

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

Three and nine months ended September 30, 2023 and 2022
(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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Revenue (Note 15)	42,686	47,920	119,226	133,287
Operational expenses before depreciation and amortization and other items				
Direct expenses (Note 16)	29,893	35,534	89,516	97,590
General and administrative (Note 16)	11,509	10,549	33,904	30,984
	1,284	1,837	(4,194)	4,713
Interest expense, net (Note 17)	408	389	1,083	1,212
Depreciation and amortization (Note 10)	3,053	3,160	8,882	9,380
Loss on disposal (Note 5)	-	-	6,169	-
Restructuring and other expenses (income) (net) (Note 18)	2,776	(640)	5,536	(980)
Share of losses (earnings) from joint ventures and associates (Note 6)	(141)	(238)	392	(1,063)
Net loss before income taxes	(4,812)	(834)	(26,256)	(3,836)
Income tax recovery (Note 19)	(1,231)	(562)	(5,998)	(2,268)
Net loss for the period	(3,581)	(272)	(20,258)	(1,568)
Net loss attributable to:				
Common shareholders	(4,205)	(748)	(17,608)	(3,800)
Non-controlling interests	624	476	(2,650)	2,232
Net loss attributable to common shareholder per share				
Basic and diluted	(0.03)	(0.01)	(0.13)	(0.03)
Weighted average number of common shares				
Basic and diluted	131,143,598	132,503,804	131,221,073	132,612,573

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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net loss for the period	(3,581)	(272)	(20,258)	(1,568)
Other comprehensive income (loss) (net of tax) (Note 14)				
Actuarial loss on defined benefit pension plans ⁽¹⁾	(247)	(10)	(301)	(1,390)
Currency translation adjustment ⁽²⁾	(243)	(65)	12	(7)
Share of other comprehensive income (loss) from joint ventures and associates ⁽¹⁾ (Note 6)	491	(591)	694	541
Other comprehensive income (loss) (net of tax)	1	(666)	405	(856)
Total comprehensive loss	(3,580)	(938)	(19,853)	(2,424)
Total comprehensive (loss) income attributable to:				
Common shareholders	(4,093)	(1,382)	(17,200)	(4,660)
Non-controlling interests	513	444	(2,653)	2,236

⁽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	
	September 30, 2023	December 31, 2022
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	12,661	19,636
Trade and other receivables	28,570	34,332
Inventory	527	3,054
Prepaid expenses	2,661	2,670
	<u>44,419</u>	<u>59,692</u>
Non-current assets		
Investments in joint ventures and associates (Note 6)	30,931	26,324
Other assets	25,260	26,556
Right-of-use assets (Note 7)	7,719	9,264
Property, plant and equipment (Note 8)	19,460	30,083
Intangible assets (Note 9)	33,023	37,485
Goodwill	27,132	27,141
Post-employment benefit asset	4,775	7,828
Deferred income taxes	20,016	13,184
	<u>212,735</u>	<u>237,557</u>
Liabilities		
Current liabilities		
Trade and other payables	31,120	29,515
Deferred revenue	7,846	11,611
Current portion of lease liabilities (Note 7)	3,172	3,192
Current portion of long term debt (Note 12)	7,246	456
Other current liabilities (Note 11)	3,024	2,982
	<u>52,408</u>	<u>47,756</u>
Non-current liabilities		
Non-current portion of deferred revenue	550	851
Lease liabilities (Note 7)	5,417	6,984
Other non-current liabilities (Note 11)	8,349	7,760
Long term debt (Note 12)	-	7,165
	<u>66,724</u>	<u>70,516</u>
Equity		
Share capital (Note 13)	224,370	224,538
Contributed surplus (Note 16)	24,618	24,098
Accumulated other comprehensive loss (Note 14)	(243)	(258)
Deficit	(110,946)	(97,445)
Total equity attributable to common shareholders	<u>137,799</u>	<u>150,933</u>
Non-controlling interests	8,212	16,108
	<u>146,011</u>	<u>167,041</u>
Total liabilities and equity	<u>212,735</u>	<u>237,557</u>

