CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2023 and 2022

GLACIER MEDIA INC.

TABLE OF CONTENTS

Independent auditor's report

To the Shareholders of Glacier Media Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Glacier Media Inc. and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of operations for the years ended December 31, 2023 and 2022;
- the consolidated statements of comprehensive loss for the years ended December 31, 2023 and 2022;
- the consolidated balance sheets as at December 31, 2023 and 2022;
- the consolidated statements of changes in equity for the years ended December 31, 2023 and 2022;
- the consolidated statements of cash flows for the years ended December 31, 2023 and 2022; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter

Impairment assessment of goodwill, and impairment assessment of investments in joint ventures and associates
 	
Refer to note 3 – Material accounting policies, note 4 – Critical accounting estimates and judgments and uncertainty, note 7 – Investments in joint ventures and associates, note 13 – Goodwill and note 14 – Impairment to the consolidated financial statements.
 	
The Company had goodwill of $21.5 million and investments in joint ventures and associates of $26.5 million as at December 31, 2023. Management conducts an impairment test for goodwill annually, or more frequently if events or circumstances indicate that the carrying value of goodwill may not be recoverable. Management conducts an impairment test for investments in joint ventures and associates if events or circumstances indicate that the carrying value of these investments may be impaired. Goodwill is tested for impairment by management at the cash generating unit (CGU) or group of CGUs level. Investments in joint ventures and associates are monitored and tested for impairment by management at an investment level. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is based on the greater of the value in use and the fair value less costs to dispose of the CGUs, groups of CGUs, or investments. The recoverable amounts were determined using discounted cash flow models or market-based valuation models.
 	
For discounted cash flow models, management used five-year cash flow forecasts that made use of observable market inputs and outputs. For the period beyond the five-year forecast period, cash flows were extrapolated using expected future growth rates. Key assumptions used by management included cash flow forecasts, annual
	Our approach to addressing the matter included the following procedures, among others:
	
	• Evaluated how management determined the recoverable amounts, which included the following:
	  – For the discounted cash flow models:
	    o Tested the appropriateness of the models used and the mathematical accuracy of the discounted cash flow models.
	    o Evaluated whether management's assumptions related to cash flow forecasts and annual and expected growth rates were reasonable, considering (i) the current and past performance of the relevant CGUs and investments; (ii) the comparability with external market and industry data; and (iii) whether these assumptions were aligned with evidence obtained in other areas of the audit.
	    o Tested the underlying data used in the discounted cash flow model.
	    o Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the appropriateness of management's models and testing the reasonableness of the pre-tax discount rates applied by management.
	• Tested the disclosures made in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
and expected future growth rates and pre-tax discount rates. During the year ended December 31, 2023, management recorded impairment losses of $5.5 million and $4.4 million related to goodwill and investments in joint ventures and associates, respectively. We considered this a key audit matter due to the judgments made by management in determining the recoverable amount of the CGUs or investments, including the use of key assumptions. This has resulted in a high degree of subjectivity and audit effort in performing audit procedures to test the key assumptions. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	
Impairment assessment of indefinite life intangible assets *Refer to note 3 – Material accounting policies, note 4 – Critical accounting estimates and judgments and uncertainty, note 11 – Intangible assets and note 14 – Impairment to the consolidated financial statements.* The Company had indefinite life intangible assets with a carrying value of $10.9 million as at December 31, 2023.The indefinite life intangible assets consist of mastheads and trademarks across various CGUs. Management conducts an impairment test annually, or more frequently if events or circumstances indicate that the carrying value of indefinite life intangible assets may not be recoverable. Indefinite life intangible assets are tested for impairment by management at the CGU or group of CGUs level. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is based on the greater of	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amounts of the indefinite life intangible assets, which included the following: – Tested the reasonability of management's assumptions related to budgeted revenues and annual growth rates by considering the current and past performance of the CGU or group of CGUs on the assumptions used in the method, and whether these assumptions were consistent with evidence obtained in other areas of the audit. – Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the appropriateness of management's relief from royalty method, as well as certain key assumptions such as royalty rates and the pre-tax discount rates. – Tested the underlying data used in the relief from royalty method.

Key audit matter	How our audit addressed the key audit matter
the value in use and the fair value less costs to dispose of the CGUs or groups of CGUs. To determine the recoverable amounts of indefinite life intangible assets, management used the relief from royalty method, which involves budgeted revenues for the mastheads and trademarks. For periods beyond the budget period, revenues were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry. Key assumptions used by management in estimating the recoverable amounts included budgeted revenues, annual growth rates, royalty rates, and pre-tax discount rates. During the year ended December 31, 2023, management recorded an impairment of indefinite life intangible assets of $3.7 million. We considered this a key audit matter due to the judgments made by management in developing assumptions to determine the recoverable amounts. This in turn resulted in significant audit effort and subjectivity in performing audit procedures to test the recoverable amounts determined by management. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	• Tested the disclosures made in the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report

to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Frans Minnaar.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 22, 2024

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023	2022
	$	$
Revenue (Note 24)	154,940	176,012
Operational expenses before depreciation and amortization and other items		
Direct expenses (Note 25)	115,419	128,680
General and administrative (Note 25)	43,690	44,249
	(4,169)	3,083
Interest expense, net (Note 27)	19,925	1,713
Depreciation and amortization (Note 12)	11,873	12,455
Loss on disposal, net (Note 5)	2,726	-
Impairment expense (Note 14)	13,588	15,525
Other income (Note 29)	(2,115)	(4,247)
Restructuring and other expenses, net (Note 28)	7,790	904
Share of (earnings) losses from joint ventures and associates (Note 7)	(590)	11,829
Net loss before income taxes	(57,366)	(35,096)
Income tax expense (recovery) (Note 19 & 23)	44,320	(6,167)
Net loss for the year	(101,686)	(28,929)
Net (loss) income attributable to:		
Common shareholders	(99,250)	(29,553)
Non-controlling interests	(2,436)	624
Net loss attributable to common shareholder per share		
Basic and diluted (Note 21)	(0.76)	(0.22)
Weighted average number of common shares		
Basic and diluted (Note 21)	131,198,520	132,558,408

See accompanying notes to these consolidated financial statements.

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	2023	2022
	$	$
Net loss for the year	(101,686)	(28,929)
Other comprehensive (loss) income (net of tax) (Note 22)		
Actuarial loss on defined benefit pension plans [1]	(492)	(1,820)
Currency translation adjustment [2]	303	37
Share of other comprehensive income from joint ventures and associates[1] (Note 7)	300	1,074
Other comprehensive income (loss) (net of tax)	111	(709)
Total comprehensive loss	(101,575)	(29,638)
Total comprehensive (loss) income attributable to:		
Common shareholders	(99,272)	(30,160)
Non-controlling interests	(2,303)	522

[1] Recorded directly in deficit.

[2] Recycled through the consolidated statement of operations in current and future periods.

See accompanying notes to these consolidated financial statements.

GLACIER MEDIA INC.
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	2023	2022
	$	$
Assets		
Current assets		
Cash and cash equivalents	6,553	19,636
Trade and other receivables (Note 6)	32,048	34,332
Inventory	317	3,054
Prepaid expenses	2,192	2,670
	41,110	59,692
Non-current assets		
Investments in joint ventures and associates (Note 7)	26,472	26,324
Other assets (Note 19)	2,567	26,556
Right-of-use assets (Note 9)	6,842	9,264
Property, plant and equipment (Note 10)	19,356	30,083
Intangible assets (Note 11)	28,211	37,485
Goodwill (Note 13)	21,518	27,141
Post-employment benefit asset (Note 18)	4,498	7,828
Deferred income tax asset (Note 23)	21,622	13,184
Total assets	172,196	237,557
Liabilities		
Current liabilities		
Trade and other payables (Note 15)	27,671	29,515
Deferred revenue	8,946	11,611
Current portion of lease liabilities (Note 9)	2,912	3,192
Current portion of debt (Note 17)	7,152	456
Other current liabilities (Note 16)	1,095	2,982
	47,776	47,756
Non-current liabilities		
Non-current portion of deferred revenue	525	851
Lease liabilities (Note 9)	4,760	6,984
Other non-current liabilities (Note 16)	6,863	7,760
Long term debt (Note 17)	-	7,165
Uncertain tax liability (Note 19)	47,346	-
Total liabilities	107,270	70,516
Equity		
Share capital (Note 20)	224,370	224,538
Contributed surplus (Note 25 b)	24,662	24,098
Accumulated other comprehensive loss (Note 22)	(88)	(258)
Deficit	(193,173)	(97,445)
Total equity attributable to common shareholders	55,771	150,933
Non-controlling interests	9,155	16,108
Total equity	64,926	167,041
Total liabilities and equity	172,196	237,557

See accompanying notes to these consolidated financial statements.

Approved by the Directors

"Mark Melville" — Mark Melville, Director

"Bruce W. Aunger" — Bruce W. Aunger, Director

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

	Attributable to common shareholders							
	Share capital		Contributed	Accumulated other comprehensive	Retained earnings		Non-controlling	Total
	Shares	Amount	surplus	loss	(deficit)	Total	interest	equity
		$	$	$	$	$	$	$
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 year	-	-	-	-	(29,553)	(29,553)	624	(28,929)
Other comprehensive (loss) income (net of tax)	-	-	-	12	(619)	(607)	(102)	(709)
Total comprehensive (loss) income for the period	-	-	-	12	(30,172)	(30,160)	522	(29,638)
Repurchase of common shares (Note 20)	(1,126,130)	(432)	-	-	-	(432)	-	(432)
Stock base compensation (Note 25 b)	-	-	2,978	-	-	2,978	-	2,978
Contributions from non-controlling interests	-	-	-	-	-	-	1,626	1,626
Distributions to non-controlling interests	-	-	-	-	-	-	(3,953)	(3,953)
Balance, December 31, 2022	131,629,429	224,538	24,098	(258)	(97,445)	150,933	16,108	167,041
Net loss for the year	-	-	-	-	(99,250)	(99,250)	(2,436)	(101,686)
Other comprehensive (loss) income (net of tax)	-	-	-	170	(192)	(22)	133	111
Total comprehensive (loss) income for the year	-	-	-	170	(99,442)	(99,272)	(2,303)	(101,575)
Repurchase of common shares (Note 20)	(497,831)	(168)	-	-	-	(168)	-	(168)
Stock base compensation (Note 25 b)	-	-	564	-	-	564	-	564
Repurchase of non-controlling interest	-	-	-	-	-	-	(184)	(184)
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	-	-	-	-	-	-	(1,179)	(1,179)
Balance, December 31, 2023	131,131,598	224,370	24,662	(88)	(193,173)	55,771	9,155	64,926

See accompanying notes to these consolidated financial statements.

