CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

GLACIER MEDIA INC.

Three and six months ended June 30, 2020 and 2019

(Unaudited)

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SECOND 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 August 13, 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, our expectations regarding continued federal government wage subsidies at reduced levels; the expectation that the effects of the COVID-19 pandemic will be temporary in nature and the Company's expectation that revenues will recover as the pandemic abates; the Company's belief that it has adequate liquidity to operate at lower revenue levels during the pandemic; 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 August 13, 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 June 30, 2020. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable to interim financial reports including IAS 34 – Interim Financial Reporting. 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

DIGITAL MEDIA

Glacier Media Digital ("GMD") operations include local news, general community information and classifieds 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 local 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 sharing of these resources and the cash flow generated are assisting with the transformation to local digital media operations.

COMMUNITY MEDIA NEWSPAPER GROUP

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, 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 June 30,			
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Environmental and Property Information	5,131	6,169	616	1,058
Commodity Information	9,592	11,092	3,353	510
Community Media	23,330	39,359	5,958	4,442
Centralized and corporate costs	-	-	(1,936)	(1,914)
Total including joint ventures and associates (1)	38,053	56,620	7,991	4,096
Joint ventures and associates	(7,054)	(10,947)	(1,800)	(1,812)
Total IFRS	30,999	45,673	6,191	2,284

	Revenue		EBITDA	
	Six months ended June 30,			
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Environmental, Property and Financial Information	11,801	14,102	713	2,620
Commodity Information	22,690	25,672	5,828	3,843
Community Media	55,955	74,350	7,678	6,201
Centralized and corporate costs	-	-	(3,039)	(3,673)
Total including joint ventures and associates (1)(2)	90,446	114,124	11,180	8,991
Joint ventures and associates	(16,166)	(24,189)	(3,056)	(4,746)
Total IFRS	74,280	89,935	8,124	4,245

	Three months ended June 30,		Six months ended June 30,	
(thousands of dollars, except share and per share amounts)	2020	2019	2020	2019
EBITDA including joint ventures and associates (1)(2)	$ 7,991	$ 4,096	$ 11,180	$ 8,991
EBITDA including joint ventures and associates per share (1)(2)	$ 0.06	$ 0.04	$ 0.09	$ 0.08
EBITDA	$ 6,191	$ 2,284	$ 8,124	$ 4,245
EBITDA per share	$ 0.05	$ 0.02	$ 0.06	$ 0.04
Capital expenditures (3)	$ 1,214	$ 1,701	$ 2,537	$ 6,548
Debt net of cash outstanding before deferred financing charges and other expenses	$ 15,535	$ 22,730	$ 15,535	$ 22,730
Weighted average shares outstanding, net	125,213,346	109,828,731	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 Q2 2020, OPERATING HIGHLIGHTS AND OUTLOOK

Impact of COVID and Actions Taken

The Company's consolidated revenues were off 32.1% for the quarter ending June 30, 2020, as compared to the same period in the prior year, as a result of the impact of the COVID pandemic, the resulting restrictions and cut-back in consumer and business activity.

The decline in revenues resulted in a $2.6 million EBITDA loss for the quarter before wage subsidies. The Company recorded wage subsidies from the Canadian Emergency Wage Subsidy ("CEWS") of $8.8 million for the quarter. Subsequent to quarter end, the federal government announced that the CEWS will continue until at least November 2020, but at reduced levels (a reduction of likely 60% or more for the Company initially, with the level of reduction increasing in phases).

In response to the pandemic, the Company implemented a comprehensive response program in order to operate with the significant reduction in revenues and maintain cash flow and liquidity, as well as the required changes in the workplace. Specifically, the Company:

1. Moved quickly to ensure employees were kept safe while continuing to maintain community and customer connections. Measures have included working from home, self-distancing, creating a safe environment for those who want to work in the office, staggering in-office work days, rigorous cleaning, etc.;
2. Moved quickly to reduce operating costs. Measures included wage roll-backs, reduced work weeks, temporary layoffs and a wide variety of other cost reduction measures;
3. Applied for and is receiving the government wage subsidy and work share funding;
4. Raised capital and amended its bank facility.

Due to the financial impact of the pandemic, the Company requested and received temporary covenant relief from its lenders and worked with its banking syndicate to implement a financial restructuring plan that would provide access to sufficient ongoing liquidity with which to operate through the pandemic.

As part of the restructuring and subsequent to quarter end, Glacier's associated company GVIC Communications Corp. ("GVIC") sold a 45% interest in its ERIS and STP businesses to Madison Venture Corporation ("Madison"). GVIC received $11 million in cash and retained 100% of the cash flow of the businesses relating to the 45% interest for two years. The transaction reflected a value of $28 million for the businesses. The transaction allows Madison to acquire an additional 6% interest in the businesses, includes a mutual right of first refusal and a buy/sell provision that is exercisable after three years. As a result of the transaction, the banking agreement was amended to provide ongoing additional borrowing capacity.

The Company considered a variety of financial restructuring options with the objective of raising sufficient capital in the time required while preserving financial value for shareholders. Selling part of an asset at the valuation attained in the time required was deemed significantly more favourable for shareholders than raising equity at current market prices, or attempting to sell an entire asset to a third-party during the pandemic. The transaction allows GVIC to retain ownership in the businesses, retain 100% of the cash flow for operating and debt service needs, maintain operating scale, and have the opportunity to repurchase the interest sold in the future.

Madison is a related party to both Glacier and GVIC. As such, a special committee of GVIC was formed, independent financial and legal advisors were retained, and a fairness opinion was provided advising that the transaction is fair from a financial point of view. Due to the serious financial difficulty caused by the pandemic, the Company relied on the "financial hardship" exemptions in sections 5.5(g) and 5.7(e) of Multilateral Instrument 61-101 with respect to valuation and minority approval requirements. A special committee of Glacier was also formed to review the transaction, and was supportive of the transaction.

Outlook and Operating Highlights

As a result of the transaction, the Company is now in a stronger position with which to operate through the pandemic.

The Company will need to 1) operate with lower ongoing operating costs in line with lower revenues while economic conditions are depressed, 2) have the financial capacity to handle restructuring costs required, weaker receivables and other cash obligations and 3) withstand further economic uncertainty, additional waves of the pandemic and any related impact on revenues and cash flow. The capital raised from the transaction, the retention of 100% of the cash flow for two years and the amended bank facility provide financial cushion for these needs.

While the pandemic has impacted the Company's revenues and operations, and it is unclear how long the pandemic will last and the extent of its financial impact, the Company is starting to see increased activity in its businesses. Revenues recovered to some degree in May and June from April levels.

The Company's digital media, data, and information businesses have held up relatively well considering market conditions. The Company believes that the underlying fundamentals and value of these products have not changed and performance is expected to improve further as the pandemic abates and market conditions improve.