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, 2022	132,755,559	224,970	21,120	(270)	(67,273)	178,547	17,913	196,460
Net (loss) income for the period	-	-	-	-	(3,800)	(3,800)	2,232	(1,568)
Other comprehensive (loss) income (net of tax)	-	-	-	(11)	(849)	(860)	4	(856)
Total comprehensive (loss) income for the period	-	-	-	(11)	(4,649)	(4,660)	2,236	(2,424)
Repurchase of common shares (Note 13)	(710,914)	(285)	-	-	-	(285)	-	(285)
Stock base compensation (Note 16)	-	-	2,567	-	-	2,567	-	2,567
Contributions from non-controlling interests	-	-	-	-	-	-	430	430
Distributions to non-controlling interests	-	-	-	-	-	-	(3,766)	(3,766)
Balance, September 30, 2022	132,044,645	224,685	23,687	(281)	(71,922)	176,169	16,813	192,982
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	-	-	-	-	(17,608)	(17,608)	(2,650)	(20,258)
Other comprehensive income (loss) (net of tax)	-	-	-	15	393	408	(3)	405
Total comprehensive (loss) income for the period	-	-	-	15	(17,215)	(17,200)	(2,653)	(19,853)
Repurchase of common shares (Note 13)	(497,831)	(168)	-	-	-	(168)	-	(168)
Stock base compensation (Note 16)	-	-	520	-	-	520	-	520
Repurchase of non-controlling interest	-	-	-	-	-	-	(19)	(19)
Disposal of subsidiaries with non-controlling interest (Note 5)	-	-	-	-	4,457	4,457	(4,507)	(50)
Disposal of subsidiaries with accumulated other comprehensive income (Note 5)	-	-	-	-	(743)	(743)	-	(743)
Sale of non-controlling interest in a subsidiary	-	-	-	-	-	-	1,220	1,220
Distributions to non-controlling interests	-	-	-	-	-	-	(1,937)	(1,937)
Balance, September 30, 2023	131,131,598	224,370	24,618	(243)	(110,946)	137,799	8,212	146,011

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		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(3,581)	(272)	(20,258)	(1,568)
Items not affecting cash:				
Depreciation and amortization (Note 10)	3,053	3,160	8,882	9,380
Loss on disposal (Note 5)	-	-	6,169	-
Net gain on sale of assets	(6)	-	(66)	-
Employee future benefit expense (less than) in excess of of employer contributions	664	(10)	1,313	(15)
Deferred income tax recovery	(1,162)	(576)	(6,041)	(2,289)
Interest expense, net (Note 17)	408	347	1,083	1,212
Share of losses (earnings) from joint ventures and associates (Note 6)	(141)	(238)	392	(1,063)
Restructuring expenses (Note 18)	1,170	177	2,831	485
Share-based compensation expenses (Note 16)	191	456	520	2,567
Other non-cash items	(42)	542	369	38
Cash flow from operations before changes in non-cash operating accounts	554	3,586	(4,806)	8,747
Changes in non-cash operating accounts				
Trade and other receivables	(137)	687	2,029	1,803
Inventory	1,449	1,176	516	(50)
Prepaid expenses	407	90	(351)	(393)
Trade and other payables	3,166	4,587	1,218	1,359
Deferred revenue	(5,742)	(6,150)	(3,029)	(1,634)
Cash (used in) generated from operating activities	(303)	3,976	(4,423)	9,832
Investing activities				
Net cash disposed of on disposal	-	-	(1,318)	-
Other investing activities	120	(193)	2,907	2,764
Proceeds from disposal	10	-	809	-
Distributions received from joint ventures and associates (Note 6)	602	568	2,718	1,527
Purchase of property, plant and equipment	(268)	(591)	(725)	(1,184)
Purchase of intangible assets	(708)	(895)	(2,470)	(2,434)
Cash generated from (used in) investing activities	(244)	(1,111)	1,921	673
Financing activities				
Distribution to non-controlling interests	(547)	(1,540)	(1,937)	(3,766)
Contribution from non-controlling interests	-	-	-	430
Repurchase of non-controlling interests	-	-	(19)	-
Repurchase of commons shares (Note 13)	-	(150)	(168)	(285)
Interest paid, debt	(105)	(114)	(320)	(731)
Interest paid, lease liabilities (Note 7)	(107)	(122)	(312)	(370)
Sale of non-controlling interest in a subsidiary	1,120	-	1,220	-
Net repayment of long term debt	(91)	(109)	(375)	(327)
Principal payment of lease liabilities (Note 7)	(851)	(779)	(2,562)	(2,304)
Cash used in financing activities	(581)	(2,814)	(4,473)	(7,353)
Net cash (used) generated	(1,128)	51	(6,975)	3,152
Cash and cash equivalents, beginning of period	13,789	24,845	19,636	21,744
Cash and cash equivalents, end of period	12,661	24,896	12,661	24,896

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)
(UNAUDITED)

1. GENERAL BUSINESS DESCRIPTION

Glacier Media Inc. ("Glacier" or the "Company") is an information and marketing solutions company pursuing growth in sectors where the provision of essential information and related services provides high customer utility and value. The related "go to market" strategy is being implemented through two operational areas: content and marketing solutions and data, analytics and intelligence.