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	2023	2022
	$	$
Operating activities		
Net loss for the year	(101,686)	(28,929)
Items not affecting cash:		
Depreciation and amortization (Note 12)	11,873	12,455
Loss on disposal, net (Note 5)	2,726	-
Net gain on sale of assets	(61)	-
Impairment expense (Note 14)	13,588	15,525
Employee future benefit expense (less than) in excess of of employer contributions	1,326	114
Deferred income tax recovery (Note 23)	(8,071)	(6,349)
Provision for uncertain tax position (Note 19 & 23)	52,171	-
Interest expense, net (Note 19 & 27)	19,925	1,713
Share of (earnings) losses from joint ventures and associates (Note 7)	(590)	11,829
Restructuring expenses	2,587	-
Share-based compensation expenses (Note 25 b)	564	2,978
Other non-cash items	(517)	(2,269)
Cash flow from operations before changes in operating accounts	(6,165)	7,067
Changes in operating accounts		
Trade and other receivables	1,101	1,975
Inventory	726	(382)
Prepaid expenses	68	(166)
Trade and other payables	(1,013)	(1,346)
Deferred revenue	(1,759)	798
Cash (used in) generated from operating activities	(7,042)	7,946
Investing activities		
Net cash disposed of on disposal	(1,318)	-
Other investing activities	370	(250)
Advance to joint ventures and associates	(2,560)	-
Proceeds from disposal (Note 5)	3,438	-
Distributions received from joint ventures and associates (Note 7)	3,397	2,425
Purchase of property, plant and equipment (Note 10)	(1,078)	(1,612)
Purchase of intangible assets (Note 11)	(3,238)	(3,333)
Cash used in investing activities	(989)	(2,770)
Financing activities		
Distribution to non-controlling interests	(1,179)	(3,953)
Contribution from non-controlling interests	-	1,626
Repurchase of non-controlling interests	(184)	-
Repurchase of commons shares (Note 20)	(168)	(432)
Interest paid, debt	(423)	(458)
Interest paid, lease liabilities (Note 9)	(411)	(505)
Sale of non-controlling interest in a subsidiary	1,220	-
Net repayment of debt	(469)	(441)
Principal payment of lease liabilities (Note 9)	(3,438)	(3,121)
Cash used in financing activities	(5,052)	(7,284)
Net cash used	(13,083)	(2,108)
Cash and cash equivalents, beginning of year	19,636	21,744
Cash and cash equivalents, end of year	6,553	19,636

See accompanying notes to these consolidated financial statements.

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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board as applicable to the preparation of consolidated financial statements. 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 consolidated financial statements have been approved by the Board of Directors for issue on March 22, 2024.

3. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company and the results of all controlled entities. Controlled entities are those entities over which the Company has i) the power to govern the financial and operating policies, ii) the right to receive benefits from that entity, and iii) the ability to use its operating decisions to alter the benefits received. These criteria are generally met by having a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. In addition, for consolidation purposes, factors may exist where one may consolidate without having more than 50% of the voting power through ownership or agreements, or in the circumstances of enhanced minority rights, as a consequence of de facto control. De facto control is control without the legal right to exercise unilateral control, and involves decision making ability that is not shared with others and the ability to give direction with respect to the operating and financial policies of the entity concerned. Where control of a subsidiary ceases during a financial year, its results are included up to the point in the year when control ceases.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

All intercompany balances, transactions and unrealized profits resulting from intercompany transactions have been eliminated. Where control of an entity is acquired during a financial year, its results are included in the consolidated statement of operations from the date on which control commences.

Non-controlling interests

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income or loss and comprehensive income or loss is recognized in equity. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Associates

Associates are entities over which the Company has significant influence but not control. Generally, the Company has a voting shareholding of between 20% and 50% of the voting rights in its associates. Investments in associates are accounted for using the equity method as follows:

- Investments are initially recognized at cost.
- Associates include goodwill and intangible assets identified on acquisition, net of any accumulated impairment loss.
- The Company's share of its associates' post-acquisition profits or losses are recognized in the consolidated statement of operations.
- Dividends and distributions receivable from associates reduce the carrying amount of the investment.
- The Company's liability with respect to its associates is limited to its net investment and it has no obligation to fund any subsequent losses should they arise.

Joint arrangements

Joint arrangements are entities over which the Company has joint control with one or more unaffiliated entities. The Company classifies its joint arrangements as joint ventures and accounts for them using the equity method of accounting. The Company records its investment in its joint ventures as follows:

- Investments are initially recognized at cost.
- Joint ventures include goodwill and intangible assets identified on acquisition, net of any accumulated impairment loss.
- The Company's share of its joint ventures' post-acquisition profits or losses are recognized in the consolidated statement of operations.
- Dividends and distributions receivable from joint ventures reduce the carrying amount of the investment.
- The Company's liability with respect to its joint ventures is limited to its net investment and has no obligation to fund any subsequent losses should they arise.
- Subsequent investments are recognized at cost and increase the carrying amount. When control is attained, the investment is recognized at fair value and subsequently consolidated.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is Glacier's functional currency.

The financial statements of entities that have a functional currency different from that of Glacier ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities at the closing rate at the date of the balance sheet, and income and expenses at the average rate. All resulting changes are recognized in the statement of other comprehensive income (loss) as currency translation adjustments.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency balances are translated at the year-end exchange rate. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statement of operations.

(d) Revenue recognition

Advertising revenue

Advertising revenue includes both digital and non-digital advertisements. The Company contracts with customers to publish advertisements in print or online which generally include one performance obligation. The Company has concluded that revenue from advertising should be recognized at the point in time when the advertisement is published. Revenue from these contracts is recognized based on the price specified in the contracts and the payment is due immediately when the advertisement is published.

Subscription, data and services revenue

Subscription, data and services revenue includes: subscription, digital products and services, and event revenues.

Subscription revenue: Subscription revenue includes both digital and non-digital subscriptions. The Company contracts with customers to provide ongoing monthly services or products. The contracts are generally not more than a year. The Company has concluded that the performance obligation for subscription revenue is recognized over the time of the subscription based on the price specified in the contracts. Payment is due at the beginning of the subscription period based on the fixed contract price. Subscription revenue for which consideration has been received in advance and is attributable to future access is deferred until such products or services are delivered.

Digital products and services: Digital products and services do not include digital subscription revenue. The Company contracts with customers to provide digital products and services, which include one performance obligation. The performance obligation is satisfied when the product is delivered or when the service is performed. Revenue from these contracts is thus recognized at a point in time based on the price specified in the contracts. Payments for these contracts are due immediately when performance obligations are satisfied.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Event revenue: The Company holds various events throughout the year. There is one performance obligation which is satisfied when the event is held. Payment is due when customers enter into the contract to attend the event. Revenue from these contracts is recognized based on the price specified in the contract when the event is held. Event revenue for which consideration has been received in advance is deferred until the event has taken place.

(e) Income taxes

Tax expense is comprised of current and deferred tax. Tax is recognized in the consolidated statement of operations except to the extent it relates to items recognized directly in equity, in which case the related tax is recognized in equity.

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax is accounted for using a temporary difference approach and is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheets and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the year of realization or settlement based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The Company's investment tax credits are subject to uncertainty as to the timing of the usage in the future. The Company has unrecognized investment tax credits which will be recognized as part of the provision for income taxes as utilization of the credits is incurred and considered probable.

The Company is also entitled to a refundable journalism tax credit which is recognized as the related costs are incurred.

Deferred tax liabilities are not recognized on temporary differences that arise from goodwill. Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination, and at the time of transaction, affects neither accounting or tax profit.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits, and investments with an original maturity at the date of purchase of three months or less.

(g) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Costs directly attributable to the acquisition or construction of property, plant and equipment, including internal labour and interest, are also capitalized as part of the cost.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of operations during the financial year in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Land improvements	40 years
Buildings	20 – 40 years
Production equipment	3 – 25 years
Office equipment and fixtures	3 – 15 years
Leased equipment	3 – 15 years
Leasehold improvements	5 – 20 years

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant components and depreciates separately each such component.
Leasehold improvements are depreciated on a straight-line basis over the lesser of their useful life and the term of the lease.

The assets' residual values, method of depreciation and useful lives are reviewed and adjusted, if appropriate, at least annually. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the consolidated statement of operations.

(h) Identifiable intangible assets

Upon acquisition, identifiable intangible assets are recorded at fair value. The carrying values of all intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Additionally, the carrying values of identifiable intangible assets with indefinite lives are tested annually for impairment. Impairment is determined by comparing the recoverable amount of such assets with their carrying amounts. The Company evaluates impairment losses for potential reversals when events or changes in circumstances warrant such consideration.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Trademarks and mastheads

Trademarks and newspaper mastheads are initially recorded at fair value. The trademarks and mastheads have been assessed to have indefinite useful lives. Accordingly, they are not amortized and are tested for impairment annually or when there is a change in circumstances that indicates that the carrying value may not be recoverable and are carried at cost less accumulated impairment losses. For purposes of impairment testing the fair value of trademarks and mastheads is determined using the relief from royalty method.

The Company's trademarks and mastheads operate in established markets with limited restrictions and are expected to continue to complement the Company's media initiatives. On this basis, the Company has determined that trademarks and mastheads have indefinite lives as there is no foreseeable limit to the period over which the assets are expected to generate cash flows for the Company.

Other identifiable intangible assets

Other identifiable intangible assets consist of subscription lists, customer relationships and other intangible assets and are recorded at cost. Subscription lists and customer relationships are amortized on a straight-line basis over their expected useful life of 3 to 15 years. Other identifiable intangible assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Computer software, data and technology, and websites

Acquired computer software licenses are capitalized as an intangible asset, as are internal and external costs directly incurred in the purchase or development of computer software, data and technology, and websites, including subsequent upgrades and enhancements when it is probable that they will generate future economic benefits attributable to the consolidated entity. These costs are amortized using the straight-line method over their expected useful lives of 2 to 5 years.

