CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

GLACIER MEDIA INC.

For the three months ended March 31, 2020 and 2019

(Unaudited)

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FIRST QUARTER 2020 MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

FORWARD-LOOKING STATEMENTS

In this MD&A, Glacier Media Inc. and its subsidiaries are referred to collectively as "Glacier", "us", "our", "we" or the "Company" unless the context requires otherwise.

The report is dated May 15, 2020 and includes information up to this date.

Glacier Media Inc.'s Interim Report, including this MD&A contains forward-looking statements that relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates and can generally be identified by the use of statements that include phrases such as "believe", "expected", "anticipate", "intend", "plan", "likely", "will", "may", "could", "should", "would", "suspect", "outlook", "estimate", "forecast", "objective", "continue" (or the negative thereof) or similar words or phrases. These forward-looking statements include, among other things, statements relating to our expectations regarding revenues, expenses, cash flows, future profitability and the effect of our strategic initiatives and restructuring, including our expectations to grow certain operations, to invest in key strategic areas, to realize cost efficiencies, to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements, that future cash flow from operations and the availability under existing banking arrangements are believed to be adequate to support financial liabilities, that the Company can renegotiate its credit facilities as needed, and that the Company expects to be successful in its objection with CRA. These forward-looking statements are based on certain assumptions, including continued economic growth and recovery and the realization of cost savings in a timely manner and in the expected amounts, which are subject to risks, uncertainties and other factors which may cause results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, and undue reliance should not be placed on such statements.

Important factors that could cause actual results to differ materially from these expectations include the impact of Coronavirus, failure to implement or achieve the intended results from our strategic initiatives, the failure to reduce debt and the other risk factors listed in our Annual Information Form under the heading "Risk Factors" and in our Interim MD&A under the heading "Business Environment and Risks", many of which are out of our control. These other risk factors include, but are not limited to, the ability of the Company to sell advertising and subscriptions related to its publications, foreign exchange rate fluctuations, the seasonal and cyclical nature of the agricultural and energy sectors, discontinuation of government programs, general market conditions in both Canada and the United States, changes in the prices of purchased supplies including newsprint, the effects of competition in the Company's markets, dependence on key personnel, integration of newly acquired businesses, technological changes, tax risk, financing risk, debt service risk and cybersecurity risk.

The forward-looking statements made in the Company's Interim Report, including this MD&A, relate only to events or information as of the date on which the statements are made. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

The Interim Report, this MD&A and the documents to which we refer herein should be read completely and with the understanding that our actual future results may be materially different from what we expect.

BASIS OF DISCUSSION AND ANALYSIS

The following management discussion and analysis of the financial condition and results of operations of the Company and other information is dated as at May 15, 2020 and should be read in conjunction with the Company's condensed interim consolidated financial statements and notes thereto as at and for the period ended March 31, 2020. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements include only significant events and transactions affecting the Company during the current fiscal period and do not include all disclosures normally provided in the Company's annual consolidated financial statements. As a result, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the period ended December 31, 2019 and related MD&A which can be obtained on the Company's website: www.glaciermedia.ca and on the System for Electronic Document Analysis and Retrieval ("SEDAR"). Interim results are not necessarily indicative of the results expected for the fiscal year.

NON-IFRS MEASURES

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin and EBITDA per share, are not generally accepted measures of financial performance under IFRS. In addition, certain results in this MD&A have been presented on a basis that includes the Company's share of revenue and expenses from its joint venture and associate operations, which reflects the basis on which management makes its operating decisions and performance evaluation. These measures including joint ventures and associates are also not generally accepted measures of financial performance under IFRS. Management utilizes these financial performance measures to assess profitability and return on equity in its decision making. In addition, the Company, its lenders and its investors use EBITDA to measure performance and value for various purposes. Investors are cautioned; however, that EBITDA should not be construed as an alternative to net income attributable to common shareholders determined in accordance with IFRS as an indicator of the Company's performance.

The Company's method of calculating these financial performance measures may differ from other companies and, accordingly, they may not be comparable to measures used by other companies. A quantitative reconciliation of these non-IFRS measures is included in the section entitled EBITDA Reconciliation with Per Share Amounts.

All financial references are in millions of Canadian dollars unless otherwise noted.

OVERVIEW OF THE BUSINESS

Glacier operates as an information and marketing solutions company pursuing growth in sectors where the provision of information and related services provides high customer value. The Company's "go to market" strategy is being pursued through two operational areas:

1. Data, analytics and intelligence; and
2. Content and marketing solutions

The data, analytics and intelligence products provide essential information, analysis and context that customers need for decision making, marketing needs, business opportunity identification and other purposes.

The Company has focused on a select group of industries that offer large addressable markets, growth opportunities and the ability to leverage its brands.

The content and marketing solutions products and offerings are being evolved and developed to address the changing needs of media - including both audience demand for content and client demand for marketing solutions.

Through its brands and operations, Glacier serves its clients and information users in three segments: Environmental and Property Information, Commodity Information and Community Media.

ENVIRONMENTAL AND PROPERTY INFORMATION

ERIS (Environmental Risk Information Services) provides environmental risk data and related products for commercial real estate properties across North America. This information is used by environmental consultants, CRE brokers, financial institutions and insurance companies to identify and assess environmental risks around commercial real estate transactions. ERIS is the #1 provider of CRE environmental data in the Canadian market and is #2 in the United States.

STP ComplianceEHS produces digital technical resource and audit guides for use in environmental health and safety audits. Multi-national companies license STP's content for use throughout the United States and across more than forty countries worldwide.

REW is the leading residential real estate listings and property information marketplace in British Columbia and is expanding in Ontario and other parts of Canada. REW is now #1 in traffic and audience in B.C., after surpassing realtor.ca. The REW marketplace provides consumers with key real estate information and insights (e.g. school catchment areas, assessed values, past sales prices) in order to make better informed decisions about their home. Agents, new home developers and third-party providers (e.g. mortgage brokers, home insurance companies) use a variety of REW advertising, lead generation and subscription products to market their offerings to home buyers and sellers.

COMMODITY INFORMATION

Glacier FarmMedia ("GFM") is Canada's leading provider of agricultural information. GFM serves the Canadian grower and agricultural industry with digital media, listings, publications, exhibitions and weather and commodities marketing subscriptions. Well-known brands operated by GFM include the Western Producer, Alberta Farmer Express, Manitoba Co-Operator, Country Guide, Farmtario, Canada's Outdoor Farm Show, Ag In Motion, AgDealer, Global Auction Guide, MarketsFarm and Weather Innovations.

Glacier Resource Innovation Group ("RIG") serves the energy and mining industries, associated suppliers and the financial industry with a wide variety of intelligence offerings. With significant operations in Vancouver, Calgary, Toronto and London, RIG produces databases, conferences, digital media and e-learning programs for the energy and mining sectors. Key brands include the Daily Oil Bulletin, CanOils, Evaluate Energy, the Northern Miner, the Canadian Mining Journal, CostMine, edumine, Mining.com and the Canadian Mining Symposium.

COMMUNITY MEDIA

Glacier Media Digital ("GMD") operations include local news, classifieds and general community information websites; digital marketing services; and specialty products and services. GMD brands include: Castanet Media, Vancouver Is Awesome, a partial interest in Village Media, Eastward Media (targeting the Asian market) and many others. The Company's strategy is to build a standalone digital community media business with leading market positions in British Columbia and other Western Canadian markets. Glacier Media now has sufficient traffic, revenue and profit with Vancouver Is Awesome and its local websites and digital marketing services in the Lower Mainland to operate on a standalone basis.

Castanet is a digital only media business that has operated for 18 years and is the leading source of news and information in the Okanagan region of B.C. (Kelowna, Penticton and Vernon), with 45 million monthly page views.

Village Media is a digital only news and information business that operates eight of its own local websites in Ontario, and operates websites for other media companies. It generates 60 million monthly page views across its network, and also licenses its own proprietary community website platform software.

