Consolidated Financial Statements of

GLACIER MEDIA INC.

Year ended December 31, 2018

Report to Shareholders

Financial Performance

Glacier Media Inc.'s ("Glacier" or the "Company") results for the year reflected the continued progress being made in the key business information growth initiatives as well as the evolution of the community media business.

It is important to note that digital and data products and services generally have higher margins and command higher business valuations than print products, so the Company can grow overall profit and value with lower consolidated revenues. The overall level of revenue growth in the relevant operations for the year is all the more significant in this light.

Glacier's adjusted[(1)] consolidated revenue was $222.6 million for the year, down 1.4%. Adjusted consolidated EBITDA was $22.1 million for the year, down 23.6% from the prior year. The overall financial results for the year were impacted by an accounting change in one of its operations, two transactions and significant operating investment.

Revenue and EBITDA at Specialty Technical Publishers ("STP") were both reduced by $0.9 million due to a change in accounting reflecting the transition in operations to a solely digital subscription-based business. The change coincides with operational changes being made at STP, including the phasing out of the paper versions of the product, and results in revenue being deferred over the term of the subscription contracts. The change will also impact the monthly revenues recognized going forward into the first six months of 2019.

In addition, the adjusted consolidated results were impacted by two transactions that affected the comparability of the results: 1) the sale of the Comprehensive Oilfield Service and Supply Database ("COSSD") which was last published by the Company in June 2017 and 2) the purchase of the remaining interest in Infomine, resulting in Infomine's results being consolidated into the Company's results as of April 2018. Together, these two transactions resulted in a net revenue increase of $2.0 million and a net EBITDA decrease of $0.9 million as compared to the prior year.

Excluding these one-time items, Glacier's adjusted consolidated revenue was $221.5 million for the year, down 1.9% and adjusted consolidated EBITDA was $23.9 million for the year, down $5.1 million or 17.5% from the prior year.

The decline in adjusted EBITDA was primarily due to increased operating investments made in some of the key strategic initiatives, including the REW real estate portal, agriculture show expansion, new weather and agricultural markets subscription-based products, mining data and intelligence information products and new digital community media products.

In total, the Company's adjusted EBITDA was reduced $5.1 million as a result of the $0.9 million STP accounting change and $4.2 million of operating expense investment in the specific areas indicated. This does not include other additional ongoing operating expenses that are being incurred to deliver on the Company's growth strategies. Additional capital expenditure investment was also made in the same areas.

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

The transformation of the business is progressing. Approximately two thirds of the Company's business information revenue now comes from data, digital products and events and only one third comes from print advertising revenue. Of the data, digital products and event revenue approximately 85% comes from data and digital product revenue and 15% comes from events. This mix compares to approximately one third data, digital products and events revenue and two thirds print advertising revenue five years ago within the business information operations.

Highlights and Operational Overview

Business Information

Environmental, Property and Financial Group

The environmental, property and financial group grew 4.0% in adjusted revenue. Adjusted EBITDA for the segment was down 30.2% as a result of 1) the change in accounting for STP and 2) the operating investments made in key growth areas, particularly REW.ca and ERIS. Excluding the adjustment at STP, adjusted revenue was up 7.0% and adjusted EBITDA was down 18.9% for the environmental, property and financial group.

ERIS experienced strong growth in both Canada and the U.S., with significant new customer additions and renewals including new mid-sized customers in the U.S. market. Revenue grew 14.7% as a result and profitability grew as well despite the continued investment being made in people and product development.

REW.ca, the Company's online real estate portal, continued to grow in terms of site features, traffic and revenues. REW.ca is now the #1 real estate site in the Lower Mainland and Victoria in terms of traffic (according to *Comscore*). Traffic in Toronto grew rapidly in the year. Revenue continued to grow despite the slower real estate conditions in the Vancouver and Toronto markets. Weaker market conditions often increase the need for developers and realtors to advertise and invest in lead generation in order to sell homes.

Commodities Group

The commodities group's total adjusted revenue grew 2.0% for the year. Adjusted EBITDA for the year fell by 4.7% due to the continued softness of the energy and mining markets and the ongoing operational investments. Excluding the purchase of Infomine and the sale of the COSSD, Commodity Information adjusted revenue decreased by 1.5% and adjusted EBITDA increased 3.9%.

Conditions in the agricultural markets appear to have stabilized but uncertainty from trade disputes and the consolidation of major crop input companies persists. The Company continued to invest in its agricultural information operations in key growth areas such as outdoor shows and online listings which resulted in improved operation performance, in particular, for both AgDealer and Ag in Motion.

The energy group continued to reap the benefits of the substantial restructurings enacted over the last two years. The energy information group is now focused on 1) data, analytics and intelligence products and 2) digital media. These products continued to experience stable revenue versus the prior year despite continuing soft market conditions. Stabilized revenues and the restructurings resulted in a substantial increase in EBITDA for 2018 compared to the prior year.

The Company's mining operations, the Northern Miner and Infomine, operated in choppy market conditions. The Northern Miner grew revenues and profit and hosted two very successful conferences, the Canadian Mining Symposium (May 2018 in London, England) and the Progressive Mine Forum (September 2018 in Toronto). Having purchased the remaining interest in Infomine, the Company operationally merged its mining operations in the fourth quarter of 2018. This will result in cost efficiencies and new revenue opportunities in 2019.

Community Media

Community media print advertising revenues continued to decline as anticipated, while digital revenues grew substantially. The 4.0% overall adjusted revenue decline for the community media business was lower than previous years (total community media adjusted revenue declined 13.5% in 2016 and 6.6% in 2017) as a result of strong digital performance. Digital revenue grew 46.3% for the year.

It is becoming apparent that a viable long-term digital community media business model exists where the Company can leverage its broad presence in local markets across Western Canada and offer local websites, digital marketing services and specialty digital products.

The Company is investing in the digital business by hiring and training to broaden our skills and experience base in line with market needs and opportunities, as well as product and services development. The investment is working as traffic is growing, revenue is growing and profitability is growing. Customer retention levels are high, which indicates the digital products and services being offered are working for our clients. Digital traffic is being monetized effectively and the actual dollar size of the digital solutions being sold is growing and attractive compared to print advertising, which was not historically the case.

Financial Position

At December 31, 2018, senior debt increased $1.8 million to $39.6 million. During the year, the Company invested $2.2 million in acquisitions and joint ventures and associates. Increased capital investments were also made in the Company's key growth initiatives, particularly ERIS, REW.ca and the agricultural shows. The Company's non-recourse, non-mortgage debt in its investment entities has been reduced to a nil position net of cash on hand as a result of significant debt repayment. This will allow for increased distributions from these entities to the Company in the future.

On an adjusted basis, Glacier's consolidated debt net of cash outstanding before deferred financing charges was 1.8x trailing 12-months adjusted EBITDA as at December 31, 2018.

Outlook

The Company is at an attractive juncture where it has meaningful growth opportunities in each of its sectors with which to increase value, and is achieving market traction in each one.

The agriculture, energy, mining, commercial and residential real estate and financial markets are large addressable markets that offer significant opportunities for both data, analytics & intelligence offerings as well as content & marketing solutions (the evolution of the media business). The significant change for the Company's community media prospects is that the digital community media business is evolving in a manner that now offers significant growth and value creation opportunity. The Company's digital community media operations are growing steadily in audience size, revenue and profitability.

The Company's balance of effort and strategic focus is working. The progress being made is translating into new product delivery, customer satisfaction and revenue generation.

The agriculture market is stable and Glacier FarmMedia continues to have a variety of growth opportunities to pursue including digital media, digital marketing services, online equipment listings, shows, weather and other premium subscription products.

While the mining market has slowed somewhat and energy remains soft, revenue opportunities exist to grow revenues in a variety of areas including data and information subscription products as well as shows and events.

The commercial and residential real estate markets continue to offer opportunity for ERIS and REW.ca. While some of the Company's markets are experiencing slowdowns in residential real estate activity, as stated softer real estate markets often represent a greater need for realtor and developer advertising and lead generation, depending on the level of slowdown.

While print advertising declines are expected to continue in community media, digital revenue and profits are growing significantly and are providing a greater level of offset to the print revenue declines. It is also apparent that good print products still offer good value to readers and advertisers and provide cash flow to fund the Company's growth initiatives.

Importantly, it now appears that a viable digital community media business model exists where we may be able to preserve the value of the existing print community media business with lower revenue but a more valuable digital business.

As outlined, the Company plans to continue to invest in its key strategic areas. The investments are critical to the Company's growth plan and are resulting in demonstrable value creation. Given the uncertain North American and global economic conditions that exist and the stage of transformation some of the Company's businesses are in, the Company will operate cautiously, but believes continued investment is necessary for long-term value creation. Cost efficiency opportunities continue to be pursued where possible to help manage profitability while investment is being made.

Management intends to build on the progress of the last few years in strengthening the Company's financial position by further reducing debt. A strengthened balance sheet will mitigate risk while allowing the ongoing and planned operational and capital investments.

(1) Adjusted revenue and EBITDA reflects the inclusion of the Company's proportionate share of revenues, expenses and profits from its joint ventures. For a reconciliation of adjusted results to results in accordance with International Financial Reporting Standards ("IFRS"), refer to the "Reconciliation of IFRS to Adjusted Results" as presented in the Company's management discussion analysis.

2018 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 information in this report is as at March 28, 2019.

Glacier Media Inc.'s Annual Report, including this MD&A and the accompanying Report to Shareholders, 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 generate new revenues, to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements, to reduce debt levels, that reduced debt levels in investment entities will result in further distributions to the Company, and that the Company intends to renegotiate its debt facility before maturity. 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 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 annual 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 the Department of Canadian Heritage's Canada Periodical Fund's Aid to Publishers, 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 Annual Report, including this MD&A and the accompanying Report to Shareholders, 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 Annual 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 March 28, 2019 and should be read in conjunction with the Company's annual consolidated financial statements and notes thereto as at and for the year ended December 31, 2018. The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Non-IFRS Measures

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin, EBITDA per share, cash flow from operations before non-recurring items, cash flow from operations before non-recurring items per share, net income (loss) attributable to common shareholders before non-recurring items and net income (loss) attributable to common shareholders before non-recurring items per share are not generally accepted measures of financial performance under IFRS. In addition, certain results in this MD&A stated to be "adjusted" have been presented on an adjusted basis that includes the Company's shares of revenue, expenses, assets and liabilities from its joint venture operations, which reflects the basis on which management makes its operating decisions and performance evaluation. These adjusted measures 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 (loss) 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, Cash Flow from Operations before Non-Recurring Items and Net Income (Loss) Attributable to Common Shareholders before Non-Recurring Items Reconciliation with Per Share Amounts and a reconciliation of the adjusted non-IFRS measures is included in the section entitled Reconciliation of IFRS to Adjusted Results in this MD&A.

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 essential 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

Through its brands and operations, Glacier serves clients in three segments:

Environmental, Property and Financial Information

Environmental and Property Information	• Environmental Risk Information Services ("ERIS"), Specialty Technical Publishers ("STP") and REW.ca
Financial Information	• Fundata (50% interest)

Commodities Information

Agricultural Information	• Glacier FarmMedia ("GFM"): Western Producer, Farm Business Communications, Canada's Outdoor Farm Show, Ag In Motion, AgDealer and Weather Innovations Network ("WIN")
Energy and Mining Information	• JuneWarren-Nickle's Energy Group (including CanOils) ("JWN"), Evaluate Energy, Northern Miner Group and Infomine

Community Media

Community Media	• Local daily and weekly newspapers and related publications, websites and digital products in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the United States (includes direct, joint venture and other interests)

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

Significant Developments in 2018 and Outlook

Glacier Media Inc.'s ("Glacier" or the "Company") results for the year reflected the continued progress being made in the key business information growth initiatives as well as the evolution of the community media business.

It is important to note that digital and data products and services generally have higher margins and command higher business valuations than print products, so the Company can grow overall profit and value with lower consolidated revenues. The overall level of revenue growth in the relevant operations for the year is all the more significant in this light.

The decline in EBITDA was primarily due to increased operating investments made in some of the key strategic initiatives, including the REW real estate portal, agriculture show expansion, new weather and agricultural markets subscription-based products, mining data and intelligence information products and new digital community media products. These investments are being made to take advantage of opportunities that exist in the Company's markets that require timely action to be taken. The growth in revenues being achieved, and the demand for the Company's products this reflects, underscores the fact that the investments are working and value is being created.

The Company is at an attractive juncture where it has meaningful growth opportunities in each of its sectors with which to increase value, and is achieving market traction in each one.

The agriculture, energy, mining, commercial and residential real estate and financial markets are large addressable markets that offer significant opportunities for both data, analytics & intelligence offerings as well as content & marketing solutions (the evolution of the media business). The significant change for the Company's community media prospects is that the digital community media business is evolving in a manner that now offers significant growth and value creation opportunity. The Company's digital community media operations are growing steadily in audience size, revenue and profitability.

The Company's balance of effort and strategic focus is working. The progress being made is translating into new product delivery, customer satisfaction and revenue generation.

The agriculture market is stable and Glacier FarmMedia continues to have a variety of growth opportunities to pursue including digital media, digital marketing services, online equipment listings, shows, weather and other premium subscription products.

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The commercial and residential real estate markets continue to offer opportunity for ERIS and REW.ca. While some of the Company's markets are experiencing slowdowns in residential real estate activity, as stated softer real estate markets often represent a greater need for realtor and developer advertising and lead generation, depending on the level of slowdown.

While print advertising declines are expected to continue in community media, digital revenue and profits are growing significantly and are providing a greater level of offset to the print revenue declines. It is also apparent that good print products still offer good value to readers and advertisers and provide cash flow to fund the Company's growth initiatives. Importantly, it now appears that a viable digital community media business model exists where we may be able to preserve the value of the existing print community media business with lower revenue but a more valuable digital business.