(i) Goodwill

Goodwill represents the excess of the consideration of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary, joint venture or associate at the date of acquisition. Goodwill on acquisitions of joint ventures and associates is included in investments in joint ventures and associates. Goodwill is not amortized. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(j) Impairment of non-financial assets

Non-financial assets are tested for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. An impairment charge is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is based on the greater of the value in use and the fair value less cost to dispose of the CGUs, groups of CGUs or investments.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Goodwill and indefinite life intangible assets are reviewed for impairment annually or at any time if an indicator of impairment exists. For the purposes of impairment testing, goodwill or indefinite life intangible assets acquired through a business combination are allocated to each cash generating unit ("CGU") or group of CGUs that are expected to benefit from the related business combination. A group of CGUs represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Investments in joint ventures and associates are monitored and tested for impairment by management at the investment level.

Non-financial assets, other than goodwill, that suffer impairment are evaluated for possible reversal of the impairment when events or circumstances warrant such consideration.

(k) Leases

The Company recognizes leases as a right-of-use ("ROU") asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The ROU is subject to impairment testing if indicators of impairment exist.

At inception, the Company assessed whether a contract is or contains a lease. This assessment involves the exercise of judgment about whether it depends on specified assets, whether the Company obtains substantially all the economic benefits from the ROU asset and whether the Company has the right to direct the use of the asset.

ROU assets and lease liabilities are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: fixed payments, less any lease incentives receivable and variable payments. When the lease contains an extension that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payment.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

ROU assets are measured at cost comprising of the following: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs; and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short term leases are leases with a minimum term of 12 months or less. Low-value assets are comprised of IT-equipment and other small items of office equipment.

Extension and termination options are included in a number of property and equipment leases across the Company. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of the extension and termination options are exercisable only by the company and not by the respective lessor.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. The assessment is reviewed if a significant event or significant change in circumstances occurs which affects this assessment and that is within the control of the lease.

The Company leases office space and office equipment. Contracts are typically made for fixed periods of 1 to 11 years; however, may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security of borrowing purposes.

(l) Provisions

Provisions for restructuring costs and legal claims, where applicable, are recognized in trade and other payables when the Company has a legal, equitable or constructive obligation to make a future outflow of economic benefits to others as a result of past transactions or past events, it is probable that a future outflow of economic benefits will be required, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. Provisions are not recognized for future operating losses.

(m) Employee pension and other post-employment benefits

The Company has defined benefit plans that provide both pension and other retirement benefits to certain salaried and hourly employees not covered by industry union plans.

A liability or asset in respect of the defined benefit pension plans and certain other post-employment benefit plans is recognized in the consolidated balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension fund’s assets. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated by independent actuaries using the projected unit credit method.

Actuarial gains and losses are recognized in full in the year in which they occur, in other comprehensive income (loss) and retained earnings (deficit) without recycling through the consolidated statement of operations in subsequent years. The interest income on plan assets, the return on plan assets greater (less) than the discount rate and the interest on the pension liability are included in the same line items in the consolidated statement of operations as the related compensation expense.

(n) Share based payment

Share based compensation

The Company has a Share Based Compensation (“SBC”) plan issuing Restricted Share Units (“RSU”) within certain of the Company’s subsidiaries.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share based compensation relates to equity settled restricted share units within certain of the Company's subsidiaries. The grant date fair values of equity settled RSUs granted are recognized as an expense, with a corresponding increase in equity, over the vesting period. The amount recognized as an expense is based on the estimate of the number of RSUs expected to vest. Upon vesting of equity settled RSUs, an expense is recorded with an offset to share capital within the subsidiary. This is converted to contributed surplus upon consolidation.

The fair value of the RSU was determined based on the fair value of the underlying equity securities using market multiples of projected annual revenues and operating income and/or recent third-party transactions.

(o) Government programs

Income based government programs provided to offset an expense are recorded as a decrease in the expense in the year in which the expense is incurred. Any amounts due from the government for qualifying expenses are recorded in trade and other receivables. Any amounts received in advance are deferred in current liabilities until the related expense is incurred.

(p) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to equity holders of the Company, excluding any costs to service equity other than common shares, by the weighted average number of common shares outstanding during the year.
operations in the year in which they are incurred.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average shares outstanding for dilutive instruments. The number of shares included with respect to equity instruments is computed using the treasury stock method.

(r) Financial instruments

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently through fair value (either through other comprehensive income ("OCI"), or through profit or loss), and
- those to be measured at amortized cost using the effective interest method.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flow.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

For assets measured at fair value, gains and losses will be recorded directly in the statement of operations or OCI. For financial assets other than equities measured at fair value through other comprehensive income ("FVOCI") changes in the carrying amount will be recorded in OCI except for recognition of impairment losses, interest revenue and foreign exchange gain and losses on the instrument's amortized cost which are recognized in income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at FVOCI. The Company has not designated any investments as FVOCI.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs of a financial asset carried at FVPL are expensed in profit or loss.

Financial instruments at amortized costs: Financial instruments at amortized costs include cash and cash equivalents, trade and other receivable, other assets, trade and other payables, debt and other current and non-current liabilities. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized costs. When material, interest income from these financial assets are included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the statement of operations.

Equity instruments: The Company subsequently measures all equity instruments at fair value. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of the financial assets at FVPL are recognized in other gains or (losses) in the statement of operations as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVPL are not reported separately from other changes in fair value.

Impairment of Financial Assets and Liabilities

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected credit losses ("ECL") to be recognized from initial recognition of the receivables.

(s) Recent accounting pronouncements

In 2023, there were amendments announced to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies, and IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction. These standards and amendments to standards and interpretations did not have a material impact on the financial statement amounts or disclosures.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND UNCERTAINTY

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill and assets with indefinite and finite lives

In accordance with the accounting policy stated in Note 3(k), the Company annually tests whether goodwill and intangible assets with indefinite lives have incurred any impairment based on the recoverable value of a CGU. The recoverable value is determined using discounted future cash flow models or market-based valuation models.

The discounted future cash flow model incorporates assumptions regarding future events, specifically future cash flows, budgeted revenues to determine the relief from royalties, growth rates and discount rates. Future cash flow projections are determined using certain industry, economic and market trends which represent management's best estimate as to future results. The recoverable value is also affected by the discount rate, the weighted average cost of capital, future growth rates and tax rates, which may or may not occur, resulting in the need for future revisions of estimates.

The market-valuation model estimates the fair value of the CGU by using a multiple of normalized revenues and normalized results before amortization, depreciation, interest, tax and other items. The multiple is determined by evaluating multiples for similar transactions in the marketplace.

The methods are based on many assumptions and estimates that may have a significant impact on the recoverable value of a CGU and, as a result, on the amount of impairment recorded, if any. The impact of any significant changes in assumptions and the review of estimates are recognized through profit or loss in the period in which the change occurs. There are also judgements involved in determination of CGUs and groups of CGUs. If future events were to differ from management's best estimate, key assumptions and associated cash flows could be adversely affected and the Company could potentially experience future impairment charges in respect of the goodwill and indefinite life intangible assets. Refer to Note 14.

When indicators of impairment exist, the Company reviews finite life intangible assets, investments in joint ventures and associates, and property, plant and equipment for impairment. The method for estimating impairment is consistent with goodwill and intangible assets with indefinite lives, as noted above.

(b) Retirement benefit assets/obligations

The asset/liability in respect of the defined benefit pension plans are calculated as the defined benefit obligation less plan assets and other adjustments. The methodology utilized by the Company to determine the benefit obligation is consistent with the prior year. Judgement and estimates used by the Company in determining the benefit obligation include interest rate, return on assets and health care trend rates.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND UNCERTAINTY

(c) Income taxes

The Company is subject to income taxes in Canada and in certain of its foreign operations. Management has estimated the income tax provision and deferred income tax balances in accordance with its interpretation of the various income tax laws and regulations including expected tax rate and timing of the deferred tax balance. It is possible, due to the complexity inherent in estimating income taxes that the tax provision and deferred income tax balances could change.

(d) Utilization of tax losses

The recognition of income tax assets, including those in joint ventures and associates, related to the utilization of non-capital losses and other tax attributes requires significant judgement and is subject to uncertainty as to the timing and ability to utilize the losses and other tax attributes in the future.

(e) Uncertain tax position

As the result of unfavourable rulings in similar cases heard in the Supreme Court of Canada and in the Court of Appeal in 2023, and other related factors, including the criteria under IFRS regarding tax contingencies, the Company has recorded a provision for the unpaid portion of tax positions in dispute with tax authorities and accrued estimated interest for the unpaid portions based on the most likely outcome given management's best estimate of currently available information.

Tax authorities may disagree with the interpretation and application of tax laws and rules related to management's computation of interest expense. As a result, the actual amounts owing, including interest and other related costs in future periods may differ from current estimates.

(f) Fair value assessment of business combinations

On the acquisition of a business, the Company is required to identify and measure the various assets and liabilities acquired. This is based on the estimated fair value of each item acquired with the remainder of the purchase price being recognized as goodwill. Judgements are used when determining the split between intangible assets and goodwill. Estimates and judgments related to revenue and gross margin forecasts, customer attrition rate, and discount rate are used to determine the overall fair value of the purchase price when there is deferred and variable consideration.

To estimate the fair value of the customer relationships, management used the excess earnings method by using a discounted cash flow model. Management developed key assumptions related to revenue and gross margin forecasts, customer attrition rate, and discount rate.

To estimate the fair value of the data, management used the replacement cost method.

Management developed key assumptions related to the time and cost taken to collect and geo-reference images, which includes average wage rates of employees.

(g) Estimated useful-lives

Management estimates the useful lives of property, plant and equipment and finite life intangible assets based on the period during which the assets are available for use. The amounts and timing of depreciation and amortization for these assets are affected by the useful lives. The estimates are reviewed annually and are updated for changes in the expected useful life.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND UNCERTAINTY (CONTINUED)

(h) Share-based payments

The Company provides incentives via share-based payment entitlements. Share based compensation relates to equity settled restricted share units within certain of the Company's subsidiaries. The grant date fair values of equity settled RSUs granted are recognized as an expense, with a corresponding increase in equity, over the vesting period. The amount recognized as an expense is based on the estimate of the number of RSUs expected to vest. Upon vesting of equity settled RSUs, an expense is recorded with an offset to share capital within the subsidiary. This is converted to contributed surplus upon consolidation. The fair value of the RSU is determined based on the fair value of the underlying equity securities using market multiples of projected annual revenues and operating income and/or recent third-party transactions.

