	-	(1,210)
Other investing activities	(234)	(291)
Advance to joint ventures and associates	1,745	-
Proceeds from disposal	238	241
Distributions received from joint ventures and associates (Note 6)	369	1,217
Purchase of property, plant and equipment (Note 8)	(139)	(234)
Purchase of intangible assets (Note 9)	(620)	(843)
Cash generated from (used in) investing activities	1,359	(1,120)
Financing activities		
Distribution to non-controlling interests	(632)	(923)
Repurchase of non-controlling interests	-	(19)
Repurchase of commons shares (Note 13)	-	(150)
Interest paid, debt	(101)	(108)
Interest paid, lease liabilities (Note 7)	(85)	(107)
Net repayment of debt	(95)	(195)
Principal payment of lease liabilities (Note 7)	(787)	(850)
Cash used in financing activities	(1,700)	(2,352)
Net cash used	(556)	(4,017)
Cash and cash equivalents, beginning of period	6,553	19,636
Cash and cash equivalents, end of period	5,997	15,619

See accompanying notes to these condensed interim consolidated financial statements.

GLACIER MEDIA INC.

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

1. GENERAL BUSINESS DESCRIPTION

Glacier Media Inc. (“Glacier” or the “Company”) is a broad portfolio of business information and consumer digital businesses. Serving a diverse array of industries and users, the businesses are typically leaders in their respective industry and/or geographic markets.

The Company is incorporated under the Canada Business Corporations Act, with common shares listed on the Toronto Stock Exchange (“TSX”). The address of its head office is 2188 Yukon Street, Vancouver, British Columbia. Glacier is controlled by Madison Venture Corporation.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board as applicable to interim financial reports including International Accounting Standard (“IAS”) 34 Interim Financial Reporting. Certain prior year comparative figures have been reclassified to conform to the current year’s presentation. These reclassifications did not have an impact on the statement of operations or the balance sheet.

These condensed interim consolidated financial statements have been approved by the Board of Directors May 13, 2024.

3. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2023.

The policies applied are based on the IFRS Accounting Standards issued and outstanding as at the date the board of directors approved these consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND UNCERTAINTY

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

In preparation of the condensed interim consolidated financial statements, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2023.

5. DISPOSITIONS

- (a) During the first quarter of 2024, the Company completed the sale of certain operations in the print community media segment.
- (b) Effective January 1, 2023, Alta Newspaper Group LP and Swift Current Holdings LP were accounted for as joint ventures. As the result of changes in the structure of the underlying shareholders agreements with the previous minority shareholders of certain print community media operations, it was determined that the Company no longer had the ability to exercise control over these operations.

GLACIER MEDIA INC.

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

5. DISPOSITIONS (CONTINUED)

As such, the Company recorded a deemed disposition of the controlling interest in the subsidiaries and acquired an investment in the joint venture operations at fair market value resulting in a net non-cash loss on disposal of \$2.7 million. These entities, which in past years were consolidated, were equity accounted from January 1, 2023, onward.

- (c) In February 2023, the Company completed the sale of its printing assets into two new joint venture operations resulting in a non-cash loss on disposal of \$3.3 million. These joint ventures were entered into to extend the profitability of these operations.

6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The Company's share of the joint ventures and associates consists of the following:

(thousands of dollars)	As at and for the period ended	
	March 31, 2024	December 31, 2023
	\$	\$
Balance, beginning of period	26,472	26,324
Acquisition of investments in joint ventures and associates (Note 5)	-	7,024
Share of earnings for the period	322	590
Share of other comprehensive income (net of tax) (Note 14)	956	300
Distributions, dividends received and other equity movements	(369)	(3,397)
Impairment of investments in joint ventures and associates	-	(4,369)
Balance, end of period	27,381	26,472

The following is the summarized financial information for the Company's joint ventures and associates, reported in the Company's share of ownership. The results have been amended to reflect adjustments made by the Company when using the equity method, including modifications for differences in accounting policy.