As outlined, the Company plans to continue to invest in its key strategic areas. The investments are critical to the Company's growth plan and are resulting in demonstrable value creation. Given the uncertain North American and global economic conditions that exist and the stage of transformation some of the Company's businesses are in, the Company will operate cautiously, but believes continued investment is necessary for long-term value creation. Cost efficiency opportunities continue to be pursued where possible to help manage profitability while investment is being made.

Management intends to build on the progress of the last few years in strengthening the Company's financial position by further reducing debt. A strengthened balance sheet will mitigate risk while allowing the ongoing and planned operational and capital investments.

Reconciliation of IFRS to Adjusted Results and Non-IFRS Measures

The following table reconciles the Company's results as reported under IFRS to the results presented on an adjusted basis that includes the Company's shares of revenue, expenses, assets and liabilities from its joint venture operations, which reflects the basis on which management makes its operating decisions and performance evaluation.

(thousands of dollars)	2018			2017		
except share and per share amounts	**Per IFRS**	**Differential**	**Adjusted [1]**	Per IFRS	Differential	Adjusted [1]
Revenue	$ 188,372	$ 34,222	$ 222,594	$ 191,171	$ 34,648	$ 225,819
Gross profit [3]	$ 49,893	$ 17,078	$ 66,971	$ 56,250	$ 17,783	$ 74,033
Gross margin	26.5%		30.1%	29.4%		32.8%
EBITDA [1][2]	$ 10,423	$ 11,723	$ 22,146	$ 16,495	$ 12,490	$ 28,985
EBITDA margin [1]	5.5%		9.9%	8.6%		12.8%
EBITDA per share [1][2]	$ 0.09	$ 0.11	$ 0.20	$ 0.15	$ 0.11	$ 0.26
Net income (loss) attributable to common shareholders	$ 654	$ (310)	$ 344	$ (1,163)	$ (389)	$ (1,552)
Net income (loss) attributable to common shareholders per share	$ 0.01	$ (0.01)	$ 0.00	$ (0.01)	$ -	$ (0.01)
Cash flow from operations before non-recurring items [1][2]	$ 8,402	$ 10,118	$ 18,520	$ 14,338	$ 11,268	$ 25,606
Cash flow from operations per share before non-recurring items [1][2]	$ 0.08	$ 0.09	$ 0.17	$ 0.13	$ 0.10	$ 0.23
Weighted average shares outstanding, net	109,828,731		109,828,731	109,828,731		109,828,731

Notes:
(1) Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.
(2) Refer to "EBITDA and Cash Flow from Operations before Non-Recurring Items Reconciliation".
(3) Gross profit for these purposes excludes depreciation and amortization.

Adjusted Operational Performance[1]

Management believes that including its share of revenues, expenses and cash flows of its joint venture operations in the Company's results provides a more comprehensive basis for reflecting and assessing the overall operations of the Company. Management bases its operating decisions and performance evaluation using the adjusted results[1]. The following discussion adjusts the Company's reported results under IFRS to include the revenues, expenses and cash flows of its joint ventures.

Glacier's adjusted consolidated revenue was $222.6 million for the year, down 1.4%. Adjusted consolidated EBITDA was $22.1 million for the year, down 23.6% from the prior year. The overall financial results for the year were impacted by a change in accounting in one of its operations, two transactions and significant operating investment.

Revenue and EBITDA at Specialty Technical Publishers ("STP") were both reduced by $0.9 million due to a change in accounting reflecting the transition in operations to a solely digital subscription-based business. The change coincides with operational changes being made at STP, including the phasing out of the paper versions of the product, and results in revenue being deferred over the term of the subscription contacts. The change will also impact the monthly revenues recognized going forward into the first six months of 2019.

In addition, the adjusted consolidated results were impacted by two transactions that affect the comparability of the results: 1) the sale of the Comprehensive Oilfield Service and Supply Database ("COSSD") which was last published by the Company in June 2017 and 2) the purchase of the remaining interest in Infomine, resulting in Infomine's results being consolidated into the Company's results as of April 2018. Together, these two transactions resulted in a net revenue increase of $2.0 million and a net EBITDA decrease of $0.9 million as compared to the prior year.

Excluding these one-time items, Glacier's adjusted consolidated revenue was $221.5 million for the year, down 1.9% and adjusted consolidated EBITDA was $23.9 million for the year, down $5.1 million or 17.5% from the prior year.

The decline in adjusted EBITDA was primarily due to increased operating investments made in some of the key strategic initiatives, including the REW real estate portal, agriculture show expansion, new weather and agricultural markets subscription-based products, mining data and intelligence information products and new digital community media products.

In total, the Company's adjusted EBITDA was reduced $5.1 million as a result of the $0.9 million STP accounting change and $4.2 million of operating expense investment in the specific areas indicated. This does not include other additional ongoing operating expenses that are being incurred to deliver on the Company's growth strategies. Additional capital expenditure investment was also made in the same areas. These investments are being made to take advantage of opportunities that exist in the Company's markets that require timely action to be taken. The growth in revenues being achieved, and the demand for the Company's products this reflects, underscores the fact that the investments are working and value is being created.

The transformation of the business is progressing. Approximately two thirds of the Company's business information revenue now comes from data, digital products and events and only one third comes from print advertising revenue. Of the data, digital products and event revenue approximately 85% comes from data and digital product revenue and 15% comes from events. This mix compares to approximately one third data, digital products and events revenue and two thirds print advertising revenue five years ago within the business information operations.

On an adjusted basis, Glacier's consolidated debt net of cash outstanding before deferred financing charges was 1.8x trailing 12-months adjusted EBITDA as at December 31, 2018.

The main factors affecting the comparability of the results for the year are detailed below under the IFRS Selected Financial Information.

Note:

(1) The adjusted consolidated financial results have been adjusted to include the Company's share of revenue, expenses, assets and liabilities from its joint venture operations on a proportionate accounting basis as this is the basis on which management bases its operating decisions and performance evaluation. IFRS does not allow for the inclusion of the joint ventures on a proportionate basis. These results include additional non-IFRS measures such as EBITDA and cash flow from operations before non-recurring items.

The adjusted results are not generally accepted measures of financial performance under IFRS. 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. Please refer to the **Reconciliation of IFRS to Adjusted Results** for a reconciliation of these non-IFRS measures and adjusted results. Management reports its results adjusted to include its share of its joint ventures in the MD&A under the heading **Adjusted Operational Performance**. Management reports its results adjusted to include its share of its joint ventures in the Report to Shareholders.

Annual IFRS Results and Overview of Operating Performance

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 years ended December 31, 2018, 2017 and 2016:

(thousands of dollars) except share and per share amounts		2018		2017		2016
Revenue	$	188,372	$	191,171	$	198,792
Gross profit [2]	$	49,893	$	56,250	$	58,934
Gross margin		26.5%		29.4%		29.6%
EBITDA [1]	$	10,423	$	16,495	$	18,624
EBITDA margin [1]		5.5%		8.6%		9.4%
EBITDA per share [1]	$	0.09	$	0.15	$	0.19
Interest expense, net	$	2,463	$	2,608	$	3,719
Net income attributable to common shareholders before non-recurring items [1]	$	3,740	$	10,135	$	9,178
Net income attributable to common shareholder before non-recurring items per share [1]	$	0.03	$	0.09	$	0.09
Net income (loss) attributable to common shareholders	$	654	$	(1,163)	$	1,420
Net income (loss) attributable to common shareholders per share	$	0.01	$	(0.01)	$	0.01
Cash flow from operations before non-recurring items [1]	$	8,402	$	14,338	$	16,917
Cash flow from operations before non-recurring items per share [1]	$	0.08	$	0.13	$	0.17
Capital expenditures	$	7,595	$	5,127	$	4,474
Total assets	$	237,827	$	237,612	$	252,003
Total non-current financial liabilities	$	41,500	$	40,634	$	50,747
Debt net of cash outstanding before deferred financing charges and other expenses	$	38,882	$	40,256	$	50,320
Equity attributable to common shareholders	$	132,033	$	132,653	$	133,351
Weighted average shares outstanding, net		109,828,731		109,828,731		99,342,554

Notes:
(1) Refer to "Non-IFRS Measures" and "EBITDA, Cash Flow from Operations and Net Income Attributable to Common Shareholders before Non-Recurring Items" section for calculation of non-IFRS measures used in this table.
(2) Gross profit for these purposes excludes depreciation and amortization.

The main factors affecting the comparability of the results over the last three years include:

- Operating performance of the Company's various business units and general market conditions during the reported years;
- Revenues continue to be impacted by the weaker community media industry, the cyclical nature of certain of Glacier's businesses, including the low price of oil and fluctuating conditions in the agriculture industry;
- In June 2018, the Company made an adjustment due to an accounting change reflecting the transition in operations to a solely digital, subscription based business. The change coincides with operational changes being made at STP, including the phasing out of the paper versions of the product, and results in revenue being deferred over the term of the subscription contracts;
- In April 2018, the Company acquired the remaining 50% of Infomine for $3.6 million. There was a deemed disposition of its investment in this operation for $4.5 million. A net gain on acquisition of $2.7 million was recognized;
- In April 2018, The Company acquired a 22.5% equity interest in Village Media Inc., a digital community media operation for $1.5 million;
- The disposal of the COSSD in December 2017, which was last published by the Company in June 2017, for a non-cash loss of $6.5 million;
- In the first quarter of 2017, the Company sold land and buildings in B.C. for net proceeds of $2.2 million. The Company recognized a $0.3 million gain on sale;

- In the second quarter of 2017, the Company purchased an additional 5% ownership interest in Weather Innovations for a cash purchase price of $0.3 million;
- There was no impairment charge in 2018 or 2017. In 2016, the impairment charge was $5.9 million;
- A rights offering that was completed in July 2016 which raised proceeds of $13.2 million, all of which was used to pay down debt. A total of 20,745,626 common shares were issued; 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.

Revenue

Glacier's consolidated revenue for the year ended December 31, 2018 was $188.4 million compared to $191.2 million in the prior year.

Environmental, Property and Financial Information

The Environmental, Property and Financial Information group generated revenue of $20.5 million for the year ended December 31, 2018, as compared to $20.0 million in the prior year. ERIS continued to expand, experiencing revenue growth in both U.S. and the Canada. REW.ca, the Company's online real estate portal, continued to grow in terms of site features, traffic and revenues. Growth in ERIS and REW.ca was partially offset by an adjustment in STP due to an accounting change reflecting the transition in operations to a solely digital, subscription based business. The change coincides with operational changes being made at STP, including the phasing out of the paper versions of the product, and results in revenue being deferred over the term of the subscription contracts.

Commodities Information

The Commodities Information group generated revenue of $57.6 million for the year ended December 31, 2018, as compared to $56.4 million in the prior year. The increase in revenue was partially attributable to acquisitions made in the year. A partially offsetting decrease in revenue related to the sale of the COSSD, which was last published in June 2017. Conditions in the agricultural markets appear to have stabilized. The Company continued to invest in its agricultural information operations in key growth areas such as outdoor exhibitions and online listings. Market conditions in the energy sector appear to have stabilized in the oil sector, although natural gas prices remain weak. The mining market continues to show signs of recovery.

Community Media

The Community Media group generated $110.3 million of revenue for the year ended December 31, 2018, as compared to $114.8 million in the prior year. Print advertising revenues continued to decline as anticipated, while digital revenues grew substantially. The overall adjusted revenue decline for the community media business was lower than previous years as a result of strong digital performance. Digital revenues experienced strong growth overall and across a number of product offerings including retargeting services, website builds and Chinese digital marketing solutions. Some of the general revenue declines were partially offset by ongoing operational efficiencies and the continued realization of savings from the restructurings.

It is becoming apparent that a viable long-term digital community media business model exists where the Company can leverage its broad presence in local markets across Western Canada and offer local websites, digital marketing services and specialty digital products.

Gross Profit

Glacier's consolidated gross profit, being revenues less direct expenses, for the year ended December 31, 2018 was $49.9 million compared to $56.3 million in the prior year. The decrease in gross profit is largely attributable to the increase in direct expenses and operational investments in strategic areas.

Gross profit as a percentage of revenues ("gross profit margin") for the year ended December 31, 2018 was 26.5% as compared to 29.4% in the prior year.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $39.5 million for the year ended December 31, 2018 down from $39.8 million in 2017. While the Company continues to focus on reducing administration costs in its general operations, the Company continues to invest in its administration and infrastructure to support its growth opportunities and digital products.

EBITDA

EBITDA was $10.4 million for the year ended December 31, 2018 as compared to $16.5 million in the prior year. The results are due to the various reasons stated under **Revenue, Gross Profit** and **General & Administrative Expenses**.

Net Interest Expense

Glacier's consolidated net interest expense for the year ended December 31, 2018 was $2.5 million as compared to $2.6 million in the prior year.

Depreciation and Amortization

Depreciation of property, plant and equipment for the year ended December 31, 2018 decreased $0.5 million as compared to the prior year. Amortization of intangible and other assets was consistent with the prior year.

Net (Gain) Loss on Acquisition or Disposal

The Company recognized a net gain on acquisition of $3.3 million, which includes the acquisition of the remaining 50% interest in Infomine Inc. In the prior year, the Company recognized a net loss of $6.3 million, which included the loss on sale of the Company's interest in the COSSD and the gain on sale of land and buildings.

Restructuring and Other Expenses (Net)

Restructuring and other expenses (net) for the year ended December 31, 2018 were $4.7 million compared to $6.2 million in the prior year. These expenses include restructuring costs, foreign exchange, severance expense, 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 Fundata Canada Inc. ("Fundata"), Continental Newspapers Ltd. ("Continental"), Great West Newspapers Limited Partnership ("GWNLP"), the Victoria Times-Colonist, Rhode Island Suburban Newspapers, Inc. ("RISN"), Village Media Inc. ("Village") and other joint ventures and associates, decreased $4.4 million as compared to the prior year.