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 International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") 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 for issue on November 9, 2023.

3. SIGNIFICANT 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, 2022.

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

4. CRITICAL ACCOUNTING ESTIMATES AND 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, 2022.

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5. DISPOSITIONS

- (a) 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 has the ability to exercise control over these operations. 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 for since January 1, 2023, and the share of their earnings were recorded within equity earnings during 2023.
- (b) 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	
	September 30, 2023	December 31, 2022
	\$	\$
Balance, beginning of period	26,324	44,604
Acquisition of investment in joint ventures and associates (Note 5)	7,023	-
Share of loss for the period	(392)	(11,829)
Share of other comprehensive income (net of tax) (Note 14)	694	1,074
Distributions, dividends received and other equity movements	(2,718)	(2,425)
Impairment of investment in joint ventures and associates	-	(5,100)
Balance, end of period	30,931	26,324

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.

GLACIER MEDIA INC.

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

(thousands of dollars)	Joint ventures		Associates		Total	
	Three months ended September 30,		Three months ended September 30,		Three months ended September 30,	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Revenue	7,592	5,710	3,413	3,420	11,005	9,130
Operating expenses before depreciation and amortization	6,828	5,095	3,367	3,408	10,195	8,503
	764	615	46	12	810	627
Interest expense, net	1	10	10	10	11	20
Depreciation and amortization	487	339	71	64	558	403
Impairment, restructuring and other expenses (income) (net)	78	(156)	1	63	79	(93)
Net (loss) income before income taxes	198	422	(36)	(125)	162	297
Income tax expense (recovery)	39	97	(18)	(38)	21	59
Net (loss) income for the period	159	325	(18)	(87)	141	238

(thousands of dollars)	Joint ventures		Associates		Total	
	Nine months ended September 30,		Nine months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Revenue	23,438	14,313	10,503	10,401	33,941	24,714
Operating expenses before depreciation and amortization	21,378	12,240	10,187	10,218	31,565	22,458
	2,060	2,073	316	183	2,376	2,256
Interest expense, net	3	50	25	32	28	82
Depreciation and amortization	1,498	1,016	205	194	1,703	1,210
Impairment, restructuring and other expenses (income) (net)	900	(312)	12	62	912	(250)
Net (loss) income before income taxes	(341)	1,319	74	(105)	(267)	1,214
Income tax expense (recovery)	131	202	(6)	(51)	125	151
Net (loss) income for the period	(472)	1,117	80	(54)	(392)	1,063

(thousands of dollars)	Joint ventures		Associates		Total	
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Assets	32,403	26,273	9,392	8,173	41,795	34,446
Liabilities	7,241	5,156	6,142	5,696	13,383	10,852
Net Assets	25,162	21,117	3,250	2,477	28,412	23,594

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CONDENSED NOTES TO THE INTERIM
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(UNAUDITED)

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 September 30, 2023		
	Cost	Accumulated depreciation	Carrying amount
	\$	\$	\$
Property	15,627	(8,376)	7,251
Equipment	1,021	(553)	468
	16,648	(8,929)	7,719

(thousands of dollars)	As at December 31, 2022		
	Cost	Accumulated depreciation	Carrying amount
	\$	\$	\$
Property	18,006	(9,193)	8,813
Equipment	1,118	(667)	451
	19,124	(9,860)	9,264

The Company's lease liabilities are as follows:

(thousands of dollars)	As at	
	September 30, 2023	December 31, 2022
	\$	\$
Current portion of lease liabilities	3,172	3,192
Long term lease liabilities	5,417	6,984
	8,589	10,176

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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	
	September 30, 2023	December 31, 2022
	\$	\$
Balance, beginning of period	10,176	10,910
New leases and lease renewals	1,270	2,307
Interest expense, lease liability (Note 17)	307	481
Interest paid, lease liability	(312)	(505)
Payment of principal portion of lease liabilities	(2,562)	(3,121)
Termination	(9)	(12)
Foreign exchange	(3)	116
Disposal of subsidiary	(278)	-
Balance, end of period	8,589	10,176

During the quarter ended September 30, 2023, the Company had short-term and low value lease expenses of \$0.5 million (2022: \$0.3 million).