Combined, Glacier's digital operations and network (the Local News Network) now reaches over 22 million monthly unique visitors with over 160 million monthly page views.

Local News Network is now one of the largest digital news network in Canada as measured by page views. Glacier's websites generated 73 million monthly page views in B.C. alone, making it the leading provider of local news and information in the Province.

The Company is expanding its offerings of digital products and marketing services to 1) attract more local audience and provide the content its readers desire and 2) fulfill its clients' marketing needs, which are becoming more comprehensive and complex. The Company is continuing to publish newspapers as they still provide value to readers and advertisers, content and sales resources that can be shared with its digital products, and cash flow.

The Community Media newspaper group operations reach over 2 million readers in print in over 60 local markets in B.C., Alberta, Saskatchewan, and Manitoba. The group also owns partial interests in the U.S. Its brands include the Victoria Times-Colonist, Vancouver Courier, North Shore News, Tri-Cities News, Burnaby Now, Richmond News, Prince George Citizen, St. Albert Gazette, Estevan Mercury, Yorkton This Week and many others.

Additional information on Glacier's operations is included in the Company's Annual Information Form as filed on SEDAR (www.sedar.com).

OPERATING PERFORMANCE HIGHLIGHTS

The following results are presented to include the Company's proportionate share of its joint venture and associate operations; this is the basis on which management bases its operating decisions and performance[(1)]. These reported results have been reconciled to the IFRS results below.

	Revenue		EBITDA	
	Three months ended March 31,			
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Environmental, Property and Financial Information	6,670	7,933	97	1,562
Commodity Information	13,098	14,580	2,475	3,333
Community Media	32,625	34,991	1,720	1,768
Centralized and corporate costs	-	-	(1,103)	(1,763)
Total including joint ventures and associates [(1)(2)]	52,393	57,504	3,189	4,900
Joint ventures and associates	(9,112)	(13,242)	(1,256)	(2,939)
Total IFRS	43,281	44,262	1,933	1,961

(thousands of dollars, except share and per share amounts)	Three months ended March 31, 2020	2019
EBITDA including joint ventures and associates [1][2]	$ 3,189	$ 4,900
EBITDA including joint ventures and associates per share [1][2]	$ 0.03	$ 0.04
EBITDA	$ 1,933	$ 1,961
EBITDA per share	$ 0.02	$ 0.02
Capital expenditures [3]	$ 1,323	$ 4,847
Debt net of cash outstanding before deferred financing charges and other expenses	$ 18,451	$ 43,658
Weighted average shares outstanding, net	125,213,346	109,828,731

(1) Certain results are presented to include the Company's proportionate share of its joint venture and associate operations, as this is the basis on which management bases its operating decisions and performance. The Company's joint ventures and associates include Continental Newspapers Ltd, Great West Newspapers Limited Partnership, the Victoria Times-Colonist, Rhode Island Suburban Newspapers, Inc., Village Media Inc. and Borden Bridge Development Corporation.

(2) The Company sold its interest in Fundata for $55.0 million in April 2019. Results were included up to March 31, 2019.

(3) Includes $3.1 million purchase of land for Canada's Outdoor Farm Show in Woodstock, Ontario in Q1 2019.

SIGNIFICANT DEVELOPMENTS IN Q1 2020 AND OUTLOOK

Outlook and Impact of Coronavirus

The Company's businesses began to feel the impact of the coronavirus (COVID-19) pandemic in the latter half of March. The operating and financial impact of the pandemic and the economic consequences accelerated rapidly post Q1.

The Company operates a broad portfolio of businesses in terms of geography, industries served and business models. Print community media, residential and commercial real estate, energy and mining and most of the Company's other businesses are being adversely impacted to a significant degree by the COVID pandemic, by advertising shortfalls and other factors affecting revenue.

Some operations are being impacted less by the crisis. For example, the Canadian agricultural industry is benefiting from the situation given that food is an essential product and a weaker Canadian dollar has helped with producer revenues. Glacier FarmMedia has held up well as a result. Digital media traffic has increased significantly, with digital revenues holding up relatively well.

Given the impact of COVID-19 and the high degree of uncertainty, management has taken a number of steps to address the COVID-19 effects and the economic fallout, including:

- The Company's foremost focus has been on keeping its employees safe while continuing to maintain its community and customer connections. As a result, the Company has undertaken a wide variety of measures to protect the health of its staff and help reduce the spread of the virus. These measures include working from home, practicing self-distancing, creating a safe environment for those who must go into the office, staggering in-office work days and rigorous cleaning.
- Implementing significant company-wide cost reduction measures. Measures were tailored to each market and the operating situation of each business and included a senior management and staff wage roll-back, permanent and temporary lay-offs, reduced hours and workshare programs and other non-labour related cost containment.
- Applying for government assistance programs where the Company is eligible, including wage subsidies and working capital loans.
- Ensuring the Company has sufficient access to capital to weather the economic effects of the pandemic and weaker market conditions.

Management is monitoring operating performance and cash flow on a weekly basis and will take additional actions as necessary.

The current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations are expected to be pronounced for a lengthy period of time. The duration and impact on overall customer demand cannot be reasonably estimated at this time, but it is anticipated this may have a further adverse impact on the Company's business, results of operations, financial position and cash flows during the remainder of 2020.

Due to the uncertainty surrounding the magnitude, duration and potential outcomes of the COVID-19 pandemic, the Company is unable at this time to predict the total impact on its operations. However, the Company is taking significant cost containment actions as indicated and is evaluating its alternatives, including working with its lenders and with strategic partners to identify initiatives, including financings and transactions, in order to enhance the Company's liquidity and financial condition.

Operating Highlights

During the first quarter of 2020, the Company's performance was such that the growth areas increasingly offset declines in the mature businesses. Overall, performance in the quarter was much improved as compared to 2019 until the pandemic impacted revenues and profit in the latter half of March.

Significant developments during Q1 2020 included:

- Each business within the Environmental and Property Information segment (ERIS, STP and REW) experienced strong revenue and EBITDA growth.
- Glacier FarmMedia and the Resource Innovation Group were each impacted by poor conditions in the underlying agricultural and mining & energy markets. As a result, both businesses enacted cost reduction measures in the quarter, especially in more mature areas of their operations. In parallel, GFM continued to invest in growth areas and experienced strong revenue growth in digital media, digital listings and market and weather subscriptions.
- Community media digital continued the ongoing trend of strong development:
    - Digital audience growth was strong in the quarter as the Local News Network's March page views grew by 23% and unique visitors by 38% as compared to levels in Q4 2019. This growth continued a consistent trend and was accelerated in the month by the focus on local news due to the outbreak of COVID;
    - Digital revenues were growing well during the first two months of the quarter then flattened during the latter part of March as the pandemic took effect.
- Print newspaper advertising revenues continued to decline, as expected.

Operating Progress. Continued progress was made during the quarter in expanding and enhancing the key focus areas of the business within business information and community media digital. Community media digital, ERIS, STP, REW, agricultural digital media and listings, weather information, mining cost information and eLearning all continued their growth trend until the impact of the pandemic.

Print advertising revenues overall continue to decline. The declines in print revenue were partially offset by revenue growth in the key data, analytics and intelligence products and digital media products consistent with the Company's strategy. During the quarter significant cost reduction and rationalization projects were also undertaken to help manage the print decline.

The Company expects its total revenue will continue to decline in the near term until it reaches the inflection point where the revenue from its data, analytics and intelligence products and digital media products exceeds the decline of its print. For the first two months of the quarter, the Company made good progress in this regard. March was on track to be another strong revenue month until the COVID pandemic started to impact the Company's businesses.

Q1 2020 OPERATIONAL PERFORMANCE

Consolidated revenue for the period ending March 31, 2020 was $43.3 million, down $1.0 million or 2.2% from the same period in the prior year. Consolidated EBITDA was $1.9 million for the period, down less than $0.1 million or 1.4% from the same period in the prior year.