OPERATING HIGHLIGHTS

- Local Digital Media revenues, for the quarter, including a partial interest in Village Media, were off 10% compared to the same period last year. Efforts to adjust sales focus and pivot to areas of demand proved effective in maintaining revenues despite the challenges of the pandemic.
    - Digital audience growth was strong as the Local News Network monthly page views grew 33% vs. last year. This growth continued a consistent pre-COVID trend and accelerated during the quarter due to the focus on local news and COVID related issues.
- Glacier FarmMedia revenues were off 8% during the quarter. Demand for food and agricultural output has remained strong during the pandemic.
- The energy and mining group revenues were off 25%, with energy market conditions remaining weak in particular.
- Environmental and property group revenues were off 17% during the quarter.
    - STP and REW performed better while ERIS was off more in revenue given its exposure to the U.S. commercial real estate market.
    - REW (the Company's residential real estate portal) had record traffic and revenues recovered in June as the residential real estate market rebounded.
- Print advertising revenues were off 49% compared to last year. The decline varied from 30%-60% depending on the market, but began recovering slowly week over week in May and June. Operating costs were reduced significantly in response.

Given the level of restriction in economic activity, the impact on current revenue levels is understandable, as many companies are experiencing.

It is encouraging that the efforts and investment made in the core areas of focus for the Company prior to the pandemic have allowed demand for these products and services to be resilient during the pandemic. The respective brands, market positions and value to customers have remained strong. As indicated, Local Digital Media revenues, including a partial interest in Village Media, were off only 10% compared to the same period last year. Subscription, data and services revenues were off only 9% for the quarter.

Print advertising revenues have declined the most. They are expected to recover from current levels in the near term then continue their secular decline. The Company is planning for the financial costs relating to newspaper restructurings that may be required in the future. It owns real estate in some of its newspaper markets that can be sold to partially offset these costs.

It is also encouraging that the Company and its partners are seeing that local digital media businesses can operate on a standalone basis without newspapers, and can be operated with newspaper staff as well as new staff. The Company's objective is to transform local media operations from mostly print newspaper revenue to digital operations over time.

Overall, the Company expects that as time progresses, and the pandemic abates, revenues will recover.

Due to the uncertainty surrounding the continued magnitude and impact of the COVID pandemic on the economy, however, it is unclear what the impact will be on the Company's operations and financial position in the short-term.

The third quarter will be negatively impacted by the conversion of the Company's Ag In Motion and Canada's Outdoor Farm Shows from outdoor farm shows to virtual shows, and potential summer slowness (depending on how summer activity relates to the release of pent-up COVID demand, or slowing of pent-up demand, etc.). If economic conditions generally progress, revenues are expected to recover after this.

The Company is working to reach the inflection point where the revenue and cash flow from its data, analytics and intelligence products and digital media products exceeds the decline of its print advertising related cash flow. The Company had made good progress in this regard in the first two months of the first quarter of 2020 before the impact of the pandemic set in. The Company can operate at lower levels of revenue from its digital media, data and information operations in the future and generate strong cash flow without print newspaper revenue and cash flow.

Q2 2020 OPERATIONAL PERFORMANCE

Consolidated revenue for the period ending June 30, 2020 was $31.0 million, down $14.7 million or 32.1% from the same period in the prior year. Consolidated EBITDA was $6.2 million for the period, up $3.9 million from the same period in the prior year. Including the Company's share of joint ventures and associates, revenue was $38.1 million, down $18.6 million or 32.8% and EBITDA was $8.0 million, up $3.9 million.

The Company recorded $8.8 million from the CEWS during the quarter. Excluding the wage subsidy, consolidated EBITDA was a loss of $2.6 million. Subsequent to quarter end, the federal government announced that the wage subsidy program will continue until at least November 2020, but at reduced levels (a reduction of likely 50% or more for the Company initially, with the level of reduction increasing in phases).

As stated, the Company implemented a wide variety of cost reductions in response to the decline in revenues. These included wage roll-backs, reduced work weeks, layoffs and a wide variety of other cost reduction measures.

The Company is monitoring conditions on an ongoing basis and will respond accordingly. Revenues have been recovering slowly, and it is hoped that the combination of revenue recovery and continued wage subsidies and work share programs will allow sufficient operating income to be maintained. If revenues do not recover sufficiently, operating expenses will be reduced further. The Company is trying to avoid the adverse impact of laying off capable staff that are required to maintain product quality, sales capacity, customer service, sufficient handling of workload and general operating effectiveness. The objective is to be in as strong a competitive and market position as possible as the pandemic abates.

Although capital expenditures were reduced, continued operating expense investments were made in some of the key strategic development initiatives, including the REW digital real estate marketplace, new weather and agricultural markets subscription-based products, and digital community media products.

Financial Position. As at June 30, 2020, senior debt was $24.0 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 in 2019. The Company's revolving facility has been classified as current based on its maturity date. The Company expects to renegotiate its banking agreement well before maturity.

The Company also has $2.3 million of deferred purchase price obligations owing over the next two years and $7.5 million of a vendor-take back receivable from Fundata over the next three years.

REVENUE

Glacier's consolidated revenue for the period ended June 30, 2020 was $31.0 million compared to $45.7 million for the same period in the prior year.

ENVIRONMENTAL AND PROPERTY INFORMATION

The Environmental and Property Information group generated revenue of $5.1 million for the period ended June 30, 2020, as compared to $6.2 million for the same period in the prior year, or a decline of 16.8%.

STP and REW performed better throughout the quarter. REW (the Company's residential real estate portal) had record traffic and revenues recovered in June as the residential real estate market rebounded. ERIS's revenues were impacted by its exposure to the U.S. commercial real estate market.

COMMODITY INFORMATION

The Commodity Information group generated revenue of $9.6 million for the period ended June 30, 2020, as compared to $11.1 million for the same period in the prior year, or a decline of 13.5%.

Glacier FarmMedia revenues were off 7.7% during the quarter. Farming has been impacted to a lesser degree by the pandemic. Underlying natural resource conditions remained weak, particularly in the energy markets.

COMMUNITY MEDIA

	Revenue		EBITDA	
	Three months ended June 30,			
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Community Media including joint ventures and associates	23,330	39,359	5,958	4,442
Joint ventures and associates	(7,054)	(10,947)	(1,800)	(1,812)
Community Media IFRS	16,276	28,412	4,158	2,630

	Revenue		EBITDA	
	Six months ended June 30,			
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Community Media including joint ventures and associates	55,955	74,350	7,678	6,201
Joint ventures and associates	(16,166)	(21,707)	(3,056)	(3,412)
Community Media IFRS	39,789	52,643	4,622	2,789

The Community Media Group generated $16.3 million of revenue, down 42.7% for the period ended June 30, 2020, as compared to $28.4 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 $23.3 million, as compared to $39.4 million for the same period in the prior year, or a decline of 40.7%.

Print advertising revenues caused the majority of the decline, although they began to rebound slowly in May and June.

