CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

GLACIER MEDIA INC.

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2019 MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

FORWARD-LOOKING STATEMENTS

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

The report is dated March 27, 2020 and includes information up to this date.

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 invest in key strategic areas, to generate new revenues, to realize cost efficiencies, to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements, to reduce debt levels, and that reduced debt levels in investment entities will result in further distributions to the Company. These forward-looking statements are based on certain assumptions, including continued economic growth and recovery and the realization of cost savings in a timely manner and in the expected amounts, which are subject to risks, uncertainties and other factors which may cause results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, and undue reliance should not be placed on such statements.

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

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

The 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 27, 2020 and should be read in conjunction with the Company's consolidated financial statements and notes thereto as at and for the year ended December 31, 2019. 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 and EBITDA per share, are not generally accepted measures of financial performance under IFRS. In addition, certain results in this MD&A have been presented on a basis that includes the Company's share of revenue and expenses from its joint venture and associate operations, which reflects the basis on which management makes its operating decisions and performance evaluation. These measures including joint ventures and associates are also not generally accepted measures of financial performance under IFRS. Management utilizes these financial performance measures to assess profitability and return on equity in its decision making. In addition, the Company, its lenders and its investors use EBITDA to measure performance and value for various purposes. Investors are cautioned; however, that EBITDA should not be construed as an alternative to net income attributable to common shareholders determined in accordance with IFRS as an indicator of the Company's performance.

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

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

OVERVIEW OF THE BUSINESS

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

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

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

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

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

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

ENVIRONMENTAL AND PROPERTY INFORMATION

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

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

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

COMMODITY INFORMATION

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

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

COMMUNITY MEDIA

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

Castanet has operated for 18 years and is the leading source of news and information in the Okanagan region of B.C. (Kelowna, Penticton and Vernon), with 40 million monthly page views. It is a digital only media business with more revenue and profit than each of the newspapers in the region. Glacier Media now has sufficient traffic, revenue and profit with Vancouver Is Awesome and its local websites and digital marketing services in the Lower Mainland to operate on a standalone basis. Village Media is a digital only news and information business that operates eight of its own local websites in Ontario, and operates websites for other media companies. It generates 50 million monthly page views across its network, and also licenses its own proprietary community website platform software.

Glacier's digital operations and network (the Local News Network) now reaches over 16 million monthly unique visitors with over 130 million monthly page views. Local News Network is now one of the largest digital news network in Canada as measured by page views, and the largest local news network in the country. Glacier's websites generated 73 million monthly page views in B.C., making it the leading provider of local news and information in the Province.

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

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

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

OPERATING PERFORMANCE HIGHLIGHTS

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

	Revenue		EBITDA	
(thousands of dollars)	2019	2018	2019	2018
	$	$	$	$
Environmental, Property and Financial Information	26,340	30,247	2,983	5,425
Commodity Information	55,927	57,569	6,745	9,774
Community Media	147,115	155,789	14,681	16,221
Centralized and corporate costs	-	-	(8,088)	(8,254)
Total including joint ventures and associates [(1)(2)]	229,382	243,605	16,321	23,166
Joint ventures and associates	(44,592)	(55,233)	(8,354)	(12,743)
Total IFRS	184,790	188,372	7,967	10,423

(thousands of dollars, except share and per share amounts)	2019	2018
EBITDA including joint ventures and associates [(1)(2)]	$ 16,321	$ 23,166
EBITDA including joint ventures and associates per share [(1)(2)]	$ 0.14	$ 0.21
EBITDA	$ 7,967	$ 10,423
EBITDA per share	$ 0.07	$ 0.09
Capital expenditures [(3)]	$ 9,765	$ 7,595
Debt net of cash outstanding before deferred financing charges and other expenses	$ 13,653	$ 38,882
Weighted average shares outstanding, net	116,783,420	109,828,731

(1) Certain results are presented to include the Company's proportionate share of its joint venture and associate operations, as this is the basis on which management bases its operating decisions and performance. The Company's joint ventures

and associates include Continental Newspapers Ltd, Great West Newspapers Limited Partnership, the Victoria Times-Colonist, Rhode Island Suburban Newspapers, Inc., Village Media Inc. and Borden Bridge Development Corporation.

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

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

SIGNIFICANT DEVELOPMENTS IN 2019 AND OUTLOOK

The Company made significant progress during 2019 in its key areas of focus:

- ERIS and REW grew 15% in revenue in 2019
    - ERIS continued to solidify its position as the #2 player in the U.S. commercial real estate environmental risk information market, and is the #1 player in Canada;
    - REW is now the #1 residential real estate portal in B.C., with more traffic and audience than realtor.ca and is expanding nationally;
- In the face of challenging markets, Glacier FarmMedia made good progress in the growth of its agricultural shows, weather, listings and premium information products; its newly launched Farmtario website and publication is growing well and establishing itself as the leader in Ontario;
- The Glacier Media Digital group made considerable progress in establishing itself as a leading provider of digital news and information in B.C. and other markets in Western Canada:
    - Glacier Media Digital revenue grew 37% and contribution more than doubled (excluding Castanet, which was acquired in April 2019, and joint ventures and associates);
    - GMD currently has sufficient revenue and profit in the Lower Mainland and Okanagan regions of British Columbia to operate on a standalone basis (without the support of its newspapers);
    - Glacier's digital operations and network (Local News Network) now reaches over 16 million monthly unique visitors with over 130 million monthly page views;
- Sold interest in Fundata for $55 million; generated a $47.6 million gain on sale; and
- Acquired Castanet Media for $22 million.

Acquisition of Castanet Media. In April 2019, the Company acquired the assets of Castanet Media Ltd. ("Castanet") and the related Avenue Radio shares. The purchase price was $22.0 million for the Castanet assets and $2.0 million for the shares of the company that owns the radio station. $19.0 million was paid at closing with the remainder payable over two years. The acquisition of the radio station shares is subject to Canadian Radio-television and Telecommunications Commission approval. The acquisition of Castanet bolsters the Company's digital media presence.

Sale of Interest in Fundata. In April 2019, the Company sold its interest in Fundata for a sale price of $55.0 million. $45.0 million of the sale price was received at closing and $10.0 million is receivable over four years through a vendor take-back. As a result of the sale, the Company was able to repay its term loan and a portion of the revolving loan, significantly reducing overall debt levels. The purchase price highlights the value of the data, analytics and intelligence products and services the Company owns and is focused on. These products and services provide high value to their users through the nature of their data and functionality, and fulfill a high level of need. They also generate strong recurring revenue and cash flows. Glacier's investment and ownership in Fundata generated a $47.6 million gain on sale.

During 2019, the Company borrowed and repaid $10.0 million through an unsecured loan that was arranged from Madison Venture Corporation ("Madison") in order to provide certainty of funding for the Castanet acquisition (the sale of the Fundata interest was not certain during the Castanet negotiations) and allow greater financial flexibility compared to increased senior debt borrowing at the time.

Private Placement. In July 2019, the Company completed a private placement of 15,384,615 common shares at a price of $0.65 per share for gross proceeds of $10.0 million. The net proceeds of the private placement were initially used to pay down debt, but are intended for acquisition and investment purposes and general working capital needs.

Operating Progress and Outlook. As highlighted, continued progress has been made evolving the business in key identified areas of focus within business information and digital media, including ERIS, STP, REW, agricultural digital media listings, weather, agriculture and mining shows, natural resources and community media digital. The mining and energy businesses were merged to form the Glacier Resource Innovation Group to create greater scale and product and talent synergies.

Print advertising revenues overall continue to decline as expected, although softness in the agricultural market impacted the agricultural group's print revenues more than expected (agricultural print revenue grew in 2018). The declines in print revenue were partially offset by revenue growth in key data, analytics and intelligence products and digital media products consistent with the Company's strategy. Cost reduction and rationalization projects were undertaken to manage the print decline.

The Company expects its total revenue will continue to decline in the near term until it reaches the inflection point where the revenue from its data, analytics and intelligence products and digital media products exceeds the decline of its print.

The data, analytics and intelligence and digital media businesses typically have higher margins, so the Company can generate higher profit on less revenue. These businesses also have higher valuations once sufficient scale is achieved or sufficient growth opportunity is evident, which means future consolidated revenue levels can be lower while creating significantly greater shareholder value. The EBITDA multiple realized on the assets the Company has sold in these areas have been in the 10-12.6x range.

The Company's strategy is to 1) grow the data, analytics and intelligence and digital media businesses and 2) leverage the brands, market reach, content, sales force and customer relationships of its print products in business information and community media to expedite the growth of the digital media products and events, and develop digital media businesses that can operate on a standalone basis without the support of the print publications.

The company made operating investments in some of the key strategic initiatives within the business information operations and digital community media. These operating investments reduced short-term profitability, but have been critical to the Company's growth plan and are resulted in demonstrable value creation.

The revenue generation activities and cost efficiency measures had resulted in significant improvement in the Company's financial performance in the first quarter of 2020 until the impact of the coronavirus related measures and market conditions set in. The Company's consolidated EBITDA grew in February and was continuing on a similar trend in March until the market conditions changed.