8. PROPERTY, PLANT AND EQUIPMENT

(thousands of dollars)	As at September 30, 2023		
	Cost	Accumulated depreciation and impairment	Carrying amount
	\$	\$	\$
Land and Land Improvements	11,454	(296)	11,158
Buildings	7,405	(2,867)	4,538
Production equipment	3,854	(3,290)	564
Office equipment and leaseholds	13,321	(10,121)	3,200
	36,034	(16,574)	19,460
	As at December 31, 2022		
	Cost	Accumulated depreciation and impairment	Carrying amount
	\$	\$	\$
Land and Land improvements	13,219	(272)	12,947
Buildings	12,099	(4,709)	7,390
Production equipment	22,885	(17,315)	5,570
Office equipment and leaseholds	12,680	(8,504)	4,176
	60,883	(30,800)	30,083

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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 September 30, 2023		
	Cost	Accumulated amortization and impairment	Carrying amount
	\$	\$	\$
Indefinite life			
Mastheads and trademarks	15,157	(500)	14,657
Finite life			
Customer relationships	13,520	(7,516)	6,004
Software, data and technology, and websites	33,048	(20,686)	12,362
	61,725	(28,702)	33,023

(thousands of dollars)	As at December 31, 2022		
	Cost	Accumulated amortization and impairment	Carrying amount
	\$	\$	\$
Indefinite life			
Mastheads and trademarks	17,613	(500)	17,113
Finite life			
Customer relationships	13,528	(6,531)	6,997
Software, data and technology, and websites	31,020	(17,645)	13,375
	62,161	(24,676)	37,485

10. DEPRECIATION AND AMORTIZATION

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Depreciation of property, plant and equipment	588	823	1,916	2,295
Depreciation of right-of-use assets	843	861	2,527	2,537
Amortization of intangible assets	1,622	1,476	4,439	4,548
Depreciation and amortization	3,053	3,160	8,882	9,380

GLACIER MEDIA INC.

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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11. OTHER CURRENT AND NON-CURRENT LIABILITIES

As at September 30, 2023, other current and non-current liabilities was \$11.4 million (2022: \$10.7 million), which primarily relates to deferred payments from acquisition transactions in previous periods. Included in this amount are fixed, variable and contingent payments. These amounts are due in future periods; the amounts due in the next year are included in other current liabilities.

12. DEBT

As at September 30, 2023, the Company had \$7.2 million of current mortgages and other loans outstanding.

Under the existing financing agreement, the Company is required to meet certain covenants. The Company was in compliance with all covenants as at September 30, 2023 and 2022.

13. SHARE CAPITAL

In 2022, the Company entered into 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 entered into 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, 2022	132,755,559	224,970
Shares repurchased	(710,914)	(285)
Balance, September 30, 2022	132,044,645	224,685
Balance, January 1, 2023	131,629,429	224,538
Shares repurchased	(497,831)	(168)
Balance, September 30, 2023	131,131,598	224,370

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14. ACCUMULATED 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, 2022	(270)	5,235	661	5,626
Actuarial loss on defined benefit plans	-	(1,390)	-	(1,390)
Cumulative translation adjustment	(11)	-	4	(7)
Share of other comprehensive income from joint ventures and associates	-	541	-	541
Other comprehensive (loss) income for the period	(11)	(849)	4	(856)
Balance, September 30, 2022	(281)	4,386	665	4,770
Balance, January 1, 2023	(258)	4,616	559	4,917
Actuarial loss on defined benefit plans	-	(301)	-	(301)
Cumulative translation adjustment	15	-	(3)	12
Share of other comprehensive income from joint ventures and associates (Note 6)	-	694	-	694
Other comprehensive income (loss) for the period	15	393	(3)	405
Disposal of subsidiary with defined benefit plan (Note 5)	-	(743)	(583)	(1,326)
Balance, September 30, 2023	(243)	4,266	(27)	3,996

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		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	\$	\$	\$	\$
Income tax effect of:				
Actuarial loss (income) on defined benefit plans	91	4	111	514
Share of other comprehensive income from joint ventures and associates	(136)	219	(212)	(200)