Included in share of earnings from joint ventures and associates is a $3.0 million one-time expense (net tax), which is the Company's share of the cost relating to the disposal of the printing facility and related equipment and restructuring costs.

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)	**December 31, 2018**	December 31, 2017
	$	$
Assets	**79,640**	82,392
Liabilities	**27,038**	21,976
Net assets	**52,602**	60,415

	2018	2017
	$	$
Revenues	**55,519**	57,745
Net income for the year	**5,938**	10,383
Other comprehensive (loss) income	**143**	(178)

Net Income (Loss) Attributable to Common Shareholders

Net income attributable to common shareholders increased by $1.8 million compared to the same year in the prior year. The increase resulted from i) net gain on acquisition of $3.4 million as compared to a net loss on disposal of $6.3 million in 2017; ii) lower interest expense of $0.1 million; iii) lower depreciation and amortization expense of $0.5 million; iv) lower restructuring expense of $1.4 million; v) a higher income tax recovery of $0.4 million; and vi) lower income attributable to non-controlling interest of $0.1 million. This was partially offset by i) decreased operating results of $6.1 million; and ii) lower share of earnings from joint ventures and associates of $4.4 million.

Other Comprehensive Income (net of tax)

For the year ended December 31, 2018, Glacier recognized other comprehensive loss (net of tax) of $1.6 million. The majority of the loss related to the actuarial loss on defined benefit pension plans resulting from the change in actuarial assumptions, mainly the discount rate.

Cash Flow from Operations before Non-Recurring Items

Glacier's consolidated cash flow from operations was $8.4 million (before changes in non-cash operating accounts and non-recurring items) for the year ended December 31, 2018 as compared to $14.3 million in the prior year. The change in cash flow from operations before non-recurring items resulted from the factors stated under **Revenue**, **Gross Profit**, **General & Administrative Expenses** and **EBITDA**.

Capital expenditures were $7.6 million for the year ended December 31, 2018 compared to $5.1 million in the prior year. The majority of the current year expenditures relate to software development, hardware costs, leasehold improvements, infrastructures for the agricultural shows, customer lists and mastheads. Prior year capital expenditures related to software development, hardware costs and leasehold improvements.

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

Related Party Transactions

During the year ended December 31, 2018, the Company and its affiliates recorded administration, consulting, interest and other expenses of $0.8 million from Madison Venture Corporation ("Madison") and its subsidiaries. Madison is a shareholder of the Company and certain of its officers and directors are officers and directors of the Company.

Madison provides strategic, financial, transactional advisory services and administrative services to the Company on an ongoing basis. These services have been provided with the intention of maintaining an efficient and cost effective corporate overhead structure, instead of i) hiring more full-time corporate and administrative staff and thereby increasing fixed overhead costs and ii) retaining outside professional advisory firms on a more extensive basis. These services were provided in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

In addition, Madison was required to be the guarantor of a loan relating to the acquisition of interests in certain community newspapers in 2007. During the year, $0.2 million of interest was incurred by a subsidiary of the Company in connection with the loan, which interest was paid by Madison and reimbursed by the subsidiary. Madison charges interest based on the prevailing bankers' acceptance rate plus an acceptance fee which ranges from 2.75% to 3.50% or the bank prime rate plus 1.38% to 2.13%.

During the year ended December 31, 2018, the Company paid its joint venture Great West Newspapers LP for printing services as part of its normal operations. These services were provided at the agreed upon value. Total printing charged to the Company for the year was $0.2 million. At December 31, 2018, $0.3 million was due to GWNLP for printing services and other amounts plus accrued interest on the outstanding balance.

During the year ended December 31, 2018, the Company charged management fees to its joint venture, Fundata Canada Inc. for management services as part of its normal operations. Total fees charged by the Company for the year were $0.3 million.

During the year ended December 31, 2018, the Company paid its joint venture Borden Bridge Development Corporation rental income as part of its normal operations. These services were provided at the agreed upon value. Total rent charged to the Company for the year was $0.1 million.

At December 31, 2018, the Company had amounts due from an associate of $5.8 million relating to non-operating advances. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade receivables.

Contingency

During 2014-2017 an affiliate of the Company ("the affiliate") received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessments and assessments relating to the taxation years 2008-2016. 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 approximately $57.1 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.

Fourth Quarter IFRS Results and Overview of Operating Performance

Revenue

Glacier's consolidated revenue for the quarter ended December 31, 2018 was $48.6 million compared to $48.7 million in the same period last year.

The environmental, property and financial information operations experienced another strong quarter with ERIS realizing double digit revenue growth. REW.ca held its revenues in the fourth quarter despite a softening in the real estate market in Vancouver's Lower Mainland and the Toronto area.

The commodity information operation experienced an increase in revenues partially due to acquisitions made in the year. The Company continued to invest in its agricultural information operations in key growth areas such as outdoor exhibitions and online listings.

The Company's community media's operations continue to face ongoing print advertising challenges and economic challenges in certain areas. Digital community media operations continue to develop well, with progress being made in the Company's portfolio of digital products and marketing solutions offerings.

Gross Profit

Glacier's consolidated gross profit for the three months ended December 31, 2018 was $12.1 million compared to $15.5 million in the same period last year. The decrease in gross profit is largely attributable to the increase in direct expenses and operational investments in strategic areas.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $8.6 million for the three months ended December 31, 2018 compared to $9.3 million in the same period in the prior year. The decrease was due to cost savings from the Company's restructuring efforts.

EBITDA

Consolidated EBITDA was $3.5 million for the three months ended December 31, 2018 as compared to $6.1 million in the same period in the prior year. The decrease in EBITDA was due to the reasons stated under **Revenue, Gross Profit** and **General & Administrative Expenses**.

Net Income (Loss) Attributable to Common Shareholders

Net income (loss) attributable to common shareholders increased by $6.8 million compared to the fourth quarter of 2018. The increase resulted from i) net gain on acquisition of $0.7 million as compared to a net loss on disposal of $6.3 million in the fourth quarter of 2017; ii) lower interest expense of $0.1 million; iii) lower depreciation and amortization expense of $0.1 million; and iv) lower restructuring expense of $3.7 million. This was partially offset by i) decreased operating results of $2.6 million; ii) lower share of earnings from joint ventures and associates of $1.0 million; iii) higher income attributable to non-controlling interests of $0.2 million; and iv) higher income tax expense of $0.3 million.

Cash Flow from Operations before Non-Recurring Items

Glacier's consolidated cash flow from operations was $2.9 million (before changes in non-cash working capital and non-recurring items) for the three month period ended December 31, 2018 compared to $5.3 million for the same period last year. The increase in cash flow from operations before non-recurring items was primarily a result of the reasons described under **Revenue, Gross Profit** and **General & Administrative Expenses**.

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

Summary of Selected Quarterly IFRS 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	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Revenue	$ 188,372	$ 48,569	$ 48,717	$ 46,228	$ 44,858
EBITDA [1]	$ 10,423	$ 3,483	$ 1,694	$ 1,499	$ 3,747
EBITDA margin [1]	5.5%	7.2%	3.5%	3.2%	8.4%
EBITDA per share [1]	$ 0.09	$ 0.03	$ 0.02	$ 0.01	$ 0.03
Interest expense, net	$ 2,463	$ 700	$ 616	$ 575	$ 572
Net income (loss) attributable to common shareholders before non-recurring items [1]	$ 3,740	$ 3,334	$ (1,222)	$ 108	$ 1,520
Net income (loss) attributable to common shareholders before non-recurring items per share [1]	$ 0.03	$ 0.03	$ (0.01)	$ 0.00	$ 0.01
Net income (loss) attributable to common shareholders	$ 654	$ 859	$ (5,096)	$ 4,939	$ (48)
Net income (loss) attributable to common shareholders per share	$ 0.01	$ 0.01	$ (0.05)	$ 0.04	$ 0.00
Cash flow from operations before non-recurring items [1]	$ 8,402	$ 2,905	$ 1,206	$ 1,099	$ 3,192
Cash flow from operations before non-recurring items per share [1]	$ 0.08	$ 0.03	$ 0.01	$ 0.01	$ 0.03
Capital expenditures	$ 7,595	$ 2,063	$ 2,182	$ 1,929	$ 1,421
Debt net of cash outstanding before deferred financing charges and other expenses	$ 38,882	$ 38,882	$ 39,301	$ 39,159	$ 38,984
Equity attributable to common shareholders	$ 132,033	$ 132,033	$ 134,177	$ 138,212	$ 132,037
Weighted average shares outstanding, net	109,828,731	109,828,731	109,828,731	109,828,731	109,828,731

	Trailing 12 Months	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenue	$ 191,171	$ 48,690	$ 46,402	$ 49,019	$ 47,060
EBITDA [1]	$ 16,495	$ 6,101	$ 2,920	$ 2,982	$ 4,492
EBITDA margin [1]	8.6%	12.5%	6.3%	6.1%	9.5%
EBITDA per share [1]	$ 0.15	$ 0.06	$ 0.03	$ 0.03	$ 0.04
Interest expense, net	$ 2,608	$ 775	$ 644	$ 588	$ 601
Net income attributable to common shareholders before non-recurring items [1]	$ 10,135	$ 3,761	$ 1,860	$ 2,703	$ 1,811
Net income attributable to common shareholders before non-recurring items per share [1]	$ 0.09	$ 0.03	$ 0.02	$ 0.02	$ 0.02
Net (loss) income attributable to common shareholders	$ (1,163)	$ (5,944)	$ 1,043	$ 2,163	$ 1,575
Net (loss) income attributable to common shareholders per share	$ (0.01)	$ (0.05)	$ 0.01	$ 0.02	$ 0.01
Cash flow from operations before non-recurring items [1]	$ 14,338	$ 5,265	$ 2,602	$ 2,548	$ 3,923
Cash flow from operations before non-recurring items per share [1]	$ 0.13	$ 0.05	$ 0.02	$ 0.02	$ 0.04
Capital expenditures	$ 5,127	$ 1,607	$ 1,607	$ 1,034	$ 879
Debt net of cash outstanding before deferred financing charges and other expenses	$ 40,265	$ 40,265	$ 41,601	$ 44,096	$ 45,030
Equity attributable to common shareholders	$ 132,653	$ 132,653	$ 138,014	$ 133,881	$ 135,718
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, Cash Flow from Operations before Non-Recurring Items and Net Income Attributable to Common Shareholders before Non-Recurring Items 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;
- Decreased revenues during the reported periods due to the structural changes in the community media industry, the cyclical nature of certain of Glacier's businesses, including softness in the energy and mining sectors, as well as the sale of COSSD which was last published by the Company in June 2017;
- In April 2018, the Company acquired the remaining 50% of Infomine for $3.6 million and a gain on acquisition of $2.7 million. In the third quarter, the Company reviewed and updated the original purchase price accounting to include a deferred asset as part of the original assets acquired, thereby reducing goodwill and deferred tax recovery by $3.0 million;
- In June 2018, the Company made an adjustment due to an accounting change reflecting the transition in operations to a solely digital, subscription based business. The change coincides with operational changes being made at STP, including the phasing out of the paper versions of the product, and results in revenue being deferred over the term of the subscription contracts;

- In April 2018, The Company acquired a 22.5% equity interest in Village Media Inc., a digital community media operation for $1.5 million;
- In the fourth quarter of 2017, the Company sold the COSSD for a non-cash loss of $6.5 million;
- In the second quarter of 2017, the Company purchased an additional 5% ownership interest in Weather Innovations for a cash purchase price of $0.3 million; and
- In the first quarter of 2017, the Company sold land and buildings in B.C. for net proceeds of $2.2 million. The Company recognized a $0.3 million gain on sale.

EBITDA, Cash Flow from Operations before Non-Recurring Items and Net Income Attributable to Common Shareholders before Non-Recurring Items Reconciliation

The following tables reconcile the Company's net income attributable to common shareholders as reported under IFRS to EBITDA, cash flow from operations before non-recurring items and net income attributable to common shareholders before non-recurring items.