DIGITAL MEDIA

Local Digital Media revenues held up relatively well in the quarter, despite the pandemic.

Efforts to adjust sales focus and pivot to areas of demand proved effective in maintaining revenues despite the challenges of the pandemic.

Digital audience growth was strong, continuing a consistent pre-COVID trend and accelerating during the quarter due to the focus on local news and COVID related issues.

GROSS PROFIT

Glacier's consolidated gross profit, being revenues less direct expenses, for the period ended June 30, 2020 was $13.1 million as compared to $12.5 million for the same period in the prior year. Gross profit was affected by the drop in revenues related COVID-19 which was offset by the CEWS which was recorded as an offset to wage expense.

Gross profit as a percentage of revenues ("gross profit margin") for the period ended June 30, 2020 was 42.3% as compared to 27.4% for the same period in the prior year.

GENERAL & ADMINISTRATIVE EXPENSES

Glacier's consolidated general and administrative expenses were $6.9 million for the period ended June 30, 2020, down from $10.2 million for the same period in the prior year. The largest driver of the reduction in administrative costs was CEWS which was recorded as a reduction of wage expenses. Additionally, senior management and staff wage roll-back, permanent and temporary lay-offs and reduced working hours reduced overall wage expense. 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 $6.2 million for the period ended June 30, 2020 as compared to $2.3 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". Most noticeable is the amounts recorded in Q2 from Canada's Emergency Wage Subsidy program. The result of this is a positive EBITDA in Q2 despite the financial hardship and decline discussed in the preceding paragraphs.

NET INTEREST EXPENSE, DEBT

Glacier's consolidated net interest expense for the period ended June 30, 2020 was $0.5 million as compared to $0.8 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 and the change in debt mix between the two periods.

INTEREST EXPENSE, LEASE LIABILITIES

Interest expense relating to lease liabilities for the period ended June 30, 2020 was $0.2 million, consistent with the same period in the prior year.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization decreased $0.4 million as the results of certain amortizing intangible assets becoming fully amortized in the prior year.

NET GAIN ON DISPOSITION

In the comparative 2019 period, the Company recorded a $47.7 million gain on sale, primarily relating to the sale of Fundata during the period ended June 30, 2019.

IMPAIRMENT EXPENSE

The Company recorded an impairment expense of $9.1 million during the period ending June 30, 2020. Indicators of impairment existed at June 30, 2020 relating to uncertainties and revenue declines 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 investments in joint ventures and associates.

RESTRUCTURING AND OTHER EXPENSES (NET)

Restructuring and other expenses (net) for the period ended June 30, 2020 were $0.9 million compared to $1.9 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 ("VTC"), Rhode Island Suburban Newspapers, Inc. ("RISN"), Village Media Inc. ("Village") and other joint ventures and associates, decreased $1.1 million as compared to the same period in the prior year. Included in this decrease is $1.2 million of impairment which is the Company's share of impairment taken within the joint ventures and associates. 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)	June 30, 2020	December 31, 2019
	$	$
Assets	67,567	64,041
Liabilities	19,864	16,765
Net assets	47,703	47,276

	Three months ended	
	June 30, 2020	June 30, 2019
	$	$
Revenues	7,054	10,947
EBITDA	1,800	1,812
Net income for the period	221	1,369

	Six months ended	
(thousands of dollars)	June 30, 2020	June 30, 2019
	$	$
Revenues	16,166	24,189
EBITDA	3,056	4,746
Net income for the period	764	2,690

NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS

Net loss attributable to common shareholders increased by $47.9 million compared to the same period in the prior year. The change resulted from i) a $47.7 million gain on sale of assets in the comparative period, ii) impairment expense of $9.1 million in the current period and iii) lower share of earnings from joint ventures and associates of $1.1 million (inclusive of impairment taken within the joint ventures and associates). This was partially offset by higher operating performance of $3.9 million, ii) lower interest expense on debt of $0.3 million, iii) lower depreciation and amortization of $0.4 million, iv) lower restructuring and other expenses of $1.0 million, v) lower non-controlling interests of $1.5 million and vi) higher income tax recovery of $2.9 million.

OTHER COMPREHENSIVE LOSS (NET OF TAX)

For the period ended June 30, 2020, Glacier recognized other comprehensive loss (net of tax) of $2.8 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 $5.8 million (before changes in non-cash operating accounts) for the period ended June 30, 2020 as compared to $1.4 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 $1.2 million in the period as compared to $1.7 million for the same period in the prior year. The majority of the current year expenditures relate to the development and implementation of software and websites. Prior year capital expenditures related to the leasehold improvements and development and implementation of software and websites.

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 $58.8 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 periods ended June 30, 2020 and 2019:

(thousands of dollars) except share and per share amounts	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Revenue	$ 30,999	$ 45,673	$ 74,280	$ 89,935
Gross profit [(2)]	$ 13,109	$ 12,507	$ 24,413	$ 23,979
Gross margin	42.3%	27.4%	32.9%	26.7%
EBITDA [(1)]	$ 6,191	$ 2,284	$ 8,124	$ 4,245
EBITDA margin [(1)]	20.0%	5.0%	10.9%	4.7%
EBITDA per share [(1)]	$ 0.05	$ 0.02	$ 0.06	$ 0.04
Net interest expense, debt	$ 502	$ 834	$ 944	$ 1,725
Net (loss) income attributable to common shareholders	$ (7,816)	$ 40,057	$ (20,025)	$ 38,581
Net (loss) income attributable to common shareholders per share	$ (0.06)	$ 0.36	$ (0.16)	$ 0.35
Cash flow from operations	$ 5,832	$ 1,370	$ 6,314	$ 3,070
Cash flow from operations per share	$ 0.05	$ 0.01	$ 0.05	$ 0.03
Capital expenditures [(3)]	$ 1,214	$ 1,701	$ 2,537	$ 6,548
Total assets	$ 257,748	$ 276,431	$ 257,748	$ 276,431
Total non-current financial liabilities	$ 12,254	$ 38,895	$ 12,254	$ 38,895
Debt net of cash outstanding before deferred financing charges and other expenses	$ 15,535	$ 22,730	$ 15,535	$ 22,730
Equity attributable to common shareholders	$ 152,340	$ 168,891	$ 152,340	$ 168,891
Weighted average shares outstanding, net	125,213,346	109,828,731	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 second quarter results include:

- Operating performance of the Company's various business units and general market conditions during the reported periods;
- The varying impact of COVID-19 on the Company's operations' revenues and expenses. As a result of COVID-19, the Company implemented senior management and staff wage roll-back, permanent and temporary lay-offs and reduced working hours reduced overall wage expense;
- The $8.8 million of CEWS as an offset to wage expense in the period ended June 30, 2020;
- 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 being offset by the increase in community media digital revenue;
- An impairment charge of $9.1 million during the period ended June 30, 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	Trailing 12 Months	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Revenue	$ 169,135	$ 30,999	$ 43,281	$ 46,599	$ 48,256
EBITDA [1]	$ 11,846	$ 6,191	$ 1,933	$ 1,633	$ 2,089
EBITDA margin [1]	7.0%	20.0%	4.5%	3.5%	4.3%
EBITDA per share [1]	$ 0.10	$ 0.05	$ 0.02	$ 0.01	$ 0.02
Net interest expense, debt	$ 1,738	$ 502	$ 442	$ 334	$ 460
Net (loss) income attributable to common shareholders	$ (24,357)	$ (7,816)	$ (12,209)	$ (1,166)	$ (3,166)
Net (loss) income attributable to common shareholders per share	$ (0.20)	$ (0.06)	$ (0.10)	$ (0.01)	$ (0.03)
Cash flow from operations	$ 7,114	$ 5,832	$ 482	$ (2)	$ 802
Cash flow from operations per share	$ 0.06	$ 0.05	$ 0.00	$ 0.00	$ 0.01
Capital expenditures	$ 5,754	$ 1,214	$ 1,323	$ 1,225	$ 1,992
Debt net of cash outstanding before deferred financing charges and other expenses	$ 15,535	$ 15,535	$ 18,451	$ 13,653	$ 14,683
Equity attributable to common shareholders	$ 152,340	$ 152,340	$ 162,881	$ 176,953	$ 175,641
Weighted average shares outstanding, net	124,414,691	125,213,346	125,213,346	125,213,346	122,036,089

	Trailing 12 Months	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Revenue	$ 187,221	$ 45,673	$ 44,262	$ 48,569	$ 48,717
EBITDA [1]	$ 9,422	$ 2,284	$ 1,961	$ 3,483	$ 1,694
EBITDA margin [1]	5.0%	5.0%	4.4%	7.2%	3.5%
EBITDA per share [1]	$ 0.09	$ 0.02	$ 0.02	$ 0.03	$ 0.02
Net interest expense, debt	$ 3,041	$ 834	$ 891	$ 700	$ 616
Net (loss) income attributable to common shareholders	$ 34,344	$ 40,057	$ (1,476)	$ 859	$ (5,096)
Net (loss) income attributable to common shareholders per share	$ 0.31	$ 0.36	$ (0.01)	$ 0.01	$ (0.05)
Cash flow from operations	$ 6,293	$ 1,370	$ 1,700	$ 2,574	$ 649
Cash flow from operations per share	$ 0.06	$ 0.01	$ 0.02	$ 0.02	$ 0.01
Capital expenditures	$ 10,793	$ 1,701	$ 4,847	$ 2,063	$ 2,182
Debt net of cash outstanding before deferred financing charges and other expenses	$ 22,730	$ 22,730	$ 43,658	$ 38,882	$ 39,301
Equity attributable to common shareholders	$ 168,891	$ 168,891	$ 130,061	$ 132,033	$ 134,177
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' revenues and expenses for the periods ended June 30, 2020 and March 31, 2020. As a result of COVID-19, the Company implemented senior management and staff wage roll-back, permanent and temporary lay-offs and reduced working hours reduced overall wage expense at the end of March 2020;
- The $8.8 million of CEWS as an offset to wage expense in the period ended June 30, 2020 and $0.6 million in the period ended March 31, 2020;
- An impairment charge of $9.1 million during the period ended June 30, 2020 and $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 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 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; and
- 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.

EBITDA RECONCILIATION

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

(thousands of dollars)	Three months ended June 30,		Six months ended June 30,	
except share and per share amounts	2020	2019	2020	2019
Net (loss) income attributable to common shareholders	$ (7,816)	$ 40,057	$ (20,025)	$ 38,581
Add (deduct):				
Non-controlling interests	$ 494	$ 1,978	$ 534	$ 2,144
Net interest expense, debt	$ 502	$ 834	$ 944	$ 1,725
Interest expense, lease liability	$ 152	$ 172	$ 313	$ 334
Depreciation and amortization	$ 2,978	$ 3,335	$ 6,089	$ 7,098
Net gain on sale	$ -	$ (47,713)	$ -	$ (47,713)
Impairment expense	$ 9,064	$ -	$ 19,964	$ -
Restructuring and other expenses (net)	$ 908	$ 1,942	$ 2,514	$ 2,620
Share of earnings from joint ventures and associates	$ (221)	$ (1,369)	$ (764)	$ (2,690)
Income tax recovery	$ 130	$ 3,048	$ (1,445)	$ 2,146
EBITDA [(1)]	$ 6,191	$ 2,284	$ 8,124	$ 4,245
Weighted average shares outstanding, net	125,213,346	109,828,731	125,213,346	109,828,731
Net (loss) income attributable to common shareholders per share	$ (0.06)	$ 0.36	$ (0.16)	$ 0.35
EBITDA per share [(1)]	$ 0.05	$ 0.02	$ 0.06	$ 0.04

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 June 30, 2020, Glacier had consolidated cash and cash equivalents of $11.1 million, current and long-term debt of $26.7 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $1.4 million excluding deferred revenue (this includes the Company's revolving facility which has been classified as current based on its maturity date. The Company expects to renegotiate its banking agreement well before maturity). 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 $1.2 million in the period as compared to $1.7 million for the same period in the prior year. The majority of the current year expenditures relate to the development and implementation of software and websites. Prior year capital expenditures related to the leasehold improvements and development and implementation of software and websites.

CHANGES IN FINANCIAL POSITION

(thousands of dollars)	Three months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
	$	$	$	$
Cash generated from (used in)				
Operating activities	4,193	(984)	2,622	(371)
Investing activities	520	23,917	(1,079)	20,585
Financing activities	1,667	(22,696)	4,478	(18,904)
Increase in cash	6,380	237	6,021	1,310

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 $5.8 million as compared to $1.4 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 generated from operations after changes in non-cash working capital was $4.2 million compared to cash used in operations of $1.0 million for the same period in the prior year.

INVESTING ACTIVITIES

Cash generated from investing activities totalled $0.5 million for the period ended June 30, 2020 as compared to $23.9 million for the same period in the prior year. Investing activities included $1.2 million of capital expenditures, distributions received of $0.3 million, other investing activities $1.5 million and $0.1 million of acquisitions. The comparative period included $45.2 million of proceeds from disposal of assets (primarily from the sale of Fundata) and $19.0 million from the acquisition of Castanet.

FINANCING ACTIVITIES

Cash generated from financing activities was $1.7 million for the period ended June 30, 2020 as compared to cash used of $22.7 million for the same period in the prior year. The Company had net borrowing of $3.5 million, distributions to non-controlling interests of $0.4 million, interest paid on long-term debt of $0.5 million, interest paid on lease liabilities of $0.2 million and principal repayment of lease liabilities of $0.8 million. The comparative period included borrowings of $10.0 million from Madison, net repayments of $30.7 million (including the $6.0 million repayment of the Madison loan).