Impact of Coronavirus. The Company operates mainly in Canada, with some operations in the U.S. and abroad, and has operations in geographic areas where cases of COVID-19 have already been identified. The Company's customers also operate in these same areas. The Company is experiencing impacts to varying degrees in its businesses from the changes in consumer and business behavior related to the virus containment measures, pandemic fears and workforce impact. While it is too early to determine the extent and timing of the impact on operations, it is expected that revenues and profitability will be affected to varying degrees within its businesses.

The Company is taking a wide variety of measures to protect the health of its staff, help reduce the spread of the virus and maintain the Company's businesses as best as possible.

2019 OPERATIONAL PERFORMANCE

Consolidated revenue for the year ending December 31, 2019 was $184.8 million, down $3.6 million or 1.9% from the prior year. Consolidated EBITDA was $8.0 million for the year, down $2.5 million or 23.8% from the prior year.

Including the Company's share of joint ventures and associates, revenue was $229.4 million, down $14.2 million or 5.8% and EBITDA was $16.3 million, down $6.8 million or 29.5%. $1.7 million of the decline was the net result of the sale of Fundata and the acquisition of Castanet in April 2019.

The Company continued to make progress in its key growth areas in business information and digital media, which partially offset expected print revenue declines, as demonstrated by the overall revenue performance. As stated, ERIS, STP, REW, agricultural digital media, listings, weather, premium information products, agriculture and mining shows, mining education and community media digital all grew during the year.

EBITDA was impacted by softness in print community media, agricultural advertising, and the energy and mining business. While the continued decline of print revenue was expected, the Company's consolidated EBITDA declined $6 million more than expected due to the following:

- The Chinese trade embargo of Canadian canola and other agricultural purchases, extremely wet Prairies weather and low commodity prices had a significant impact on the Canadian agriculture market, which negatively impacted Glacier FarmMedia's revenue and EBITDA;
- The weak energy and mining markets affected the Resource Innovation Group (formed through the merger of the Company's energy and mining information businesses), causing EBITDA to be worse than expected; and
- The B.C. Government's tax increases that were implemented to significantly weaken the real estate market also had an adverse impact on consumer spending, which adversely impacted the Company's advertising revenue in the Lower Mainland more than expected.

EBITDA was also reduced by the operating investments made in some of the key strategic initiatives, including the REW real estate marketplace, 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 have been made to take advantage of opportunities that exist in the Company's markets that require timely action to be taken. The growth in revenues achieved in these operations, and the demand for the Company's products this reflects, underscores the fact that the investments have been working and value has been created.

Financial Position. At December 31, 2019, senior debt decreased to $16 million. The proceeds from the sale of Fundata were used to extinguish the term loan and reduce the revolving loan. The Company's consolidated non-recourse, non-mortgage debt is in a nil position net of cash on hand as a result of significant debt repayment.

The Company also has $4.2 million of deferred purchase price obligations owing over the next two years and $10.0 million of a vendor-take back receivable from Fundata over the next four years.

REVENUE

Glacier's consolidated revenue for the year ended December 31, 2019 was $184.8 million compared to $188.4 million for the prior year.

ENVIRONMENTAL AND PROPERTY INFORMATION

The Environmental and Property Information group generated revenue of $23.9 million for the year ended December 31, 2019, as compared to $20.5 million for the prior year.

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.

REW, the Company's online real estate portal, continues to grow in terms of site features, traffic and revenues. REW has expanded to offer listings nationally across Canada.

STP's revenues increased in the year, in part due to the prior year change in accounting reflecting the transition in operations to a solely digital-subscription based business.

COMMODITY INFORMATION

The Commodity Information group generated revenue of $55.9 million for the year ended December 31, 2019, as compared to $57.6 million for the prior year.

Conditions in the agricultural market continue to be soft amid uncertainty from trade disputes and the consolidation of major crop input companies. These adverse conditions weighed on performance. The Company did, however, continue to invest in and see growth in key agricultural information operations such as outdoor shows, digital media and online listings, weather and premium information products.

The energy and mining groups were merged during the year to form the Resource Innovation Group. Resource related revenues declined during the year as a result of the weak energy and mining market conditions. Significant efforts have been made to improve the intelligence and digital offerings and grow the resource related shows.

COMMUNITY MEDIA

	Revenue		EBITDA	
(thousands of dollars)	2019	2018	2019	2018
	$	$	$	$
Community Media including joint ventures and associates	147,115	155,789	14,681	16,221
Joint ventures and associates	(42,110)	(45,513)	(7,020)	(7,559)
Community Media IFRS	105,005	110,276	7,661	8,662

The Community Media Group generated $105.0 million of revenue for the year ended December 31, 2019, as compared to $110.3 million for the prior year.

Including the Company's share of joint ventures and associates, the Community Media Group's revenue was $147.1 million, as compared to $155.8 million for the prior year.

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

Glacier Digital Media. The Company's community media digital revenues and business continues to grow rapidly, as progress continues to be made in the growth of the community websites, digital marketing services and specialty products & services. Digital revenues grew 37% organically (excluding Castanet and joint ventures and associates) and contribution more than doubled. The acquisition of Castanet also increased the Company's digital presence in B.C.

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 its digital businesses by hiring and training to broaden 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 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.

GROSS PROFIT

Glacier's consolidated gross profit, being revenues less direct expenses, for the year ended December 31, 2019 was $48.2 million compared to $50.8 million for the prior year. The net change in gross profit was largely the result of increased operating investments made in some of the key strategic initiatives, including ERIS, 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, which was partially offset by the acquisition of Castanet.

Gross profit as a percentage of revenues ("gross profit margin") for the year ended December 31, 2019 was 26.1% as compared to 27.0% for the prior year.

GENERAL & ADMINISTRATIVE EXPENSES

Glacier's consolidated general and administrative expenses were $40.3 million for the year ended December 31, 2019, down from $40.4 million for the prior year. While the Company continues to focus on reducing administration costs in its general operations, the Company continues to invest in its infrastructure to support its growth opportunities and digital products. Additionally, general and administrative expenses decreased $3.6 million as a result of the adoption of IFRS 16 and the change in the accounting for leases, which removes the base rent cost of the lease from general and administrative expenses and moves it to depreciation and interest, as described below.

EBITDA

EBITDA was $8.0 million for the year ended December 31, 2019 as compared to $10.4 million for the prior year. The results are due to the various reasons stated under "Revenue, Gross Profit and General & Administrative Expenses".

NET INTEREST EXPENSE, DEBT

Glacier's consolidated net interest expense for the year ended December 31, 2019 was $2.5 million as compared to $2.5 million for the prior year. Overall, senior debt was reduced in the year as the net proceeds of the sale of Fundata were used to extinguish the term loan. The acquisition of Castanet required additional borrowing in the year. The proceeds from the private placement were used to reduce the debt level until such time they are needed for investment purposes and general working capital needs.

INTEREST EXPENSE, LEASE LIABILITIES

Interest expense relating to lease liabilities for the year ended December 31, 2019 was $0.7 million as compared to nil for the prior year. Interest expense from lease liabilities resulted from the implementation of IFRS 16 *Leases*.

DEPRECIATION AND AMORTIZATION

Depreciation of property, plant and equipment and amortization of intangible assets for the year ended December 31, 2019 decreased $1.2 million as compared to the prior year. Certain intangible assets became fully amortized at the end of the first quarter of 2019. Depreciation of right-of-use assets ("ROU") for the year ended December 31, 2019 was $3.5 million as compared to nil in the prior year. Depreciation expense from right-of-use assets resulted from the implementation of IFRS 16 *Leases*.

IMPAIRMENT EXPENSE

The Company recorded an impairment expense to its goodwill of $5.7 million in the current year. No impairment expense was recorded in the prior year.

RESTRUCTURING AND OTHER EXPENSES (NET)

Restructuring and other expenses (net) for the year ended December 31, 2019 were $5.3 million compared to $4.7 million for the prior year. These expenses include restructuring costs (from the closure or divestiture of operations, or part of operations; including severance, redundant office costs and other direct closure costs during transition periods), transaction costs, foreign exchange, other income and other expenses.

SHARE OF EARNINGS FROM JOINT VENTURES AND ASSOCIATES

Share of earnings from joint ventures and associates, which include the Company's share of Continental Newspapers Ltd. ("Continental"), Great West Newspapers Limited Partnership ("GWNLP"), the Victoria Times-Colonist, Rhode Island Suburban Newspapers, Inc. ("RISN"), Village Media Inc. ("Village") and other joint ventures and associates, decreased $1.9 million as compared to the prior year. The Company's share of Fundata's results have been included in the share of earnings from joint ventures and associates up to March 31, 2019. In April 2019, the Company sold its interest in Fundata.