(thousands of dollars)	Joint ventures		Associates		Total	
	Three months ended March 31,		Three months ended March 31,		Three months ended March 31,	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Revenue	3,982	7,404	3,297	3,399	7,279	10,803
Operating expenses before depreciation and amortization	3,327	6,781	3,351	3,316	6,678	10,097
	655	623	(54)	83	601	706
Interest expense, net	(9)	1	9	8	-	9
Depreciation and amortization	249	480	67	70	316	550
Impairment, restructuring and other expenses (income) (net)	9	(3)	-	10	9	7
Net income (loss) before income taxes	406	145	(130)	(5)	276	140
Income tax expense (recovery)	-	39	(46)	3	(46)	42
Net income (loss) for the period	406	106	(84)	(8)	322	98

GLACIER MEDIA INC.
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(AMOUNTS EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

(thousands of dollars)	Joint ventures		Associates		Total ⁽¹⁾	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
	\$	\$	\$	\$	\$	\$
Assets	22,957	23,048	9,928	10,798	32,885	33,846
Liabilities	4,025	4,190	5,478	7,222	9,503	11,412
Net Assets	18,932	18,858	4,450	3,576	23,382	22,434

⁽¹⁾ Excluded from the table above are the net assets of investments in joint ventures and associates which are carried at a nil value.

7. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES

The Company has various right-of-use assets including its lease arrangements of property and equipment.

(thousands of dollars)	As at March 31, 2024		
	Cost	Accumulated depreciation	Carrying amount
	\$	\$	\$
Property	14,295	(8,625)	5,670
Equipment	1,021	(681)	340
	15,316	(9,306)	6,010

(thousands of dollars)	As at December 31, 2023		
	Cost	Accumulated depreciation	Carrying amount
	\$	\$	\$
Property	15,586	(9,303)	6,283
Equipment	1,021	(462)	559
	16,607	(9,765)	6,842

The Company's lease liabilities are as follows:

(thousands of dollars)	March 31, 2024	December 31, 2023
	\$	\$
Current portion of lease liabilities	2,433	2,912
Long term lease liabilities	4,354	4,760
	6,787	7,672

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CONDENSED NOTES TO THE INTERIM
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(AMOUNTS EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

7. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES (CONTINUED)

Changes to the Company's lease liabilities were as follows:

(thousands of dollars)	As at and for the period ended March 31, 2024	December 31, 2023
	\$	\$
Balance, beginning of period	7,672	10,176
New leases and lease renewals	-	1,270
Interest expense, lease liability (Note 17)	83	402
Interest paid, lease liability	(85)	(411)
Payment of principal portion of lease liabilities	(787)	(3,438)
Retirement	-	(62)
Termination	(87)	(9)
Foreign exchange	44	(41)
Disposal	(53)	(215)
Balance, end of period	6,787	7,672

During the period ended March 31, 2024, the Company had short-term and low value lease expenses of \$0.1 million (2023: less than \$0.1 million).

8. PROPERTY, PLANT AND EQUIPMENT

(thousands of dollars)	As at March 31, 2024		
	Cost	Accumulated depreciation and impairment	Carrying amount
	\$	\$	\$
Land and Land Improvements	13,657	(1,769)	11,888
Buildings	7,405	(3,164)	4,241
Production equipment	3,667	(3,151)	516
Office equipment and leaseholds	9,535	(7,362)	2,173
	34,264	(15,446)	18,818
(thousands of dollars)	As at December 31, 2023		
	Cost	Accumulated depreciation and impairment	Carrying amount
	\$	\$	\$
Land and Land improvements	11,454	(303)	11,151
Buildings	7,379	(3,014)	4,365
Production equipment	3,347	(3,206)	141
Office equipment and leaseholds	12,425	(8,726)	3,699
	34,605	(15,249)	19,356

GLACIER MEDIA INC.
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(AMOUNTS EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

9. INTANGIBLE ASSETS

The Company has various intangible assets including customer relationships, mastheads, software, data and technology, websites and trademarks. Of these, certain mastheads and trademarks are considered to have an indefinite life and, therefore, are not amortized. Intangible assets are as follows:

(thousands of dollars)	As at March 31, 2024		
	Cost	Accumulated amortization and impairment	Carrying amount
	\$	\$	\$
Indefinite life			
Mastheads and trademarks	15,158	(4,219)	10,939
Finite life			
Customer relationships	13,235	(7,749)	5,486
Software, data and technology, and websites	31,175	(20,279)	10,896
	59,568	(32,247)	27,321