(thousands of dollars) except share and per share amounts		**2018**		2017		2016
EBITDA (1)						
Net income (loss) attributable to common shareholders	**$**	**654**	$	(1,163)	$	1,420
Add (deduct):						
Non-controlling interests	**$**	**1,099**	$	1,206	$	1,751
Net interest expense	**$**	**2,463**	$	2,608	$	3,719
Depreciation of property, plant and equipment	**$**	**3,633**	$	4,128	$	4,660
Amortization of intangible assets	**$**	**7,830**	$	7,868	$	6,742
Net (gain) loss on acquisition or disposition	**$**	**(3,359)**	$	6,339	$	(814)
Impairment expense	**$**	**-**	$	-	$	5,881
Restructuring and other expenses (net)	**$**	**4,745**	$	6,155	$	4,931
Share of earnings from joint ventures and associates	**$**	**(5,538)**	$	(9,980)	$	(8,618)
Income tax recovery	**$**	**(1,104)**	$	(666)	$	(1,048)
EBITDA (1)	**$**	**10,423**	$	16,495	$	18,624
Cash flow from operations before non-recurring items (1)						
Net income (loss) attributable to common shareholders	**$**	**654**	$	(1,163)	$	1,420
Add (deduct):						
Non-controlling interests	**$**	**1,099**	$	1,206	$	1,751
Depreciation of property, plant and equipment	**$**	**3,633**	$	4,128	$	4,660
Amortization of intangible assets	**$**	**7,830**	$	7,868	$	6,742
Net (gain) loss on acquisition or disposition	**$**	**(3,359)**	$	6,339	$	(814)
Impairment expense	**$**	**-**	$	-	$	5,881
Employee future benefit expense less than employer contributions	**$**	**(202)**	$	(713)	$	(125)
Deferred income tax recovery	**$**	**(1,120)**	$	(266)	$	(1,792)
Interest expense	**$**	**2,485**	$	2,633	$	3,806
Share of earnings from joint ventures and associates	**$**	**(5,538)**	$	(9,980)	$	(8,618)
Other non-cash items	**$**	**524**	$	2,189	$	1,537
Add (deduct) non-recurring items:						
Other income	**$**	**(220)**	$	-	$	(238)
Restructuring costs (net of tax)	**$**	**2,315**	$	1,936	$	2,283
Transaction and transition costs (net of tax)	**$**	**301**	$	161	$	424
Cash flow from operations before non-recurring items (1)	**$**	**8,402**	$	14,338	$	16,917

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

(thousands of dollars) except share and per share amounts	**2018**	2017	2016
Net income (loss) attributable to common shareholders before non-recurring items (1)			
Net income (loss) attributable to common shareholders	**$ 654**	$ (1,163)	$ 1,420
Add (deduct) non-recurring items:			
Other expenses	**$ 338**	$ 1,893	$ -
Other income	**$ (220)**	$ -	$ (251)
Net (gain) loss on acquisition or disposition	**$ (3,359)**	$ 6,339	$ (814)
One-time expenses included in associate earnings (net tax)	**$ 3,002**	$ -	$ -
Impairment expense (net of tax)	**$ -**	$ -	$ 5,333
Restructuring costs (net of tax)	**$ 3,024**	$ 2,905	$ 3,066
Transaction and transition costs (net of tax)	**$ 301**	$ 161	$ 424
Net income attributable to common shareholders before non-recurring items (1)	**$ 3,740**	$ 10,135	$ 9,178
Weighted average shares outstanding, net	**109,828,731**	109,828,731	99,342,554
Net income (loss) attributable to common shareholders per share	**$ 0.01**	$ (0.01)	$ 0.01
EBITDA per share (1)	**$ 0.09**	$ 0.15	$ 0.19
Cash flow from operations before non-recurring items per share (1)	**$ 0.08**	$ 0.13	$ 0.17
Net income attributable to common shareholders before non-recurring items per share (1)	**$ 0.03**	$ 0.09	$ 0.09

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 December 31, 2018, Glacier had consolidated cash and cash equivalents of $3.1 million, current and long-term debt of $42.0 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $11.6 million excluding deferred revenue. Glacier's actual cash working capital is greater than reflected by the amounts indicated on the consolidated balance sheet due to deferred revenue relating to renewals and subscriptions that have been paid for by subscribers but not yet delivered; and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities.

Capital expenditures were $7.6 million for the year ended December 31, 2018 compared to $5.1 million in the prior year. The majority of the current year expenditures relate to software development, hardware costs, leasehold improvements, infrastructures for the agricultural shows, customer lists and mastheads. Prior year capital expenditures related to software development, hardware costs and leasehold improvements.

Changes in Financial Position

(thousands of dollars)	**2018**	2017	2016
	$	$	$
Cash generated from (used in)			
Operating activities	**6,982**	12,005	11,783
Investing activities	**(1,964)**	1,658	2,121
Financing activities	**(5,788)**	(13,388)	(14,541)
(Decrease) increase in cash	**(770)**	275	(637)

The changes in the components of cash flows during 2018 and 2017 are detailed in the consolidated statements of cash flows of the financial statements. The more significant changes are discussed below.

Operating Activities

Glacier generated cash from operations before non-recurring items and changes in non-cash operating accounts of $8.4 million compared to $14.3 million in the prior year as a result of the factors stated under **Revenue**, **Gross Profit**, **General & Administrative Expenses** and **EBITDA**. Cash flow from operations before non-recurring items and after change in non-cash working capital was $9.4 million compared to $14.1 million in the prior year.

Investing Activities

Cash used for investing activities totalled $2.0 million for the year ended December 31, 2018 compared to cash generated of $1.7 million in the prior year. Investing activities included $7.6 million of capital expenditures, distributions received of $9.2 million and cash used in acquisitions and other investing activity $3.6 million.

Financing Activities

Cash used in financing activities was $5.8 million for the year ended December 31, 2018 compared to $13.4 million in the prior year. The Company had net borrowings of $2.2 million in 2018, as compared to net debt repayment of $9.8 million in 2017. For the year ended December 31, 2018, the Company distributed $1.2 million to its non-controlling interests and paid $2.4 million in interest.

Outstanding Share Data

As at December 31, 2018 and March 28, 2019, there were 109,828,731 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, 2019, unless extended.

Contractual Agreements

As at December 31, 2018, 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. The lenders also provide a term loan facility which requires annual principal payments of $1.0 million, paid quarterly.

The Company has additional long-term debt with a major international bank which is held by Alta Newspaper Group Limited Partnership and is non-recourse to the Company.

The Company has entered into operating leases for premises and office equipment, which expire on various dates up to 2028.

In summary, the Company’s contractual obligations due over the next five calendar years are as follows:

(thousands of dollars)	**Total**	**2019**	**2020**	**2021**	**2022**	**2023**	**Thereafter**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Long-term debt	41,847	2,992	38,556	98	104	87	10
Operating leases	14,518	3,812	3,263	2,567	1,727	1,254	1,895
	56,365	6,804	41,819	2,665	1,831	1,341	1,905

The Company will renegotiate the debt facility before maturity.

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 December 31, 2018 and 2017.

Financial Instruments

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

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

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

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

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

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

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

Business Environment and Risks

Foreign Exchange

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

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

Government Programs

The Department of Canadian Heritage's Canada Periodical Fund's Aid to Publishers program provides postal subsidies to eligible Canadian publications, including Western Producer Publications, Farm Business Communications and the Glacier community media group. While this program has been in place for decades, there is no guarantee that this subsidy will continue to be offered.

General Market Conditions

Glacier's community media group generates revenue through the sale of advertising and newspaper subscriptions. As such, it is reliant upon general economic conditions and the spending plans of advertisers. A significant downturn in the national or regional economies may adversely affect revenues, as could significant changes in advertisers' promotional strategies.

Glacier's publications are affected by changes in the prices of purchased supplies, including newsprint.

Although Glacier is well diversified, competition is a continuing risk from existing businesses or new ones in a variety of media formats including print, online, radio and broadcast.

- The community media group publishes newspapers in a variety of communities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the United States, and is diversified as a result;
- Glacier FarmMedia, June Warren-Nickle's Energy Group and Business in Vancouver publishes a wide variety of publications distributed across Canada;
- Fundata competes with other companies in the financial information market in Canada;
- ERIS provides comprehensive information from a variety of databases regarding potential environmental liability; and
- Glacier disseminates its information in print, online and digital format.

The large North American business information and community media markets continue to offer many growth opportunities for the Company.

Additional information on the Company's business environment and risks is included in the Company's Annual Information Form filed on SEDAR.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related consolidated financial statements was properly recorded, processed, summarized and reported to the Audit Committee and the Board. The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have evaluated the effectiveness of these disclosure controls and procedures for the year ending December 31, 2018, and have concluded that they are effective.

The CEO and CFO, while acknowledging responsibility for the design of internal controls over financial reporting ("ICFR"), and confirming that there were no changes in these controls that occurred during the most recent year ended December 31, 2018 which materially affected, or are reasonably likely to materially affect, the Company's ICFR and based upon their evaluation of these controls for the year ended December 31, 2018, the CEO and CFO have concluded that these controls are effective. The CEO and CFO have certified such findings and reported to the Audit Committee, which in turn, has included such certification and report in the Audit Committee's recommendation to the Board of Directors. The Board of Directors in passing its resolutions acknowledges that it is basing and relying on such certification and report.

Future Accounting Policies

In January 2016, the IASB issued IFRS 16, Leases, which supersedes IAS 17, Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

The most significant impacts of IFRS 16 includes the lessee's recognition of the initial present value of future lease payments as lease assets and lease liabilities on the statement of financial position, except for those leases that meet a limited exception criteria. The presentation on the statement of operations and other comprehensive income will be affected by the new standard and will result in lease expenses being presented as depreciation and finance expenses. Net income is likely to be effected as the timing of expenses is accelerated when applying the new standard which uses a finance lease model compared to straight line recognition.

The Company will apply IFRS 16 on January 1, 2019, using the modified retrospective approach. Under this method, the right-of-use asset is recognized at the date of the initial application at an amount equal to the lease liability, using the company's incremental borrowing rate. Comparative figures are not restated.

The Company completed the assessment for the potential impact on our consolidated financial statements and anticipated that the most significant impact identified is that the Company will recognize approximately $11-13 million in right-of-use assets under property, plant and equipment on the consolidated balance sheet and approximately $11-13 million long-term liabilities for the leases related to office spaces and office equipment with minimal impact on the consolidated statement of earnings.

Critical Accounting Estimates

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.

Income Taxes

In accordance with IFRS recommendations, Glacier recognizes future income tax assets when it is more likely than not that the future income tax assets will be realized. This assumption is based on management's best estimate of future circumstances and events. If these estimates and assumptions are changed in the future, the value of the future income tax assets could be reduced or increased, resulting in an income tax expense or recovery. Glacier re-evaluates its future income tax assets on a regular basis.

Retirement Benefit Assets/Obligations

Glacier's defined benefit plan provides both pension and other retirement benefits to certain salaried and hourly employees not covered by industry union plans.

Effective December 31, 2015, the Company made the decision to eliminate future benefit accruals under the defined benefit provision of the plan. Credited Service and final average earnings were permanently set. This change affects all members who were actively accruing benefits in the Plan as at December 31, 2015. Effective January 1, 2016, all eligible employees have joined a new defined contribution plan sponsored by Glacier. The Company also has health care plans covering certain hourly and retired salaried employees. Effective December 31, 2015, the post retirement benefit plan was closed for new retirees. Employees retiring after December 31, 2015, are not eligible for post-retirement benefits. The Company's defined benefit pension plan related to its subsidiary remains unchanged.

Glacier uses independent actuarial firms to perform actuarial valuations of the fair value of pension and other retirement benefit plan obligations. The application of these recommendations requires judgments regarding certain assumptions that affect the accrued benefit provisions and related expenses, including the discount rate used to calculate the present value of the obligations and the assumed health care cost trend rates. Management and the Board of Director's Pension Committee evaluate these assumptions annually based on experience and the recommendations of its actuarial firms. Changes in these assumptions result in actuarial gains or losses, which are recorded in comprehensive income or loss for the year.

Share-Based Payments

The Company provides incentives via share-based payment entitlements. The fair value of entitlements is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the equity instrument, the vesting and performance criteria, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the equity instrument. If certain assumptions used in the fair value calculation were to change, there would be an impact on the statement of operations in future financial periods.

Impairment of Intangible Assets and Goodwill

Goodwill, which is the excess of the purchase price paid for an acquisition over the fair value of the net assets acquired, is not amortized but is assessed annually for impairment or more frequently if events or circumstances indicate that it may be impaired.

Indefinite life intangible assets consisting mainly of mastheads which have an indefinite useful life and are not amortized, but tested annually for impairment or more frequently if impairment indicators arise.

Intangible assets with a finite life, which consist of subscription lists, customer relationships, other intangible assets and software, are reviewed for impairment when the occurrence of events or changes in circumstances indicates that the carrying value of the assets may not be recoverable.

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

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

The methods are based on many assumptions and estimates that may have a significant impact on the recoverable value of a CGU, and as a result on the amount of impairment recorded, if any. The impact of any significant changes in assumptions and the review of estimates are recognized through profit or loss in the period in which the change occurs.

Based upon the analysis performed in 2018 and 2017, no impairment expense was recorded.

Fair Value of Business Combinations

On the acquisition of a business, the Company is required to identify and measure the various assets and liabilities acquired. This is based on the estimated fair value of each item acquired with the remainder of the purchase price being recognized as goodwill.

Estimated Useful Lives

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

Independent auditor's report

To the Shareholders of Glacier Media Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Glacier Media Inc. and its subsidiaries (together, the Company) as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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

- the consolidated balance sheets as at December 31, 2018 and 2017;
- the consolidated statements of operations for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

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

Other information

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

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

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is John DeLucchi.

(signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 28, 2019

GLACIER MEDIA INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2018 and 2017

(Expressed in thousands of Canadian dollars)

	2018	2017
	$	$
Revenue (Note 24)	**188,372**	191,171
Expenses before depreciation and amortization		
Direct expenses (Note 25)	**138,479**	134,921
General and administrative (Note 25)	**39,470**	39,755
	10,423	16,495
Interest expense (net) (Note 27)	**2,463**	2,608
Depreciation of property, plant and equipment (Note 11)	**3,633**	4,128
Amortization of intangible assets (Note 12)	**7,830**	7,868
Net (gain) loss on acquisition or disposal (Note 7 and 28)	**(3,359)**	6,339
Restructuring and other expenses (net) (Note 29)	**4,745**	6,155
Share of earnings from joint ventures and associates (Note 9)	**(5,538)**	(9,980)
Net income (loss) before income taxes	**649**	(623)
Income tax recovery (Note 19 and 23)	**(1,104)**	(666)
Net income for the year	**1,753**	43
Net income (loss) attributable to:		
Common shareholders	**654**	(1,163)
Non-controlling interests (Note 10)	**1,099**	1,206
Net income (loss) per share attributable to common shareholders per share		
Basic and diluted (Note 21)	**0.01**	(0.01)
Weighted average number of common shares		
Basic and diluted	**109,828,731**	109,828,731

See accompanying condensed notes to these consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years ended December 31, 2018 and 2017

(Expressed in thousands of Canadian dollars)

	2018	2017
	$	$
Net income for the year	**1,753**	43
Other comprehensive (loss) income (net of tax) (Note 22)		
Actuarial (loss) gain on defined benefit pension plans [1]	**(1,334)**	873
Currency translation adjustment [2]	**(427)**	(114)
Share of other comprehensive income (loss) from joint ventures and associates[1] (Note 9)	**141**	(179)
Other comprehensive (loss) income (net of tax)	**(1,620)**	580
Total comprehensive income	**133**	623
Total comprehensive income (loss) attributable to:		
Common shareholders	**(620)**	(698)
Non-controlling interests	**753**	1,321

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

See accompanying condensed notes to these consolidated financial statements

GLACIER MEDIA INC.