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

(thousands of dollars)	2019	2018
	$	$
Assets	64,041	79,890
Liabilities	16,765	23,533
Net assets	47,276	56,357

(thousands of dollars)	2019	2018
	$	$
Revenues	44,592	55,233
EBITDA	8,354	12,743
Net income for the period	3,663	5,538

NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS

Net income attributable to common shareholders increased by $33.6 million compared to the prior year. The change resulted from i) an increase in net gain on disposal or acquisition of $44.4 million (which is primarily a $47.6 million gain on the sale of Fundata as compared to a $2.7 million gain on acquisition of the remaining 50% of Infomine) and ii) an increase in income tax recovery of $4.8 million. This was partially offset by i) lower operating results of $2.5 million, ii) higher net interest expense on debt of $0.1 million, iii) higher interest expense on lease liabilities of $0.7 million, iv) higher depreciation and amortization of $2.3 million (relating to the addition of ROU depreciation), v) higher impairment expense of $5.7 million, vi) higher restructuring and other expenses (net) of $0.5 million, vii) lower share of earnings from joint ventures and associates of $1.9 million, and viii) higher non-controlling interest of $2.0 million.

OTHER COMPREHENSIVE LOSS (NET OF TAX)

For the year ended December 31, 2019, Glacier recognized other comprehensive income (net of tax) of $0.8 million. The gain related to the change in the currency translation adjustment and the mix of actuarial gains and losses on defined benefit pension plans resulting from the change in actuarial assumptions, mainly the discount rate.

CASH FLOW FROM OPERATIONS

Glacier's consolidated cash flow from operations was $3.9 million (before changes in non-cash operating accounts) for the year ended December 31, 2019 as compared to $6.0 million for the prior year. The change in cash flow from operations was primarily the result of the factors stated under "Revenue, Gross Profit, General & Administrative Expenses and EBITDA".

Excluding the purchase of land for Canada's Outdoor Farm Show for $3.1 million, capital expenditures were $6.7 million for the year ended December 31, 2019. Total capital expenditures were $9.8 million in 2019 compared to $7.6 million for the prior year. The majority of the current year expenditures relate to the agricultural show site development, leasehold improvements and software development. Prior year capital expenditures related to software development, hardware costs, leasehold improvements and infrastructure for the agricultural shows.

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

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2019, the Company and its affiliates recorded administration, consulting, interest and other expenses of $0.6 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.

During the year, the Company borrowed and repaid $10.0 million in the form of an unsecured loan to Madison.

During the year ended December 31, 2019, 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, 2019, $0.4 million was due to GWNLP for printing services and other amounts plus accrued interest on the outstanding balance.

During the year ended December 31, 2019, 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 $0.2 million.

At December 31, 2019, the Company had amounts due from an associate of $6.9 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 and other.

The Company provides digital advertising related services to the associate at rates consistent with those charged to third parties for similar services.

CONTINGENCY

During 2014-2018 an affiliate of the Company ("the affiliate") has received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessments and assessments relating to the taxation years 2008-2017. The notices deny the application of non-capital losses, capital losses, scientific research and experimental development ("SR&ED") pool deductions and SR&ED tax credits claimed. As a result additional taxes payable including interest and penalties are assessed at approximately $58.2 million. The affiliate has filed notices of objection with the CRA and provincial taxing authorities and has substantially paid the required deposits, which has been recorded in Other assets.

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

SELECTED ANNUAL 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, 2019, 2018 and 2017:

(thousands of dollars) except share and per share amounts		2019		2018		2017
Revenue	$	184,790	$	188,372	$	191,171
Gross profit [2]	$	48,236	$	50,823	$	56,250
Gross margin		26.1%		27.0%		29.4%
EBITDA [1]	$	7,967	$	10,423	$	16,495
EBITDA margin [1]		4.3%		5.5%		8.6%
EBITDA per share [1]	$	0.07	$	0.09	$	0.15
Net interest expense, debt	$	2,519	$	2,463	$	2,608
Net income (loss) attributable to common shareholders	$	34,249	$	654	$	(1,163)
Net income (loss) attributable to common shareholders per share	$	0.29	$	0.01	$	(0.01)
Cash flow from operations	$	3,870	$	6,006	$	12,241
Cash flow from operations per share	$	0.03	$	0.05	$	0.11
Capital expenditures [3]	$	9,765	$	7,595	$	5,127
Total assets	$	271,144	$	237,827	$	237,612
Total non-current financial liabilities	$	29,472	$	41,500	$	40,634
Debt net of cash outstanding before deferred financing charges and other expenses	$	13,653	$	38,882	$	40,256
Equity attributable to common shareholders	$	176,953	$	132,033	$	132,653
Weighted average shares outstanding, net		116,783,420		109,828,731		109,828,731

Notes:

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

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

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

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. This is partially offset by increased revenue from growth in the environmental and property operations and digital revenue growth within the Community Media Group;
- In July 2019, the Company completed a private placement of 15,384,615 common shares at a price of $0.65 per share for gross proceeds of $10.0 million;

- The acquisition of Castanet in April 2019, and the inclusion of the revenue, expenses and balance sheet in the current year;
- The sale of the Company's interest in Fundata in April 2019;
- The adoption of IFRS 16 Leases has resulted in an increase in EBITDA for the year ended December 31, 2019 of $3.6 million. Interest of $0.7 million on the lease liabilities and depreciation of $3.5 million of the right-of-use assets are charged to the statement of operations below EBITDA for the year ended December 31, 2019. Additionally, the balance sheet was affected by the inclusion of the right-of-use assets and lease liabilities, which brings the leases on balance sheet. As a result, total assets increased by $11.9 million, current liabilities increased by $3.1 million and non-current liabilities increased by $9.2 million as at December 31, 2019;
- 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; 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.

FOURTH QUARTER 2019 RESULTS AND OVERVIEW OF OPERATING PERFORMANCE

REVENUE

Glacier's consolidated revenue for the three months ended December 31, 2019 was $46.6 million compared to $48.6 million for the same period in the prior year.

The environmental, property and financial information operations experienced another strong quarter with both ERIS and REW realizing double digit revenue growth.

The commodity information operation experienced a decrease in revenues due to the struggling agricultural print products. The Company continued to invest in its agricultural information operations in key growth areas such as outdoor exhibitions, digital products and online listings.

The Company's community media's operations continue to face ongoing print advertising challenges and economic challenges in certain areas. Digital revenue growth and the acquisition of Castanet in the second quarter of 2019 positively impacted revenues in the fourth quarter. 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, 2019 was $12.4 million compared to $12.7 million for the same period last year. The consistency in gross profit is largely attributable to the margins related to the products that are experiencing revenue growth, despite other products incurring decreases in revenue.

GENERAL & ADMINISTRATIVE EXPENSES

Glacier's consolidated general and administrative expenses were $10.7 million for the three months ended December 31, 2019 compared to $9.2 million for the same period in the prior year. The Company continues to invest in its infrastructure to support its growth opportunities and digital products. Additionally, general and administrative expenses decreased $0.9 million as a result of the adoption of IFRS 16 and the change in the accounting for leases, which removes the base rent cost of the lease from general and administrative expenses and moves it to depreciation and interest, as described below.

EBITDA

Consolidated EBITDA was $1.6 million for the three months ended December 31, 2019 as compared to $3.5 million for 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 (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS

Net loss attributable to common shareholders for the three months ended December 31, 2019 increased by $2.0 million as compared to the net income attributable to common shareholders in the same period in the prior year. The change resulted from i) lower operating results of $1.9 million, ii) higher interest expense on lease liabilities of $0.2 million, iii) higher depreciation and amortization of $0.2 million (relating to the depreciation of the ROU assets), iv) decreases in net gain on disposition of $0.7 million, v) increases in impairment expenses of $5.7 million, vi) increase in restructuring and other expenses of $0.7 million, vii) decrease of share of earnings from joint venture and associates of $1.3 million and viii) higher non-controlling interests of $0.4 million. This was partially offset by i) lower net interest expense on debt of $0.4 million and ii) a higher income tax recovery of $8.6 million.

CASH FLOW FROM OPERATIONS

Glacier's consolidated cash flow from operations was less than $0.1 million (before changes in non-cash working capital for the three months ended December 31, 2019 compared to $2.6 million for the same period in the prior year. The change in cash flow from operations was primarily the result of the factors described under Revenue, Gross Profit and General & Administrative Expenses.