(thousands of dollars)	As at December 31, 2023		
	Cost	Accumulated amortization and impairment	Carrying amount
	\$	\$	\$
Indefinite life			
Mastheads and trademarks	15,152	(4,219)	10,933
Finite life			
Customer relationships	13,170	(7,486)	5,684
Software, data and technology, and websites	30,527	(18,933)	11,594
	58,849	(30,638)	28,211

10. DEPRECIATION AND AMORTIZATION

(thousands of dollars)	Three months ended March 31,	
	2024	2023
	\$	\$
Depreciation of property, plant and equipment	605	729
Depreciation of right-of-use assets	743	822
Amortization of intangible assets	1,622	1,421
Depreciation and amortization	2,970	2,972

GLACIER MEDIA INC.

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

11. OTHER CURRENT AND NON-CURRENT LIABILITIES

As at March 31, 2024, other current and non-current liabilities were \$7.2 million (2023: \$8.0 million), which primarily relate to deferred payments from acquisition transactions in previous periods. Included in this amount are variable and contingent payments. The most significant variable inputs that impact the fair value of the recorded deferred payment liability are forecasted future earnings of the relevant operations and the discount rate. These amounts are due in future periods; the amounts due in the next year are included in other current and other non-current liabilities.

12. DEBT

As at March 31, 2024, the Company had \$7.1 million (December 31, 2023: \$7.2 million) of current mortgages and other loans outstanding, which were renewed before their maturity date of May 1, 2024.

Under the existing financing agreement, the Company is required to meet certain covenants. The Company was in compliance with all covenants at March 31, 2024 and 2023.

13. SHARE CAPITAL

In 2023 and 2022, the Company had a Normal Course Issuer Bid ("NCIB") to buy back up to 5,300,000 common shares, for cancellation, between April 4, 2022, and April 3, 2023. Daily purchases of shares under the NCIB were limited to 20,016 shares, subject to certain exceptions. The Company also had an automatic securities purchase plan with a designated broker under the NCIB which would allow for the purchase of shares under the NCIB when the Company ordinarily would not be permitted to purchase shares due to regulatory restrictions and customary self-imposed blackout periods.

	Number of common shares	Amount \$
Balance, January 1, 2023	131,629,429	224,538
Shares repurchased	(437,831)	(150)
Balance, March 31, 2023	131,191,598	224,388
Balance, January 1, 2024	131,131,598	224,370
Shares repurchased	-	-
Balance, March 31, 2024	131,131,598	224,370

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CONDENSED NOTES TO THE INTERIM
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(AMOUNTS EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

14. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss), net of tax, are as follows:

(thousands of dollars)	Accumulated other comprehensive (loss) income	Retained deficit	Non-controlling interest	Total other comprehensive income (loss)
	Cumulative translation adjustment	Actuarial income (loss) on defined benefit plans		
	\$	\$	\$	\$
Balance, January 1, 2023	(258)	4,616	559	4,917
Actuarial loss on defined benefit plans	-	(84)	-	(84)
Cumulative translation adjustment	5	-	4	9
Share of other comprehensive income from joint ventures and associates (Note 6)	-	81	-	81
Other comprehensive income (loss) for the period	5	(3)	4	6
Disposal of subsidiary with defined benefit plan (Note 5)	-	(743)	(583)	(1,326)
Balance, March 31, 2023	(253)	3,870	(20)	3,597
Balance, January 1, 2024	(88)	3,681	109	3,702
Actuarial loss on defined benefit plans	-	(25)	-	(25)
Cumulative translation adjustment	(175)	-	(151)	(326)
Share of other comprehensive income from joint ventures and associates (Note 6)	-	956	-	956
Other comprehensive income (loss) for the period	(175)	931	(151)	605
Balance, March 31, 2024	(263)	4,612	(42)	4,307

Other comprehensive income (loss) items that do not recycle through the consolidated statement of operations in future periods are recorded directly in retained earnings (deficit).