OUTSTANDING SHARE DATA

As at June 30, 2020 and August 13, 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 June 30, 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	26,530	76	24,134	291	292	34	1,703
Undiscounted lease liabilities	12,955	1,944	3,403	2,517	1,832	1,311	1,948
	39,485	2,020	27,537	2,808	2,124	1,345	3,651

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 June 30, 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 and the United Kingdom, 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 Company's revolving facility has been classified as current based on its maturity date. This has caused the Company's current liabilities to exceed its current assets at June 30, 2020. Despite this, the Company's working capital, excluding deferred revenue, is positive. 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. The Company expects to renegotiate its banking agreement well before maturity.

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 June 30, 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 continue for some 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. See "Significant Developments in Q2 2020, Operating Highlights and Outlook – Impact of Coronavirus and Actions Taken".

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 June 30, 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

THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	$	$	$	$
Revenue (Note 17)	30,999	45,673	74,280	89,935
Operational expenses before depreciation and amortization				
Direct expenses (Note 18)	17,890	33,166	49,867	65,956
General and administrative (Note 18)	6,918	10,223	16,289	19,734
	6,191	2,284	8,124	4,245
Net interest expense, debt	502	834	944	1,725
Interest expense, lease liabilities (Note 7)	152	172	313	334
Depreciation and amortization (Note 10)	2,978	3,335	6,089	7,098
Net gain on sale (Note 5)	-	(47,713)	-	(47,713)
Impairment expense (Note 12)	9,064	-	19,964	-
Restructuring and other expenses (net) (Note 19)	908	1,942	2,514	2,620
Share of earnings from joint ventures and associates (Note 6)	(221)	(1,369)	(764)	(2,690)
Net (loss) income before income taxes	(7,192)	45,083	(20,936)	42,871
Income tax (recovery) expense (Note 16)	130	3,048	(1,445)	2,146
Net (loss) income for the period	(7,322)	42,035	(19,491)	40,725
Net (loss) income attributable to:				
Common shareholders	(7,816)	40,057	(20,025)	38,581
Non-controlling interests	494	1,978	534	2,144
Net (loss) income attributable to common shareholders per share				
Basic and diluted	(0.06)	0.36	(0.16)	0.35
Weighted average number of common shares				
Basic and diluted	125,213,346	109,828,731	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) INCOME
THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	$	$	$	$
Net (loss) income for the period	(7,322)	42,035	(19,491)	40,725
Other comprehensive (loss) income (net of tax) (Note 15)				
Actuarial loss on defined benefit pension plans [1]	(1,496)	(690)	(3,222)	(947)
Currency translation adjustment [2]	(170)	(209)	81	(19)
Share of other comprehensive loss from joint ventures and associates[1] (Note 6)	(1,147)	(360)	(1,594)	(805)
Other comprehensive loss (net of tax)	(2,813)	(1,259)	(4,735)	(1,771)
Total comprehensive (loss) income	(10,135)	40,776	(24,226)	38,954
Total comprehensive (loss) income attributable to:				
Common shareholders	(10,541)	38,830	(24,613)	36,858
Non-controlling interests	406	1,946	387	2,096

[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 JUNE 30, 2020 AND DECEMBER 31, 2019

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	June 30, 2020	As at December 31, 2019
	$	$
Assets		
Current assets		
Cash and cash equivalents	11,134	5,113
Trade and other receivables (Note 5 and 18)	41,991	36,054
Inventory	3,240	2,096
Prepaid expenses	3,159	2,482
	59,524	45,745
Non-current assets		
Investments in joint ventures and associates (Note 6)	49,034	56,605
Other assets (Note 5 and 21)	29,383	31,998
Right-of-use assets (Note 7)	10,907	11,912
Property, plant and equipment (Note 8)	28,691	30,018
Intangible assets (Note 9)	39,613	48,845
Goodwill (Note 11)	32,968	37,968
Post-employment benefit asset	-	3,061
Deferred income taxes	7,628	4,992
Total assets	257,748	271,144
Liabilities		
Current liabilities		
Trade and other payables	28,962	25,738
Deferred revenue	10,957	10,640
Current portion of lease liabilities (Note 7)	3,096	3,088
Current portion of long-term debt (Note 14)	24,169	410
Other current liabilities (Note 13)	1,922	2,609
	69,106	42,485
Non-current liabilities		
Non-current portion of deferred revenue	1,545	918
Lease liabilities (Note 7)	8,292	9,174
Other non-current liabilities (Note 13)	1,601	2,184
Long-term debt (Note 14)	2,361	18,114
Post-employment benefit obligations	1,436	-
Total liabilities	84,341	72,875
Equity		
Share capital	221,802	221,802
Contributed surplus	8,951	8,951
Accumulated other comprehensive income (Note 15)	133	55
Deficit	(78,546)	(53,855)
Total equity attributable to common shareholders	152,340	176,953
Non-controlling interests	21,067	21,316
Total equity	173,407	198,269
Total liabilities and equity	257,748	271,144

Subsequent event (Note 23)

See accompanying condensed notes to these interim consolidated financial statements

GLACIER MEDIA INC.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2020 AND 2019

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

	Attributable to common shareholders							
	Share capital		Contributed	Accumulated other comprehensive	Retained earnings		Non-controlling	Total
	Shares	Amount	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 income for the period	-	-	-	-	38,581	38,581	2,144	40,725
Other comprehensive loss (net of tax)	-	-	-	(25)	(1,698)	(1,723)	(48)	(1,771)
Total comprehensive income .(loss) for the period	-	-	-	(25)	36,883	36,858	2,096	38,954
Distributions to non-controlling interests	-	-	-	-	-	-	(302)	(302)
Balance, June 30, 2019	109,828,731	211,802	8,951	(564)	(51,298)	168,891	21,062	189,953
Balance, December 31, 2019	125,213,346	221,802	8,951	55	(53,855)	176,953	21,316	198,269
Net (loss) income for the period	-	-	-	-	(20,025)	(20,025)	534	(19,491)
Other comprehensive (loss) income (net of tax)	-	-	-	78	(4,666)	(4,588)	(147)	(4,735)
Total comprehensive (loss) income for the period	-	-	-	78	(24,691)	(24,613)	387	(24,226)
Distributions to non-controlling interests	-	-	-	-	-	-	(636)	(636)
Balance, June 30, 2020	125,213,346	221,802	8,951	133	(78,546)	152,340	21,067	173,407