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

SUMMARY OF QUARTERLY RESULTS

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

(thousands of dollars) except share and per share amounts	Trailing 12 Months	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Revenue	$ 184,790	$ 46,599	$ 48,256	$ 45,673	$ 44,262
EBITDA (1)	$ 7,967	$ 1,633	$ 2,089	$ 2,284	$ 1,961
EBITDA margin (1)	4.3%	3.5%	4.3%	5.0%	4.4%
EBITDA per share (1)	$ 0.07	$ 0.01	$ 0.02	$ 0.02	$ 0.02
Net interest expense, debt	$ 2,519	$ 334	$ 460	$ 834	$ 891
Net income (loss) attributable to common shareholders	$ 34,249	$ (1,166)	$ (3,166)	$ 40,057	$ (1,476)
Net income (loss) attributable to common shareholders per share	$ 0.29	$ (0.01)	$ (0.03)	$ 0.36	$ (0.01)
Cash flow from operations	$ 3,870	$ (2)	$ 802	$ 1,370	$ 1,700
Cash flow from operations per share	$ 0.03	$ 0.00	$ 0.01	$ 0.01	$ 0.02
Capital expenditures	$ 9,765	$ 1,225	$ 1,992	$ 1,701	$ 4,847
Debt net of cash outstanding before deferred financing charges and other expenses	$ 13,653	$ 13,653	$ 14,683	$ 22,730	$ 43,658
Equity attributable to common shareholders	$ 176,953	$ 176,953	$ 175,641	$ 168,891	$ 130,061
Weighted average shares outstanding, net	116,783,420	125,213,346	122,036,089	109,828,731	109,828,731

	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
Net interest expense, debt	$ 2,463	$ 700	$ 616	$ 575	$ 572
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	$ 6,006	$ 2,574	$ 649	$ 273	$ 2,510
Cash flow from operations per share	$ 0.05	$ 0.02	$ 0.01	$ 0.00	$ 0.02
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

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

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

- Operating performance of the Company's various business units, including cost-reduction initiatives and general market conditions during the reported periods;
- In July 2019, the Company completed a private placement of 15,384,615 common shares at a price of $0.65 per share for gross proceeds of $10.0 million;
- The acquisition of Castanet Media in April 2019, for a purchase price of $22.0 million. $19.0 million was paid up front with the remaining payable over two years;
- The sale of Fundata in April 2019, resulting in a gain on sale of $47.6 million. The sale price was $55.0 million, $45.0 million cash was received up front with the remaining $10.0 million receivable over four years;
- The adoption of IFRS 16 Leases changes the accounting treatment for leases from operating lease. Previously, leases were off balance sheet with operating costs recorded in general and administrative expenses. Effective January 1, 2019, leases are recorded as right-of-use assets with a related lease liability and are expensed through depreciation and interest expense;

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

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

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

EBITDA RECONCILIATION

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

(thousands of dollars) except share and per share amounts		2019		2018		2017
Net income (loss) attributable to common shareholders	$	34,249	$	654	$	(1,163)
Add (deduct):						
Non-controlling interests	$	3,071	$	1,099	$	1,206
Net interest expense, debt	$	2,519	$	2,463	$	2,608
Interest expense, lease liability	$	675	$	-		
Depreciation and amortization	$	13,760	$	11,463	$	11,996
Net gain on disposition or acquisition	$	(47,713)	$	(3,359)	$	6,339
Impairment expense	$	5,700	$	-	$	-
Restructuring and other expenses (net)	$	5,288	$	4,745	$	6,155
Share of earnings from joint ventures and associates	$	(3,663)	$	(5,538)	$	(9,980)
Income tax expense (recovery)	$	(5,919)	$	(1,104)	$	(666)
EBITDA [1]	$	7,967	$	10,423	$	16,495
Weighted average shares outstanding, net		116,783,420		109,828,731		109,828,731
Net income (loss) attributable to common shareholders per share	$	0.29	$	0.01	$	(0.01)
EBITDA per share [1]	$	0.07	$	0.09	$	0.15

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, 2019, Glacier had consolidated cash and cash equivalents of $5.1 million, current and long-term debt of $18.8 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $13.9 million excluding deferred revenue. The calculation of working capital includes the current portion of lease liabilities in December 31, 2019, but not in the comparative year as the change resulting from IFRS 16 *Leases* did not take effect until January 1, 2019. 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.

Excluding the purchase of land for Canada's Outdoor Farm Show for $3.1 million, capital expenditures were $6.7 million for the year ended December 31, 2019. Total capital expenditures were $9.8 million in 2019 compared to $7.6 million for the prior year. The majority of the current year expenditures relate to the agricultural show site development, leasehold improvements and software development. Prior year capital expenditures related to software development, hardware costs, leasehold improvements and infrastructure for the agricultural shows.

CHANGES IN FINANCIAL POSITION

(thousands of dollars)	2019	2018	2017
	$	$	$
Cash generated from (used in)			
Operating activities	4,214	6,982	12,005
Investing activities	18,666	(1,964)	1,658
Financing activities	(20,884)	(5,788)	(13,388)
Increase (decrease) in cash	1,996	(770)	275

The changes in the components of cash flows during 2019 and 2018 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 changes in non-cash operating accounts of $3.9 million compared to $6.0 million for the prior year as a result of the factors stated under Revenue, Gross Profit, General & Administrative Expenses and EBITDA. Cash flow generated from operations after changes in non-cash working capital was $4.2 million compared to $7.0 million for the prior year.

INVESTING ACTIVITIES

Cash generated from investing activities totalled $18.7 million for the year ended December 31, 2019 as compared to cash used of $2.0 million for the prior year. Investing activities included proceeds from disposal of assets of $45.2 million, acquisitions of $19.0 million, $9.8 million of capital expenditures, distributions received of $6.1 million, other investing activities $3.0 million and deposits paid of $0.9 million.

FINANCING ACTIVITIES

Cash used in financing activities was $20.9 million for the year ended December 31, 2019 compared to $5.8 million for the prior year. The Company had net repayments of $25.8 million, borrowed and repaid a $10.0 million loan from Madison, additional borrowing of long-term debt of $2.5 million (relating to a mortgage for the expansion of the agricultural show site), issued shares through a private placement for $10.0 million, distributions to non-controlling interests of $1.2 million, interest paid on long-term debt of $2.7 million, interest paid on lease liabilities of $0.6 million and principal repayment of lease liabilities of $3.2 million.

OUTSTANDING SHARE DATA

As at December 31, 2019 and March 27, 2019 there were 125,213,346 common shares and 1,115,000 share purchase warrants outstanding.

On July 19, 2019, the Company completed private placement of 15,384,615 common shares at a price of $0.65 per share for gross proceeds of $10.0 million.

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

CONTRACTUAL AGREEMENTS

As at December 31, 2019, the Company has agreements with a syndicate of major Canadian banks whereby the lenders provide a revolving loan facility with no required principal repayments during its term.
In summary, the Company's contractual obligations due over the next five calendar years are as follows:

(thousands of dollars)	Total	2020	2021	2022	2023	2024	Thereafter
	$	$	$	$	$	$	$
Long-term debt	18,524	256	16,030	291	292	34	1,621
Undiscounted lease liabilities	14,204	3,780	3,170	2,278	1,717	1,311	1,948
	32,728	4,036	19,200	2,569	2,009	1,345	3,569

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, 2019 and 2018.

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

IMPACT OF CORONAVIRUS

See "Significant Developments in 2019 and Outlook" – Impact of Coronavirus

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.

The federal government introduced a journalism tax credit whereby qualifying news organizations may apply for a refundable tax credit applied to the salaries of certain journalists.

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, Glacier Resource Innovation Group and Business in Vancouver publishes a wide variety of publications distributed across 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.

Certain of our products operate in the commodity and resource space and are subject to the fluctuations in their price, volume and other factors in their various markets.

The Company operates mainly in Canada and has operations in areas where cases of COVID-19 have already been identified. The Company's customers also operate in these same areas. The Company may experience impacts from quarantines, market downturns and changes in consumer behavior related to pandemic fears and impacts on workforce if the virus becomes widespread in any of the markets in which the Company operates. The Company cannot predict the full impact of COVID-19 or any other future global pandemic on business, but could suffer financial losses as a result of such a crisis.

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, 2019, 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, 2019 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, 2019, 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.

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 deferred 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 certain CGU's, where cash flows have become difficult to forecast, we have also considered other valuation techniques such as an enterprise value approach utilizing revenue multiples, and considering other comparable market information.

For indefinite life intangible assets, the recoverable amount was determined using 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.

In 2019, certain CGU's continue to be impacted by the decline of the industry as well as other economic market conditions. As such, the Company recorded an impairment expense of $5.7 million to goodwill in 2019. No impairment expense was recognized for the year ended December 31, 2018.

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 the majority of the CGU's would not be sensitive to a reasonable change in key assumptions used to determine the recoverable amount and would not cause the carrying amount of those CGU's or group of CGUs to exceed their recoverable amounts. Certain CGU's included in the BC Community Media Group and the Commodity Information Group would be sensitive.

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, 2019 and 2018, 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 statements of operations for the years ended December 31, 2019 and 2018;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated balance sheets as at December 31, 2019 and 2018;
- 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.

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

Other information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 Frans Minnaar.

(signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 27, 2020

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR YEARS ENDED DECEMBER 31, 2019 AND 2018

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

	2019	2018
	$	$
Revenue (Note 25)	184,790	188,372
Expenses before depreciation and amortization		
Direct expenses (Note 26)	136,554	137,549
General and administrative (Note 26)	40,269	40,400
	7,967	10,423
Net interest expense, debt (Note 28)	2,519	2,463
Interest expense, lease liabilities (Note 10)	675	-
Depreciation and amortization (Note 13)	13,760	11,463
Net gain on disposition or acquisition (Notes 6 and 29)	(47,713)	(3,359)
Impairment expense (Note 15)	5,700	-
Restructuring and other expenses (net) (Note 30)	5,288	4,745
Share of earnings from joint ventures and associates (Note 8)	(3,663)	(5,538)
Net income before income taxes	31,401	649
Income tax recovery (Note 24)	(5,919)	(1,104)
Net income for the year	37,320	1,753
Net income attributable to:		
Common shareholders	34,249	654
Non-controlling interests (Note 9)	3,071	1,099
Net income attributable to common shareholders per share		
Basic and diluted (Note 22)	0.29	0.01
Weighted average number of common shares		
Basic and diluted	116,783,420	109,828,731

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	2019	2018
	$	$
Net income for the year	37,320	1,753
Other comprehensive income (loss) (net of tax) (Note 23)		
Actuarial gain (loss) on defined benefit pension plans [1]	818	(1,334)
Currency translation adjustment [2]	613	(427)
Share of other comprehensive (loss) income from joint ventures and associates[1] (Note 8)	(608)	141
Other comprehensive income (loss) (net of tax)	823	(1,620)
Total comprehensive income	38,143	133
Total comprehensive income (loss) attributable to:		
Common shareholders	34,920	(620)
Non-controlling interests	3,223	753

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

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2019 AND 2018

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	2019	2018
	$	$
Assets		
Current assets		
Cash and cash equivalents	5,113	3,117
Trade and other receivables (Note 7)	36,054	34,777
Inventory	2,096	2,460
Prepaid expenses	2,482	2,497
	45,745	42,851
Non-current assets		
Investments in joint ventures and associates (Note 8)	56,605	65,836
Other assets (Note 6 and 20)	31,998	24,712
Right-of-use assets (Note 10)	11,912	-
Property, plant and equipment (Note 11)	30,018	27,912
Intangible assets (Note 6 and 12)	48,845	38,808
Goodwill (Note 6 and 14)	37,968	35,824
Post-employment benefit asset (Note 19)	3,061	1,884
Deferred income taxes (Note 24)	4,992	-
Total assets	271,144	237,827
Liabilities		
Current liabilities		
Trade and other payables (Note 16)	25,738	25,671
Deferred revenue	10,640	12,074
Current portion of lease liabilities (Note 10)	3,088	-
Current portion of long-term debt (Note 18)	410	2,992
Other current liabilities (Note 17)	2,609	2,552
	42,485	43,289
Non-current liabilities		
Non-current portion of deferred revenue	918	947
Lease liabilities (Note 10)	9,174	-
Other non-current liabilities (Note 17)	2,184	2,645
Long-term debt (Note 18)	18,114	38,855
Deferred income taxes (Note 24)	-	790
Total liabilities	72,875	86,526
Equity		
Share capital (Note 21)	221,802	211,802
Contributed surplus	8,951	8,951
Accumulated other comprehensive income (loss) (Note 23)	55	(539)
Deficit	(53,855)	(88,181)
Total equity attributable to common shareholders	176,953	132,033
Non-controlling interests (Note 9)	21,316	19,268
Total equity	198,269	151,301
Total liabilities and equity	271,144	237,827

Subsequent event (Note 35)

See accompanying 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

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

	Attributable to common shareholders							
	Share capital							
	Shares	Amount	Contributed surplus	Accumulated other comprehensive loss	Retained earnings (deficit)	Total	Non-controlling interest	Total 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
Net income for the year	-	-	-	-	34,249	34,249	3,071	37,320
Other comprehensive income (net of tax)	-	-	-	594	77	671	152	823
Total comprehensive income for the year	-	-	-	594	34,326	34,920	3,223	38,143
Issuance of common shares	15,384,615	10,000	-	-	-	10,000	-	10,000
Distributions to non-controlling interests	-	-	-	-	-	-	(1,175)	(1,175)
Balance,December 31, 2019	125,213,346	221,802	8,951	55	(53,855)	176,953	21,316	198,269

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2019 AND 2018

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	2019	2018
	$	$
Operating activities		
Net income for the year	37,320	1,753
Items not affecting cash:		
Depreciation and amortization (Note 13)	13,760	11,463
Net gain on disposition or acquisition (Notes 6 and 29)	(47,702)	(3,359)
Impairment expense	5,700	-
Employee future benefit expense less than of employer contributions	(233)	(202)
Deferred income tax recovery	(6,072)	(1,120)
Interest expense, long term debt	2,617	2,485
Interest expense, lease liabilities (Note 10)	675	-
Share of earnings from joint ventures and associates (Note 8)	(3,663)	(5,538)
Other non-cash items	1,468	524
Cash flow from operations before changes in non-cash operating accounts	3,870	6,006
Changes in non-cash operating accounts		
Trade and other receivables	1,540	1,793
Inventory	364	(204)
Prepaid expenses	(155)	(222)
Trade and other payables	58	(2,589)
Deferred revenue	(1,463)	2,198
Cash generated from operating activities	4,214	6,982
Investing activities		
Acquisitions, inclusive of assumed and related financing liabilities (Note 6)	(18,950)	(1,527)
Net cash acquired on acquisitions	-	458
Investments in joint ventures and associates	2	(678)
Other investing activities	(2,960)	(1,781)
Proceeds from disposal of assets (Note 6)	45,157	-
Distributions received from joint ventures and associates (Note 8)	6,063	9,205
Deposits paid (Note 20)	(881)	(46)
Purchase of property, plant and equipment	(5,766)	(2,595)
Purchase of intangible assets	(3,999)	(5,000)
Cash generated from (used in) investing activities	18,666	(1,964)
Financing activities		
Distribution to non-controlling interests	(1,175)	(1,192)
Issuance of commons shares	10,000	-
Interest paid, long-term debt	(2,687)	(2,413)
Interest paid, lease liabilities (Note 10)	(616)	-
Additional borrowing of long-term debt (Note 18)	2,500	-
Net repayment of long term debt (Note 18)	(25,754)	(2,183)
Principal payment of lease liabilities (Note 10)	(3,152)	-
Cash used in financing activities	(20,884)	(5,788)
Net cash generated from (used in)	1,996	(770)
Cash and cash equivalents, beginning of year	3,117	3,887
Cash and cash equivalents, end of year	5,113	3,117

See accompanying notes to these consolidated financial statements

1. GENERAL BUSINESS DESCRIPTION

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

The Company is incorporated under the Canada Business Corporations Act, with common shares listed on the Toronto Stock Exchange ("TSX"). The address of its head office is 2188 Yukon Street, Vancouver, British Columbia.

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.

These consolidated financial statements have been approved by the Board of Directors for issue on March 27, 2020.

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.

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.

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.

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.

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

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

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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

From January 1, 2019, the Company recognizes leases as a right-of-use ("ROU") asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. The ROU is subject to impairment testing if indicators of impairment exist.

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

In 2018, the Company made a distinction 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 programs

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

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. NEW ACCOUNTING STANDARDS

The Company has applied IFRS 16 *Leases* effective January 1, 2019, using the modified retrospective approach. On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17 *Leases*. These liabilities have been measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of January 1, 2019. 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 aggregate lease liabilities recognized in the balance sheet as at January 1, 2019 and the Company's operating lease commitment as at December 31, 2018 can be reconciled as follows:

	$
Operating lease commitments at December 31, 2018	14,519
Effect of discounting lease commitments at annual discount rate of 5.7%	(1,654)
Short-term and low value leases	(183)
Leases within joint ventures and associates	(616)
Committed lease not yet commenced	(552)
Lease liabilty recognized as at January 1, 2019	11,514
Current portion of lease liabilities	2,779
Long-term lease liabilities	8,735

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

4. NEW ACCOUNTING STANDARDS (CONTINUED)

In applying IFRS 16, the Company has implemented the following practical expedients permitted by IFRS 16:

- the Company did not reassess whether a contract is, or contains, a lease; instead the Company elected to apply IFRS 16 to contracts that were previously identified as leases under IAS 17;
- a single discount rate has been applied to all leases given they have similar characteristics, risk and overall geographical locations; and
- leases with a remaining term of twelve months or less from the date of application have been accounted for as a short-term lease.

Previously, the Company accounted for most leases of property, plant and equipment as operating leases, as defined by IAS 17. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight line basis over the term of the lease.

The change in accounting policy resulted in the following items recorded on the balance sheet on January 1, 2019:

	$
Property	11,417
Equipment	97
Right-of-use assets	11,514
Current portion of lease liabilities	2,779
Long-term lease liabilities	8,735

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

From January 1, 2019, the Company recognizes leases as a ROU asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. The ROU is subject to impairment testing if indicators of impairment exist.