Other comprehensive income (loss) items are reported net of the following tax effects:

(thousands of dollars)	Three months ended March 31,	
	2024	2023
	\$	\$
Income tax effect of:		
Actuarial loss on defined benefit plans	9	31
Share of other comprehensive income from joint ventures and associates	(354)	(30)

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15. REVENUE BY CATEGORY

(thousands of dollars)	Three months ended March 31,	
	2024	2023
	\$	\$
Advertising	16,078	22,556
Subscription, data, services and events	17,488	15,352
Commercial printing and other	1,184	1,310
	<u>34,750</u>	<u>39,218</u>

16. EXPENSE BY NATURE

(thousands of dollars)	Three months ended March 31,	
	2024	2023
	\$	\$
Wages and benefits (b)	20,266	24,295
Newsprint, ink and other printing costs	1,975	3,043
Delivery costs	1,314	2,221
Rent, utilities and other property costs	642	885
Advertising, marketing and other promotion costs	1,237	1,249
Third party production, development and editorial costs	2,906	3,075
Legal, bank, insurance and professional services	2,690	2,461
Data services, system maintenance, telecommunications and software licences	2,568	2,960
Fees, licences and other services	869	815
Event costs	476	388
Other	129	67
	<u>35,072</u>	<u>41,459</u>
Direct expenses (a)	25,461	30,703
General and administrative expenses	9,611	10,756
	<u>35,072</u>	<u>41,459</u>

(a) The Company received grants from various government aid programs, including the Department of Canadian Heritage's Canada Periodical Fund's Aid to Publishers program and Special Measures for Journalism, which were treated as an offset to certain expenses above.

(b) Share-Based Compensation

The Company has Restricted Share Unit ("RSU") plans under which the Company, through its subsidiaries, may issue restricted share units in certain business units. As at March 31, 2024, the estimated fair value of the equity settled RSUs granted was \$4.5 million and will be recognized as an expense over the vesting period of the RSUs. For the period ended March 31, 2024, a total of \$0.1 million (2023: \$0.1 million) was recorded as share-based compensation expense related to equity settled RSU, with an offset to contributed surplus. These are non-cash expenses in the period.

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17. INTEREST EXPENSE, NET

(thousands of dollars)	Three months ended March 31,	
	2024	2023
	\$	\$
Interest income	(154)	(96)
Interest income, accretion on other current receivables	-	(115)
Interest expense, uncertain tax position (Note 22)	967	-
Interest expense, debt	101	108
Interest expense, leases (Note 9)	83	98
Interest expense, accretion on current and long-term liabilities	416	219
Interest expense, other	35	81
Interest expense, net	1,448	295

18. RESTRUCTURING AND OTHER EXPENSES (NET)

(thousands of dollars)	Three months ended March 31,	
	2024	2023
	\$	\$
Restructuring expenses (a)	1,368	554
Transaction and transition costs (b)	175	2
Other expenses (c)	65	21
Other income (c)	-	(272)
	1,608	305

Restructuring and other expenses (net) include the following:

(a) Restructuring expenses, including severance costs incurred as the Company restructured and closed operations and reduces its workforce.

(b) Transaction and transition costs

Transaction and transition costs incurred related to its acquisitions and divestitures. These costs include both the costs of completing the transactions and the costs of integrating these new operations into the Company, including equity transactions with non-controlling interest. Transaction costs include legal, accounting, due diligence, consulting, and general acquisition costs. Transition costs include information technology costs, transitional staffing requirements, service fees paid to the vendor during the transition period and other costs directly related to the operational integration of the newly acquired businesses, as well as any closing costs associated with sale or disposal of operations.

(c) Other expenses (income)

Other expenses (income) which includes foreign exchanges gains and losses, amounts received in excess of accrued deferred sales prices receivable, mark to market investments gains and losses, other income, write off of redundant assets, and other expenses. Refer to Note 19 for other income in the current period.

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19. OTHER INCOME

Other income was \$0.6 million for the three months ended March 31, 2024. Other income in the comparative period was net within restructuring and other expenses (net), refer to Note 18. Other income includes amounts received in excess of accrued deferred sales prices receivable, mark to market investments gains, foreign exchange gains, and other income.