CONSOLIDATED BALANCE SHEETS
As at December 31, 2018 and 2017

(Expressed in thousands of Canadian dollars)

	2018	2017
	$	$
Assets		
Current assets		
Cash and cash equivalents	**3,117**	3,887
Trade and other receivables (Note 8)	**34,777**	35,224
Inventory	**2,460**	2,256
Prepaid expenses	**2,497**	2,280
	42,851	43,647
Non-current assets		
Investments in joint ventures and associates (Note 9)	**65,836**	67,684
Other assets (Note 19)	**24,712**	27,275
Post-employment benefit asset (Note 18)	**1,884**	3,509
Property, plant and equipment (Note 11)	**27,912**	28,222
Intangible assets (Note 12)	**38,808**	34,267
Goodwill (Note 13)	**35,824**	33,008
Total assets	**237,827**	237,612
Liabilities		
Current liabilities		
Trade and other payables (Note 15)	**25,671**	25,021
Deferred revenue	**12,074**	9,659
Current portion of long-term debt (Note 17)	**2,992**	4,930
Other current liabilities (Note 16)	**2,552**	274
	43,289	39,884
Non-current liabilities		
Non-current portion of deferred revenue	**947**	996
Other non-current liabilities (Note 16)	**2,645**	1,608
Long-term debt (Note 17)	**38,855**	39,026
Deferred income taxes (Note 19 and 23)	**790**	3,803
Total liabilities	**86,526**	85,317
Equity		
Share capital (Note 20)	**211,802**	211,802
Contributed surplus	**8,951**	8,951
Accumulated other comprehensive loss (Note 22)	**(539)**	(125)
Deficit	**(88,181)**	(87,975)
Total equity attributable to common shareholders	**132,033**	132,653
Non-controlling interests (Note 10)	**19,268**	19,642
Total equity	**151,301**	152,295
Total liabilities and equity	**237,827**	237,612

See accompanying condensed notes to these consolidated financial statements

Approved by the Directors

"Jonathon J.L. Kennedy"
Jonathon J.L. Kennedy, Director

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

GLACIER MEDIA INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years ended December 31, 2018 and 2017

(Expressed in thousands of Canadian dollars, except share amounts)

	Attributable to common shareholders							
	Share capital		Contributed	Accumulated other comprehensive	Retained earnings		Non-controlling	Total
	Shares	Amount	surplus	loss	(deficit)	Total	interest	equity
		$	$	$	$	$	$	$
Balance, December 31, 2017	109,828,731	211,802	8,951	(125)	(87,975)	132,653	19,642	152,295
Net income for the year	-	-	-	-	654	654	1,099	1,753
Other comprehensive loss (net of tax)	-	-	-	(414)	(860)	(1,274)	(346)	(1,620)
Total comprehensive income (loss) for the year	-	-	-	(414)	(206)	(620)	753	133
Non-controlling interest on acquisition	-	-	-	-	-	-	65	65
Distributions to non-controlling interests	-	-	-	-	-	-	(1,192)	(1,192)
Balance, December 31, 2018	**109,828,731**	**211,802**	**8,951**	**(539)**	**(88,181)**	**132,033**	**19,268**	**151,301**
Balance, December 31, 2016	109,828,731	211,802	8,951	(15)	(87,387)	133,351	19,123	152,474
Net income (loss) for the year	-	-	-	-	(1,163)	(1,163)	1,206	43
Other comprehensive income (loss) (net of tax)	-	-	-	(110)	575	465	115	580
Total comprehensive income (loss) for the year	-	-	-	(110)	(588)	(698)	1,321	623
Repurchase of non-controlling interests	-	-	-	-	-	-	(84)	(84)
Distributions to non-controlling interests	-	-	-	-	-	-	(718)	(718)
Balance, December 31, 2017	109,828,731	211,802	8,951	(125)	(87,975)	132,653	19,642	152,295

See accompanying condensed notes to these consolidated financial statements

GLACIER MEDIA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2018 and 2017

(Expressed in thousands of Canadian dollars)

	2018	2017
	$	$
Operating activities		
Net income	**1,753**	43
Items not affecting cash		
Depreciation of property, plant and equipment	**3,633**	4,128
Amortization of intangible assets	**7,830**	7,868
Net (gain) loss on acquisition or disposition (Note 7 and 28)	**(3,359)**	6,339
Employee future benefit expense less than of employer contributions	**(202)**	(713)
Deferred income tax recovery	**(1,120)**	(266)
Interest expense (Note 27)	**2,485**	2,633
Share of earnings from joint ventures and associates (Note 9)	**(5,538)**	(9,980)
Other non-cash items	**524**	2,189
Cash flow from operations before changes in non-cash operating accounts	**6,006**	12,241
Changes in non-cash operating accounts		
Trade and other receivables	**1,793**	3,439
Inventory	**(204)**	879
Prepaid expenses	**(222)**	3
Trade and other payables	**(2,589)**	(3,510)
Deferred revenue	**2,198**	(1,047)
Cash generated from operating activities	**6,982**	12,005
Investing activities		
Acquisitions, inclusive of assumed and related financing liabilities (Note 7)	**(1,527)**	(947)
Net cash acquired on acquisitions	**458**	50
Investments in joint ventures and associates (Note 9)	**(678)**	(16)
Other investing activities	**(1,781)**	(2,584)
Proceeds from disposal of assets (Note 7)	**-**	2,180
Distributions received from joint ventures and associates (Note 9)	**9,205**	9,373
Deposits paid (Note 19)	**(46)**	(1,271)
Purchase of property, plant and equipment (Note 11)	**(2,595)**	(2,173)
Purchase of intangible assets (Note 12)	**(5,000)**	(2,954)
Cash (used in) generated from investing activities	**(1,964)**	1,658
Financing activities		
Distribution to non-controlling interests	**(1,192)**	(718)
Interest paid	**(2,413)**	(2,476)
Repurchase of non-controlling interests	**-**	(387)
Net borrowing of long-term debt (Note 17)	**(2,183)**	(9,807)
Cash used in financing activities	**(5,788)**	(13,388)
Net cash (used) generated	**(770)**	275
Cash and cash equivalents, beginning of year	**3,887**	3,612
Cash and cash equivalents, end of year	**3,117**	3,887

See accompanying condensed notes to these consolidated financial statements

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of consolidated financial statements. Certain prior year comparative figures have been reclassified to conform to the current year's presentation.

These consolidated financial statements have been approved by the Board of Directors for issue on March 28, 2019.

3. Significant accounting policies

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

(a) Basis of measurement

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

(b) Principles of consolidation

Subsidiaries

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

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

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

Non-controlling interests

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

Associates

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

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

Joint arrangements

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

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

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

(c) Foreign currency

Functional and presentation currency

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

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

Transactions and balances

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

(d) Revenue recognition

Advertising revenue

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

Subscription, data and services revenue

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

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

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

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

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

(e) Income taxes

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

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

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

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

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

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

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

(f) Cash and cash equivalents

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

(g) Inventory

Inventory consists of newsprint, publishing supplies and work in progress amounts relating to certain publications. These amounts are stated at the lower of cost and net realizable value.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

Costs are assigned to inventory quantities on hand at the balance sheet date using either the average cost or a first-in, first-out basis, based on the nature of the inventory. Cost is comprised of material, labour and an appropriate proportion of fixed and variable overhead. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

(h) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Costs directly attributable to the acquisition or construction of property, plant and equipment, including internal labour and interest, are also capitalized as part of the cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of operations during the financial year in which they are incurred.

Depreciation

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

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

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant components and depreciates separately each such component.

Leasehold improvements are depreciated on a straight-line basis over the lesser of their useful life and the term of the lease.

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

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

(i) Identifiable intangible assets

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

3. Significant accounting policies (continued)

Trademarks and mastheads

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

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

Other identifiable intangible assets

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

Computer software and websites

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

(j) Goodwill

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

(k) Impairment of non-financial assets

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

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

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

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

(l) Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Assets acquired under finance leases are included as property, plant and equipment in the consolidated balance sheet. Finance leases are capitalized at lease inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. A corresponding liability is also established and each lease payment is allocated between the liability and finance charges. The interest element is charged to the consolidated statement of operations over the period of the lease.

Leased assets are depreciated in the same manner as property, plant and equipment that are owned, on a straight-line basis, net of their residual values, over their estimated useful lives. Where there is not reasonable certainty that the consolidated entity will obtain ownership of the leased asset by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Other leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments, excluding contingent payments, are charged to expense on a straight-line basis over the period of the lease term unless another systematic basis is more representative of the time pattern of the Company's benefit.

(m) Provisions

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

(n) Employee pension and other post-employment benefits

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

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

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

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

(o) Share based payment

The fair value of share purchase warrants are recognized as a compensation expense with a corresponding increase in contributed surplus within the Company's equity. The fair value is measured at the grant date and recognized over the period during which the warrants vest.

The fair value at the grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the warrants, the vesting and performance criteria, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the warrant.

(p) Government grants

Income based government grants provided to offset an expense are recorded as a decrease in the expense in the year in which the expense is incurred. Any amounts due from the government for qualifying expenses are recorded in trade receivables. Any amounts received in advance are recorded in current liabilities until the related expense is incurred. There are no other types of grants.

(q) Share capital

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

(r) Dividends

Dividends on common shares are recognized as a liability in the Company's consolidated financial statements when the dividends are declared by the Board of Directors of the Company.

(s) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

(t) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as interest expense in the consolidated statement of operations in the year in which they are incurred.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

(u) Financial Instruments

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

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

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

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

When derecognized the cumulative gain or loss in OCI (on non-equity FVOCI financial assets) is reclassified from equity to income. Interest income is recognized on FVOCI financial assets using the effective interest method.

Measurement

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

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

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

Impairment of Financial Assets and Liabilities

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

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

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

4. New accounting standards

The Company implemented new accounting policies to comply with the following new accounting standards: IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*; using the modified retrospective application without restatement of comparative information. There was no material impact upon adoption; therefore, the Company has not recorded a transition adjustment for the cumulative effect of applying IFRS at January 1, 2018 as the adjustment to the opening retained earnings is not material. The new accounting policies for IFRS 15 and IFRS 9 are disclosed in Note 3 (d) and 3 (u), respectively.

IFRS 9 –Financial Instruments

Effective January 1, 2018 the Company adopted IFRS 9, *Financial Instruments* which supersedes IAS 39, *Financial Instruments: Recognition and Measurement*, and sets out requirements for the recognition, measurement, impairment and derecognition of financial assets and liabilities.

While the existing requirements for the classification and measurement of financial liabilities are largely retained under IFRS 9, financial assets are required to be classified as measured at amortized cost, FVOCI or FVPL. The table below outlines the original measurement categories under IAS 30 and the new measurement categories under IFRS 9 for each class of the company's financial instruments at January 1, 2018:

	Original classification under IAS 39	New classification under IFRS 9
Financial assets:		
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Other investments (at cost)	Available for sale	FVOCI
Other investments (at fair value)	Available for sale	FVOCI
Financial liabilities:		
Trade and other payables	Amortized cost	Amortized cost
Long-term debt	Amortized cost	Amortized cost
Other current and non-current liabilities	Amortized cost	Amortized cost

There have been no changes to the carrying values of our financial instruments at January 1, 2018, or to previously reported figures as a result of the classification changes outlined above.

IFRS 9 also replaces the incurred loss impairment model under IAS 39 with an ECL model. The Company has elected to apply the simplified approach in determining ECLs, which requires a provability-weighted estimate of expected lifetime credit losses to be recognized upon initial recognition of financial assets measured at amortized cost and contract assets. 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. Loss allowances for financial assets at amortized cost are deducted from the gross carrying amount of the assets. At January 1, 2018, the identified impairment losses were not significant or material and therefor no changes in loss allowances were recognized.

IFRS 15 Revenue from Contracts with Customers

Effective January 1, 2018, the Company adopted IFRS 15, *Revenue from Contracts with Customers*, which supersedes IAS 18, *Revenue* and related interpretations, and establishes a comprehensive framework for determining whether, how much and when revenue is recognized.

In the comparative period, revenue was measured at the fair value of consideration received or receivable by the Company. Digital and print subscription revenues are recognized on publication of each print edition and on the publication on the website, respectively. Data and data services are recognized when the products or services are delivered. Event revenues are recorded at the time the event is held. Revenues received in advance of the date of publication, an event or the delivery of services are deferred until the date of delivery.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

5. Accounting standards issued but not yet applied

In January 2016, the IASB issued IFRS 16, Leases, which supersedes IAS 17, Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

The most significant impacts of IFRS 16 includes the lessee's recognition of the initial present value of future lease payments as lease assets and lease liabilities on the statement of financial position, except for those leases that meet a limited exception criteria. The presentation on the statement of operations and other comprehensive income will be impacted by the new standard and will result in lease expenses being presented as depreciation and finance expenses. Net income is likely to be impacted as the timing of expenses is accelerated when applying the new standard which uses a finance lease model compared to straight line recognition.

The Company will apply IFRS 16 on January 1, 2019, using the modified retrospective approach. Under this method, the right-of-use asset is recognized at the date of the initially application at an amount equal to the lease liability, using the company's incremental borrowing rate. Comparative figures are not restated.