See accompanying condensed notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	$	$	$	$
Operating activities				
Net (loss) income for the period	(7,322)	42,035	(19,491)	40,725
Items not affecting cash:				
Depreciation and amortization (Note 10)	2,978	3,335	6,089	7,098
Net gain on disposition (Notes 5)	-	(47,682)	-	(47,682)
Impairment expense (Note 12)	9,064	-	19,964	-
Employee future benefit expense in excess of (less than) of employer contributions	109	(60)	84	(103)
Deferred income tax (recovery) expense (Note 16)	55	2,716	(1,574)	1,843
Interest expense, long term debt	506	835	951	1,722
Interest expense, lease liabilities (Note 7)	152	172	313	334
Share of earnings from joint ventures and associates (Note 6)	(221)	(1,369)	(764)	(2,690)
Other non-cash items	511	1,388	742	1,823
Cash flow from operations before changes in non-cash operating accounts	5,832	1,370	6,314	3,070
Changes in non-cash operating accounts				
Trade and other receivables	(1,910)	1,381	(6,102)	(225)
Inventory	(907)	(792)	(1,144)	(1,237)
Prepaid expenses	(655)	67	(789)	169
Trade and other payables	2,616	(4,024)	3,399	(5,207)
Deferred revenue	(783)	1,014	944	3,059
Cash generated from (used in) operating activities	4,193	(984)	2,622	(371)
Investing activities				
Acquisitions, inclusive of assumed and related financing liabilities (Note 5)	(80)	(18,950)	(80)	(18,950)
Other investing activities	1,549	(444)	597	(939)
Proceeds from disposal of assets (Note 5)	-	45,157	-	45,157
Distributions received from joint ventures and associates (Note 6)	265	650	941	2,738
Deposits paid	-	(795)	-	(873)
Purchase of property, plant and equipment	(256)	(709)	(542)	(4,430)
Purchase of intangible assets	(958)	(992)	(1,995)	(2,118)
Cash (used in) generated from investing activities	520	23,917	(1,079)	20,585
Financing activities				
Distribution to non-controlling interests	(409)	(188)	(636)	(302)
Interest paid, long-term debt	(454)	(924)	(847)	(1,897)
Interest paid, lease liabilities (Note 7)	(155)	(170)	(318)	(275)
Additional borrowing of long-term debt	-	10,000	-	12,500
Net borrowing (repayment) of long term debt (Note 14)	3,462	(30,690)	7,900	(27,363)
Principal payment of lease liabilities (Note 7)	(777)	(724)	(1,621)	(1,567)
Cash generated from (used in) financing activities	1,667	(22,696)	4,478	(18,904)
Net cash generated	6,380	237	6,021	1,310
Cash and cash equivalents, beginning of period	4,754	4,190	5,113	3,117
Cash and cash equivalents, end of period	11,134	4,427	11,134	4,427

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 applicable to interim financial reports including International Accounting Standard (IAS) 34 – *Interim Financial Reporting*.

The condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year end December 31, 2019.

These condensed interim consolidated financial statements have been approved by the Board of Directors for issue on August 13, 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 effective 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 EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

5. ACQUISITION AND DISPOSITION

(a) On April 4, 2019, the Company completed the sale of its 50% interest in Fundata Canada Inc. ("Fundata") for $55.0 million; resulting in a gain on disposition of $47.6 million. $45.0 million of the sale price was received at closing and $10.0 million is receivable over four years, of which $7.5 million is still receivable as at June 30, 2020. The current portion of the sale price receivable has been recorded within Trade and other receivable with the balance in Other assets.

(b) On April 4, 2019, the Company completed the acquisition of Castanet Media Ltd. ("Castanet"). The purchase price is $22.0 million for the Castanet assets. In total, $19.0 million cash was paid at closing with the remainder payable over two years, of which $1.3 million is still payable as at June 30, 2020.

6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

(thousands of dollars)	As at and for the period ended June 30, 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	764	3,663
Impairment of invesment in joint ventures and associates (Note 12)	(5,800)	-
Share of other comprehensive loss (net of tax)	(1,594)	(608)
Distributions, dividends received and other equity movements	(941)	(6,063)
Balance, end of period	49,034	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.

During the quarter ended June 30, 2020, the Company recorded a $3.0 million impairment of investment in joint ventures and associates. During the quarter ended March 31, 2020, 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 12.

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)

6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

	Joint ventures		Associates		Total	
	Three months ended June 30,		Three months ended June 30,		Three months ended June 30,	
(thousands of dollars)	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$
Revenue	4,105	6,024	2,949	4,923	7,054	10,947
Operating expenses before depreciation and amortization	2,943	4,426	2,311	4,709	5,254	9,135
	1,162	1,598	638	214	1,800	1,812
Net interest expense, debt	30	24	18	(4)	48	20
Interest expense, lease liabilities	2	3	-	2	2	5
Depreciation and amortization	390	401	54	64	444	465
Impairment, restructuring and other expenses (net)	(13)	(288)	1,178	69	1,165	(219)
Net income (loss) before income taxes	753	1,458	(612)	83	141	1,541
Income tax (recovery) expense	129	125	(209)	47	(80)	172
Net income (loss) for the period	624	1,333	(403)	36	221	1,369

	Joint ventures		Associates		Total	
	Six months ended June 30,		Six months ended June 30,		Six months ended June 30,	
(thousands of dollars)	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$
Revenue	9,655	14,615	6,511	9,574	16,166	24,189
Operating expenses before depreciation and amortization	7,613	10,472	5,497	8,971	13,110	19,443
	2,042	4,143	1,014	603	3,056	4,746
Net interest expense, debt	52	49	35	(9)	87	40
Interest expense, lease liabilities	4	6	1	4	5	10
Depreciation and amortization	777	969	109	134	886	1,103
Impairment, restructuring and other expenses (net)	(40)	(305)	1,226	594	1,186	289
Net income (loss) before income taxes	1,249	3,424	(357)	(120)	892	3,304
Income tax expense (recovery)	255	564	(127)	50	128	614
Net income (loss) for the period	994	2,860	(230)	(170)	764	2,690

	Joint ventures		Associates		Total	
(thousands of dollars)	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	$	$	$	$	$	$
Assets	29,152	27,799	38,415	36,242	67,567	64,041
Liabilities	7,672	6,752	12,192	10,013	19,864	16,765
Net Assets	21,480	21,047	26,223	26,229	47,703	47,276

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

7. 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 June 30, 2020
(thousands of dollars)	Cost	Accumulated depreciation	Carrying amount
	$	$	$
Property	15,845	(5,023)	10,822
Equipment	119	(34)	85
	15,964	(5,057)	10,907

			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)	June 30, 2020	December 31, 2019
	$	$
Current portion of lease liabilities	3,096	3,088
Long term lease liabilities	8,292	9,174
	11,388	12,262

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

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

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

(thousands of dollars)	As at and for the period ended June 30, 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	739	3,672
Acquisition	-	1,244
Interest expense, lease liability	313	675
Interest paid, lease liability	(318)	(616)
Payment of principal portion of lease liabilities	(1,621)	(3,152)
Termination	(4)	(1,061)
Foreign exchange	17	(14)
Balance, end of period	11,388	12,262

During the year period ended June 30 2020, the Company had short-term and low value lease expenses of $0.2 million (2019: $0.3 million).