(i) Consolidation of entities

Management uses judgements and assumptions in determining which entities the Company consolidates in its financial statements where the Company does not have greater than 50% of the voting shares.

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.

(c) In December 2023, the Company completed the sale of its mining media operations for total consideration of $4.0 million. The Company received $2.5 million cash at closing, and recorded a deferred sale receivable of $1.0 million, net of working capital adjustments, which was included in Other Current Assets and Other Assets. The sale resulted in a net gain on sale of $3.4 million. The mining media operations were previously included within the Commodity Information segment.

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

6. TRADE AND OTHER RECEIVABLES

(thousands of dollars)	2023	2022
	$	$
Trade receivables	25,262	30,165
Allowance for doubtful accounts	(893)	(908)
Trade receivables (net)	24,369	29,257
Other current receivables	7,679	5,075
	32,048	34,332

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Set out below are the joint ventures and associates of the Company as at December 31, 2023. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Company. All these entities are accounted for using the equity method.

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

Name of entity	Principal place of business	% ownership interest	Nature of relationship	Principal activities
Alta Newspaper Group LP [(2)]	Alberta	60%	Joint venture	Community media
Estevan Press LP	Saskatchewan	50%	Joint venture	Community media
Great West Media LP	Alberta	50%	Joint venture	Community media
Kodiak Press LP	British Columbia	50%	Joint venture	Community media
Rhode Island Suburban Newspapers, Inc. [(1)]	Rhode Island, USA	48%	Joint venture	Community media
Swift Current Holdings LP [(2)]	Saskatchewan	60%	Joint venture	Community media
Village Media Inc.	British Columbia	23%	Associate	Community media
1294739 Alberta Ltd. [(2)]	British Columbia	59%	Associate	Community media

(1) This entity has a March 31 year-end.

(2) The Company does not have control over these operations as it does not have a majority of members on the Board of Directors, nor does it have voting control over the entity.

The Company has aggregated the presentation of summarized financial information into joint ventures and associates.

The Company's joint ventures have been aggregated into one group as they operate in similar business environments and markets, the joint venture agreements contain substantially similar terms and represent similar business risks for the Company and are organized in a similar manner within the Company's corporate and regulatory structure.

The Company's associates have been aggregated into one group as they operate in similar business environments and markets, the agreements between the Company and its associates contain substantially similar terms and represent similar business risks for the Company and are organized in a similar manner within the Company's corporate and regulatory structure.

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

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

The summarized financial information has been amended to reflect adjustments made by the Company when using the equity method, including modifications for differences in accounting policy.

	Joint ventures		Associates	
(thousands of dollars)	2023	2022	2023	2022
	$	$	$	$
Current assets				
Cash and cash equivalents	7,341	8,224	5,205	1,446
Other current assets	4,476	6,362	7,252	4,891
Non-current assets	32,204	38,783	10,392	9,642
Current liabilities				
Current financial liabilities				
(excluding trade and other payables)	(3,920)	(3,114)	(408)	(294)
Other current liabilities	(3,415)	(5,727)	(7,292)	(4,624)
Non-current liabilities	(565)	(1,679)	(6,803)	(5,502)
Net assets	36,121	42,849	8,346	5,559
Reconciliation of net assets:				
Opening net assets	42,849	44,242	5,559	25,496
Income (loss) for the year	(2,764)	2,490	2,469	(21,758)
Other comprehensive Income	50	854	318	1,821
Dividends paid	(6,623)	(4,737)	-	-
Acquisition (derecognition) of investments				
in joint ventures and associates, net	2,609	-	-	-
Closing net assets	36,121	42,849	8,346	5,559
Revenue	60,724	40,370	32,029	30,596
Depreciation and amortization	3,934	2,690	570	490
Interest income	(291)	(106)	-	-
Interest expense	308	205	84	84
Income tax expense (recovery)	64	443	(74)	17,224
Income (loss) for the year	(2,764)	2,490	2,469	(21,758)
Other comprehensive income	50	854	318	1,821
Total comprehensive income (loss)	(2,714)	3,344	2,787	(19,937)

	Joint ventures		Associates	
(thousands of dollars)	2023	2022	2023	2022
	$	$	$	$
Dividends received by the Company				
from joint ventures and associates	(3,397)	(2,425)	-	-

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

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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

(thousands of dollars)	2023	2022
	$	$
Balance, beginning of year	26,324	44,604
Acquisition of investments in joint ventures and associates (Note 5)	7,024	-
Share of earnings (losses) for the year	590	(11,829)
Share of other comprehensive income (net of tax) (Note 22)	300	1,074
Distributions, dividends received and other equity movements	(3,397)	(2,425)
Impairment of investments in joint ventures and associates (Note 14)	(4,369)	(5,100)
Balance, end of year	26,472	26,324

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, refer to Note 5.

In February 2023, the Company completed the sale of its printing assets into two new joint venture operations These joint ventures were entered into to extend the profitability of these operations, refer to Note 5.

During the year ended December 31, 2023, the Company recorded an impairment of $4.4 million, specifically relating to the investment values of joint ventures and associates. These joint ventures operate in the print community media industry. During the comparative period ended December 31, 2022, the Company recorded an impairment of $5.1 million in an investment in joint ventures and associates. This joint venture operates in the print community media industry. Refer to Note 14.

During the comparative period ended December 31, 2022, one of the Company's associates recorded an impairment of $5.0 million of goodwill and took a $18.5 million valuation allowance on certain deferred tax assets. The Company's share of losses from joint ventures and associates relating to these two transactions was $13.8 million.

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.

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

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

	Joint ventures		Associates		Total	
(thousands of dollars)	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$
Revenue	30,934	19,727	14,226	14,164	45,160	33,891
Operating expenses before depreciation and amortization	27,842	16,829	13,119	13,792	40,961	30,621
	3,092	2,898	1,107	372	4,199	3,270
Interest expense, net	12	50	35	40	47	90
Depreciation and amortization	1,979	1,325	273	259	2,252	1,584
Impairment, restructuring and other expenses (net)	1,348	114	16	3,005	1,364	3,119
Net income (loss) before income taxes	(247)	1,409	783	(2,932)	536	(1,523)
Income tax expense (recovery)	75	213	(129)	10,093	(54)	10,306
Net income (loss) for the year [1]	(322)	1,196	912	(13,025)	590	(11,829)

[1] Excluded from the results in the table above is $0.9 million of impairment expense, representing the Company's share recorded within one of the Company's joint venutres. Net losses in excess of the Company's carrying value of the investment were excluded from the Company's equity earnings and, therefore, were excluded from the net income (losses) in the table above.

	Joint ventures		Associates		Total [1]	
(thousands of dollars)	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$
Assets	23,048	26,273	10,798	8,173	33,846	34,446
Liabilities	4,190	5,156	7,222	5,696	11,412	10,852
Net Assets	18,858	21,117	3,576	2,477	22,434	23,594

[1] Exlcuded from the table above are the net assets of investments in joint ventures and associates which are carried at a nil value.

8. SUBSIDIARIES, AFFILIATED ENTITIES AND NON-CONTROLLING INTEREST

The Company operates a number of entities whose primary business is information communications. The Company owns or is affiliated with the following entities with material non-controlling interests:

Name of entity	Principal place of business	Principal activities
Glacier FarmMedia LP	Manitoba	Agricultural information
Western Producer LP	Saskatchewan	Agricultural information
ERI Environmental Risk LP	British Columbia	Environmental Information

The following is summarized financial information for subsidiaries and affiliates that have non-controlling interests that are material to the Company. The amounts disclosed are before intercompany eliminations.

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

8. SUBSIDIARIES, AFFILIATED ENTITIES AND NON-CONTROLLING INTEREST (CONTINUED)

(thousands of dollars)	2023	2022
	$	$
Summarized balance sheets		
Current assets	15,473	40,323
Non-current assets	57,322	82,619
Current liabilities	(21,676)	(21,947)
Non-current liabilities	(9,472)	(21,864)
Net assets	41,647	79,131

(thousands of dollars)	2023	2022
	$	$
Summarized statements of comprehensive income (loss)		
Revenue	76,492	88,450
(Loss) income for the year	(3,231)	223
Other comprehensive income (loss)	292	(492)
Total comprehensive loss	(2,939)	(269)
Income allocated to non-controlling interest	901	1,491
Dividends paid to non-controlling interest	1,035	3,768
Summarized cash flows		
Cash flows from operating activities	9,814	16,692
Cash flows from investing activities	(5,352)	(8,185)
Cash flows from financing activities	(25,821)	(5,368)
Net change in cash and cash equivalents	(21,359)	3,139

In 2022, Alta Newspaper Group LP was included in the tables above as they had significant non-controlling interest. Effective January 1, 2023, Alta Newspaper Group LP was accounted for as joint ventures. The Company recorded a deemed disposition of the controlling interest in the subsidiaries and acquired an investment in the joint venture operations, refer to Note 5.

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

9. 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)	Property leases	Equipment leases	Total
	$	$	$
Cost			
Balance at January 1, 2022	15,725	1,118	16,843
Additions	2,131	-	2,131
Retirements	(1,293)	-	(1,293)
Renewals	176	-	176
Foreign Exchange	121	-	121
Balance at December 31, 2022	16,860	1,118	17,978
Additions	105	-	105
Retirements	(1,961)	(97)	(2,058)
Renewals	1,165	-	1,165
Early Terminations	(138)	-	(138)
Foreign Exchange	(44)	-	(44)
Disposals	(401)	-	(401)
Balance at December 31, 2023	15,586	1,021	16,607
Accumulated depreciation			
Balance at January 1, 2022	6,426	174	6,600
Depreciation (Note 12)	3,276	121	3,397
Retirements	(1,283)	-	(1,283)
Balance at December 31, 2022	8,419	295	8,714
Depreciation (Note 12)	3,104	264	3,368
Retirements	(1,901)	(97)	(1,998)
Terminations	(129)	-	(129)
Foreign Exchange	3	-	3
Disposals	(193)	-	(193)
Balance at December 31, 2023	9,303	462	9,765
Carrying amounts			
At December 31, 2022	8,441	823	9,264
At December 31, 2023	6,283	559	6,842

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

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

The Company's lease liabilities are as follows:

(thousands of dollars)	2023	2022
	$	$
Current portion of lease liabilities	2,912	3,192
Long term lease liabilities	4,760	6,984
	7,672	10,176

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

(thousands of dollars)	2023	2022
	$	$
Balance, beginning of year	10,176	10,910
New leases and lease renewals	1,270	2,307
Interest expense, lease liability (Note 27)	402	481
Interest paid, lease liability	(411)	(505)
Payment of principal portion of lease liabilities	(3,438)	(3,121)
Retirement	(62)	-
Termination	(9)	(12)
Foreign exchange	(41)	116
Disposal	(215)	-
Balance, end of year	7,672	10,176

During the year ended December 31, 2023, the Company had short-term and low value lease expenses of $0.6 million (2022: $0.6 million).