Including the Company's share of joint ventures and associates, revenue was $52.4 million, down $5.1 million or 8.9% and EBITDA was $3.2 million, down $1.7 million or 34.9%. $0.8 million of the decline was the net result of the sale of Fundata and the acquisition of Castanet in April 2019.

The Company continued to make progress in its key growth areas in business information and digital media, which partially offset expected print revenue declines, as demonstrated by the overall revenue performance. Even with the negative impact of COVID-19 starting in the quarter the Company experienced lower consolidated revenue and EBITDA declines than in recent periods. This was largely due to the fact that revenue growth in the key growth businesses largely offset anticipated print declines where cost management initiatives continue to be implemented.

EBITDA was also reduced by the operating expense investments made in some of the key strategic development initiatives, including the REW digital real estate marketplace, new weather and agricultural markets subscription-based products, mining data and intelligence information products and new digital community media products.

These investments have been made to take advantage of opportunities that exist in the Company's markets and require timely action to be taken. The growth in revenues achieved in these operations, and the demand for the Company's products this reflects, underscores the fact that the investments have been working and value is being created.

Financial Position. As at March 31, 2020, senior debt was $20.5 million. The Company's consolidated non-recourse, non-mortgage debt is in a nil position net of cash on hand as a result of significant debt repayment.

The Company also has $3.4 million of deferred purchase price obligations owing over the next two years and $10.0 million of a vendor-take back receivable from Fundata over the next four years.

REVENUE

Glacier's consolidated revenue for the period ended March 31, 2020 was $43.3 million compared to $44.3 million for the same period in the prior year.

ENVIRONMENTAL AND PROPERTY INFORMATION

The Environmental and Property Information group generated revenue of $6.7 million for the period ended March 31, 2020, as compared to $5.5 million for the same period in the prior year.

ERIS, STP and REW all experienced revenue growth in the quarter.

COMMODITY INFORMATION

The Commodity Information group generated revenue of $13.1 million for the period ended March 31, 2020, as compared to $14.6 million for the same period in the prior year.
Underlying conditions in each of agriculture, mining and energy continued to be challenging in the quarter. By quarter's end conditions in the Canadian agricultural market appeared to be improving as a result of good weather, a strengthening U.S. and improved trade relations.

COMMUNITY MEDIA

	Revenue		EBITDA	
	Three months ended March 31,			
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Community Media including joint ventures and associates	32,625	34,991	1,720	1,768
Joint ventures and associates	(9,112)	(10,760)	(1,256)	(1,605)
Community Media IFRS	23,513	24,231	464	163

The Community Media Group generated $23.5 million of revenue for the period ended March 31, 2020, as compared to $24.2 million for the same period in the prior year.

Including the Company's share of joint ventures and associates, the Community Media Group's revenue was $32.6 million, as compared to $35.0 million for the same period in the prior year.

Community Media print advertising revenues declined as anticipated, while digital revenues grew substantially.

Glacier Media Digital. In the quarter the Company's community media digital revenues and business continued to grow rapidly, as progress continued to be made in the growth of the community websites, digital marketing services and specialty products & services. Digital revenues grew organically by 38% (excluding Castanet, which was acquired in April 2019, and joint ventures and associates).

GROSS PROFIT

Glacier's consolidated gross profit, being revenues less direct expenses, for the period ended March 31, 2020 was $11.3 million as compared to $11.5 million for the same period in the prior year. The consistency in gross profit was largely the result of decreased direct expenses in excess of the decreases in revenue. This was achieved through strategic restructuring efforts in certain operations.

Gross profit as a percentage of revenues ("gross profit margin") for the period ended March 31, 2020 was 26.1% as compared to 25.9% for the same period in the prior year.

GENERAL & ADMINISTRATIVE EXPENSES

Glacier's consolidated general and administrative expenses were $9.4 million for the period ended March 31, 2020, down from $9.5 million for the same period in the prior year. While the Company continues to focus on reducing administration costs in its general operations, the Company continues to invest in its infrastructure to support its growth opportunities and digital products.

EBITDA

EBITDA was $1.9 million for the period ended March 31, 2020 as compared to $2.0 million for the same period in the prior year. The results are due to the various reasons stated under "Revenue, Gross Profit and General & Administrative Expenses".

NET INTEREST EXPENSE, DEBT

Glacier's consolidated net interest expense for the period ended March 31, 2020 was $0.4 million as compared to $0.9 million for the same period in the prior year. The lower interest expense recorded during the period was due to the reduction of debt in the second quarter of 2019.

INTEREST EXPENSE, LEASE LIABILITIES

Interest expense relating to lease liabilities for the period ended March 31, 2020 was $0.2 million, consistent with the same period in the prior year.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization decreased $0.7 million as the results of certain amortizing intangible assets becoming fully amortized in the prior year.

IMPAIRMENT EXPENSE

The Company recorded an impairment expense of $10.9 million during the period ending March 31, 2020. Indicators of impairment existed at March 31, 2020 relating to uncertainties caused by COVID-19. No impairment expense was recorded in the same period in the prior year. The impairment related to both goodwill and intangible assets across the more sensitive groups of CGUs of the business, including some of its joint ventures and associates.

RESTRUCTURING AND OTHER EXPENSES (NET)

Restructuring and other expenses (net) for the period ended March 31, 2020 were $1.6 million compared to $0.7 million for the same period in the prior year. These expenses include restructuring costs (from the closure or divestiture of operations, or part of operations; including severance, redundant office costs and other direct closure costs during transition periods), transaction costs, foreign exchange, other income and other expenses.

SHARE OF EARNINGS FROM JOINT VENTURES AND ASSOCIATES

Share of earnings from joint ventures and associates, which include the Company's share of Continental Newspapers Ltd. ("Continental"), Great West Newspapers Limited Partnership ("GWNLP"), the Victoria Times-Colonist, Rhode Island Suburban Newspapers, Inc. ("RISN"), Village Media Inc. ("Village") and other joint ventures and associates, decreased $0.8 million as compared to the same period in the prior year. The Company's share of Fundata's results have been included in the share of earnings from joint ventures and associates up to March 31, 2019. In April 2019, the Company sold its interest in Fundata.

Aggregate operating results for the Company's joint ventures and associates, at the Company's proportionate share of the results, are as follows:

	As at	
(thousands of dollars)	March 31, 2020	December 31, 2019
	$	$
Assets	61,987	64,041
Liabilities	16,562	16,765
Net assets	45,425	47,276

	Three months ended March 31,	
(thousands of dollars)	2020	2019
	$	$
Revenues	9,112	13,242
EBITDA	1,256	2,939
Net income for the period	543	1,321

NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS

Net loss attributable to common shareholders increased by $10.7 million compared to the same period in the prior year. The change resulted from i) higher impairment expense of $10.9 million; ii) higher restructuring and other expenses (net) of $0.9 million and iii) lower share of earning from joint ventures and associates of $0.8 million. This was partially offset by i) lower net interest expense on debt of $0.5 million, ii) lower depreciation, and amortization of $0.7 million, iii) lower non-controlling interests of $0.2 million and iv) higher income tax recovery of $0.7 million.

OTHER COMPREHENSIVE LOSS (NET OF TAX)

For the period ended March 31, 2020, Glacier recognized other comprehensive loss (net of tax) of $1.9 million. The loss related to the mix of actuarial losses on defined benefit pension plans resulting from the change in actuarial assumptions, mainly the discount rate and the change in the currency translation adjustment.

CASH FLOW FROM OPERATIONS

Glacier's consolidated cash flow from operations was $0.6 million (before changes in non-cash operating accounts) for the period ended March 31, 2020 as compared to $1.7 million for the same period in the prior year. The change in cash flow from operations was primarily the result of the factors stated under "Revenue, Gross Profit, General & Administrative Expenses and EBITDA".