8. PROPERTY, PLANT AND EQUIPMENT

			As at June 30, 2020
(thousands of dollars)	Cost	Accumulated depreciation and impairment	Carrying amount
	$	$	$
Land and Land Improvements	6,706	(198)	6,508
Buildings	13,129	(3,874)	9,255
Production equipment	29,622	(21,532)	8,090
Office equipment and leaseholds	23,428	(18,590)	4,838
	72,885	(44,194)	28,691

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

9. 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 June 30, 2020
(thousands of dollars)	Cost	Accumulated amortization and impairment	Carrying amount
	$	$	$
Indefinite life			
Mastheads and trademarks	59,660	(38,169)	21,491
Finite life			
Copyrights	10,242	(10,233)	9
Customer relationships	65,908	(58,251)	7,657
Subscription lists	3,841	(3,841)	-
Software and websites	41,345	(30,889)	10,456
	180,996	(141,383)	39,613

			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 June 30, 2020 an impairment charge of $2.6 million was recorded against indefinite life intangible assets. During the period ended March 31, 2020 an impairment charge of $6.6 million was recorded against indefinite life intangible assets. Refer to Note 12.

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

10. DEPRECIATION AND AMORTIZATION

(thousands of dollars)	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
	$	$	$	$
Depreciation of property, plant and equipment	770	1,150	1,685	2,140
Depreciation of right-of-use assets	836	834	1,752	1,710
Amortization of intangible assets	1,372	1,351	2,652	3,248
Depreciation and amortization	2,978	3,335	6,089	7,098

11. GOODWILL

(thousands of dollars)	June 30, 2020	December 31, 2019
	$	$
Balance, beginning of period	37,968	35,824
Acquisition on business combinations (Note 5)	-	7,844
Impairment (Note 12)	(5,000)	(5,700)
Balance, end of period	32,968	37,968

12. IMPAIRMENT

As at June 30, 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-19 and 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 EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

12. 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 June 30, 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 on, 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 the following impairment:

	Three months ended June 30,		Six months ended June 30,	
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Goodwill	3,500	-	5,000	-
Indefinite life intangible assets	2,564	-	9,164	-
Investment in joint ventures and associates	3,000	-	5,800	-
	9,064	-	19,964	-

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 further 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 Commodity Information Group remain the most sensitive.

13. 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.

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

14. LONG-TERM DEBT

The Company has the following long-term debt outstanding:

(thousands of dollars)	June 30, 2020	December 31, 2019
	$	$
Current:		
Revolving bank loan	24,000	-
Mortgages and other loans	308	410
Deferred financing costs	(139)	-
	24,169	410
Non-current:		
Revolving bank loan	-	16,000
Mortgages and other loans	2,361	2,356
Deferred financing costs	-	(242)
	2,361	18,114
	26,530	18,524

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

(thousands of dollars)	As at and for the period ended June 30, 2020	As at and for the year ended December 31, 2019
	$	$
Balance, beginning of period	18,524	41,847
Additional borrowings	8,000	2,500
Financing charges (net)	106	(69)
Repayment of debt	(100)	(25,754)
Balance, end of period	26,530	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 June 30, 2020 and 2019.

During the period ended June 30, 2020, the Company amended its current banking agreement, which expires on May 31, 2021. The amendments provided temporary covenant relief as the Company worked with its banking syndicate to implement a financial restructuring plan that would provide access to sufficient ongoing liquidity with which to operate through the pandemic. The Company's revolving facility has been classified as current based on its maturity date. The Company expects to renegotiate its banking agreement well before maturity.

Subsequent to June 30, 2020, as a result of the Madison Venture Corporation transaction, the Company again amended its current banking agreement. The terms of the amendment were largely similar to those under the previously existing agreement, except that under the current amendment the Company is required to meet a minimum EBITDA test as opposed to a cash flow test.

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

15. OTHER COMPREHENSIVE (LOSS) INCOME

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

	Accumulated other comprehensive income (loss)	Retained deficit		
(thousands of dollars)	Cumulative translation adjustment	Actuarial (loss) gain on defined benefit plans	Non-controlling interest	Total other comprehensive (loss) income
	$	$	$	$
Balance, December 31, 2018	(539)	(1,270)	(62)	(1,871)
Actuarial loss on defined benefit plans	-	(918)	(29)	(947)
Cumulative translation adjustment	(25)	-	6	(19)
Share of other comprehensive loss from joint ventures and associates	-	(780)	(25)	(805)
Other comprehensive loss for the period	(25)	(1,698)	(48)	(1,771)
Balance, June 30, 2019	(564)	(2,968)	(110)	(3,642)
Balance, December 31, 2019	55	(1,193)	90	(1,048)
Actuarial loss on defined benefit plans	-	(3,121)	(101)	(3,222)
Cumulative translation adjustment	78	-	3	81
Share of other comprehensive loss from joint ventures and associates	-	(1,545)	(49)	(1,594)
Other comprehensive (loss) income for the period	78	(4,666)	(147)	(4,735)
Balance, June 30, 2020	133	(5,859)	(57)	(5,783)

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

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

	Three months ended June 30,		Six months ended June 30,	
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Income tax effect of:				
Actuarial loss on defined benefit plans	554	255	1,191	350
Share of other comprehensive loss from joint ventures and associates	309	133	590	298

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

16. 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 June 30, 2020 was 27.0% (2019: 27.0%). The components of income tax (recovery) expense are shown in the following table:

	Three months ended June 30,		Six months ended June 30,	
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Current tax	75	332	129	303
Deferred tax	55	2,716	(1,574)	1,843
Income tax (recovery) expense	130	3,048	(1,445)	2,146

17. REVENUE BY CATEGORY

	Three months ended June 30,		Six months ended June 30,	
(thousands of dollars)	2020	2019	2020	2019
	$	$	$	$
Advertising	18,029	30,832	47,302	61,458
Subscription, data and services	11,746	12,936	24,075	24,468
Commercial printing and other	1,224	1,905	2,903	4,009
	30,999	45,673	74,280	89,935

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

18. EXPENSE BY NATURE

(thousands of dollars)	Three months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
	$	$	$	$
Wages and benefits (a)	12,282	25,244	35,763	49,344
Newsprint, ink and other printing costs	2,304	4,194	6,148	8,673
Delivery costs	1,915	3,238	5,010	6,619
Rent, utilities and other property costs	1,107	1,414	2,325	2,745
Advertising, marketing and other promotion costs	786	2,033	2,725	4,160
Third party production and editorial costs	1,806	2,407	4,314	5,031
Legal, bank, insurance and professional services	1,875	1,828	3,785	3,188
Data services, system maintenance, telecommunications and software licences	1,848	1,885	4,092	3,820
Fees, licences and other services	604	654	1,236	1,250
Event costs	6	249	249	456
Other	275	243	509	404
	24,808	43,389	66,156	85,690
Direct expenses	17,890	33,166	49,867	65,956
General and administrative expenses	6,918	10,223	16,289	19,734
	24,808	43,389	66,156	85,690

(a) In April 2020, the Government of Canada passed the Canada Emergency Wage Subsidy (“CEWS”) to help businesses keep workers employed through the challenges posed by the COVID-19 pandemic. CEWS currently provides a reimbursement of compensation expense of 75% of the amount of remuneration paid up to a maximum benefit of $847 per week, per employee. An extension to the CEWS program was announced in July 2020, extending the program to at least November 2020 and providing new criteria for qualification and revised subsidy levels. Under the extension, the subsidy available to employers decreases over the extension period. The Company has recognized a recovery of compensation expense of $8.8 million during the three months ended June 30, 2020 ($9.5 million for the six month ended June 30, 2020). As at June 30, 2020, the Company has an amount receivable related to CEWS of $8.6 million included in Trade and other receivables. The Company will continue to monitor its eligibility.