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

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

4. NEW ACCOUNTING STANDARDS (CONTINUED)

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

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

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

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

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

5. 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.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

The methods are based on many assumptions and estimates that may have a significant impact on the recoverable value of a CGU and, as a result, on the amount of impairment recorded, if any. The impact of any significant changes in assumptions and the review of estimates are recognized through profit or loss in the period in which the change occurs. There are also judgements involved in determination of CGUs and groups of CGUs. If future events were to differ from management's best estimate, key assumptions and associated cash flows could be adversely affected and the Company could potentially experience future impairment charges in respect of the goodwill and indefinite life intangible assets. Refer to Note 15.

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 20(a)(i) and 24), 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.

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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.

6. ACQUISITIONS AND DISPOSITIONS

(a) On April 4, 2019, the Company completed the sale of its interest in Fundata Canada Inc. (“Fundata”) for $55.0 million; resulting in a gain on disposition of $47.6 million. $45.0 million of the sale price was received at closing and $10.0 million is receivable over four years through a vendor take-back (“VTB”). The VTB is structured such that $2.5 million is to be paid each year subject to certain terms and conditions, and any remaining balance of the $10.0 million VTB is to be paid in full by the fourth year. The current portion of the sale price receivable has been recorded within Trade and other receivables with the balance in Other assets.

(b) On April 4, 2019, the Company completed the acquisition of Castanet Media Ltd. (“Castanet”). The purchase price is $22.0 million for the Castanet assets and $2.0 million for the related Avenue Radio shares. The acquisition of the Avenue Radio shares is subject to Canadian Radio-television and Telecommunications Commission approval. In total, $19.0 million cash was paid at closing with the remainder payable over two years.

The Company performed the purchase accounting for its acquisition of the assets from Castanet. The acquired assets are reported within the Community Media segment. As part of the accounting for a business combination, the fair value of the acquired assets and liabilities were allocated as follows on April, 2019:

(thousands of dollars)	
	$
Assets acquired	
Trade and other receivables	801
Prepaid expenses	38
Property, plant and equipment	1,181
Right of use asset	1,244
Customer relationships	5,169
Mastheads	6,980
Goodwill	7,844
	23,257
Liabilities assumed	
Trade payables and accrued liabiliaties	13
Lease liability	1,244
	1,257
Consideration	22,000

Revenue and expenses of Castanet have been included in the results of the Company since the acquisition date and the acquired assets and liabilities have been consolidated.

The Company had a number of smaller acquisitions in 2018 including the remaining 50% of Infomine, ProFarmer and Global Auction Guide.

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

7. TRADE AND OTHER RECEIVABLES

(thousands of dollars)	2019	2018
	$	$
Trade receivables	26,521	30,299
Allowance for doubtful accounts	(992)	(1,311)
Trade receivables (net)	25,529	28,988
Other current receivables	10,525	5,789
	36,054	34,777

Other current receivables includes primarily the current portion of the deferred sale receivable and amounts due from an associate of the company relating to non-operating advances.

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Set out below are the joint ventures and associates of the Company for the years ended December 31, 2019 and 2018. 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.

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

Name of entity	Principal place of	% ownership	Nature of	Principal activities
Borden Bridge Development Corporation	Saskatchewan	50%	Joint venture	Land investment
Continental Newspapers Ltd. (1)	British Columbia	28%	Associate	Community media
Great West Newspapers LP	Alberta	50%	Joint venture	Community media
Rhode Island Suburban Newspapers, Inc. (1)	Rhode Island, USA	48%	Joint venture	Community media
Village Media Inc.	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

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

In April 2018, the Company acquired 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.

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

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

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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)	2019	2018	2019	2018
	$	$	$	$
Current assets				
Cash and cash equivalents	3,005	11,877	2,298	1,917
Other current assets	6,249	18,757	5,222	4,585
Non-current assets	47,177	54,006	71,142	73,952
Current liabilities				
Current financial liabilities				
(excluding trade and other payables)	(3,794)	(4,136)	(123)	-
Other current liabilities	(6,027)	(19,688)	(8,228)	(9,737)
Non-current liabilities	(3,856)	(3,901)	(9,900)	(7,621)
Net assets	42,754	56,915	60,411	63,096
Reconciliation of net assets:				
Opening net assets	56,915	55,958	63,096	68,945
Income (loss) for the year	8,486	17,182	(2,322)	(4,340)
Other comprehensive (loss) income	(853)	1,648	(1,034)	242
Dividends paid	(11,683)	(17,873)	-	(1,339)
Derecognition of investments in joint ventures and associates	(10,111)	-	671	(412)
Closing net assets	42,754	56,915	60,411	63,096

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

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

	Joint ventures		Associates	
(thousands of dollars)	2019	2018	2019	2018
	$	$	$	$
Revenue	53,598	72,126	42,355	47,250
Depreciation and amortization	3,364	3,544	620	619
Interest income	(56)	(55)	(268)	(202)
Interest expense	263	290	123	105
Income tax expense (recovery)	1,754	3,313	(573)	(1,933)
Income (loss) for the year	8,486	17,182	(2,322)	(4,340)
Other comprehensive (loss) income	(853)	1,648	(1,034)	242
Total comprehensive income (loss)	7,633	18,830	(3,356)	(4,098)
Dividends received by the Company from joint ventures and associates	(6,063)	(8,835)	-	(370)

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)	2019	2018
	$	$
Aggregate net assets of individually immaterial associates	635	492
Aggregate amounts of the Company's share of:		
Income (loss) for the year	21	(85)
Total comprehensive income (loss)	21	(85)

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

(thousands of dollars)	2019	2018
	$	$
Balance, beginning of year	65,836	67,684
(Disposition) acquisition of investments in joint ventures and associates	(6,223)	1,678
Share of earnings for the year	3,663	5,538
Share of other comprehensive (loss) income (net of tax)	(608)	141
Distributions and dividends received and other equity movements	(6,063)	(9,205)
Balance, end of year	56,605	65,836

The following is the summarized financial information for the Company’s joint ventures and associates, reported in the Company’s share of ownership. The results have been amended to reflect adjustments made by the Company when using the equity method, including modifications for differences in accounting policy.

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

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

	Joint ventures		Associates		Total	
	Year ended December 31,		Year ended December 31,		Year ended December 31,	
(thousands of dollars)	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$
Revenue	26,305	34,223	18,287	21,010	44,592	55,233
Operating expenses before depreciation and amortization	19,461	22,501	16,777	19,989	36,238	42,490
	6,844	11,722	1,510	1,021	8,354	12,743
Net interest expense, debt	93	144	28	483	121	627
Interest expense, lease liabilities	11	-	7	-	18	-
Depreciation and amortization	1,760	2,152	456	274	2,216	2,426
Restructuring and other expenses (net)	648	(339)	889	3,881	1,537	3,542
Net income (loss) before income taxes	4,332	9,765	130	(3,617)	4,462	6,148
Income tax expense (recovery)	853	1,639	(54)	(1,029)	799	610
Net income (loss) for the year	3,479	8,126	184	(2,588)	3,663	5,538

	Joint ventures		Associates		Total	
(thousands of dollars)	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	$	$	$	$	$	$
Assets	27,799	41,838	36,242	38,052	64,041	79,890
Liabilities	6,752	13,787	10,013	9,746	16,765	23,533
Net Assets	21,047	28,051	26,229	28,306	47,276	56,357

9. SUBSIDIARIES, AFFILIATED ENTITIES AND NON-CONTROLLING INTEREST

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

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.

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

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

(thousands of dollars)	2019	2018
	$	$
Summarized balance sheets		
Current assets	56,538	52,269
Non-current assets	280,810	249,509
Current liabilities	(52,485)	(55,010)
Non-current liabilities	(101,750)	(98,341)
Net assets	183,113	148,427
Summarized statements of comprehensive income		
Revenue	244,574	251,939
Income for the year	37,021	10,831
Other comprehensive income (loss)	1,297	(2,722)
Total comprehensive income	38,318	8,109
Income allocated to non-controlling interest	2,329	367
Dividends paid to non-controlling interest	506	385
Summarized cash flows		
Cash flows from operating activities	19,381	22,407
Cash flows from investing activities	12,337	(5,554)
Cash flows from financing activities	(26,645)	(22,998)
Net increase (decrease) in cash and cash equivalents	5,073	(6,145)

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

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

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

(thousands of dollars)	Property leases	Equipment leases	Total
	$	$	$
Cost			
Balance at January 1, 2018	-	-	-
Adoption of IFRS 16 - January 1, 2019	11,417	97	11,514
Additions	3,165	-	3,165
Acquisition on business combinations	1,244	-	1,244
Renewals	507	-	507
Early Terminations	(1,118)	-	(1,118)
Foreign Exchange	(13)	-	(13)
Balance at December 31, 2019	15,202	97	15,299
Accumulated depreciation			
Balance at December 31, 2018	-	-	-
Depreciation	3,442	22	3,464
Terminations	(77)	-	(77)
Balance at December 31, 2019	3,365	22	3,387
Carrying amounts			
At December 31, 2018	-	-	-
At December 31, 2019	11,837	75	11,912

The Company's lease liabilities are as follows:

(thousands of dollars)	2019	2018
	$	$
Current portion of lease liabilities	3,088	-
Long term lease liabilities	9,174	-
	12,262	-

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

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

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

(thousands of dollars)	2019	2018
	$	$
Adjustment from implementation of IFRS 16 Leases	11,514	-
New leases and lease renewals	3,672	-
Acquisition	1,244	-
Interest expense, lease liability	675	-
Interest paid, lease liability	(616)	-
Payment of principal portion of lease liabilities	(3,152)	-
Termination	(1,061)	-
Foreign exchange	(14)	-
Balance, end of year	12,262	-

During the year ended December 31, 2019, the Company had short-term and low value lease expenses of $0.8 million.