The Company completed the assessment for the potential impact on our consolidated financial statements and anticipated that the most significant impact identified is that the Company will recognize approximately $11-13 million in right-of-use assets under property, plant and equipment on the consolidated balance sheet and approximately $11-13 million long-term liabilities for the leases related to office spaces and office equipment with minimal impact on the consolidated statement of earnings.

6. Critical accounting estimates and judgements

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

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

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

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

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

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

6. Critical accounting estimates and judgements (continued)

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

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

(b) Retirement benefit assets/obligations

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

(c) Income taxes

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

(d) Utilization of tax losses

The recognition of income tax assets (Notes 19(a)(i) and 23), including those in associates, related to the utilization of non-capital losses and other tax attributes requires significant judgement and is subject to uncertainty as to the timing and ability to utilize the losses and other tax attributes in the future.

(e) Fair value assessment of business combinations

On the acquisition of a business, the Company is required to identify and measure the various assets and liabilities acquired. This is based on the estimated fair value of each item acquired with the remainder of the purchase price being recognized as goodwill.

(f) Estimated useful lives

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

(g) Consolidation of entities

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

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

7. Acquisitions and disposition

(a) In April 2018, the Company acquired the remaining 50% interest in Infomine for $3.6 million of which $2.7 million was payable quarterly over 30 months. Upon acquisition, the Company recognized $3.0 million of amortizing intangibles, $2.1 million of mastheads, $2.3 million of goodwill, $0.1 million of property, plant and equipment, $0.8 million of net working capital and $1.3 million of deferred revenue.

The Company had a deemed disposition of its investment in this operation for $4.5 million, resulting in a gain of $2.7 million.

(b) In June 2018, the Company acquired Pro-Farmer Inc. for $0.4 million. Cash consideration paid was $0.2 million. The remaining purchase price of $0.2 million was deferred and recorded in current liabilities as at June 30, 2018. The Company recognized $0.4 million in amortizing intangibles.

(c) In August 30, 2018, the Company acquired Global Auction Guide for $1.0 million. Cash consideration paid was $0.3 million. The remaining purchase price of $0.7 million shall be paid in two equal payments over 2 years. The Company recognized $1.0 million of amortizing intangibles, $0.3 million of deferred tax liabilities, and $0.3 million of goodwill.

(d) In December 2017, the Company sold its interest in an energy operation. A non-cash loss on sale of $6.5 million was recognized in the year.

(e) During the first quarter of 2017, the Company sold land and buildings with a net book value of $1.9 million for net cash proceeds of $2.2 million resulting in a gain of $0.3 million.

8. Trade and other receivables

(thousands of dollars)	**2018**	2017
	$	$
Trade receivables	**36,088**	36,261
Allowance for doubtful accounts	**(1,311)**	(1,037)
	34,777	35,224

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

9. Investments in joint ventures and associates

Set out below are the joint ventures and associates of the Company for the years ended December 31, 2018 and 2017. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Company. All of these entities are accounted for using the equity method.

Name of entity	Principal place of business	% ownership interest	Nature of relationship	Principal activities
Borden Bridge Development Corporation	Saskatchewan	50%	Joint venture	Land investment
Continental Newspapers Ltd. [1]	British Columbia	28%	Associate	Community media
Fundata Canada Inc.	Ontario	50%	Joint venture	Financial information
Great West Newspapers LP	Alberta	50%	Joint venture	Community media
InfoMine Inc. [3]	British Columbia	50%	Associate	Mining information
PostVue Publishing LP	British Columbia	20%	Associate	Community media
Rhode Island Suburban Newspapers, Inc. [1]	Rhode Island, USA	48%	Joint venture	Community media
Village Media Inc. [4]	British Columbia	23%	Associate	Community media
1294739 Alberta Ltd. [2]	British Columbia	59%	Associate	Community media

[1] These entities have a March 31 year-end.
[2] The Company does not have control over this investment as it does not have a majority of members on the Board of Directors, nor does it have voting control over the entity.
[3] In April 2018, the Company purchased the remaining 50% investment in Infomine Inc. After this date, Infomine's results are consolidated into the Company's results and are no longer accounted for as an equity investment.
[4] Acquired in April 2018.

In April 2018, the Company acquired a 22.5% equity interest in Village Media Inc., a digital community media operation, for $1.5 million. As at December 31, 2018, the outstanding deferred purchase price was $0.7 million.

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

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

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

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

	Joint ventures		Associates	
(thousands of dollars)	**2018**	2017	**2018**	2017
	$	$	**$**	$
Current assets				
Cash and cash equivalents	**11,877**	13,292	**1,917**	5,107
Other current assets	**18,757**	17,497	**4,585**	4,552
Non-current assets	**54,006**	53,423	**73,952**	75,094
Current liabilities				
Current financial liabilities (excluding trade and other payables)	**(4,136)**	(6,125)	**-**	-
Other current liabilities	**(19,688)**	(18,449)	**(9,737)**	(8,455)
Non-current liabilities	**(3,901)**	(3,680)	**(7,621)**	(7,353)
Net assets	**56,915**	55,958	**63,096**	68,945

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

9. Investments in joint ventures and associates (continued)

(thousands of dollars)	Joint ventures		Associates	
	2018	2017	**2018**	2017
	$	$	**$**	$
Reconciliation of net assets:				
Opening net assets	**55,958**	56,138	**68,945**	69,784
Income (loss) for the year	**17,182**	18,555	**(4,340)**	2,116
Other comprehensive income (loss)	**1,648**	(1,176)	**242**	(302)
Dividends paid	**(17,873)**	(17,538)	**(1,339)**	(2,653)
Derecognition of investments in joint ventures and associates	**-**	-	**(412)**	-
Other	**-**	(21)	**-**	-
Closing net assets	**56,915**	55,958	**63,096**	68,945
Revenue	**70,845**	72,126	**45,105**	47,250
Depreciation and amortization	**3,544**	3,560	**619**	757
Interest income	**(55)**	(65)	**(202)**	-
Interest expense	**290**	465	**105**	373
Income tax expense (recovery)	**3,313**	3,922	**(1,933)**	655
Income (loss) for the year	**17,182**	18,555	**(4,340)**	2,116
Other comprehensive income (loss)	**1,648**	(1,176)	**242**	(302)
Total comprehensive income (loss)	**18,830**	17,379	**(4,098)**	1,814
Dividends received by the Company from joint ventures and associates	**(8,835)**	(8,640)	**(370)**	(733)

In addition to the interest in joint ventures and associates disclosed above, the Company also has interests in a number of individually immaterial associates that are accounted for using the equity method.

(thousands of dollars)	**2018**	2017
	$	$
Aggregate net assets of individually immaterial associates	**492**	326
Aggregate amounts of the Company's share of:		
loss for the year	**(85)**	(71)
Total comprehensive loss	**(85)**	(71)

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

(thousands of dollars)	**2018**	2017
	$	$
Balance, beginning of year	**67,684**	67,240
Acquisition of investments in joint ventures and associates	**1,678**	16
Share of earnings	**5,538**	9,980
Share of other comprehensive income (loss) (net of tax)	**141**	(179)
Distributions and dividends received and other equity movements	**(9,205)**	(9,373)
Balance, end of year	**65,836**	67,684

Included in share of earnings from joint ventures and associates is a $3.0 million one-time expense (net tax), which is the Company's share of the cost relating to the disposal of the printing facility and related equipment and restructuring costs.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

10. Subsidiaries, affiliated entities and non-controlling interests

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

Name of entity	Principal place of business	Principal activities
Alta Newspaper Group LP	Alberta	Community media
Glacier FarmMedia LP	Manitoba	Agricultural information
GVIC Communications Corp.	British Columbia	Information communications
Weather Innovations Consulting LP	Ontario	Weather information

The Company's non-controlling interests range from 3% to 40%.

In June 2017, the Company purchased an additional 5% ownership interest in Weather Innovations ("WIN") for a cash purchase price of $0.3 million. As at December 31, 2017, the Company non-controlling interest in WIN is 10%.

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

(thousands of dollars)	**2018**	2017
	$	$
Summarized balance sheets		
Current assets	**52,269**	58,118
Non-current assets	**249,509**	249,438
Current liabilities	**(39,841)**	(52,660)
Non-current liabilities	**(94,796)**	(99,609)
Net assets	**167,141**	155,287
Summarized statements of comprehensive income		
Revenue	**251,939**	255,865
Income for the year	**10,831**	11,144
Other comprehensive (loss) income	**(2,722)**	952
Total comprehensive income	**8,109**	12,096
Income allocated to non-controlling interest	**367**	1,588
Dividends paid to non-controlling interest	**385**	547
Summarized cash flows		
Cash flows from operating activities	**22,407**	30,014
Cash flows from investing activities	**(5,554)**	(550)
Cash flows from financing activities	**(22,998)**	(22,700)
Net (decrease) increase in cash and cash equivalents	**(6,145)**	6,764

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

11. Property, plant and equipment

(thousands of dollars)	Land and land improvements	Buildings	Production equipment	Office equipment and leaseholds	Total
	$	$	$	$	$
Cost					
Balance at January 1, 2017	4,097	13,259	35,336	26,040	78,732
Additions	-	127	501	1,545	2,173
Acquisition on business combinations	100	310	-	-	410
Disposals	(316)	(1,577)	(5,544)	(1,029)	(8,466)
Balance at December 31, 2017	3,881	12,119	30,293	26,556	72,849
Additions	150	527	246	2,265	3,188
Acquisition on business combinations	-	-	-	143	143
Disposals	-	-	-	(116)	(116)
Balance at December 31, 2018	**4,031**	**12,646**	**30,539**	**28,848**	**76,064**
Accumulated depreciation					
Balance at January 1, 2017	-	2,723	23,100	21,161	46,984
Depreciation	133	432	1,737	1,826	4,128
Disposals	-	(153)	(5,574)	(758)	(6,485)
Balance at December 31, 2017	133	3,002	19,263	22,229	44,627
Depreciation	23	459	1,726	1,425	3,633
Disposals	-	-	-	(108)	(108)
Balance at December 31, 2018	**156**	**3,461**	**20,989**	**23,546**	**48,152**
Carrying amounts					
At December 31, 2017	3,748	9,117	11,030	4,327	28,222
At December 31, 2018	**3,875**	**9,185**	**9,550**	**5,302**	**27,912**

During the first quarter of 2017, the Company sold land and buildings with a net book value of $1.9 million for net cash proceeds of $2.2 million resulting in a gain of $0.3 million.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

12. 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:

	Indefinite life	Finite life				
(thousands of dollars)	Mastheads and Trademarks	Copyrights	Customer relationships	Subscription lists	Software and websites	Total
	$	$	$	$	$	$
Cost						
Balance at January 1, 2017	52,166	10,199	56,925	3,841	24,573	147,704
Additions	-	43	4	-	2,907	2,954
Acquisitions on business combinations	-	-	844	-	-	844
Disposals	(1,618)	-	-	-	(30)	(1,648)
Foreign exchange revaluation	(17)	-	24	-	36	43
Balance at December 31, 2017	50,531	10,242	57,797	3,841	27,486	149,897
Additions	-	-	565	-	5,010	5,575
Acquisitions on business combinations	2,121	-	3,412	-	1,230	6,763
Disposals	-	-	-	-	(79)	(79)
Foreign exchange revaluation	28	-	-	-	43	71
Balance at December 31, 2018	**52,680**	**10,242**	**61,774**	**3,841**	**33,690**	**162,227**
Accumulated amortization and impairment losses						
Balance at January 1, 2017	29,005	10,199	45,796	3,275	19,515	107,790
Amortization	-	9	4,959	434	2,466	7,868
Disposals	-	-	-	-	(28)	(28)
Balance at December 31, 2017	29,005	10,208	50,755	3,709	21,953	115,630
Amortization	-	12	5,287	93	2,438	7,830
Disposals	-	-	-	-	(41)	(41)
Balance at December 31, 2018	**29,005**	**10,220**	**56,042**	**3,802**	**24,350**	**123,419**
Carrying amounts						
At December 31, 2017	21,526	34	7,042	132	5,533	34,267
At December 31, 2018	**23,675**	**22**	**5,732**	**39**	**9,340**	**38,808**

In April 2018, the Company acquired the remainder 50% interest in Infomine for $3.6 million. Upon acquisition, the Company recognized $3.0 million of amortizing intangibles, $2.0 million of mastheads, refer to Note 7.

In June 2018, the Company acquired Pro-Farmer Inc. for $0.4 million. Upon acquisition, the Company recognized $0.4 million in amortizing intangibles, refer to Note 7.

In August 2018, the Company acquired Global Auction Guide for $1.0 million. Upon acquisition, the Company recognized $1.0 million of amortizing intangibles, refer to Note 7.

13. Goodwill

(thousands of dollars)	**2018**	2017
	$	$
Balance, beginning of year	**33,008**	37,976
Acquisition on business combinations	**2,816**	-
Disposition	**-**	(4,968)
Balance, end of year	**35,824**	33,008

In April 2018, the Company acquired the remainder 50% interest in Infomine for $3.6 million. Upon acquisition, the Company recognized $2.3 million of goodwill, refer to Note 7.

In August 2018, the Company acquired Global Auction Guide for $1.0 million. Upon acquisition, the Company recognized $0.3 million of goodwill, refer to Note 7.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

14. Impairment

In 2018 and 2017, the Company conducted its annual impairment test of goodwill and indefinite life intangible assets. The Company used the aggregate recoverable amount of the assets included in each cash generating unit or group of CGUs and compared it to their respective carrying amounts. The recoverable amount is based on the greater of the value in use and the fair value less costs to dispose of the CGUs or groups of CGUs.