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

10. PROPERTY, PLANT AND EQUIPMENT

(thousands of dollars)	Land and land improvements	Buildings	Production equipment	Office equipment and leaseholds	Total
	$	$	$	$	$
Cost					
Balance at January 1, 2022	13,160	12,878	29,092	23,802	78,932
Additions	59	36	224	1,293	1,612
Disposals	-	-	(285)	(203)	(488)
Retirements	-	(815)	(6,146)	(12,212)	(19,173)
Balance at December 31, 2022	13,219	12,099	22,885	12,680	60,883
Additions	-	-	253	974	1,227
Disposals	(1,765)	(4,717)	(17,775)	(831)	(25,088)
Retirements	-	(3)	(2,016)	(398)	(2,417)
Balance at December 31, 2023	11,454	7,379	3,347	12,425	34,605
Accumulated depreciation					
Balance at January 1, 2022	242	4,365	22,472	20,051	47,130
Depreciation	30	367	1,386	1,177	2,960
Disposals	-	237	(157)	(197)	(117)
Retirements	-	(260)	(6,386)	(12,527)	(19,173)
Balance at December 31, 2022	272	4,709	17,315	8,504	30,800
Depreciation	31	596	524	1,322	2,473
Disposals	-	(2,291)	(12,602)	(716)	(15,609)
Retirements	-	-	(2,031)	(384)	(2,415)
Balance at December 31, 2023	303	3,014	3,206	8,726	15,249
Carrying amounts					
At December 31, 2022	12,947	7,390	5,570	4,176	30,083
At December 31, 2023	11,151	4,365	141	3,699	19,356

In 2023, the Company completed the sale of its printing assets into two new joint venture operations, refer to Note 5. This transaction included the sale of production equipment, as noted in the table above.

During 2022, the Company performed an assessment of historical cost and accumulated depreciation. As a result of this assessment, the Company removed $19.2 million of fully depreciated property, plant and equipment from both the cost and the accumulated depreciation sections, representing asset retirements as these assets were deemed no longer in use.

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

11. 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:

	Indefinite life	Finite life				
(thousands of dollars)	Mastheads and Trademarks	Copyrights	Customer relationships	Subscription lists	Software, data and technology, and websites	Total
	$	$	$	$	$	$
Cost						
Balance at January 1, 2022	57,887	10,242	69,909	3,841	51,881	193,760
Additions	-	-	-	-	3,333	3,333
Disposals	-	-	-	-	(2,177)	(2,177)
Retirements	(40,290)	(10,242)	(56,599)	(3,841)	(22,100)	(133,072)
Foreign exchange revaluation	16	-	218	-	83	317
Balance at December 31, 2022	17,613	-	13,528	-	31,020	62,161
Additions	-	-	-	-	3,238	3,238
Disposals	(2,455)	-	(290)	-	(1,725)	(4,470)
Retirements	-	-	-	-	(1,978)	(1,978)
Foreign exchange revaluation	(6)	-	(68)	-	(28)	(102)
Balance at December 31, 2023	15,152	-	13,170	-	30,527	58,849
Accumulated amortization and impairment losses						
Balance at January 1, 2022	40,290	10,242	61,531	3,841	36,445	152,349
Amortization (Note 12)	-	-	1,599	-	4,499	6,098
Disposals	-	-	-	-	(2,144)	(2,144)
Retirements	(40,290)	(10,242)	(56,599)	(3,841)	(22,100)	(133,072)
Impairment (Note 14)	500	-	-	-	945	1,445
Balance at December 31, 2022	500	-	6,531	-	17,645	24,676
Amortization (Note 12)	-	-	1,245	-	4,926	6,171
Disposals	-	-	(290)	-	(1,660)	(1,950)
Retirements	-	-	-	-	(1,978)	(1,978)
Impairment (Note 14)	3,719	-	-	-	-	3,719
Balance at December 31, 2023	4,219	-	7,486	-	18,933	30,638
Carrying amounts						
At December 31, 2022	17,113	-	6,997	-	13,375	37,485
At December 31, 2023	10,933	-	5,684	-	11,594	28,211

During the year ended December 31, 2023, the Company recorded an impairment of indefinite life intangible assets of $3.7 million (2022: $0.5 million) and $ nil (2022: $0.9 million) of finite life intangible assets, refer to Note 14.

The allocation of indefinite life intangible assets by group of CGUs at December 31, 2023, is as follows: BC Community Media $7.2 million, Commodity Information $2.5 million and Environmental and Property Information $1.3 million.

During 2022, the Company performed an assessment of historical cost and accumulated amortized and impairment. As a result of this assessment, the Company removed $133.1 million of fully amortized/impaired intangible assets. This was presented as a retirement in both the cost and the accumulated amortization sections.

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

12. DEPRECIATION AND AMORTIZATION

(thousands of dollars)	2023	2022
	$	$
Depreciation of property, plant and equipment	2,334	2,960
Depreciation of right-of-use assets	3,368	3,397
Amortization of intangible assets	6,171	6,098
Depreciation and amortization	11,873	12,455

13. GOODWILL

(thousands of dollars)	2023	2022
	$	$
Balance, beginning of year	27,141	35,741
Foreign exchange revaluation	(123)	380
Impairment (Note 14)	(5,500)	(8,980)
Balance, end of year	21,518	27,141

During the year ended December 31, 2023, the Company recorded a goodwill impairment of $5.5 million (2022: $9.0 million), refer to Note 14.

The allocation of goodwill by group of CGUs is as follows: BC Community Media $7.8 million, Commodity Information $8.1 million and Environmental and Property Information $5.6 million.

14. IMPAIRMENT

During 2023, the Company conducted its annual impairment testing of goodwill and indefinite life intangible assets. The Company used the aggregate recoverable amount of the assets included in each cash generating unit or group of CGUs and compared it to their respective carrying amounts. The recoverable amount is based on the greater of the value in use and the fair value less costs to dispose of the CGUs or groups of CGUs.

The Company also reviewed for further indicators of impairment on its finite life intangible assets and investments in joint ventures and associates.

For goodwill, and investments in joint ventures and associates, the recoverable amount was determined using a discounted cash flow model which included five-year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth/attrition rates taking into consideration historical rates and projected future structural changes to the industry, in the respective CGU or groups of CGUs and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates.

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

14. IMPAIRMENT (CONTINUED)

For indefinite life intangible assets, the recoverable amount was determined using budgeted revenues to determine the relief from royalties that the mastheads and trademarks provide. For periods beyond the budget period, revenues were extrapolated using expected future growth/attrition rates taking into consideration historical rates and projected future structural changes to the industry.

Key assumptions for all CGUs or groups of CGUs included in the 2023 testing are: cash flow forecasts and budgeted revenues, annual attrition/growth rates of negative (5.0%) - 5.0% (2022: 0.0% - 5.0%), royalty rates of 3.5% - 10.0% (2022: 3.5% - 10.0%) and pre-tax discount rates of 11.0% - 18.5% (2022: 9.5% - 15.7%).

In 2023, the impairment assessments indicated that certain CGUs were impacted by continued uncertain economic conditions resulting from inflation and rising interest rates, along with the continued decline of the print industry. Based on the annual testing $5.5 million (2022: $15.5 million) of impairment expense was recorded in the year ending December 31, 2023.

In its assessment of the recoverable amounts of the groups of CGUs, the Company performed a sensitivity analysis of key assumptions used in the impairment testing models, being: discount rates, forecasted EBITDA growth and annual growth rates. The results of the sensitivity analysis show that some of the CGU's remain sensitive to a reasonable change in underlying significant assumptions. The Commodity Information group of CGUs remain sensitive to forecasted EBITDA, annual growth rates and discount rate. Certain CGUs within the BC Community group of CGUs remain sensitive to changes in royalty rates and discount rates.

(thousands of dollars)	2023	2022
	$	$
Goodwill (Note 13)	5,500	8,980
Indefinite life intangible assets (Note 11)	3,719	500
Intangible assets (Note 11)	-	945
Investments in joint ventures and associates (Note 7)	4,369	5,100
	13,588	15,525

15. TRADE AND OTHER PAYABLES

(thousands of dollars)	2023	2022
	$	$
Trade payables	1,180	6,352
Accrued liabilities	26,491	23,163
	27,671	29,515

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

16. OTHER CURRENT AND NON-CURRENT LIABILITIES

As at December 31, 2023, other current and non-current liabilities were $8.0 million (2022: $10.7 million), which primarily relate to deferred payments from acquisition transactions in previous periods. Included in this amount are fixed, 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.

17. DEBT

As at December 31, 2023, the Company had $7.2 million (2022: $7.6 million) of current mortgages and other loans outstanding.

Changes to the Company's debt obligation were as follows:

(thousands of dollars)	2023	2022
	$	$
Balance, beginning of year	7,621	8,062
Repayment of debt	(469)	(441)
Balance, end of year	7,152	7,621

Under various financing arrangements with its banks, the Company is required to meet certain covenants. Due to events that transpired after the reporting date relating to the Canada Revenue Agency ("CRA") contingency discussed in Note 19 (a), the Company was in breach of certain of its covenants relating to the revolving bank loan facility at December 31, 2023. The Company had no balance outstanding relating to the revolving bank loan at December 31, 2023. After the reporting date and before the filing date, the Company amended the covenants and is no longer in breach of the covenants, and also extended the maturity of the facility to December 31, 2024. The breach in covenants directly related to the subsequent decision of the uncertain tax position, as disclosed in Note 19 (a), which does not currently have an ultimate outcome, the amounts for which are estimates and are currently non-cash in nature; therefore, the breach in covenants does not result in any liquidity or cash restrictions for the Company overall at this time. Outstanding debt is related to the mortgages on land acquired for the Company's outdoor exhibition show. The Company is in compliance with the covenants for the mortgage debt at December 31, 2023. The Company was in compliance with all covenants at December 31, 2022.