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, 2018	3,696	11,742	30,148	20,726	66,312
Additions	150	527	246	2,265	3,188
Acquisition on business combinations	-	-	-	143	143
Disposals	-	-	-	(116)	(116)
Balance at December 31, 2018	3,846	12,269	30,394	23,018	69,527
Additions	2,875	988	780	1,439	6,082
Acquisition on business combinations	-	-	-	1,181	1,181
Disposals	(15)	(128)	(501)	(2,679)	(3,323)
Balance at December 31, 2019	6,706	13,129	30,673	22,959	73,467
Accumulated depreciation					
Balance at January 1, 2018	133	2,737	19,036	16,184	38,090
Depreciation	23	459	1,726	1,425	3,633
Disposals	-	-	-	(108)	(108)
Balance at December 31, 2018	156	3,196	20,762	17,501	41,615
Depreciation	27	467	1,550	2,093	4,137
Disposals	-	(51)	(498)	(1,754)	(2,303)
Balance at December 31, 2019	183	3,612	21,814	17,840	43,449
Carrying amounts					
At December 31, 2018	3,690	9,073	9,632	5,517	27,912
At December 31, 2019	6,523	9,517	8,859	5,119	30,018

(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, 2018	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
Additions	-	-	-	-	4,111	4,111
Acquisitions on business combinations	6,980	-	5,169	-	-	12,149
Disposals	-	-	-	-	(12)	(12)
Foreign exchange revaluation	(18)	-	-	-	(45)	(63)
Balance at December 31, 2019	59,642	10,242	66,943	3,841	37,744	178,412
Accumulated amortization and impairment losses						
Balance at January 1, 2018	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
Amortization	-	9	2,638	39	3,473	6,159
Disposals	-	-	-	-	(11)	(11)
Balance at December 31, 2019	29,005	10,229	58,680	3,841	27,812	129,567
Carrying amounts						
At December 31, 2018	23,675	22	5,732	39	9,340	38,808
At December 31, 2019	30,637	13	8,263	-	9,932	48,845

The allocation of indefinite life intangible asset by group of CGUs is as follows: BC Community Media $15.3 million, Prairie Community Media $4.6 million, Commodity Information $9.6 million and Environmental and Property Information $1.2 million.

13. DEPRECIATION AND AMORTIZATION

(thousands of dollars)	2019	2018
	$	$
Depreciation of property, plant and equipment	4,137	3,633
Depreciation of right-of-use assets	3,464	-
Amortization of intangible assets	6,159	7,830
Depreciation and amortization	13,760	11,463

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

14. GOODWILL

(thousands of dollars)	2019	2018
	$	$
Balance, beginning of year	35,824	33,008
Acquisition on business combinations	7,844	2,816
Impairment (Note 15)	(5,700)	-
Balance, end of year	37,968	35,824

The allocation of goodwill by group of CGUs is as follows: BC Community Media $7.8 million, Prairie Community Media $6.3 million, Commodity Information $23.3 million and Environmental and Property Information $0.5 million.

15. IMPAIRMENT

In 2019 and 2018, 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 2019 and 2018. No additional testing was required to be performed in either 2019 or 2018.

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 certain CGU's, where cash flows have become difficult to forecast, we have also considered other valuation techniques such as an enterprise value approach utilizing revenue multiples, and considering other comparable market information.

For indefinite life intangible assets, the recoverable amount was determined using 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 2019 testing are: cash flow forecasts and budgeted revenues, annual growth rates of 0.0% - 5.0% (2018: 0.0% - 3.0%), royalty rates of 3.5% - 10% (2018: 3.5%) and pre-tax discount rates of 11.8% - 15.6% (2018: 10.6% - 15.2%).

In 2019, certain CGU's continue to be impacted by the decline of the industry as well as other economic market conditions. As such, the Company recorded an impairment expense of $5.7 million to goodwill in 2019. No impairment expense was recognized for the year ended December 31, 2018.

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

15. IMPAIRMENT (CONTINUED)

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 the majority of the CGU's would not be sensitive to a reasonable change in key assumptions used to determine the recoverable amount and would not cause the carrying amount of those CGU's or group of CGUs to exceed their recoverable amounts. Certain CGU's included in the BC Community Media Group and the Commodity Information Group would be sensitive.

16. TRADE AND OTHER PAYABLES

(thousands of dollars)	2019	2018
	$	$
Trade payables	2,464	2,924
Accrued liabilities	23,274	22,747
	25,738	25,671

17. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities primarily relate to amounts payable from acquisition transactions (Note 6). These amounts are due in future years; the amounts due in the next year are included in other current liabilities.

18. LONG-TERM DEBT

The Company has the following long-term debt outstanding:

(thousands of dollars)	2019	2018
	$	$
Current		
ANGLP non-recourse debt (c)	-	1,904
Term bank loan (b)	-	1,000
Mortgages and other loans (d)	410	88
	410	2,992
Non-current		
Revolving bank loan (a)	16,000	34,015
Term bank loan (b)	-	4,600
Mortgages and other loans (d)	2,356	392
Deferred financing costs	(242)	(152)
	18,114	38,855
	18,524	41,847

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

18. LONG-TERM DEBT (CONTINUED)

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

(thousands of dollars)	2019	2018
	$	$
Balance, beginning of year	41,847	43,956
Additional borrowings	2,500	-
Financing charges (net)	(69)	74
Repayment of debt	(25,754)	(2,183)
Balance, end of year	18,524	41,847

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, 2019 and 2018.

(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 February 28, 2021. 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

During the year ended December 31, 2019 the Company extinguished the term loan.

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

During the year ended December 31, 2019, ANGLP's debt was extinguished, which was non-recourse to the Company.

(d) Mortgages and other loans

During the year ended December 31, 2019, the Company took out a mortgage for $2.5 million on the property acquired to expand the agricultural show site in Ontario.

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

(thousands of dollars)	2020	2021	2022	2023	2024	Thereafter	Total
	$	$	$	$		$	$
Long-Term Debt	256	16,030	291	292	34	1,621	18,524

Subsequent to December 31, 2019, the Company amended its current banking agreement, extending it to May 31, 2021. The terms of the amendment were similar to those under the previously existing agreement.

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

19. 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.

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)	2019	2018	2019	2018
	$	$	$	$
Present value of benefit obligation	(41,867)	(38,134)	(763)	(747)
Fair value of plan assets	45,691	40,765	-	-
Net benefit asset (obligation)	3,824	2,631	(763)	(747)

The movement in the defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2019	2018	2019	2018
	$	$	$	$
Balance, beginning of year	38,134	40,005	747	824
Interest cost on the defined benefit obligation	1,542	1,468	28	28
Actuarial loss	4,435	(1,098)	62	(33)
Benefits paid from plan assets	(2,244)	(2,241)	(74)	(72)
Balance, end of year	41,867	38,134	763	747

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

19. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

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)	2019	2018	2019	2018
	$	$	$	$
Beginning of year	40,765	44,338	-	-
Interest income on plan assets	1,419	813	-	-
Non investment expenses	(250)	(200)	-	-
Return on plan assets greater than discount	5,441	(2,418)	-	-
Employer contributions	560	473	74	72
Benefits paid	(2,244)	(2,241)	(74)	(72)
Balance, end of year	45,691	40,765	-	-

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

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2019	2018	2019	2018
	$	$	$	$
Net interest on defined benefit liability	126	123	28	28
Other	(707)	(674)	62	-
	(582)	(551)	90	28

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	
	2019	2018	2019	2018
Benefit obligations:				
Discount rate	3.00%	4.00%	3.00%	4.00%
Net benefit expense:				
Discount rate	4.00%	3.50%	4.00%	3.50%

The assumed trend in health care costs was as follows:

	Other benefit plans	
	2019	2018
Initial health care cost trend rate	5.00%	6.00%
Annual rate of decline in trend rate	0.00%	0.50%
Ultimate health care trend rate	5.00%	5.00%
Year ultimate rate is reached	2019	2020

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

19. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

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%	(4,393)	4,908

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%	(59)	65
Heath care trend rates	1.00%	25	(25)

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, 2019, the weighted average duration of the defined benefit plan and the other benefit plans is 12.7 years (2018: 12.7 years) and 8.2 years (2018: 8.1 years), respectively.