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15. REVENUE BY CATEGORY

(thousands of dollars)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Advertising	18,495	24,149	60,926	71,435
Subscription, data, services and events	23,371	22,390	55,430	57,222
Commercial printing and other	820	1,381	2,870	4,630
	42,686	47,920	119,226	133,287

16. EXPENSE BY NATURE

(thousands of dollars)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Wages and benefits (b)	22,302	26,401	69,858	76,298
Newsprint, ink and other printing costs	2,350	2,469	8,283	7,463
Delivery costs	1,441	2,532	5,352	7,727
Rent, utilities and other property costs	1,530	1,498	3,378	3,790
Advertising, marketing and other promotion costs	2,376	2,923	4,826	5,689
Third party production, development and editorial costs	3,317	3,789	9,166	7,945
Legal, bank, insurance and professional services	3,299	1,401	9,183	6,329
Data services, system maintenance, telecommunications and software licences	2,705	2,993	8,550	8,003
Fees, licences and other services	1,190	927	2,965	2,835
Event costs	753	876	1,183	1,259
Other	139	274	676	1,236
	41,402	46,083	123,420	128,574
Direct expenses (a)	29,893	35,534	89,516	97,590
General and administrative expenses	11,509	10,549	33,904	30,984
	41,402	46,083	123,420	128,574

(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.

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16. EXPENSE BY NATURE (CONTINUED)

(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. The RSU plan allows the subsidiary's directors to issue up to 15% of the subsidiary's outstanding common shares or specified limits established by the subsidiary's directors as equity settled RSUs from time to time. The RSU plans have a time vesting component and a performance vesting component. The fair value of the RSU plans were determined using recent third-party transactions.

In 2022, the Company, through its subsidiaries, granted a total of 2,248,609 equity settled RSUs to some employees pursuant to the terms of the RSU plans with fair value ranges from \$0.70 to \$2.96 per unit at grant the dates. 581,508 RSUs vested immediately and the remaining RSUs vests over various terms between 1-6 years on each anniversary date of the grant and/or December 31 of each year.

As at September 30, 2023, 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 three months ended September 30, 2023, a total of \$0.2 million (2022: \$2.6 million) was recorded as share-based compensation expense related to equity settled RSU, with an offset to contributed surplus. This is a non-cash expense in the period.

17. INTEREST EXPENSE, NET

(thousands of dollars)	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	\$	\$	\$	\$
Interest income	(126)	(44)	(338)	(86)
Interest income, accretion on long-term assets	-	(115)	(115)	(318)
Interest expense, debt	105	114	320	349
Interest expense, leases	103	120	307	368
Interest expense, accretion on current and long-term liabilities	242	288	652	812
Interest expense, other	84	26	257	87
Interest expense, net	408	389	1,083	1,212

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18. RESTRUCTURING AND OTHER EXPENSES (INCOME) (NET)

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Restructuring expenses (a)	1,808	113	4,396	460
Transaction and transition costs (b)	243	124	275	151
Other expense (c)	841	316	1,179	335
Other income (c)	(116)	(1,193)	(314)	(1,926)
	2,776	(640)	5,536	(980)

Restructuring and other expenses (income) (net) include the following:

- (a) Restructuring expenses, includes severance and other costs incurred as the Company restructures and closes operations and reduces its workforce. Other restructuring costs include the cost of dismantling and exiting terminated leases, early termination lease fees, costs associated with relocation of remaining operations, and other closure costs incurred.
- (b) 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 interests. Transaction costs include legal, accounting, due diligence, consulting and general acquisition costs. Transition costs include IT costs, transitional staffing requirements, 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 the sale or disposal of operations.
- (c) Other expenses (income) which includes foreign exchanges gains and losses, settlement loss on a pension asset, amounts received in excess of accrued deferred sales prices receivable and other income and expenses.

19. 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 September 30, 2023, was 27.0% (2022: 27.0%). The components of income tax recovery are shown in the following table:

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Current tax	(69)	14	43	21
Deferred tax	(1,162)	(576)	(6,041)	(2,289)
Income tax recovery	(1,231)	(562)	(5,998)	(2,268)

Refer to Note 21 regarding the contingency relating to the CRA reassessment.