Capital expenditures were $1.3 million in the period as compared to $4.8 million for the same period in the prior year. The prior year includes the purchase of land for Canada's Outdoor Farm Show for $3.1 million. The majority of the current year expenditures relate to the development and implementation of software and websites. Prior year capital expenditures related to the agricultural show site development, leasehold improvements and software development.

See "Summary of Financial Position, Financial Requirements and Liquidity" for further details.

CONTINGENCY

During 2014-2018 an affiliate of the Company ("the affiliate") has received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessments and assessments relating to the taxation years 2008-2017. The notices deny the application of non-capital losses, capital losses, scientific research and experimental development ("SR&ED") pool deductions and SR&ED tax credits claimed. As a result additional taxes payable including interest and penalties are assessed at approximately $58.5 million. The affiliate has filed notices of objection with the CRA and provincial taxing authorities and has substantially paid the required deposits, which has been recorded in Other assets.

The Company, the affiliate and its counsel believe that the filing positions adopted by the affiliate in all years are appropriate and in accordance with the law. The affiliate intends to vigorously defend such positions. The Company and its affiliate expect to ultimately be successful in its objection.

SELECTED FINANCIAL INFORMATION

The following outlines selected financial statistics and performance measures for Glacier, on an IFRS basis (other than the non-IFRS measures noted) for the period ended March 31, 2020 and 2019:

(thousands of dollars) *except share and per share amounts*	Three months ended March 31, 2020	2019
Revenue	$ 43,281	$ 44,262
Gross profit [(2)]	$ 11,304	$ 11,464
Gross margin	26.1%	25.9%
EBITDA [(1)]	$ 1,933	$ 1,961
EBITDA margin [(1)]	4.5%	4.4%
EBITDA per share [(1)]	$ 0.02	$ 0.02
Net interest expense, debt	$ 442	$ 891
Net loss attributable to common shareholders	$ (13,143)	$ (1,476)
Net loss attributable to common shareholders per share	$ (0.10)	$ (0.01)
Cash flow from operations	$ 611	$ 1,700
Cash flow from operations per share	$ 0.00	$ 0.02
Capital expenditures [(3)]	$ 1,323	$ 4,847
Total assets	$ 261,131	$ 252,784
Total non-current financial liabilities	$ 33,082	$ 55,534
Debt net of cash outstanding before deferred financing charges and other expenses	$ 18,451	$ 43,658
Equity attributable to common shareholders	$ 161,950	$ 130,061
Weighted average shares outstanding, net	125,213,346	109,828,731

Notes:

(1) Refer to "Non-IFRS Measures" and "EBITDA Reconciliation" section for calculation of non-IFRS measures used in this table.

(2) Gross profit for these purposes excludes depreciation and amortization.

(3) Includes $3.1 million purchase of land for Canada's Outdoor Farm Show in Woodstock, Ontario in Q1 2019.

The main factors affecting the comparability of the first quarter results include:

- Operating performance of the Company's various business units and general market conditions during the reported periods;
- Revenues continue to be impacted by declining print advertising revenue and the cyclical nature of certain of Glacier's businesses, including the low price of oil and fluctuating conditions in the agriculture industry. This is partially offset by increased revenue from growth in the environmental and property operations and digital community media operations;
- The impact of COVID-19 on certain of the Company's operations;
- An impairment charge of $10.9 million during the period ended March 31, 2020; and
- Fluctuations in restructuring expenses including severance payments, transaction and transition expenses, and other amounts related to the closure and sale of certain community media assets.

SUMMARY OF QUARTERLY RESULTS

The following outlines the significant financial performance measures for Glacier for the last eight quarters:

(thousands of dollars) except share and per share amounts	12 Months	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Revenue	$ 183,809	$ 43,281	$ 46,599	$ 48,256	$ 45,673
EBITDA [(1)]	$ 7,939	$ 1,933	$ 1,633	$ 2,089	$ 2,284
EBITDA margin [(1)]	4.3%	4.5%	3.5%	4.3%	5.0%
EBITDA per share [(1)]	$ 0.07	$ 0.02	$ 0.01	$ 0.02	$ 0.02
Net interest expense, debt	$ 2,070	$ 442	$ 334	$ 460	$ 834
Net (loss) income attributable to common shareholders	$ 23,516	$ (12,209)	$ (1,166)	$ (3,166)	$ 40,057
Net (loss) income attributable to common shareholders per share	$ 0.20	$ (0.10)	$ (0.01)	$ (0.03)	$ 0.36
Cash flow from operations	$ 2,652	$ 482	$ (2)	$ 802	$ 1,370
Cash flow from operations per share	$ 0.02	$ 0.00	$ 0.00	$ 0.01	$ 0.01
Capital expenditures	$ 6,241	$ 1,323	$ 1,225	$ 1,992	$ 1,701
Debt net of cash outstanding before deferred financing charges and other expenses	$ 18,451	$ 18,451	$ 13,653	$ 14,683	$ 22,730
Equity attributable to common shareholders	$ 162,881	$ 162,881	$ 176,953	$ 175,641	$ 168,891
Weighted average shares outstanding, net	120,589,555	125,213,346	125,213,346	122,036,089	109,828,731

	Trailing 12 Months	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Revenue	$ 187,776	$ 44,262	$ 48,569	$ 48,717	$ 46,228
EBITDA [(1)]	$ 8,637	$ 1,961	$ 3,483	$ 1,694	$ 1,499
EBITDA margin [(1)]	4.6%	4.4%	7.2%	3.5%	3.2%
EBITDA per share [(1)]	$ 0.08	$ 0.02	$ 0.03	$ 0.02	$ 0.01
Net interest expense, debt	$ 2,782	$ 891	$ 700	$ 616	$ 575
Net (loss) income attributable to common shareholders	$ (774)	$ (1,476)	$ 859	$ (5,096)	$ 4,939
Net (loss) income attributable to common shareholders per share	$ (0.01)	$ (0.01)	$ 0.01	$ (0.05)	$ 0.04
Cash flow from operations	$ 5,196	$ 1,700	$ 2,574	$ 649	$ 273
Cash flow from operations per share	$ 0.05	$ 0.02	$ 0.02	$ 0.01	$ 0.00
Capital expenditures	$ 11,021	$ 4,847	$ 2,063	$ 2,182	$ 1,929
Debt net of cash outstanding before deferred financing charges and other expenses	$ 43,658	$ 43,658	$ 38,882	$ 39,301	$ 39,159
Equity attributable to common shareholders	$ 130,061	$ 130,061	$ 132,033	$ 134,177	$ 138,212
Weighted average shares outstanding, net	109,828,731	109,828,731	109,828,731	109,828,731	109,828,731

Notes:
[(1)] Refer to "Non-IFRS Measures" and "EBITDA Reconciliation" section for calculation of non-IFRS measures used in this table.

The main factors affecting comparability of results over the last eight quarters are:

- Operating performance of the Company's various business units, including cost-reduction initiatives and general market conditions during the reported periods;
- The impact of COVID-19 on certain of the Company's operations for the period ended March 31, 2020;
- An impairment charge of $10.9 million during the period ended March 31, 2020;
- In July 2019, the Company completed a private placement of 15,384,615 common shares at a price of $0.65 per share for gross proceeds of $10.0 million;
- The acquisition of Castanet Media in April 2019, for a purchase price of $22.0 million. $19.0 million was paid up front with the remaining payable over two years;
- The sale of Fundata in April 2019, resulting in a gain on sale of $47.6 million. The sale price was $55.0 million, $45.0 million cash was received up front with the remaining $10.0 million receivable over four years;
- The adoption of IFRS 16 Leases changes the accounting treatment for leases from operating lease. Previously, leases were off balance sheet with operating costs recorded in general and administrative

expenses. Effective January 1, 2019, leases are recorded as right-of-use assets with a related lease liability and are expensed through depreciation and interest expense;

- In June 2018, the Company made an adjustment due to an accounting change reflecting the transition in operations to a solely digital, subscription based business. The change coincides with operational changes being made at STP, including the phasing out of the paper versions of the product, and results in revenue being deferred over the term of the subscription contracts;

- In April 2018, the Company acquired the remaining 50% of Infomine for $3.6 million and a gain on acquisition of $2.7 million. In the third quarter, the Company reviewed and updated the original purchase price accounting to include a deferred asset as part of the original assets acquired, thereby reducing goodwill and deferred tax recovery by $3.0 million; and

- In April 2018, The Company acquired a 22.5% equity interest in Village Media Inc., a digital community media operation for $1.5 million.