The Company also reviewed indicators of impairment on its finite life intangible assets in both 2018 and 2017, and identified certain customer relationship assets that required additional testing in 2017.

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

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

Key assumptions for all CGUs or groups of CGUs included in the 2018 testing are: annual growth rates of 0.0% - 3.0% (2017: 0.0% - 3.0%), royalty rates of 3.5% (2017: 3.5%) and pre-tax discount rates of 10.6% - 15.2% (2017: 14.8% - 15.0%).

No impairment expense was recognized for the years ended December 31, 2018 or 2017.

In its assessment of the recoverable amounts of the groups of CGUs, the Company performed a sensitivity analysis of key assumptions used in the testing: discount rates, EBITDA growth and revenue growth. The results of the sensitivity analysis show that a reasonable change in key assumptions used to determine the recoverable amount would not cause the carrying amount of any CGU or group of CGUs to exceed its recoverable amount.

The allocation of goodwill and indefinite life intangible assets by group of CGUs is as follows:

	2018		2017	
(thousands of dollars)	**Goodwill**	**Indefinite life intangible assets**	Goodwill	Indefinite life intangible assets
	$	**$**	$	$
BC Community Media	**1,701**	**8,284**	1,577	8,282
Prairie Community Media	**6,280**	**4,555**	6,280	4,555
Commodity Information	**27,335**	**9,596**	24,643	7,468
Environmental, property and financial information	**508**	**1,240**	508	1,221
	35,824	**23,675**	33,008	21,526

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

15. Trade and other payables

(thousands of dollars)	**2018**	2017
	$	$
Trade payables	**2,924**	1,010
Accrued liabilities	**22,747**	24,011
	25,671	25,021

All trade payables are due within ninety days of year end.

16. Other current and non-current liabilities

Other current and non-current liabilities primarily relate to amounts payable from acquisition transactions (Note 7). These amounts are due in future periods, the amounts due in the next year are included in other current liabilities.

17. Long-term debt

The Company has the following long-term debt outstanding:

(thousands of dollars)	**2018**	2017
	$	$
Current		
ANGLP non-recourse debt (c)	**1,904**	3,847
Term bank loan (b)	**1,000**	1,000
Mortgages and other loans	**88**	83
	2,992	4,930
Non-current		
Revolving bank loan (a)	**34,015**	31,265
Term bank loan (b)	**4,600**	5,600
ANGLP non-recourse debt (c)	**-**	1,865
Mortgages and other loans	**392**	483
Deferred financing costs	**(152)**	(187)
	38,855	39,026
	41,847	43,956

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

(thousands of dollars)	**2018**	2017
	$	$
Balance, beginning of year	**43,956**	53,609
Financing charges (net)	**74**	154
Repayment of debt	**(2,183)**	(9,807)
Balance, end of year	**41,847**	43,956

Under various financing arrangements with its banks, the Company is required to meet certain covenants. The Company was in compliance with all covenants at December 31, 2018 and 2017.

During the year ended December 31, 2018, the Company amended its current banking agreement, extending it to January 31, 2020. The terms of the amendment were substantially the same as under the previously existing agreement.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

17. Long-term debt (continued)

(a) Revolving bank loan

Glacier has a revolving bank loan facility with a syndicate of major Canadian banks which requires no principal repayments during its term and matures on January 31, 2020. The maximum that can be drawn on the amended facility is dependent on the Company's debt to earnings ratio. The facility bears interest at varying rates based on the prevailing bankers' acceptance rate plus an acceptance fee which ranges from 2.25% to 3.25% or the bank prime rate plus 1.25% to 2.25%, depending on Glacier's debt to earnings ratio. The facility is secured by a general security agreement including fixed and floating charges over all of Glacier's and its subsidiaries' assets.

(b) Term bank loan

Glacier has a $5.6 million term bank loan facility with a syndicate of major Canadian banks which requires annual principal repayments of $1.0 million, paid quarterly, and matures on January 31, 2020. The Term bank loan bears interest at the same rate as the revolving bank loan.

(c) Alta Newspaper Group Limited Partnership ("ANGLP")

ANGLP entered into separate senior term loan facilities with a company that is related, due to common ownership, to Glacier. This debt is non-recourse to the Company. The facility requires monthly payments of $0.3 million plus interest and will be fully repaid at maturity on July 31, 2019.

The facilities bear interest at varying rates based on the prevailing bankers' acceptance rate plus an acceptance fee which ranges from 2.75% to 3.50% or the bank prime rate plus 1.38% to 2.13%, depending on ANGLP's debt to earnings ratio. The facilities are secured by a charge over the property of ANGLP.

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

(thousands of dollars)	2019	2020	2021	2022	2023	Thereafter	**Total**
	$	$	$	$	$	$	**$**
Long-Term Debt	2,992	38,556	98	104	87	10	**41,847**

Subsequent to December 31, 2018, the Company amended its current banking agreement, extending it to February 28, 2021. The terms of the amendment were similar to those under the previously existing agreement.

18. Post employment benefit obligations

The Company has defined benefit pension plans which cover certain employees. These plans provide pensions based on length of service and final average annual earnings. Effective December 31, 2015, the Company eliminated future benefit accruals under the defined benefit provision of the plan for certain employees. Effective January 1, 2016, all eligible employees joined a new defined contribution plan sponsored by Glacier. The Company also has health care plans covering certain retired employees. Effective December 31, 2015, the post retirement benefit plan was closed for new retirees. Employees retiring after December 31, 2015, are not eligible for post retirement benefits. Information about the Company's salaried pension plans and other non-pension benefits, in aggregate, is as detailed in the following.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

18. Post employment benefit obligations (continued)

The defined benefit plans are operated in Canada and are funded arrangements where benefit payments are made from plan assets which are held in trust. The pension committee, which reports to the Board of Directors, is responsible for the governance of the plans including investment and contribution decisions. The registered defined benefit pension plans have regulation set minimum requirements for contributions.

Actuarial valuations are performed every three years, or sooner based on management's discretion, for the defined benefit pension plans. The plans underwent actuarial valuations for funding purposes, which were completed in 2017.

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

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2018**	2017	**2018**	2017
	$	$	**$**	$
Present value of benefit obligation	**(38,134)**	(40,005)	**(747)**	(824)
Fair value of plan assets	**40,765**	44,338	**-**	-
Net benefit asset (obligation)	**2,631**	4,333	**(747)**	(824)

The movement in the defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2018**	2017	**2018**	2017
	$	$	**$**	$
Balance, beginning of year	**40,005**	40,142	**824**	722
Interest cost on the defined benefit obligation	**1,468**	1,532	**28**	24
Actuarial loss	**(1,098)**	2,484	**(33)**	148
Benefits paid from plan assets	**(2,241)**	(4,153)	**(72)**	(70)
Balance, end of year	**38,134**	40,005	**747**	824

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

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2018**	2017	**2018**	2017
	$	$	**$**	$
Beginning of year	**44,338**	42,465	**-**	-
Interest income on plan assets	**813**	1,724	**-**	-
Non investment expenses	**(200)**	(200)	**-**	-
Return on plan assets greater than discount	**(2,418)**	3,490	**-**	-
Employer contributions	**473**	1,012	**72**	70
Benefits paid	**(2,241)**	(4,153)	**(72)**	(70)
Balance, end of year	**40,765**	44,338	**-**	-

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

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2018**	2017	**2018**	2017
	$	$	**$**	$
Net interest on defined benefit liability	**123**	145	**28**	24
Other	**(674)**	(1,253)	**-**	148
	(551)	(1,108)	**28**	172

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

18. Post employment benefit obligations (continued)

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

	Pension benefit plans		Other benefit plans	
	2018	2017	**2018**	2017
Benefit obligations:				
Discount rate	**4.00%**	3.50%	**4.00%**	3.50%
Net benefit expense:				
Discount rate	**3.50%**	3.75%	**3.50%**	3.75%

The assumed trend in health care costs was as follows:

	Other benefit plans	
	2018	2017
Initial health care cost trend rate	**6.00%**	6.50%
Annual rate of decline in trend rate	**0.50%**	0.50%
Ultimate health care trend rate	**5.00%**	5.00%
Year ultimate rate is reached	**2020**	2020

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

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(3,743)	4,574

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

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(54)	67
Heath care trend rates	1.00%	24	(24)

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

In addition to the significant assumptions listed in the table above, as at December 31, 2018, the weighted average duration of the defined benefit plan and the other benefit plans is 12.7 years (2017: 15.2 years) and 8.1 years (2017: 12.4 years), respectively.

Expected contributions to the benefit plans for the year ended December 31, 2019 are $0.4 million. As at December 31, 2018, the accumulated actuarial losses recognized in other comprehensive income were $3.3 million (2017: $1.5 million).

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

18. Post employment benefit obligations (continued)

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

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

The plan assets are comprised of:

	Acceptable range	Normal policy	**2018**	2017
Canadian equities	20% - 90%	75%	**54%**	52%
International equities	0% - 40%	15%	**34%**	33%
Fixed income and cash and cash equivalents	10% - 80%	10%	**12%**	15%
		100%	**100%**	100%

Risk management practices

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

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

19. Contingencies and commitments

(a) The Company has the following guarantees and contingencies at December 31, 2018:

(i) During 2014-2017 an affiliate of the Company ("the affiliate") received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessments and assessments relating to the taxation years 2008-2017. The notices deny the application of non-capital losses, capital losses, scientific research and experimental development ("SR&ED") pool deductions and SR&ED tax credits claimed. As a result additional taxes payable including interest and penalties are approximately $57.1 million.

The affiliate has filed notices of objection with the CRA and provincial taxing authorities. In connection with filing the notices of objection, the affiliate is required to make a 50% deposit of the amounts claimed by the CRA and provincial authorities as assessed. The affiliate has paid substantially all of the required deposit of $23.5 million. No further amounts are due at this time for the 2008-2016 taxation years as the appeal process continues. These payments have been recorded as other assets, within non-current assets, as the Company and its affiliate expect to ultimately be successful in its objection.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

19. Contingencies and commitments (continued)

The affiliate has filed a notice of objection with the CRA relating to its 2017 year. The affiliate will be required to make a $0.7 million deposit, 50% of amounts claimed by the CRA as assessed.

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.

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

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

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

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

No provisions have been recorded for these items as at December 31, 2018 or 2017.

(b) The Company and its subsidiaries have entered into operating leases for premises and office equipment which expire on various dates up to 2028.

The minimum annual lease payments are required as follows:

	2019	2020	2021	2022	2023	Thereafter	**Total**
	$	$	$	$	$	$	**$**
Operating leases	3,812	3,263	2,567	1,727	1,254	1,895	**14,518**

The Company's share of its joint ventures and associates' minimum lease payments is $0.8 million (2017: $1.4 million), due through 2023.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

20. Share capital

At December 31, 2018 and 2017, the Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares.

At December 31, 2018, the Company has 109,828,731 (2017: 109,828,731) common shares outstanding. At December 31, 2018 and 2017, the Company did not have any preferred shares issued.

At December 31, 2018, the Company has 1,115,000 warrants outstanding allowing the holder to purchase one common share per warrant at $4.48 per share. The warrants will expire on June 28, 2019, unless extended.

21. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated by dividing the net earnings (loss) available to common shareholders by the weighted average number of common shares during the year using the treasury stock method. Under this method, proceeds from the potential exercise of equity instruments are assumed to be used to purchase the Company's common shares. Earnings (loss) used in determining earnings (loss) per share are presented below.

	Earnings	**Shares**	**Per share**
2018	**$**		**$**
Basic earnings per share			
Earnings	**654**	**109,828,731**	**0.01**
Effect of dilutive securities	**-**	**-**	**-**
Diluted earnings per share:			
Net Earnings	**654**	**109,828,731**	**0.01**

	Loss	Shares	Per share
2017	$		$
Basic loss per share			
Loss	(1,163)	109,828,731	(0.01)
Effect of dilutive securities	-	-	-
Diluted loss per share:			
Net Loss	(1,163)	109,828,731	(0.01)

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

22. Other comprehensive (loss) income

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

	Accumulated other comprehensive income	**Retained deficit**		
(thousands of dollars)	**Cumulative translation adjustment**	**Actuarial (loss) gain on defined benefit plans**	**Non-controlling interest**	**Total other comprehensive loss**
	$	$	$	$
Balance, January 1, 2018	(125)	(410)	284	(251)
Actuarial loss on defined benefit plans	-	(997)	(337)	(1,334)
Cumulative translation adjustment	(414)	-	(13)	(427)
Share of other comprehensive income from joint ventures and associates	-	137	4	141
Other comprehensive loss for the year	(414)	(860)	(346)	(1,620)
Balance, December 31, 2018	**(539)**	**(1,270)**	**(62)**	**(1,871)**
Balance, January 1, 2017	(15)	(985)	169	(831)
Actuarial gain on defined benefit plans	-	748	125	873
Cumulative translation adjustment	(110)	-	(4)	(114)
Share of other comprehensive loss from joint ventures and associates	-	(173)	(6)	(179)
Other comprehensive income for the year	(110)	575	115	580
Balance, December 31, 2017	(125)	(410)	284	(251)

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:

(thousands of dollars)	**2018**	2017
	$	$
Income tax effect of:		
Actuarial loss (gain) on defined benefit plans	**494**	(323)
Share of other comprehensive (gain) loss from joint ventures and associates	**(53)**	66

23. Income taxes

Income tax recovery is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the year ended December 31, 2018 was 27.0% (2017: 26.0%). The components of income tax recovery are shown in the following table:

(thousands of dollars)	**2018**	2017
	$	$
Current tax	**16**	(400)
Deferred tax	**(1,120)**	(266)
Income tax recovery	**(1,104)**	(666)

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

23. Income taxes (continued)

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

(thousands of dollars)	2018	2017
	$	$
Net income before income taxes	**649**	(623)
Tax rate	**27.0%**	26.0%
	175	(162)
Non-deductible expenses and other	**(32)**	117
Write-down of advances to an associated entity	**-**	431
Disposal of assets	**-**	1,292
Income from joint ventures and associates and non-controlling interest	**(899)**	(1,926)
Adjustment in respect of prior years	**(348)**	(418)
Income tax recovery	**(1,104)**	(666)

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

(thousands of dollars)	2018	2017
	$	$
Deferred Tax Assets:		
Available non-capital losses and other tax deductions	**3,259**	2,081
Long-term investments	**169**	169
Deferred income and other	**210**	23
	3,638	2,273
Deferred Tax Liabilities:		
Property, plant and equipment	**(3,763)**	(5,119)
Pension asset and post-retirement benefit	**(590)**	(899)
Intangible assets	**(75)**	(58)
	(4,428)	(6,076)
	(790)	(3,803)

The Company has recognized non-capital tax loss of approximately $9.9 million (2017: $7.3 million) that can be carried forward and may be used to reduce future years' net income for tax purposes from the Canadian tax jurisdictions.