(a) Revolving bank loan

The Company has a financing agreement with a major Canadian bank, which matures on December 31, 2024; it is a revolving facility with no requirement for principal payments during the term.

(b) Mortgages and other loans

The Company has mortgages on the agricultural show site land in Ontario and Saskatchewan. The mortgages mature on May 31, 2024. The Company expects to renegotiate before maturity.

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

17. DEBT (CONTINUED)

The total repayment of principal on interest-bearing debt obligations is as follows:

(thousands of dollars)	2024	2025	2026	2027	2028	Thereafter	Total
	$	$	$	$	$	$	$
Debt	7,152	-	-	-	-	-	7,152

18. POST EMPLOYMENT BENEFIT OBLIGATIONS

At December 31, 2023, the Company had a defined benefit pension plans which covers certain employees. The plan provides pensions based on length of service and final average annual earnings. The defined benefit plan is operated in Canada and is a funded arrangement where benefit payments are made from plan assets which are held in trust. The pension committee, which reports to the Board of Directors, is responsible for the governance of the plans including investment and contribution decisions.

Effective December 31, 2015, the Company eliminated future benefit accruals under the defined benefit provision of the plan for certain employees. Effective January 1, 2016, all eligible employees joined a new defined contribution plan sponsored by Glacier. The Company also has health care plans covering certain retired employees.

Effective December 31, 2015, the post-retirement benefit plan was closed for new retirees. Employees retiring after December 31, 2015, were not eligible for post-retirement benefits. Information about the Company's salaried pension plans and other non-pension benefits, in aggregate, is as detailed in the following.

In August 2023, the Company purchased annuities for the entire amount of the pension obligation as follows:

(a) For former employees of the Company who are eligible for pension benefits, the Company purchased annuities for $25.2 million and transferred all pension obligations to the annuity holder. The Company then applied to the regulator for a discharge of its obligations to those members under the applicable pension regulations.

(b) For current employees of the Company who are eligible to pension benefits under the plan, the Plan purchased annuities for $3.2 million as an investment of the plan. These annuities fully satisfy the pension obligations to those employees.

As a result of these transactions, the plan recorded a non-cash loss of $0.7 million related to the purchase of annuities and settlement of the defined benefit obligations.

Actuarial valuations are performed every three years, or sooner based on management's discretion, for the defined benefit pension plans. The plan underwent actuarial valuations for funding purposes, which were completed for the year ended December 31, 2021.

In addition, in January 2023, the Company recorded a deemed disposition on a subsidiary with a pension plan, refer to Note 5. As such, the pension assets and liabilities of this pension plan have been removed from the consolidated results and these movements in the plan assets and liabilities have been presented as a disposal of subsidiary.

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

18. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The status of the net defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2023	2022	2023	2022
	$	$	$	$
Present value of benefit obligation	(3,056)	(30,450)	(554)	(563)
Fair value of plan assets	8,108	39,231	-	-
Irrecoverable surplus	-	(390)	-	-
Net benefit asset (obligation)	5,052	8,391	(554)	(563)

The movement in the defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2023	2022	2023	2022
	$	$	$	$
Balance, beginning of year	30,450	40,683	563	702
Interest cost on the defined benefit obligation	872	1,190	27	20
Actuarial loss (gain)	516	(6,824)	20	(104)
Benefits paid from plan assets	(1,628)	(1,868)	(56)	(55)
Settlements	(24,965)	(2,731)	-	-
Disposal of subsidiary	(2,189)	-	-	-
Balance, end of year	3,056	30,450	554	563

The movement in the fair value of the plan assets for the year is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2023	2022	2023	2022
	$	$	$	$
Balance, beginning of year	39,231	51,823	-	-
Interest income on plan assets	1,193	1,537	-	-
Non investment expenses	(250)	(250)	-	-
Return on plan assets greater (less) than Interest Income	(528)	(9,108)	-	-
Employer contributions	(750)	20	56	55
Benefits paid	(1,628)	(1,868)	(56)	(55)
Settlements	(25,641)	(2,923)	-	-
Disposal of subsidiary	(3,519)	-	-	-
Balance, end of year	8,108	39,231	-	-

At December 31, 2022, the surplus exceeded the expected future economic benefit for the Glacier Pension Plan. Therefore, an asset ceiling was recognized in the defined benefit asset or liability in excess of the expected future economic benefit.

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

18. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The change in the irrecoverable surplus is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2023	2022	2023	2022
	$	$	$	$
Balance, beginning of year	390	-	-	-
Change in irrecoverable surplus	(390)	390	-	-
Balance, end of year	-	390	-	-

The total expense recognized in the consolidated statement of operations is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2023	2022	2023	2022
	$	$	$	$
Net interest on defined benefit liability	(316)	(350)	27	20
Other	926	754	-	-
	610	404	27	20

The estimation of post-retirement benefit obligations involves a high degree of judgement for matters such as discount rate, employee service periods, rate of compensation increases, expected retirement ages of employees, expected health-care costs and other variable factors. These estimations are reviewed annually with independent actuaries and are based on industry standards over a number of years. The significant actuarial assumptions used to determine the balance sheet date defined benefit assets, liabilities and expenses are as follows:

	Pension benefit plans		Other benefit plans	
	2023	2022	2023	2022
Benefit obligations:				
Discount rate	4.60%	5.10%	4.60%	5.10%
Net benefit expense:				
Discount rate	5.10%	2.90%	5.10%	2.90%

(1) Actual compensation increases differ from those used in the actuarial assumptions.
(2) Assumptions for compensation increases are not required subsequent to the closure of the plan.

The assumed trend in health care costs is 5% per year.

The impact of a change in these assumptions on the post-retirement obligation is as follows:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(398)	499

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

18. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

Assumed health care costs trend rates have a significant effect on the amounts reported for the other benefit plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(40)	(47)
Heath care trend rates	1.00%	19	(17)

Each sensitivity has been calculated on the basis that all other variables remain consistent. The same methodology is applied when generating the asset/liability in the financial statements as is used in calculating the defined benefit obligation.

In addition to the assumptions listed in the table above, as at December 31, 2023, the weighted average duration of the defined benefit plan and the other benefit plans is 15.1 years (2022: 11.2 years) and 7.9 years (2022: 9.0 years), respectively.

The Company expects to recover contributions from the benefit plans for the year ended December 31, 2024, of $1.1 million, which will be required to be utilized to fund other retirement plans. As at December 31, 2023, the accumulated actuarial loss recognized in other comprehensive loss was $0.7 million (2022: $2.4 million).

The Company has determined that the minimum funding requirement for past service is determined at the measurement date based on the remaining scheduled payments with respect to any funding deficit disclosed in the most recently filed actuarial valuation report. For greater clarity, these payments are not to be adjusted to reflect gains or losses that occurred during the period between the valuation date and the measurement date or future changes in the contribution requirements due to actuarial valuation reports to be filed after the measurement date.

A minimum funding requirement for past service exists only if the Company has an obligation to fund a pension deficit in cash. A minimum funding requirement for past service may be reduced or eliminated by the amount that may be secured by letters of credit.

The plan assets are comprised of:

	Acceptable range	Normal policy	2023	2022
Canadian equities	0% - 10%	0%	0%	5%
International equities	0% - 10%	0%	0%	0%
Fixed income and cash and cash equivalents	90% - 100%	100%	100%	95%
		100%	100%	100%

In addition, the plan holds insurance contracts for the buy-in annuities which are not considered investable assets to which the investment policy applies.

18. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

Risk management practices

The defined benefit pension plans' investments are exposed to various risks. These risks include market risk (which includes interest rate risk), credit risk and liquidity risk. The pension committee manages these risks in accordance with a Statement of Investment Policies and Procedures. The following are some specific risk management practices employed by the Company:

- Monitoring the assets and net cash flow of the fund.
- Monitoring adherence to the asset allocation guidelines, the current asset mix and permitted categories of investments.
- Monitoring performance and management of the fund and managers against relative objectives.

19. CONTINGENCIES AND COMMITMENTS

(a) The Company has the following guarantees and contingencies at December 31, 2023:

(i) 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 December 31, 2023, this resulted in additional taxes payable including interest and penalties are assessed at approximately $70.8 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 of 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 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. This decision was made after the reporting date based on release of publicly available information. 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 full provision of the $23.5 million against the carrying value of the deposits and deferred tax assets related to unused carryforward amounts and a liability of approximately $47.3 million for unpaid taxes and estimated interest for the reassessment. The total of these amounts, $70.8 million, is recognized as income tax expense for the provision of uncertain tax positions of $52.2 million and an estimated interest expense on uncertain tax positions of $18.7 million in the Statement of Operations during the year ended December 31, 2023. The balance sheet impact is a reduction of Other Assets relating to the deposit paid of $23.5 million, and an increase in uncertain tax liabilities of $47.3 million, for the estimated amount outstanding. 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 were appropriate and in accordance with the law. The affiliate continues to defend such positions and the ultimate outcome is uncertain.

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

19. CONTINGENCIES AND COMMITMENTS (CONTINUED)

If the affiliate is successful in defending its positions, the deposits made plus applicable interest will be refunded to the affiliate. There is no assurance that the affiliate's objections and appeals will be successful. If the CRA and provincial tax authorities are successful, the affiliate will be required to pay the remaining balance of taxes owing plus applicable interest.

(ii) In connection with certain dispositions of assets and/or businesses, the Company and/or its affiliates have indemnified the purchasers in the event that a third party asserts a claim against the purchaser that relates to a liability retained by the Company. These types of indemnification guarantees typically extend for a number of years. The Company is unable to estimate the maximum potential liability for these indemnifications as the underlying agreements do not always specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Company and its other affiliates have not made any significant indemnification payments under such agreements and no amount has been accrued in the consolidated balance sheet with respect to these indemnification guarantees.

(iii) An affiliate entity has been named as a co-defendant in a series of disputes, investigations and legal proceedings relating to transactions between Sun Times Media Group Inc. (formerly Hollinger International Inc.) ("Sun Times") and certain former officers and directors of Sun Times and its affiliates. The ultimate outcome of these proceedings to the affiliated entity is not determinable.

(iv) A subsidiary of the Company has been named as a defendant in a dispute over copyright infringement by Sanborn Library LLC. The Company is vigorously defending its position. The ultimate outcome of this case cannot be determined.