EBITDA RECONCILIATION

The following table reconciles the Company's net income attributable to common shareholders as reported under IFRS to EBITDA.

(thousands of dollars) *except share and per share amounts*	Three months ended March 31, 2020	2019
Net loss attributable to common shareholders	$ (13,143)	$ (1,476)
Add (deduct):		
Non-controlling interests	$ (21)	$ 166
Net interest expense, debt	$ 442	$ 891
Interest expense, lease liability	$ 161	$ 162
Depreciation and amortization	$ 3,111	$ 3,763
Impairment expense	$ 10,900	$ -
Restructuring and other expenses (net)	$ 1,606	$ 678
Share of earnings from joint ventures and associates	$ (543)	$ (1,321)
Income tax recovery	$ (580)	$ (902)
EBITDA [1]	$ 1,933	$ 1,961
Weighted average shares outstanding, net	125,213,346	109,828,731
Net loss attributable to common shareholders per share	$ (0.10)	$ (0.01)
EBITDA per share [1]	$ 0.02	$ 0.02

Notes:
[1] Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.

SUMMARY OF FINANCIAL POSITION, FINANCIAL REQUIREMENTS AND LIQUIDITY

Glacier generates sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements.

As at March 31, 2020, Glacier had consolidated cash and cash equivalents of $4.8 million, current and long-term debt of $23.2 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $18.0 million excluding deferred revenue. Glacier's actual cash working capital is greater than reflected by the amounts indicated on the consolidated balance sheet due to deferred revenue relating to renewals and subscriptions that have been paid for by subscribers but not yet delivered; and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities. Capital expenditures were $1.3 million in the period as compared to $4.8 million for the same period in the prior year. The prior year includes the purchase of land for Canada's Outdoor Farm Show for $3.1 million. The majority of the current year expenditures relate to the development and implementation of software and websites. Prior year capital expenditures related to the agricultural show site development, leasehold improvements and software development.

CHANGES IN FINANCIAL POSITION

	Three months ended March 31,	
(thousands of dollars)	2020	2019
	$	$
Cash generated from (used in)		
Operating activities	(1,571)	613
Investing activities	(1,599)	(3,332)
Financing activities	2,811	3,792
(Decrease) increase in cash	(359)	1,073

The changes in the components of cash flows during 2020 and 2019 are detailed in the consolidated statements of cash flows of the financial statements. The more significant changes are discussed below.

OPERATING ACTIVITIES

Glacier generated from operations before changes in non-cash operating accounts of $0.6 million as compared to generated from operations of $1.7 million for the same period in the prior year as a result of the factors stated under Revenue, Gross Profit, General & Administrative Expenses and EBITDA. Cash flow used in operations after changes in non-cash working capital was $1.6 million compared to cash generated from operations of $0.6 million for the same period in the prior year.

INVESTING ACTIVITIES

Cash used in investing activities totalled $1.6 million for the period ended March 31, 2020 as compared to $3.3 million for the same period in the prior year. Investing activities included $1.3 million of capital expenditures, distributions received of $0.7 million and other investing activities $1.0 million.

FINANCING ACTIVITIES

Cash generated from financing activities was $2.8 million for the period ended March 31, 2020 as compared to $3.8 million for the same period in the prior year. The Company had net borrowing of $4.4 million, distributions to non-controlling interests of $0.2 million, interest paid on long-term debt of $0.4 million, interest paid on lease liabilities of $0.2 million and principal repayment of lease liabilities of $0.9 million.

OUTSTANDING SHARE DATA

As at March 31, 2020 and May 15, 2020 there were 125,213,346 common shares and 1,115,000 share purchase warrants outstanding.

The warrants outstanding allow the holder to purchase one common share per warrant at $4.48 per share. The warrants expire on June 28, 2029, unless extended.

CONTRACTUAL AGREEMENTS

As at March 31, 2020, the Company has agreements with a syndicate of major Canadian banks whereby the lenders provide a revolving loan facility with no required principal repayments during its term.
In summary, the Company's contractual obligations due over the next five calendar years are as follows:

(thousands of dollars)	Total	2020	2021	2022	2023	2024	Thereafter
	$	$	$	$	$	$	$
Long-term debt	23,015	193	273	20,601	292	34	1,622
Undiscounted lease liabilities	13,259	2,835	3,170	2,278	1,717	1,311	1,948
	36,274	3,028	3,443	22,879	2,009	1,345	3,570

Under various financing arrangements with its banks, the Company, its subsidiaries and its affiliates are required to meet certain covenants. The Company, its subsidiaries and its affiliates were fully in compliance with these covenants at March 31, 2020 and 2019.

FINANCIAL INSTRUMENTS

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

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

The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its trade receivables from customers. The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for trade receivables are net of applicable allowances for doubtful accounts, which are determined using the expected credit losses ("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. The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity.

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

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

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

BUSINESS ENVIRONMENT AND RISKS

A comprehensive discussion of Risks and Uncertainties was included in the 2019 Annual Report and can be found on SEDAR. The discussion is applicable for the period ended March 31, 2020.

In addition, since the end of March 2020 several measures have been implemented in Canada and the U.S. in response to the increased impact from novel coronavirus (COVID-19). While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations are expected to be more pronounced. The duration and impact on overall customer demand, cannot be reasonably estimated at this time, but it is anticipated this may have a further adverse impact on the Company's business, results of operations, financial position and cash flows during the remainder of 2020. See "Significant Developments in Q1 2020 and Outlook – Impact of Coronavirus".

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company has established disclosure controls and procedures to ensure that the information disclosed in this MD&A and the related financial statements was properly recorded, processed, summarized and reported to the Audit Committee and Board.

The Company did not make any changes to its internal controls over financial reporting ("ICFR") during the most recent period ended March 31, 2020 which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

CRITICAL ACCOUNTING ESTIMATES AND UNCERTAINTY

The preparation of the annual consolidated financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts recorded in the consolidated financial statements. Management regularly reviews these estimates, including impairment of goodwill and assets with indefinite and finite lives, retirement benefit assets/obligations, income taxes, fair value assessment of business combinations, and useful lives for depreciation and amortization of property, plant and equipment and finite life intangible assets. While it is reasonably possible that circumstances may arise which cause actual results to differ from these estimates, management does not believe it is likely that any such differences will materially affect Glacier's financial position.

The impact of the COVID-19 pandemic, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact. As a result, it is possible that circumstances may arise which cause actual results to differ from the estimates applied in these interim consolidated financial statements, and such differences affecting Glacier's future financial position and results cannot be determined at this time.