19. RESTRUCTURING AND OTHER EXPENSES (NET)

(thousands of dollars)	Three months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
	$	$	$	$
Restructuring expenses (a)	629	1,218	1,452	1,889
Transaction and transition costs (b)	135	631	952	655
Other expense (net)	144	93	110	76
	908	1,942	2,514	2,620

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

19. RESTRUCTURING AND OTHER EXPENSES (NET)

(a) Restructuring expenses

During the period ended June 30, 2020, restructuring expenses of $0.6 million were recognized (2019: $1.2 million). Restructuring expenses include severance costs of $0.5 million (2019: $0.5 million) incurred as the Company restructured and reduced its workforce.

(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.

20. 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. 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, energy and mining related. The Community Media segment includes the Company's community media assets and related digital and printing operations.

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 periods ended June 30, 2020 and 2019:

Three months ended June 30, 2020

(thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	5,131	9,592	23,330	38,053	(7,054)	30,999
Divisional earnings before interest, taxes, depreciation, and amortization	616	3,353	5,958	9,927	(1,800)	8,127
Centralized and corporate expenses						1,936
						6,191
Net interest expense, debt and lease liability						654
Depreciation and amortization						2,978
Impairment expense						9,064
Restructuring and other expense						908
Share of earnings from joint ventures and associates						(221)
Income tax recovery						130
Net loss for the period						(7,322)

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

20. SEGMENT DISCLOSURE (CONTINUED)

Three months ended June 30, 2019

(thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	6,169	11,092	39,359	56,620	(10,947)	45,673
Divisional earnings before interest, taxes, depreciation, and amortization	1,058	510	4,442	6,010	(1,812)	4,198
Centralized and corporate expenses						1,914
						2,284
Net interest expense, debt and lease liability						1,006
Depreciation and amortization						3,335
Net gain on sale						(47,713)
Restructuring and other expense						1,942
Share of earnings from joint ventures and associates						(1,369)
Income tax expense						3,048
Net loss for the period						42,035

Six months ended June 30, 2020

(thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	11,801	22,690	55,955	90,446	(16,166)	74,280
Divisional earnings before interest, taxes, depreciation, and amortization	713	5,828	7,678	14,219	(3,056)	11,163
Centralized and corporate expenses						3,039
						8,124
Net interest expense, debt and lease liability						1,257
Depreciation and amortization						6,089
Impairment expense						19,964
Restructuring and other expense						2,514
Share of earnings from joint ventures and associates						(764)
Income tax recovery						(1,445)
Net loss for the period						(19,491)

Six months ended June 30, 2019

(thousands of dollars)	Environmental, Property, and Financial Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	14,102	25,672	74,350	114,124	(24,189)	89,935
Divisional earnings before interest, taxes, depreciation, and amortization	2,620	3,843	6,201	12,664	(4,746)	7,918
Centralized and corporate expenses						3,673
						4,245
Net interest expense, debt and lease liability						2,059
Depreciation and amortization						7,098
Net gain on sale						(47,713)
Restructuring and other expense						2,620
Share of earnings from joint ventures and associates						(2,690)
Income tax recovery						2,146
Net loss for the period						40,725

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

20. SEGMENT DISCLOSURE (CONTINUED)

The Company operates in the following main geographical areas:

(thousands of dollars)	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
	$	$	$	$
Canada	27,119	41,274	65,603	81,601
United States	3,880	4,399	8,677	8,334
Total revenue	30,999	45,673	74,280	89,935

21. 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 $58.8 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.

22. LIQUIDITY RISK

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 Company’s revolving facility has been classified as current based on its maturity date. This has caused the Company’s current liabilities to exceed its current assets at June 30, 2020. Despite this, the Company’s working capital, excluding deferred revenue, is positive. 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. The Company expects to renegotiate its banking agreement well before maturity.

With the capital raised from the transaction and the amended bank facility, as discussed in Note 23, the Company expects to have adequate liquidity with which to operate at lower levels of revenue during the pandemic and reduce costs and restructure accordingly to maintain sufficient levels of profitability and cash flow.

23. SUBSEQUENT EVENT

Subsequent to June 30, 2020, GVIC Communications Corp. (“GVIC” or the "Company"), an associated company of Glacier sold a 45% interest in its ERIS and STP businesses (the “Businesses”) to Madison Venture Corporation (“Madison”), through the acquisition by Madison of units ("Units") in ERI Environmental Risk Limited Partnership, the limited partnership established to hold the Businesses (the “Limited Partnership”).

GVIC received $11 million in cash and retained 100% of the cash flow of the Businesses attributed to Madison’s 45% interest for two years in exchange for the 45% interest. The transaction pricing reflects a value of $28 million (the “Enterprise Value”) for the Businesses. Pursuant to the Limited Partnership agreement (the "Agreement"), Madison has the right, for a period of 3 years following closing, to acquire from GVIC an additional 4% of the outstanding Units at the pro rata Enterprise Value per Unit and an additional 2% of the outstanding Units at the greater of the pro rata fair market value per Unit and the pro rata Enterprise Value. The Agreement contains a buy/sell provision that is exercisable after 3 years and a mutual right of first refusal.

The transaction was completed to alleviate the financial distress caused by the impact of the COVID pandemic on the Company’s revenues and cash flow, and to allow the Company to maintain access to its banking facility and have sufficient liquidity.

Madison is a related party to both Glacier and GVIC and therefore the transaction was a related party transaction. As such, a special committee of GVIC was formed, independent financial and legal advisors were retained, and a fairness opinion was provided advising that the transaction is fair from a financial point of view. Due to the serious financial difficulty caused by the pandemic, the Company relied on the “financial hardship” exemptions in sections 5.5(g) and 5.7(e) of Multilateral Instrument 61-101 with respect to valuation and minority approval requirements. A special committee of Glacier was also formed to review the transaction, and was supportive of the transaction.

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.

CORPORATE OFFICE

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