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20. SEGMENT DISCLOSURE

The Company operates in three distinct operating segments throughout Canada and the United States. These segments are Environmental and Property Information, Commodity Information and Community Media. Environmental and Property Information includes the Company's business to business content, marketing solutions and data information products which are environmental and property related. Commodity Information includes the Company's business to business content, marketing solutions and data information products which are agriculture and mining related. The Community Media segment includes the Company's community digital and print media operations.

During Q1 2023, the Company revised its operating segments to reflect business and marketplace changes. During the first quarter, the Company completed two transactions which resulted in three community media operations previously consolidated to becoming joint ventures and associates which is included in the Company's share of earnings from joint ventures and associates. Previously, the Company had included its joint ventures and associates within in operating segments, which are all included in the Community Media segment. All the joint ventures and associates are predominately print community media operations.

The Company continues to evolve and align its operations with the long-term plan of focusing on digital media, data and information businesses, it was determined that a change in the segments was required.

The following segment information is for the periods ended September 30, 2023, and 2022:

Three months ended September 30, 2023 (thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Corporate	IFRS Total
	\$	\$	\$	\$	\$
Revenue	12,330	15,699	14,503	154	42,686
Divisional earnings before interest, taxes, depreciation, and amortization	<u>(375)</u>	<u>3,200</u>	<u>(739)</u>	<u>(802)</u>	<u>1,284</u>
Interest expense, net					408
Depreciation and amortization					3,053
Loss on disposal					-
Restructuring and other expense, net					2,776
Share of earnings from joint ventures and associates					(141)
Income tax recovery					<u>(1,231)</u>
Net loss for the period					<u>(3,581)</u>

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20. SEGMENT DISCLOSURE (CONTINUED)

Three months ended September 30, 2022 (thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Corporate	IFRS Total
	\$	\$	\$	\$	\$
Revenue	11,821	15,677	20,422	-	47,920
Divisional earnings before interest, taxes, depreciation, and amortization	370	2,045	886	(1,464)	1,837
Interest expense, net					389
Depreciation and amortization					3,160
Restructuring and other expense (income), net					(640)
Share of earnings from joint ventures and associates					(238)
Income tax recovery					(562)
Net loss for the period					(272)

Nine months ended September 30, 2023 (thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Corporate	Total
	\$	\$	\$	\$	\$
Revenue	35,316	35,152	48,376	382	119,226
Divisional earnings before interest, taxes, depreciation, and amortization	(2,178)	2,553	(813)	(3,756)	(4,194)
Interest expense, net					1,083
Depreciation and amortization					8,882
Loss on disposal					6,169
Restructuring and other expense, net					5,536
Share of losses from joint ventures and associates					392
Income tax recovery					(5,998)
Net loss for the period					(20,258)

Nine months ended September 30, 2022 (thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Corporate	Total
	\$	\$	\$	\$	\$
Revenue	36,496	35,584	61,207	-	133,287
Divisional earnings before interest, taxes, depreciation, and amortization	1,428	3,166	4,068	(3,949)	4,713
Interest expense, net					1,212
Depreciation and amortization					9,380
Restructuring and other expense (income), net					(980)
Share of earnings from joint ventures and associates					(1,063)
Income tax recovery					(2,268)
Net loss for the period					(1,568)

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20. SEGMENT DISCLOSURE (CONTINUED)

The Company operates in the following main geographical areas:

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Canada	33,412	38,745	92,337	106,044
United States	9,274	9,175	26,889	27,243
Total revenue	42,686	47,920	119,226	133,287

21. 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 a result additional taxes payable including interest and penalties are assessed at approximately \$69.7 million. The affiliate has filed notices of objection with the CRA and provincial taxing authorities and has paid the required deposits of \$23.5 million, which have been recorded in Other assets.

The Company, the affiliate, and its counsel believe that the filing positions adopted by the affiliate in all years are appropriate and in accordance with the law. Accordingly, the Company has not recorded a liability in these consolidated financial statements for the reassessed taxes payable and related interest described above. If the entity is ultimately successful in defending its positions, deposits made plus applicable interest will be refunded. However, if the Company is not successful in defending its position, the remaining balance of income taxes outstanding plus accrued interest will have to be paid to the CRA. The Company presently does have the financial resources to meet this contingent obligation should it materialize. The ultimate outcome remains uncertain.



GLACIER MEDIA INC. CORPORATE INFORMATION

BOARD OF DIRECTORS

Bruce W. Aunger
Sam Grippo
Hugh McKinnon

Mark Melville
Geoffrey L. Scott

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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