(v) The Company and certain of its affiliates have also been named as defendants in certain legal actions in the normal course of business, none of which management believes, singularly or cumulatively, will have a material impact on the results of operations and financial position of the Company.

No provisions have been recorded for these items, except as disclosed in (i), as at December 31, 2023, or 2022.

(b) The Company and its subsidiaries have entered into operating leases for premises and office equipment which expire on various dates up to 2032.

The minimum annual lease payments are required as follows:

	2024	2025	2026	2027	2028	Thereafter	Total
	$	$	$	$	$	$	$
Undiscounted lease liability	2,531	1,139	745	567	515	1,088	6,585

The Company's share of its joint ventures and associates' minimum lease payments is $1.1 million (2022: $0.6 million), due through 2028.

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

20. SHARE CAPITAL

At December 31, 2023, and 2022, the Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares.

At December 31, 2023, the Company had 131,131,598 (2022: 131,629,429) common shares outstanding.

At December 31, 2023 and 2022, the Company did not have any preferred shares issued.

At December 31, 2023, the Company has 1,115,000 warrants outstanding allowing the holder to purchase one common share per warrant at $4.48 per share. The warrants will expire on June 28, 2029, unless extended.

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, 2022	132,755,559	224,970
Shares repurchased	(1,126,130)	(432)
Balance, December 31, 2022	131,629,429	224,538
Balance, January 1, 2023	131,629,429	224,538
Shares repurchased	(497,831)	(168)
Balance, December 31, 2023	131,131,598	224,370

21. LOSS PER SHARE

	Loss	Shares	Per share
2022	$		$
Basic loss per share			
Loss	(29,553)	132,558,408	(0.22)
Effect of dilutive securities	-	-	-
Diluted loss per share:			
Net Loss	(29,553)	132,558,408	(0.22)

	Loss	Shares	Per share
2023	$		$
Basic loss per share			
Loss	(99,250)	131,198,520	(0.76)
Effect of dilutive securities	-	-	-
Diluted loss per share:			
Net Loss	(99,250)	131,198,520	(0.76)

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

22. OTHER COMPREHENSIVE INCOME (LOSS)

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

	Accumulated other comprehensive (loss) income	Retained deficit		
(thousands of dollars)	Cumulative translation adjustment	Actuarial income (loss) on defined benefit plans	Non-controlling interest	Total other comprehensive income (loss)
	$	$	$	$
Balance, January 1, 2022	(270)	5,235	661	5,626
Actuarial loss on defined benefit plans	-	(1,693)	(127)	(1,820)
Cumulative translation adjustment	12	-	25	37
Share of other comprehensive income from joint ventures and associates	-	1,074	-	1,074
Other comprehensive (loss) income for the year	12	(619)	(102)	(709)
Balance, December 31, 2022	(258)	4,616	559	4,917
Balance, January 1, 2023	(258)	4,616	559	4,917
Actuarial loss on defined benefit plans	-	(492)	-	(492)
Cumulative translation adjustment	170	-	133	303
Share of other comprehensive income from joint ventures and associates (Note 7)	-	300	-	300
Other comprehensive income (loss) for the year	170	(192)	133	111
Disposal of subsidiary with defined benefit plan (Note 5)	-	(743)	(583)	(1,326)
Balance, December 31, 2023	(88)	3,681	109	3,702

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)	2023	2022
	$	$
Income tax effect of:		
Actuarial loss on defined benefit plans	182	674
Share of other comprehensive income from joint ventures and associates	(24)	(396)

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

23. 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 year ended December 31, 2023, was 27.0% (2022: 27.0%). The components of income tax recovery are shown in the following table:

(thousands of dollars)	2023	2022
	$	$
Current tax	220	182
Deferred tax	(8,071)	(6,349)
Provision for uncertain tax position (Note 19)	52,171	-
Income tax expense (recovery)	44,320	(6,167)

The tax on the Company's net income before tax differs from the amount that would arise using the weighted average tax rate applicable to consolidated profits of the Company as follows:

(thousands of dollars)	2023	2022
	$	$
Net loss before income taxes	(57,366)	(35,096)
Tax rate	27.0%	27.0%
	(15,489)	(9,476)
Effect of capital transactions and non-deductible expenses	(217)	1,836
Interest on uncertain tax position	5,051	-
Provision for uncertain tax position	52,171	-
Loss from joint ventures and associates and non-controlling interes	1,073	2,970
Adjustment in respect of prior years	1,731	(1,497)
Income tax expense (recovery)	44,320	(6,167)

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

23. INCOME TAXES (CONTINUED)

The Company's net deferred tax asset consists of the following:

(thousands of dollars)	2023	2022
	$	$
Deferred Tax Assets:		
Available capital and non-capital losses	12,325	10,530
Long-term investments	169	169
Deferred income and other	795	880
Property, plant and equipment	1,531	-
Intangible assets	7,265	6,304
	22,085	17,883
Deferred Tax Liabilities:		
Property, plant and equipment	-	(2,822)
Pension asset and post-retirement benefit	(463)	(1,877)
	(463)	(4,699)
Net tax position	21,622	13,184

The Company has recognized non-capital tax loss of approximately $41.9 million (2022: $46.5 million) that can be carried forward and may be used to reduce future years' net income for tax purposes from the Canadian tax jurisdictions. Refer to Note 19 regarding the contingency relating to the CRA reassessment.

24. REVENUE BY CATEGORY

(thousands of dollars)	2023	2022
	$	$
Advertising	79,060	96,361
Subscription, data, services and events	72,283	73,862
Commercial printing and other	3,597	5,789
	154,940	176,012

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

25. EXPENSE BY NATURE

(thousands of dollars)	2023	2022
	$	$
Wages and benefits (b) (Note 26)	89,972	102,066
Newsprint, ink and other printing costs	10,403	10,204
Delivery costs	6,782	10,247
Rent, utilities and other property costs	4,037	5,046
Advertising, marketing and other promotion costs	6,704	7,388
Third party production, development and editorial costs	12,167	10,875
Legal, bank, insurance and professional services	11,492	9,088
Data services, system maintenance, telecommunications and software licences	11,755	11,187
Fees, licences and other services	3,849	3,677
Event costs	1,693	1,293
Other	255	1,858
	159,109	172,929
Direct expenses (a)	115,419	128,680
General and administrative expenses	43,690	44,249
	159,109	172,929

(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. 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 December 31, 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 year ended December 31, 2023, a net total of $0.6 million (2022: $3.0 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. During the year, $0.1 million of RSU were forfeited.

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

26. WAGES AND EMPLOYEE BENEFITS EXPENSE

(thousands of dollars)	2023	2022
	$	$
Salaries and wages	77,737	87,394
Share-based compensation (Note 25 b)	615	2,978
Pension and benefit plan costs	11,311	11,235
Other	309	459
	89,972	102,066

Compensation awarded to key management for the year consists of salaries and short-term benefits of $5.3 million (2022: $5.6 million) and share-based compensation of $0.5 million (2022: $2.1 million) and termination benefits of $0.9 million (2022: $ nil). As at December 31, 2023, there were termination benefits payable to key management of $1.0 million (2022: $0.1 million). Key management includes the Company's directors, officers, and divisional managers.

27. INTEREST EXPENSE, NET

(thousands of dollars)	2023	2022
	$	$
Interest income	(690)	(158)
Interest income, accretion on long-term assets	(115)	(432)
Interest expense, uncertain tax liability (Note 19)	18,704	-
Interest expense, debt	423	458
Interest expense, leases	402	481
Interest expense, accretion on current and long-term liabilities	868	1,116
Interest expense, other	333	248
Interest expense, net	19,925	1,713

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

28. RESTRUCTURING AND OTHER EXPENSES (NET)

(thousands of dollars)	2023	2022
	$	$
Restructuring expenses (a)	5,893	577
Transaction and transition costs (b)	462	151
Other expenses (c)	1,796	468
Other income (d)	(361)	(292)
	7,790	904

Restructuring and other expenses (net) include the following:

(a) Restructuring expenses

During the year ended December 31, 2023, restructuring expenses of $5.9 million were recognized (2022: $0.6 million). Restructuring expenses include severance costs of $5.3 million (2022: $0.4 million) 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

Other expenses include a settlement loss on the pension asset from the purchase of an annuity, the write-off of a contingent deferred sale price receivable, foreign exchanges losses, and other expenses.

(d) Other income

Other income includes amounts received in excess of contingent accrued deferred sales prices receivable, mark to market investments, foreign exchange gains, and other income.

29. OTHER INCOME

During the year ended December 31, 2023, the Company recorded other income of $2.1 million (2022: $4.2 million). In the current year this related to the revaluation of the deferred purchase price payable. During the comparative year, this primarily related to the revaluation of the deferred purchase price payable, amounts received in excess of accrued deferred sales prices receivable and amounts received from the government relating to the Canadian Emergency Rent Subsidy.

30. RELATED PARTY TRANSACTIONS

In addition to other related party disclosures in the consolidated financial statements, the Company has the following related parties with which it completed transactions:

(a) During the year ended December 31, 2023, the Company recorded IT, administration, consulting, interest, and other expenses of $3.5 million (2022: $3.5 million) from Madison Venture Corporation ("Madison") and its subsidiaries. During the year ended December 31, 2023, Madison purchased additional units of ERI Environmental Risk LP for $1.1 million, increasing its non-controlling interest to 48.4%. Madison is a shareholder of the Company and certain of its officers and directors are officers and directors of the Company.

Madison provides strategic, financial, transactional advisory services and administrative services to the Company on an ongoing basis. These services have been provided with the intention of maintaining an efficient and cost-effective corporate overhead structure, instead of i) hiring more full-time corporate and administrative staff and thereby increasing fixed overhead costs and ii) retaining outside professional advisory firms on a more extensive basis.

(b) During the year ended December 31, 2023, the Company paid Madison Pacific Properties Inc., a related entity to a shareholder of the Company, $0.8 million (2022: $0.7 million) for rent on leased properties.

(c) During the year ended December 31, 2023, the Company paid 1100935 BC Ltd., a related entity to a shareholder of the Company, $0.4 million (2022: $0.4 million) for rent on leased properties.

(d) During the year ended December 31, 2023, the Company paid Grant Street Properties Inc., a related entity to a shareholder of the Company, $0.8 million (2022: $0.8 million) for rent on leased properties.