The Company also has unrecognized investment tax credits of $5.2 million (2017: $5.2 million) that can be carried forward to be used to reduce future years' federal tax payable. The credit carryforwards, if unused, expire between 2019 and 2025.

Refer to Note 19 regarding the contingency relating to the CRA reassessment.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

24. Revenue by category

(thousands of dollars)	2018	2017
	$	$
Advertising	**129,675**	136,304
Subscription, data and services	**50,888**	46,939
Commercial printing and other	**7,809**	7,928
	188,372	191,171

25. Expense by nature

(thousands of dollars)	2018	2017
	$	$
Wages and benefits	**96,998**	94,533
Newsprint, ink and other printing costs	**18,165**	19,330
Delivery costs	**13,962**	14,902
Rent, utilities and other property costs	**8,765**	8,084
Advertising, marketing and other promotion costs	**9,764**	8,682
Third party production and editorial costs	**11,862**	12,066
Legal, bank, insurance and professional services	**6,246**	5,393
Data services, system maintenance, telecommunications and software licences	**7,678**	5,743
Fees, licences and other services	**2,469**	2,205
Event costs	**1,864**	2,467
Other	**176**	1,271
	177,949	174,676
Direct expenses	**138,479**	134,921
General and administrative expenses	**39,470**	39,755
	177,949	174,676

26. Wages and employee benefits expense

(thousands of dollars)	2018	2017
	$	$
Salaries and wages	**84,697**	82,954
Pension and benefit plan costs	**11,044**	10,407
Other	**1,257**	1,172
	96,998	94,533

Compensation awarded to key management for the year consists of salaries and short-term benefits of $4.7 million (2017: $4.8 million). As at December 31, 2018, there were termination benefits payable to key management of $0.3 million (2017: $nil). Key management includes the Company's directors, officers and divisional managers.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

27. Interest expense (net)

The net interest expense for the years ended December 31, 2018 and 2017 is comprised of:

(thousands of dollars)	**2018**	2017
	$	$
Interest income	**(22)**	(25)
Interest expense	**2,485**	2,633
Interest expense (net)	**2,463**	2,608

28. Net (gain) loss on acquisition or disposal

For the year ended December 31, 2018, net gain of $3.3 million, which includes the acquisition of the remaining 50% interest in Infomine Inc.

For the year ended December 31, 2017, net loss of $6.3 million included the loss on sale of the Company's interest in an energy operation and the gain on sale of land and buildings.

29. Restructuring and other expenses (net)

(thousands of dollars)	**2018**	2017
	$	$
Restructuring expenses (a)	**4,142**	3,916
Transaction and transition costs (b)	**412**	161
Other (income) expense (net)	**191**	2,078
	4,745	6,155

(a) Restructuring expenses

During the year ended December 31, 2018, restructuring expenses of $4.1 million were recognized (2017: $3.9 million). Restructuring expenses include severance costs of $2.4 million (2017: $2.9 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 2018 and 2017. 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.

(c) Other (income) expense (net)

In 2017, included in other expenses was $1.7 million to reduce advances to an associated entity, representing the Company's share of the associate's losses.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

30. Related party transactions

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

(a) During the year ended December 31, 2018, the Company and its affiliates recorded administration, consulting, interest and other expenses of $0.8 million (2017: $0.9 million) from Madison Venture Corporation ("Madison") and its subsidiaries. Madison is a shareholder of the Company and certain of its officers and directors are officers and directors of the Company.

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

These services were provided in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties. In addition, Madison was required to be the guarantor of a loan relating to the acquisition of interests in certain community newspapers in 2007.

The expenses for the related party transactions include:

(thousands of dollars)	**2018**	2017
	$	$
Interest (i)	**201**	340
Consulting and administration fees (ii)	**532**	548
Directors fees (iii)	**54**	52
	787	940

(i) For the year ended December 31, 2018, $0.2 million (2017: $0.3 million) represents interest expense incurred by a subsidiary company on its borrowings, which was paid by Madison and reimbursed by the subsidiary. Due to the nature of the subsidiary financing, Madison is the direct and guarantor borrower for these borrowings. Madison charges a fee of 1% for the guarantee, which was $0.1 million (2017: $0.1 million) for the year.

(ii) Consulting and administration fees are charged by Madison for services related to transaction work, tax and financial planning, strategic planning and administration and are at rates consistent with those charged by third parties for similar services.

(iii) The Company paid directors fees to Madison for the Company's non-management directors who are shareholders of Madison. These fees are the same amounts as those paid to the other independent directors.

(b) During the year ended December 31, 2018, the Company paid its joint venture Great West Newspapers LP for printing services as part of its normal operations. These services were provided at an agreed upon value. Total printing charged to the Company for the year was $0.2 million (2017: $0.3 million).

At December 31, 2018, $0.3 million (2017: $0.2 million) was due to Great West Newspapers LP for printing services and other amounts plus accrued interest on the outstanding balance.

30. Related party transactions (continued)

(c) During the year ended December 31, 2018, the Company charged management fees to its joint venture, Fundata Canada Inc. for management services as part of its normal operations. Total fees charged by the Company for the year were $0.3 million (2017: $0.3 million).

(d) During the year ended December 31, 2018, the Company paid its joint venture Borden Bridge Development Corporation rental income as part of its normal operations. These services were provided at the agreed upon value. Total rent charged to the Company for the year was $0.1 million (2017: $0.1 million).

(e) At December 31, 2018, the Company had amounts due from an associate of $5.8 million (2017: $5.2 million) relating to non-operating advances. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade receivables.

(f) During the year ended December 31, 2017, a subsidiary of the Company received fee income $0.1 million related to the provision of a guarantee on the debt of one of the Company's associates. This fee was not charged in 2018 as the debt was settled in the prior year.

31. Segment disclosure

The Company and its subsidiaries operate in three distinct operating segments mainly throughout Canada and the United States. These segments are Environmental, Property and Financial Information, Commodities Information and Community Media. Environmental, Property and Financial Information includes the Company's business to business content, marketing solutions and data information products which are environmental, property and financial related. Commodities 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. The Company's assets are mainly located in Canada, along with some operations in the United States, the United Kingdom and Australia and a joint venture located in the United States.

The Company's chief operating decision makers review operating results and base decisions on information that includes both its directly owned operations and its joint ventures. Therefore, the Company presents its segments based on its adjusted results which include its share of the revenues, expenses, assets and liabilities from its joint ventures. A reconciliation of the segment disclosure to the statements of operations and statements of cash flows is provided below.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

31. Segment disclosure (continued)

The following segment information is for the years ended December 31, 2018 and 2017:

For the year ended December 31, 2018

(thousands of dollars)	Environmental, Property and Financial Information	Commodities Information	Community Media	Total Operations	Differential[1]	IFRS Total
	$	$	$	$	$	$
Revenue						
Canada	18,556	55,208	125,363	199,127	(24,806)	174,321
United States	11,690	2,361	9,416	23,467	(9,416)	14,051
	30,246	57,569	134,779	222,594	(34,222)	188,372
Divisional earnings before interest, taxes, depreciation, and amortization	5,423	9,774	15,202	30,399	(11,723)	18,676
Centralized and corporate expenses				8,253	-	8,253
				22,146	(11,723)	10,423
Depreciation and amortization				13,615	(2,152)	11,463
Restructuring and other expense				4,767	(22)	4,745
Net gain on acquisition				(3,359)	-	(3,359)
Net interest expense				2,580	(117)	2,463
Share of loss (earnings) from joint ventures and associates				2,577	(8,115)	(5,538)
Income tax (recovery) expense				536	(1,640)	(1,104)
Net income for the year				1,430	323	1,753
Depreciation and amortization	1,705	2,470	9,440	13,615	(2,152)	11,463
Capital expenditures	3,113	4,396	664	8,173	(578)	7,595

[1] Represents the differential between the IFRS consolidated results and the consolidated results of the Company including its share of its joint ventures.

For the year ended December 31, 2017

(thousands of dollars)	Environmental, Property and Financial Information	Commodities Information	Community Media	Total Operations	Differential[1]	IFRS Total
	$	$	$	$	$	$
Revenue						
Canada	19,506	55,916	131,025	206,447	(25,351)	181,096
United States	9,574	501	9,297	19,372	(9,297)	10,075
	29,080	56,417	140,322	225,819	(34,648)	191,171
Divisional earnings before interest, taxes, depreciation, and amortization	7,775	10,251	18,688	36,714	(12,490)	24,224
Centralized and corporate expenses				7,729	-	7,729
				28,985	(12,490)	16,495
Depreciation and amortization				14,155	(2,159)	11,996
Restructuring and other expense				6,094	61	6,155
Net loss on disposal				6,334	5	6,339
Net interest expense				2,766	(158)	2,608
Share of earnings from joint ventures and associates				(1,178)	(8,802)	(9,980)
Income tax (recovery) expense				1,187	(1,853)	(666)
Net income (loss) for the year				(373)	416	43
Depreciation and amortization	1,468	2,729	9,958	14,155	(2,159)	11,996
Capital expenditures	1,392	1,739	2,609	5,740	(613)	5,127

[1] Represents the differential between the IFRS consolidated results and the consolidated results of the Company including its share of its joint ventures.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

32. Financial instruments

Financial risk management

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

(a) Market risk

(i) Foreign exchange risk

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

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

An assumed $0.01 increase in the USD/CAD foreign exchange rate during the year ended December 31, 2018 would have a $0.0 million (2017: $0.0 million) impact on pre-tax net income. An assumed $0.01 decrease would have an equal but opposite effect on pre-tax net income.

The Company's interest rate risk mainly arises from the interest rate impact on cash and floating rate debt. The Company actively manages its interest rate risk through ongoing monitoring of market interest rates and the overall economic situation. Where appropriate, the Company has in the past and may in the future enter into derivative transactions to fix its interest rates.

(ii) Interest rate risk

An assumed 100 basis points increase in interest rates during the year ended December 31, 2018 would have a $0.4 million (2017: $0.4 million) impact on pre-tax net income. An assumed 100 basis points decrease would have had an equal but opposite effect on pre-tax net income.

(b) Credit risk

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

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

The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its trade receivables from customers.

The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for trade receivables are net of applicable allowances for doubtful accounts, which are determined using the ECL model, credit losses are measured as the present value of cash shortfalls from all possible default events, discounted at the effective interest rate of the financial asset.

The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity. As at December 31, 2018, no single customer accounts for more than 5% of consolidated trade receivables.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

32. Financial instruments (continued)

Management regularly monitors trade receivable aging and customer credit limits, performs credit reviews and provides allowances for potentially uncollectible trade receivables. The amounts disclosed in the consolidated balance sheets are net of allowances for doubtful accounts. The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade receivables. Trade receivables are impaired when there is evidence that collection is unlikely. At December 31, 2018, the Company had trade receivables of $34.8 million (2017: $35.2 million), net of allowance for doubtful accounts of $1.3 million (2017: $1.0 million).

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

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

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

	2018		2017	
	Gross	**Impairment**	Gross	Impairment
	$	**$**	$	$
Not past due	**19,234**	**(13)**	19,935	(10)
Past due 0 - 30 days	**8,741**	**(21)**	8,877	(18)
Past due 30 - 60 days	**3,286**	**(45)**	3,722	(36)
Past due > 60 days	**4,827**	**(1,232)**	3,727	(973)

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

(thousands of dollars)	**2018**	2017
	$	$
Balance, beginning of year	**(1,037)**	(1,078)
Impairment loss, net of recoveries	**(274)**	41
Balance, end of year	**(1,311)**	(1,037)

(c) Liquidity risk

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

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.

32. Financial instruments (continued)

Fair value

The Company's 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 FVOCI, in accordance with IFRS 9, adopted by the Company on January 1, 2018 (Note 4). The carrying amounts of these instruments at December 31, 2018 approximate fair value.

The three levels of the fair value hierarchy are:

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

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

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

33. Capital disclosures

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

The Company defines its capital as shareholders' equity, long-term debt including the current portion, and preferred shares, net of any cash and cash equivalents.

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

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

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

The Company is also subject to financial covenants, in its operating credit facility agreement, which are measured on a quarterly basis. The Company is in compliance with all financial covenants at December 31, 2018 and 2017.

Board of Directors

Bruce W. Aunger*	Jonathon J.L. Kennedy	
Sam Grippo	Tim McElvaine*	
S. Christopher Heming	Geoffrey L. Scott*	*Member of the Audit Committee

Officers

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

Transfer Agent

Computershare Trust Company of Canada
Toronto, Calgary and Vancouver

Auditors

PricewaterhouseCoopers LLP

Stock Exchange Listing

The Toronto Stock Exchange
Trading symbol: GVC

Investor Relations

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

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