20. INCOME TAXES

Income tax recovery is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the period ended March 31, 2024, was 27.0% (2023: 27.0%). The components of income tax recovery are shown in the following table:

(thousands of dollars)	Three months ended March 31,	
	2024	2023
	\$	\$
Current tax	528	69
Deferred tax	(1,221)	(2,912)
Income tax recovery	(693)	(2,843)

21. SEGMENT DISCLOSURE

During the first quarter of 2024, the Company revised its operating segments to reflect the evolution and alignment of its operations with the long-term plan of focusing on consumer digital, data, and information businesses, which is how the Chief Operating Decision Maker views the Company. Given the phase of transformation in which the Company is in, it was determined that a change in the segments was required to better reflect the future of the Company and provide better insight into its areas of growth separate from the management of its legacy operations.

The new operating segments provide more insight into the split between print and digital products and better align certain operations with similar revenue streams. The Company operates in four distinct operating segments throughout Canada and the United States. These segments are:

- 1) Environmental Risk and Compliance Information includes ERIS and STP ComplianceEHS, offering the Company's business to business content, data, and information products which are environmental risk assessment, environmental, health and safety compliance, and regulatory related.
- 2) Commodity Information includes Glacier FarmMedia and the mining operations, providing the Company's business to business content, marketing solutions, events, data, and information products which are agriculture and mining related.
- 3) Consumer Digital Information includes Glacier Media Digital, Castanet, and REW, offering the Company's business to business, and business to consumer content, marketing solutions, digital advertising, and services for the local markets in which the businesses operate.
- 4) Print Community Media, which includes all print community media products serving local communities across Western Canada.

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21. SEGMENT DISCLOSURE (CONTINUED)

The comparative period's operating segment information has been presented to conform with the new segment presentation.

The following segment information is for the periods ended March 31, 2024, and 2023:

Three months ended March 31, 2024 (thousands of dollars)	Environmental Risk and Compliance Information	Commodity Information	Consumer Digital Information	Print Community Media	Corporate	Total
	\$	\$	\$	\$	\$	\$
Revenue	10,365	9,585	9,116	5,509	175	34,750
Divisional earnings before interest, taxes, depreciation, and amortization	(379)	819	786	(351)	(1,197)	(322)
Interest expense, net						1,448
Depreciation and amortization						2,970
Gain on disposal, net						(210)
Other income						(621)
Restructuring and other expense, net						1,608
Share of earnings from joint ventures and associates						(322)
Income tax recovery						(693)
Net loss for the period						(4,502)

Three months ended March 31, 2023 (thousands of dollars)	Environmental Risk and Compliance Information	Commodity Information	Consumer Digital Information	Print Community Media	Corporate	Total
	\$	\$	\$	\$	\$	\$
Revenue	9,435	11,105	8,308	10,340	30	39,218
Divisional earnings before interest, taxes, depreciation, and amortization	(271)	676	(297)	(1,175)	(1,174)	(2,241)
Interest expense, net						295
Depreciation and amortization						2,972
Loss on disposal, net						5,982
Restructuring and other expenses (net)						305
Share of earnings from joint ventures and associates						(98)
Income tax recovery						(2,843)
Net loss for the period						(8,854)

The Company operates in the following main geographical areas:

(thousands of dollars)	Three months ended March 31,	
	2024	2023
	\$	\$
Canada	25,260	30,568
United States	9,490	8,650
Total revenue	34,750	39,218

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22. CONTINGENCIES AND COMMITMENTS

During 2014-2018 an affiliate of the Company ("the affiliate") received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessments and assessments relating to the taxation years 2008-2017. The notices deny the application of non-capital losses, capital losses, scientific research and experimental development ("SR&ED") pool deductions and SR&ED tax credits claimed. As at March 31, 2024, this resulted in additional taxes payable including interest and penalties are assessed at approximately \$71.8 million.

The affiliate has filed notices of objection with the CRA and provincial taxing authorities. In connection with filing the notices of objection, the affiliate is required to make a 50% deposit of the amounts claimed by the CRA and provincial authorities as assessed. The affiliate has paid substantially all the required deposit of \$23.5 million. No further amounts are due at this time for the 2008-2017 taxation years as the appeal process continues.