GLACIER MEDIA INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

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

	Three months ended March 31, 2020	2019
	$	$
Revenue (Note 16)	43,281	44,262
Operational expenses before depreciation and amortization		
Direct expenses (Note 17)	31,977	32,798
General and administrative (Note 17)	9,371	9,503
	1,933	1,961
Net interest expense, debt	442	891
Interest expense, lease liabilities (Note 6)	161	162
Depreciation and amortization (Note 9)	3,111	3,763
Impairment expense (Note 11)	10,900	-
Restructuring and other expenses (net) (Note 18)	1,606	678
Share of earnings from joint ventures and associates (Note 5)	(543)	(1,321)
Net loss before income taxes	(13,744)	(2,212)
Income tax recovery (Note 15)	(1,575)	(902)
Net loss for the period	(12,169)	(1,310)
Net loss attributable to:		
Common shareholders	(12,209)	(1,476)
Non-controlling interests	40	166
Net loss attributable to common shareholders per share		
Basic and diluted	(0.10)	(0.01)
Weighted average number of common shares		
Basic and diluted	125,213,346	109,828,731

See accompanying condensed notes to these interim consolidated financial statements

GLACIER MEDIA INC.
INTERIM CONSOLIDATED STATEMENTS
OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	Three months ended March 31,	
	2020	2019
	$	$
Net loss for the period	(12,169)	(1,310)
Other comprehensive (loss) income (net of tax) (Note 14)		
Actuarial loss on defined benefit pension plans [1]	(1,726)	(257)
Currency translation adjustment [2]	251	190
Share of other comprehensive loss from joint ventures and associates[1] (Note 5)	(447)	(445)
Other comprehensive loss (net of tax)	(1,922)	(512)
Total comprehensive loss	(14,091)	(1,822)
Total comprehensive loss attributable to:		
Common shareholders	(14,072)	(1,972)
Non-controlling interests	(19)	150

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

See accompanying condensed notes to these interim consolidated financial statements

GLACIER MEDIA INC.
INTERIM CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2020 AND DECEMBER 31, 2019

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	As at March 31, 2020	As at December 31, 2019
	$	$
Assets		
Current assets		
Cash and cash equivalents	4,754	5,113
Trade and other receivables	40,199	36,054
Inventory	2,333	2,096
Prepaid expenses	2,504	2,482
	49,790	45,745
Non-current assets		
Investments in joint ventures and associates (Note 5)	53,225	56,605
Other assets (Note 20)	32,022	31,998
Right-of-use assets (Note 6)	11,097	11,912
Property, plant and equipment (Note 7)	29,390	30,018
Intangible assets (Note 8)	42,204	48,845
Goodwill (Note 10)	36,468	37,968
Post-employment benefit asset	725	3,061
Deferred income taxes	7,204	4,992
Total assets	262,125	271,144
Liabilities		
Current liabilities		
Trade and other payables	25,981	25,738
Deferred revenue	12,346	10,640
Current portion of lease liabilities (Note 6)	2,983	3,088
Current portion of long-term debt (Note 13)	412	410
Other current liabilities (Note 12)	2,431	2,609
	44,153	42,485
Non-current liabilities		
Non-current portion of deferred revenue	939	918
Lease liabilities (Note 6)	8,535	9,174
Other non-current liabilities (Note 12)	1,944	2,184
Long-term debt (Note 13)	22,603	18,114
Total liabilities	78,174	72,875
Equity		
Share capital	221,802	221,802
Contributed surplus	8,951	8,951
Accumulated other comprehensive income (Note 14)	298	55
Deficit	(68,170)	(53,855)
Total equity attributable to common shareholders	162,881	176,953
Non-controlling interests	21,070	21,316
Total equity	183,951	198,269
Total liabilities and equity	262,125	271,144

See accompanying condensed notes to these interim consolidated financial statements

GLACIER MEDIA INC.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

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

	Attributable to common shareholders							
	Share capital			Accumulated other comprehensive	Retained earnings		Non-controlling	Total
	Shares	Amount	Contributed surplus	loss	(deficit)	Total	interest	equity
		$	$	$	$	$	$	$
Balance, December 31, 2018	109,828,731	211,802	8,951	(539)	(88,181)	132,033	19,268	151,301
Net (loss) income for the period	-	-	-	-	(1,476)	(1,476)	166	(1,310)
Other comprehensive (loss) income (net of tax)	-	-	-	184	(680)	(496)	(16)	(512)
Total comprehensive (loss) income for the period	-	-	-	184	(2,156)	(1,972)	150	(1,822)
Distributions to non-controlling interests	-	-	-	-	-	-	(114)	(114)
Balance, March 31, 2019	109,828,731	211,802	8,951	(355)	(90,337)	130,061	19,369	149,430
Balance, December 31, 2019	125,213,346	221,802	8,951	55	(53,855)	176,953	21,316	198,269
Net loss for the period	-	-	-	-	(12,209)	(12,209)	40	(12,169)
Other comprehensive (loss) income (net of tax)	-	-	-	243	(2,106)	(1,863)	(59)	(1,922)
Total comprehensive (loss) income for the period	-	-	-	243	(14,315)	(14,072)	(19)	(14,091)
Distributions to non-controlling interests	-	-	-	-	-	-	(227)	(227)
Balance, March 31, 2020	125,213,346	221,802	8,951	298	(68,170)	162,881	21,070	183,951

See accompanying condensed notes to these interim consolidated financial statements

GLACIER MEDIA INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	Three months ended March 31, 2020	2019
	$	$
Operating activities		
Net loss for the period	(12,169)	(1,310)
Items not affecting cash:		
Depreciation and amortization (Note 9)	3,111	3,763
Impairment expense (Note 11)	10,900	-
Employee future benefit expense less than of employer contributions	(25)	(43)
Deferred income tax recovery (Note 15)	(1,629)	(873)
Interest expense, long term debt	445	887
Interest expense, lease liabilities (Note 6)	161	162
Share of earnings from joint ventures and associates (Note 5)	(543)	(1,321)
Other non-cash items	231	435
Cash flow from operations before changes in non-cash operating accounts	482	1,700
Changes in non-cash operating accounts		
Trade and other receivables	(4,192)	(1,606)
Inventory	(237)	(445)
Prepaid expenses	(134)	102
Trade and other payables	783	(1,183)
Deferred revenue	1,727	2,045
Cash (used in) generated from operating activities	(1,571)	613
Investing activities		
Other investing activities	(952)	(495)
Distributions received from joint ventures and associates (Note 5)	676	2,088
Deposits paid	-	(78)
Purchase of property, plant and equipment	(286)	(3,721)
Purchase of intangible assets	(1,037)	(1,126)
Cash used in investing activities	(1,599)	(3,332)
Financing activities		
Distribution to non-controlling interests	(227)	(114)
Interest paid, long-term debt	(393)	(973)
Interest paid, lease liabilities (Note 6)	(163)	(105)
Net borrowing of long term debt (Note 13)	4,438	5,827
Principal payment of lease liabilities (Note 6)	(844)	(843)
Cash generated from financing activities	2,811	3,792
Net cash (used) generated	(359)	1,073
Cash and cash equivalents, beginning of period	5,113	3,117
Cash and cash equivalents, end of period	4,754	4,190

See accompanying condensed notes to these interim 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.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of consolidated financial statements.

These condensed interim consolidated financial statements have been approved by the Board of Directors for issue on May 15, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2019.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND UNCERTAINTY

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

In preparation of the condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2019.

The impact of the COVID-19 pandemic, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact. As a result, it is possible that circumstances may arise which cause actual results to differ from the estimates applied in these interim consolidated financial statements, and such differences affecting Glacier's future financial position and results cannot be determined at this time.

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

5. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

(thousands of dollars)	As at and for the period ended March 31, 2020	As at and for the year ended December 31, 2019
	$	$
Balance, beginning of period	56,605	65,836
Disposition of investments in joint ventures and associates	-	(6,223)
Share of earnings for the period	543	3,663
Impairment of invesment in joint ventures and associates (Note 11)	(2,800)	-
Share of other comprehensive loss (net of tax)	(447)	(608)
Distributions and dividends received and other equity movements	(676)	(6,063)
Balance, end of period	53,225	56,605

In April 2019, the Company sold its interest in Fundata Canada Inc. The Company's share of Fundata's results have been included in the share of earnings from joint ventures and associates up to March 31, 2019.

The Company recorded a $2.8 million impairment of investment in joint ventures and associates. This impairment was not recorded within the assets of the joint ventures and associates. Refer to Note 11.

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.