(e) During the year ended December 31, 2023, the Company paid $0.2 million (2022: $0.5 million) to its associate Village Media Inc. for operational services. At December 31, 2023, $0.1 million was due to Village Media Inc.

(f) During the year ended December 31, 2023, the Company paid its joint venture Great West Media LP for printing services as part of its normal operations. These services were provided at an agreed upon value. Total printing charged to the Company for the year was $0.4 million (2022: $0.3 million). At December 31, 2023, less than $0.1 million was due to Great West Media LP for printing services and other amounts. The Company provided digital advertising and national sales services to Great West Media LP for less than $0.1 million (2022: $0.1 million). These services are charged at rates consistent with those charged to third parties for similar services.

(g) During the year ended December 31, 2023, the Company paid its joint venture Estevan Press LP for printing services as part of its normal operations. These services were provided at an agreed upon value. Total printing charged to the Company for the year was $1.9 million. At December 31, 2023, $0.1 million was due to Estevan Press LP for printing services.

The Company had amounts due from Estevan Press LP of $0.5 million. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade and other receivables.

The Company charged rent on leased properties of $0.1 million to Estevan Press LP.

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(h) During the year ended December 31, 2023, the Company paid its joint venture Kodiak Press LP for printing and related services as part of its normal operations. These services were provided at an agreed upon value. Total printing and related services charged to the Company for the year was $2.2 million. At December 31, 2023, $ nil was due to Kodiak Press LP for printing services.

The Company had amounts due from Kodiak Press LP of $1.0 million. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade and other receivables.

The Company charged rent on a subleased property of $0.2 million to Kodiak Press LP.

(i) At December 31, 2023, the Company had amounts due from 1294739 Alberta Ltd. of $4.3 million (2022: $2.7 million) relating to non-operating advances. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade and other receivables.

The Company provided digital advertising and national sales services to the associate for $0.5 million (2022: $0.3 million). These services are charged at rates consistent with those charged to third parties for similar services.

(j) During the year ended December 31, 2023, the Company provided digital advertising and national sales services to Alta Newspaper Group LP for $0.1 million. These services are charged at rates consistent with those charged to third parties for similar services.

31. 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.

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

31. SEGMENT DISCLOSURE (CONTINUED)

The following segment information is for the years ended December 31, 2023, and 2022:

Year ended December 31, 2023 (thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Corporate	Total
	$	$	$	$	$
Revenue	47,247	43,956	63,217	520	154,940
Divisional earnings before interest, taxes, depreciation, and amortization	(2,104)	2,437	617	(5,119)	(4,169)
Interest expense, net					19,925
Depreciation and amortization					11,873
Loss on disposal, net					2,726
Impairment expense					13,588
Other income					(2,115)
Restructuring and other expense, net					7,790
Share of earnings from joint ventures and associates					(590)
Income tax expense					44,320
Net loss for the year					(101,686)

Year ended December 31, 2022 (thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Corporate	Total
	$	$	$	$	$
Revenue	47,290	45,373	83,349	-	176,012
Divisional earnings before interest, taxes, depreciation, and amortization	176	3,333	5,149	(5,575)	3,083
Interest expense, net					1,713
Depreciation and amortization					12,455
Impairment expense					15,525
Other income					(4,247)
Restructuring and other expense, net					904
Share of losses from joint ventures and associates					11,829
Income tax recovery					(6,167)
Net loss for the year					(28,929)

The Company operates in the following main geographical areas:

(thousands of dollars)	2023	2022
	$	$
Canada	119,465	140,697
United States	35,475	35,315
Total revenue	154,940	176,012

32. FINANCIAL INSTRUMENTS

Financial risk management

The Company's activities result in exposure to a variety of financial risks, including risks relating to foreign exchange, credit, liquidity and interest rate risks. Details of these risks, how they arise and the objectives and policies for managing them are described as follows:

(a) Market risk

(i) Foreign exchange risk

A portion 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 and the United Kingdom, whose earnings are exposed to foreign exchange risk.

An assumed $0.01 increase in the USD/CAD foreign exchange rate during the year ended December 31, 2023, would have less than $0.1 million (2022: less than $0.1 million) impact on pre-tax net income. An assumed $0.01 decrease would have an equal but opposite effect on pre-tax net income.

(ii) Interest rate risk

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. Where appropriate, the Company has in the past and may in the future enter into derivative transactions to fix its interest rates.

An assumed 100 basis points increase in interest rates during the year ended December 31, 2023, would have a $0.1 million (2022: less than $0.1 million) impact on pre-tax net income. An assumed 100 basis points decrease would have had an equal but opposite effect on pre-tax net income.

(b) Credit risk

Credit risk is risk of financial loss to the Company if a customer, a deposit taking institution, or a third party to a derivative instrument fails to meet its contractual obligation.

The Company holds its cash and cash equivalents at major Canadian financial institutions in order to minimize the risk of default on the Company's cash position.

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 allowances for doubtful accounts, which are determined using the ECL model, 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.

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

32. FINANCIAL INSTRUMENTS (CONTINUED)

The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity. As at December 31, 2023, no single customer accounts for more than 5% of consolidated trade receivables.

Management regularly monitors trade receivable aging and customer credit limits, performs credit reviews and provides allowances for potentially uncollectible trade receivables. The amounts disclosed in the consolidated balance sheets are net of allowances for doubtful accounts. The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade receivables. Trade receivables are impaired when there is evidence that collection is unlikely.

At December 31, 2023, the Company had trade receivables of $25.3 million (2022: $30.2 million), net of expected credit losses of $0.9 million (2022: $0.9 million).

Based on the historical payment trend of the customers, the Company believes that this allowance for doubtful accounts is sufficient to cover the risk of default.

The Company is also exposed to credit-related losses in the event of non-performance by counterparties to derivative instruments. The Company manages its counterparty risk by only entering into derivative contracts with major financial institutions with high credit ratings assigned by international credit-rating agencies as counterparties.

The maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents, trade receivables and the credit risk of counter parties relating to the Company's derivatives.

		2023		2022
	Gross $	Impairment $	Gross $	Impairment $
Not past due	15,557	(10)	19,103	(9)
Past due 0 - 30 days	3,692	(20)	5,044	(16)
Past due 30 - 60 days	2,865	(36)	2,490	(31)
Past due > 60 days	3,148	(827)	3,528	(852)

The movement in the allowance for impairment in respect of loans and receivables during the year was as follows:

(thousands of dollars)	2023 $	2022 $
Balance, beginning of year	(908)	(922)
Impairment loss, net of recoveries	15	14
Balance, end of year	(893)	(908)

32. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations on a current basis. The Company is exposed to liquidity risk with respect to trade payables, debt, and contractual obligations and contingencies; refer to Notes 9, 15, 16, 17, and 18 and 19 for repayment terms of the Company's financial liabilities.

As at December 31, 2023, Glacier had consolidated cash and cash equivalents of $6.6 million.

Working capital, as calculated from the balance sheet is a deficit of $6.7 million as at December 31, 2023. Glacier's working capital includes $8.9 million of deferred revenue, which has a much lower cost of fulfillment of this liability than the amount indicated in current liabilities, and $7.2 million of mortgages which have been classified as current; however, these will be renegotiated before the renewal date of May 31, 2024, at which time a large portion will be classified as long-term. Glacier's working capital, excluding deferred revenue and the current mortgage debt is positive $9.4 million.

The Company has net deferred purchase price obligations of $3.0 million to be paid over the next two years, which has been included in other current liabilities and other non-current liabilities.

The Company has an undrawn revolving bank loan facility that matures on December 31, 2024. The Company has $7.2 million of mortgages on the agricultural show site land in Ontario and Saskatchewan. The mortgages mature on May 31, 2024. The Company expects to renegotiate before maturity. Refer to Note 17.

Cash flow from operations after changes in non-cash working capital was cash used of $7.0 million for the year ended December 31, 2023, as compared to cash generated of $7.9 million for the prior year.

Capital expenditures were $4.3 million as compared to $4.9 million for the prior year. The majority of the current year and prior year expenditures relate the development and implementation of software websites and content, acquisition of data and technology, hardware, exhibition show site improvements, and leasehold improvements.

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. The Company continues to monitor and take steps to reduce costs and restructure its operations accordingly to maintain sufficient levels of profitability and cash flow.

The other liabilities related to contingent consideration (Note 16 and 19) are recorded as level 3 FVTPL financial instruments.

32. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

The Company's cash and cash equivalents, trade and other receivable, trade and other payables, debt and other current and non-current liabilities are classified as measured at amortized cost, and other investments are classified as measured at FVOCI. The carrying amounts of these instruments at December 31, 2023, approximate fair value.

The three levels of the fair value hierarchy are:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data.

33. CAPITAL DISCLOSURES

The Company's fundamental objectives in managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations, ensure adequate liquidity and financial flexibility at all times and deploy capital to provide an appropriate investment return to its shareholders while maintaining prudent levels of financial risk. The Company believes that the aforementioned objectives are appropriate in the context of Glacier's business.

The Company defines its capital as shareholders' equity, debt, and preferred shares, net of any cash and cash equivalents.

The Company's financial strategy is designed to maintain a flexible capital structure including an appropriate debt to equity ratio consistent with the objectives stated above and to respond to changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, raise debt (secured, unsecured, convertible and/or other types of available debt instruments), enter into hedging arrangements and refinance existing debt with different characteristics, amongst others.

The Company constantly monitors and assesses its financial performance and economic conditions in order to ensure that its net debt levels are prudent.

The Company's financial objectives and strategy are reviewed on an annual basis. The Company believes that its ratios are within reasonable limits, in light of the relative size of the Company and its capital management objectives.

The Company is also subject to financial covenants, in its operating credit facility agreement, which are measured on a quarterly basis. Due to events that transpired after the reporting date relating to the Canada Revenue Agency ("CRA") contingency the Company is in breach of certain of its covenants relating to the revolving bank loan at December 31, 2023. The Company had no balance owing relating to the revolving bank loan at December 31, 2023. After the reporting date and before the filing date, the Company amended the covenants and is no longer in breach of the covenants, refer to Note 17. The Company was in compliance with all financial covenants at December 31, 2022.

GLACIER MEDIA INC.
CORPORATE INFORMATION

BOARD OF DIRECTORS

Bruce W. Aunger
Sam Grippo (Chairman)
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.

CORPORATE OFFICE

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