As the result of unfavourable rulings in similar tax cases heard in the Supreme Court of Canada and in the Court of Appeal in 2023, the Company, the affiliate, and its legal counsel made the decision that a favourable outcome is no longer more likely than not. As such, based on the related similar court decisions and other related factors, including the accounting criteria under IFRS regarding tax contingencies and uncertain tax positions, the Company has recorded a liability of \$48.3 million approximating unpaid taxes, estimated interest, and awarded legal costs for the reassessment. For the three months ended March 31, 2024, the interest recorded on the uncertain tax position was \$1.0 million. The eventual amount owing is uncertain and is not payable at this time; therefore, it has been recorded as a non-current liability.

The Company, the affiliate and its counsel still believe that the filing positions adopted by the affiliate in all years are appropriate and in accordance with the law. The affiliate continues to defend such positions and the ultimate outcome is uncertain; however, there is a possibility that the affiliate will be required to pay the remaining balance of taxes owing plus applicable interest.

23. FINANCIAL INSTRUMENTS

The Company's activities result in exposure to a variety of financial risks, including risks relating to foreign exchange, credit, interest rate, and liquidity risk.

Certain of the Company's products are sold at prices denominated in U.S. dollars while the majority of its operational costs and expenses are incurred in Canadian dollars. An increase in the value of the Canadian dollar relative to the U.S. dollar reduces the revenue in Canadian dollar terms realized by the Company from sales made in U.S. dollars.

The Company also has foreign operations in the United States whose earnings are exposed to foreign exchange risk.

The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its trade receivables from customers. The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for trade receivables are net of applicable expected credit loss allowances, which are determined using the expected credit losses ("ECL") model. Expected credit losses are measured as the present value of cash shortfalls from all possible default events, discounted at the effective interest rate of the financial asset. The Company is protected against any concentration of credit risk through its products, broad clientele, and geographic diversity.



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23. FINANCIAL INSTRUMENTS (CONTINUED)

The Company's interest rate risk mainly arises from the interest rate impact on cash and floating rate debt. The Company actively manages its interest rate risk through ongoing monitoring of market interest rates and the overall economic situation.

The Company is exposed to liquidity risk with respect to trade payables, debt, uncertain tax positions, and contractual obligations. The Company manages liquidity by maintaining adequate cash balances and by having appropriate lines of credit available. In addition, the Company continuously monitors and reviews both actual and forecasted cash flows. Management believes that future cash flow from operations and the availability under existing banking arrangements will be adequate to support its financial liabilities.

Working capital is a deficit of \$15.4 million as at March 31, 2024. Glacier's working capital includes \$10.2 million of deferred revenue, which has a much lower cost of fulfillment of this liability than the amount indicated in current liabilities, and \$7.1 million of mortgages which have been classified as current; these were renewed before the maturity date of May 1, 2024. Glacier's working capital, excluding deferred revenue and the current mortgage debt is positive \$1.8 million.

The carrying value of certain financial instruments maturing in the short-term approximates their fair value. These financial instruments include cash and cash equivalents, trade and other receivable, trade and other payables, debt, other current and non-current liabilities (classified as measured at amortized cost), and other investments (classified as measured at fair value through other comprehensive income or fair value through profit and loss). The fair values calculated approximate the amounts for which the financial instruments could be settled between consenting parties, based on current market data for similar instruments. Consequently, as estimates must be used to determine fair value, they must not be interpreted as being realizable in the event of an immediate settlement of the instruments.



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BOARD OF DIRECTORS

Bruce W. Aunger	Mark Melville
Sam Grippo (Chairman)	Geoffrey L. Scott
Hugh McKinnon	

OFFICERS

Sam Grippo, Chairman
Mark Melville, President & Chief Executive Officer
Orest Smysnuik, CA, Chief Financial Officer
Bruce W. Aunger, Secretary

TRANSFER AGENT

Computershare Trust Company of Canada
Toronto, Calgary and Vancouver

AUDITORS

PricewaterhouseCoopers LLP

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading symbol: GVC

INVESTOR RELATIONS

Institutional investors, brokers, security analysts and others requiring financial and corporate information about Glacier should visit our website www.glaciermedia.ca or contact: Orest Smysnuik, CA, Chief Financial Officer.

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