	Joint ventures		Associates		Total	
	Three month ended March 31,		Three month ended March 31,		Three month ended March 31,	
(thousands of dollars)	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$
Revenue	5,550	8,591	3,562	4,651	9,112	13,242
Operating expenses before depreciation and amortization	4,670	6,047	3,186	4,256	7,856	10,303
	880	2,544	376	395	1,256	2,939
Net interest expense, debt	22	25	17	(5)	39	20
Interest expense, lease liabilities	2	3	1	2	3	5
Depreciation and amortization	387	568	55	70	442	638
Restructuring and other expenses (net)	(27)	(12)	48	525	21	513
Net income (loss) before income taxes	496	1,960	255	(197)	751	1,763
Income tax expense	126	439	82	3	208	442
Net income (loss) for the period	370	1,521	173	(200)	543	1,321

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

5. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

	Joint ventures		Associates		Total	
(thousands of dollars)	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	$	$	$	$	$	$
Assets	23,514	27,799	38,473	36,242	61,987	64,041
Liabilities	5,861	6,752	10,701	10,013	16,562	16,765
Net Assets	17,653	21,047	27,772	26,229	45,425	47,276

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

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

	As at March 31, 2020		
(thousands of dollars)	Cost	Accumulated depreciation	Carrying amount
	$	$	$
Property	15,195	(4,188)	11,007
Equipment	119	(29)	90
	15,314	(4,217)	11,097

	As at December 31, 2019		
(thousands of dollars)	Cost	Accumulated depreciation	Carrying amount
	$	$	$
Property	15,202	(3,365)	11,837
Equipment	97	(22)	75
	15,299	(3,387)	11,912

The Company's lease liabilities are as follows:

(thousands of dollars)	March 31, 2020	December 31, 2019
	$	$
Current portion of lease liabilities	2,983	3,088
Long term lease liabilities	8,535	9,174
	11,518	12,262

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

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

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

(thousands of dollars)	As at and for the period ended March 31, 2020	As at and for the year ended December 31, 2019
	$	$
Balance, beginning of period	12,262	-
Adjustment from implementation of IFRS 16 Leases	-	11,514
New leases and lease renewals	68	3,672
Acquisition	-	1,244
Interest expense, lease liability	161	675
Interest paid, lease liability	(163)	(616)
Payment of principal portion of lease liabilities	(844)	(3,152)
Termination	(4)	(1,061)
Foreign exchange	38	(14)
Balance, end of period	11,518	12,262

During the year period ended March 31, 2019, the Company had short-term and low value lease expenses of $0.1 million (2019: $0.1 million).

7. PROPERTY, PLANT AND EQUIPMENT

			As at March 31, 2020
(thousands of dollars)	Cost	Accumulated depreciation and impairment	Carrying amount
	$	$	$
Land and Land Improvements	6,706	(191)	6,515
Buildings	13,129	(3,748)	9,381
Production equipment	30,675	(22,141)	8,534
Office equipment and leaseholds	23,257	(18,297)	4,960
	73,767	(44,377)	29,390

			As at December 31, 2019
(thousands of dollars)	Cost	Accumulated depreciation and impairment	Carrying amount
	$	$	$
Land and Land improvements	6,706	(183)	6,523
Buildings	13,129	(3,612)	9,517
Production equipment	30,673	(21,814)	8,859
Office equipment and leaseholds	22,959	(17,840)	5,119
	73,467	(43,449)	30,018

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

8. INTANGIBLE ASSETS

The Company has various intangible assets including customer relationships, subscription lists, mastheads, software, websites, copyrights 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:

	As at March 31, 2020		
(thousands of dollars)	Cost	Accumulated amortization and impairment	Carrying amount
	$	$	$
Indefinite life			
Mastheads and trademarks	59,676	(35,605)	24,071
Finite life			
Copyrights	10,242	(10,230)	12
Customer relationships	65,478	(57,845)	7,633
Subscription lists	3,841	(3,841)	-
Software and websites	40,414	(29,926)	10,488
	179,651	(137,447)	42,204

	As at December 31, 2019		
(thousands of dollars)	Cost	Accumulated amortization and impairment	Carrying amount
	$	$	$
Indefinite life			
Mastheads and trademarks	59,642	(29,005)	30,637
Finite life			
Copyrights	10,242	(10,229)	13
Customer relationships	65,478	(57,460)	8,018
Subscription lists	3,841	(3,841)	-
Software and websites	39,209	(29,032)	10,177
	178,412	(129,567)	48,845

During the period ended March 31, 2020 impairment charge of $6.6 million was recorded against indefinite life intangible assets, refer to Note 11.

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

9. DEPRECIATION AND AMORTIZATION

(thousands of dollars)	Three months ended March 31, 2020	2019
	$	$
Depreciation of property, plant and equipment	915	990
Depreciation of right-of-use assets	916	876
Amortization of intangible assets	1,280	1,897
Depreciation and amortization	3,111	3,763

10. GOODWILL

(thousands of dollars)	March 31 2020	December 31, 2019
	$	$
Balance, beginning of year	37,968	35,824
Acquisition on business combinations	-	7,844
Impairment (Note 11)	(1,500)	(5,700)
Balance, end of year	36,468	37,968

11. IMPAIRMENT

As at March 31, 2020, the Company identified indicators of impairment relating to goodwill and indefinite life intangible assets, most notably from the direct and indirect economic impact of COVID-19 and the effect it was having on the revenue and forecasted future cash flows of certain operations. The Company therefore updated its impairment models and used the estimated aggregate recoverable amount of the assets included in each cash generating unit (“CGU”) 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.

For goodwill, the recoverable amount was determined using a range of cash flows 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, including the anticipated temporary impact of COVID-19and any economic aftermath, cost savings initiatives, and outlook for the industry within which the reporting unit operates. For certain sensitive CGUs, where cash flows have become difficult to forecast, especially given the uncertainty around COVID-19 and the timing as well as severity of its impact, the Company has also considered other methodologies including valuation techniques such as an enterprise value approach utilizing revenue multiples, and considering other comparable market information.

For indefinite life intangible assets, the recoverable amount was determined using a range of projected revenues to determine the relief from royalties that the mastheads and trademarks provide. In determining ranges of revenue the Company took into consideration historical rates and projected future structural changes to the industry and to certain markets.

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

11. IMPAIRMENT (CONTINUED)

Management's best estimate was based on using a range of key assumptions in determining forecasted future cash flows, revenues, rates of growth or attrition, royalty rates and discount rates. As compared to December 31, 2019, the assumptions used for the period ended March 31, 2020 with the greatest impact were the decrease in expected revenues and cash flows, as well as a marginal increase in discount rates for certain CGUs.

From March 2020, certain CGU's were impacted by the effects of COVID-19 and some continue to be impacted by the decline of the print publishing industry as well as other economic market conditions. As such, the Company recorded an overall impairment expense of $10.9 million, comprised of $1.5 million impairment of goodwill, $6.6 million impairment of indefinite life intangible assets and $2.8 million impairment of investment in joint ventures and associates.

In its assessment of the recoverable amounts of the groups of CGUs, the Company noted that the majority of the CGU's would not be sensitive to a reasonable change in key assumptions used to determine the recoverable amount and would not cause the carrying amount of those CGUs or group of CGUs to exceed their recoverable amounts. However, a significant decline in revenues and future cash flows beyond a three to six months period, may put further pressure on the carrying amounts of these CGUs. Certain CGUs included in the BC Community Media Group and the Commodity Information Group remain the most sensitive.

12. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities primarily relate to amounts payable from acquisition transactions. These amounts are due in future years; the amounts due in the next year are included in other current liabilities.

13. LONG-TERM DEBT

The Company has the following long-term debt outstanding:

(thousands of dollars)	March 31, 2020	December 31, 2019
	$	$
Current		
Mortgages and other loans	412	410
	412	410
Non-current		
Revolving bank loan	20,500	16,000
Mortgages and other loans	2,293	2,356
Deferred financing costs	(190)	(242)
	22,603	18,114
	23,015	18,524

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

13. LONG-TERM DEBT (CONTINUED)

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

(thousands of dollars)	As at and for the period ended March 31, 2020	As at and for the year ended December 31, 2019
	$	$
Balance, beginning of period	18,524	41,847
Additional borrowings	4,500	2,500
Financing charges (net)	53	(69)
Repayment of debt	(62)	(25,754)
Balance, end of period	23,015	18,524

Under various financing arrangements with its banks, the Company is required to meet certain covenants. The Company was in compliance with all covenants at March 31, 2020 and 2019.

During the period ended March 31, 2020, the Company amended its current banking agreement, extending it to May 31, 2021. The terms of the amendment were similar to those under the previously existing agreement.

14. OTHER COMPREHENSIVE (LOSS) INCOME

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

	Accumulated other comprehensive income	Retained deficit		
(thousands of dollars)	Cumulative translation adjustment	Actuarial (loss) gain on defined benefit plans	Non-controlling interest	Total other comprehensive loss
	$	$	$	$
Balance, December 31, 2018	(539)	(1,270)	(62)	(1,871)
Actuarial loss on defined benefit plans	-	(249)	(8)	(257)
Cumulative translation adjustment	184	-	6	190
Share of other comprehensive loss from joint ventures and associates	-	(431)	(14)	(445)
Other comprehensive (loss) income for the period	184	(680)	(16)	(512)
Balance, March 31, 2019	(355)	(1,950)	(78)	(2,383)
Balance, December 31, 2019	55	(1,193)	90	(1,048)
Actuarial loss on defined benefit plans	-	(1,670)	(53)	(1,723)
Cumulative translation adjustment	243	-	8	251
Share of other comprehensive loss from joint ventures and associates	-	(433)	(14)	(447)
Other comprehensive (loss) income for the period	243	(2,103)	(59)	(1,919)
Balance, March 31, 2020	298	(3,296)	31	(2,967)

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

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

14. OTHER COMPREHENSIVE (LOSS) INCOME (CONTINUED)

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

(thousands of dollars)	Three months ended March 31, 2020	2019
	$	$
Income tax effect of:		
Actuarial loss (gain) on defined benefit plans	637	95
Share of other comprehensive loss (gain) from joint ventures and associates	225	165

15. INCOME TAXES

Income tax recovery is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the period ended March 31, 2020 was 27.0% (2019: 27.0%). The components of income tax recovery are shown in the following table:

(thousands of dollars)	Three months ended March 31, 2020	2019
	$	$
Current tax	54	(29)
Deferred tax	(1,629)	(873)
Income tax recovery	(1,575)	(902)

16. REVENUE BY CATEGORY

(thousands of dollars)	Three months ended March 31, 2020	2019
	$	$
Advertising	29,273	30,626
Subscription, data and services	12,329	11,532
Commercial printing and other	1,679	2,104
	43,281	44,262

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

17. EXPENSE BY NATURE

(thousands of dollars)	Three months ended March 31, 2020	2019
	$	$
Wages and benefits	23,481	24,100
Newsprint, ink and other printing costs	3,844	4,479
Delivery costs	3,095	3,381
Rent, utilities and other property costs	1,218	1,331
Advertising, marketing and other promotion costs	1,939	2,127
Third party production and editorial costs	2,508	2,624
Legal, bank, insurance and professional services	1,910	1,360
Data services, system maintenance, telecommunications and software licences	2,244	1,935
Fees, licences and other services	632	596
Event costs	243	207
Other	234	161
	41,348	42,301
Direct expenses	31,977	32,798
General and administrative expenses	9,371	9,503
	41,348	42,301

18. RESTRUCTURING AND OTHER EXPENSES (NET)

(thousands of dollars)	Three months ended March 31, 2020	2019
	$	$
Restructuring expenses (a)	823	671
Transaction and transition costs (b)	817	24
Other expense (income) (net)	(44)	(17)
Net gain on sale of assets	10	-
	1,606	678

(a) Restructuring expenses

During the period ended March 31, 2020, restructuring expenses of $0.8 million were recognized (2019: $0.7 million). Restructuring expenses include severance costs of $0.6 million (2019: $0.5 million) incurred as the Company restructured and reduced its workforce.

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

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

(b) Transaction and transition costs

The Company incurred costs related to its acquisitions and divestitures completed in 2019. These costs include both the costs of completing the transactions and the costs of integrating these new operations into the Company. 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 the closure or divestiture of operations.

19. SEGMENT DISCLOSURE

The Company, its subsidiaries, its joint ventures and its associates operate in three distinct operating segments mainly throughout Canada and the United States, with some operations in the United Kingdom and Australia. These segments are Environmental and Property Information, Commodity Information and Community Media. Environmental, Property and Financial 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, energy and mining related. The Community Media segment includes the Company's community media assets and related digital and printing operations.

In June 2019, the Company revised its operating segments to include its proportionate share of its investments in associates. Previously, the segments were reported including only the Company's consolidated entities and its proportionate share of its investments in joint ventures. The prior period comparative balances have been restated to present the Company's revised operating segments.

In April 2019, the Company sold its interest in Fundata, which was previously included in the Environmental, Property and Financial Information segment. Fundata is included up to this date.

The following segment information is for the period ended March 31, 2020 and 2019:

Three months ended Marchr 31, 2020

(thousands of dollars)	Environmental, Property, and Financial Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	6,670	13,098	32,625	52,393	(9,112)	43,281
Divisional earnings before interest, taxes, depreciation, and amortization	97	2,475	1,720	4,292	(1,256)	3,036
Centralized and corporate expenses						1,103
						1,933
Net interest expense, debt and lease liability						603
Depreciation and amortization						3,111
Impairment expense						10,900
Restructuring and other expense						1,606
Share of earnings from joint ventures and associates						(543)
Income tax recovery						(580)
Net loss for the period						(13,164)

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

19. SEGMENT DISCLOSURE (CONTINUED)

Three months ended Marchr 31, 2019

(thousands of dollars)	Environmental, Property, and Financial Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	7,933	14,580	34,991	57,504	(13,242)	44,262
Divisional earnings before interest, taxes, depreciation, and amortization	1,562	3,333	1,768	6,663	(2,939)	3,724
Centralized and corporate expenses						1,763
						1,961
Net interest expense, debt and lease liability						1,053
Depreciation and amortization						3,763
Restructuring and other expense						678
Share of earnings from joint ventures and associates						(1,321)
Income tax recovery						(902)
Net loss for the period						(1,310)

The Company operates in the following main geographical areas:

(thousands of dollars)	Three months ended March 31, 2020	2019
	$	$
Canada	38,484	40,327
United States	4,797	3,935
Total revenue	43,281	44,262

20. COMMITMENTS AND CONTINGENCIES

During 2014-2018 an affiliate of the Company ("the affiliate") has received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessments and assessments relating to the taxation years 2008-2017. The notices deny the application of non-capital losses, capital losses, scientific research and experimental development ("SR&ED") pool deductions and SR&ED tax credits claimed. As a result additional taxes payable including interest and penalties are assessed at approximately $58.5 million. The affiliate has filed notices of objection with the CRA and provincial taxing authorities and has substantially paid the required deposits, which has been recorded in Other assets.

The Company, the affiliate and its counsel believe that the filing positions adopted by the affiliate in all years are appropriate and in accordance with the law. The affiliate intends to vigorously defend such positions. The Company and its affiliate expect to ultimately be successful in its objection.

GLACIER MEDIA INC.
CORPORATE INFORMATION

BOARD OF DIRECTORS

Bruce W. Aunger	Jonathon J.L. Kennedy
Sam Grippo	Hugh McKinnon
S. Christopher Heming	Geoffrey L. Scott

OFFICERS

Sam Grippo, Chairman
Jonathon J.L. Kennedy, President & Chief Executive Officer
Orest Smysnuik, CA, Chief Financial Officer
Bruce W. Aunger, Secretary

TRANSFER AGENT

Computershare Trust Company of Canada
Toronto, Calgary and Vancouver

AUDITORS

PricewaterhouseCoopers LLP

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading symbol: GVC

INVESTOR RELATIONS

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

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