Expected contributions to the benefit plans for the year ended December 31, 2020 are $0.3 million. As at December 31, 2019, the accumulated actuarial losses recognized in other comprehensive income were $2.4 million (2018: $3.3 million).

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	2019	2018
Canadian equities	20% - 90%	75%	44%	54%
International equities	0% - 40%	15%	35%	34%
Fixed income and cash and cash equivalents	10% - 80%	10%	21%	12%
		100%	100%	100%

19. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

Risk management practices

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

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

20. CONTINGENCIES AND COMMITMENTS

(a) The Company has the following guarantees and contingencies at December 31, 2019:

(i) During 2014-2018 an affiliate of the Company ("the affiliate") received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessments and assessments relating to the taxation years 2008-2017. The notices deny the application of non-capital losses, capital losses, scientific research and experimental development ("SR&ED") pool deductions and SR&ED tax credits claimed. As a result additional taxes payable including interest and penalties are assessed at approximately $58.2 million.

The affiliate has filed notices of objection with the CRA and provincial taxing authorities. In connection with filing the notices of objection, the affiliate is required to make a 50% deposit of the amounts claimed by the CRA and provincial authorities as assessed. The affiliate has paid substantially all of the required deposit of $23.5 million. No further amounts are due at this time for the 2008-2017 taxation years as the appeal process continues. 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.

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.

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

20. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(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, 2019 or 2018.

(b) The Company and its subsidiaries have entered into operating leases for premises and office equipment which expire on various dates up to 2029.

The minimum annual lease payments are required as follows:

	2020	2021	2022	2023	2024	Thereafter	Total
	$	$	$	$	$	$	$
Undiscounted lease liability	3,780	3,170	2,278	1,717	1,311	1,948	14,204

The Company's share of its joint ventures and associates' minimum lease payments is $0.3 million (2018: $0.8 million), due through 2023.

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

21. SHARE CAPITAL

At December 31, 2019 and 2018, the Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares.

At December 31, 2019, the Company has 125,213,346 (2018: 109,828,731) common shares outstanding. At December 31, 2019 and 2018, the Company did not have any preferred shares issued.

At December 31, 2019, the Company has 1,115,000 warrants outstanding allowing the holder to purchase one common share per warrant at $4.48 per share. The warrants will expire on June 28, 2029, unless extended.

In July 2019, the Company completed a private placement of 15,384,615 common shares at a price of $0.65 per share for gross proceeds of $10.0 million

	Number of common shares	Amount
		$
Balance, January 1, 2018	109,828,731	211,802
Shares issued	-	-
Balance, December 31, 2018	109,828,731	211,802
Balance, January 1, 2019	109,828,731	211,802
Shares issued	15,384,615	10,000
Balance, December 31, 2019	125,213,346	221,802

22. EARNINGS PER SHARE

	Earnings	Shares	Per share
2019	$		$
Basic earnings per share			
Earnings	34,249	116,783,420	0.29
Effect of dilutive securities	-	-	-
Diluted earnings per share:			
Net Earnings	34,249	116,783,420	0.29

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

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

23. 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 gain 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)
Actuarial gain on defined benefit plans	-	666	152	818
Cumulative translation adjustment	594	-	19	613
Share of other comprehensive loss from joint ventures and associates	-	(589)	(19)	(608)
Other comprehensive income for the year	594	77	152	823
Balance, December 31, 2019	55	(1,193)	90	(1,048)

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)	2019	2018
	$	$
Income tax effect of:		
Actuarial (gain) loss on defined benefit plans	(126)	494
Share of other comprehensive loss (gain) from joint ventures and associates	225	(53)

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

24. 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, 2019 was 27.0% (2018: 27.0%). The components of income tax recovery are shown in the following table:

(thousands of dollars)	2019	2018
	$	$
Current tax	153	16
Deferred tax	(6,072)	(1,120)
Income tax recovery	(5,919)	(1,104)

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)	2019	2018
	$	$
Net income before income taxes	31,401	649
Tax rate	27.0%	27.0%
	8,478	175
Effect of capital transactions and non-deductible expenses	(12,626)	(32)
Income from joint ventures and associates and non-controlling interest	(855)	(899)
Adjustment in respect of prior years	(916)	(348)
Income tax recovery	(5,919)	(1,104)

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

(thousands of dollars)	2019	2018
	$	$
Deferred Tax Assets:		
Available capital and non-capital losses	11,309	3,259
Long-term investments	169	169
Deferred income and other	99	210
	11,577	3,638
Deferred Tax Liabilities:		
Property, plant and equipment	(4,953)	(3,763)
Pension asset and post-retirement benefit	(861)	(590)
Intangible assets	(771)	(75)
	(6,585)	(4,428)
Net tax position	4,992	(790)

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

24. INCOME TAXES (CONTINUED)

The Company has recognized non-capital tax loss of approximately $19.8 million (2018: $9.9 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 $4.0 million (2018: $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 2020 and 2025.

Refer to Note 20 regarding the contingency relating to the CRA reassessment.

25. REVENUE BY CATEGORY

(thousands of dollars)	2019	2018
	$	$
Advertising	123,429	129,675
Subscription, data and services	54,135	50,888
Commercial printing and other	7,226	7,809
	184,790	188,372

26. EXPENSE BY NATURE

(thousands of dollars)	2019	2018
	$	$
Wages and benefits	99,664	96,998
Newsprint, ink and other printing costs	16,437	18,165
Delivery costs	12,951	13,962
Rent, utilities and other property costs	5,863	8,765
Advertising, marketing and other promotion costs	9,834	9,764
Third party production and editorial costs	11,005	11,862
Legal, bank, insurance and professional services	7,204	6,246
Data services, system maintenance, telecommunications and software licences	8,163	7,678
Fees, licences and other services	2,540	2,469
Event costs	2,225	1,864
Other	937	176
	176,823	177,949
Direct expenses	136,554	137,549
General and administrative expenses	40,269	40,400
	176,823	177,949

Rent expense decreased $3.6 million as a result of the adoption of IFRS 16 and the change in the accounting for leases, which removes the base rent cost of the lease from general and administrative expenses and moves it to depreciation and interest. Refer to Note 4.

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

27. WAGES AND EMPLOYEE BENEFITS EXPENSE

(thousands of dollars)	2019	2018
	$	$
Salaries and wages	86,877	84,697
Pension and benefit plan costs	11,915	11,044
Other	872	1,257
	99,664	96,998

Compensation awarded to key management for the year consists of salaries and short-term benefits of $5.2 million (2018: $4.7 million). As at December 31, 2019, there were termination benefits payable to key management of $0.1 million (2018: $0.3 million). Key management includes the Company's directors, officers and divisional managers.

28. INTEREST EXPENSE (NET)

(thousands of dollars)	2019	2018
	$	$
Interest income	(98)	(22)
Interest expense	2,617	2,485
Interest expense (net)	2,519	2,463

29. NET GAIN ON ACQUISITION OR DISPOSITION

For the year ended December 31, 2019, the Company realized net gains of $47.7 million, which primarily includes the gain on disposition of its interest in Fundata Canada Inc. (Note 6).

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

30. RESTRUCTURING AND OTHER EXPENSES (NET)

(thousands of dollars)	2019	2018
	$	$
Restructuring expenses (a)	3,635	4,142
Transaction and transition costs (b)	899	412
Other expense (income) (net)	754	191
	5,288	4,745

(a) Restructuring expenses

During the year ended December 31, 2019, restructuring expenses of $3.6 million were recognized (2018: $4.1 million). Restructuring expenses include severance costs of $1.4 million (2018: $2.4 million) incurred as the Company restructured and reduced its workforce.

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

(b) Transaction and transition costs

The Company incurred costs related to its acquisitions and divestitures completed in 2019 and 2018. 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.

31. 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, 2019, the Company and its affiliates recorded administration, consulting, interest and other expenses of $0.6 million (2018: $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.

During the year, the Company borrowed and repaid $10.0 million in the from of an unsecured loan from Madison.

(b) During the year ended December 31, 2019, 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 (2018: $0.2 million).

At December 31, 2019, $0.4 million (2018: $0.3 million) was due to Great West Newspapers LP for printing services and other amounts plus accrued interest on the outstanding balance.

(c) During the year ended December 31, 2019, 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 $0.2 million (2018: $0.1 million).

(d) At December 31, 2019, the Company had amounts due from an associate of $6.9 million (2018: $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 and other receivables.

The Company provides digital advertising related services to the associate at rates consistent with those charged to third parties for similar services.

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

32. SEGMENT DISCLOSURE

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

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

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

The following segment information is for the year ended December 31, 2019 and 2018:

For the year ended December 31, 2019

(thousands of dollars)	Environmental, Property, and Financial Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	26,340	55,927	147,115	229,382	(44,592)	184,790
Divisional earnings before interest, taxes, depreciation, and amortization	2,983	6,745	14,681	24,409	(8,354)	16,055
Centralized and corporate expenses						8,088
						7,967
Net interest expense, debt and lease liability						3,194
Depreciation and amortization						13,760
Net gain on sale						(47,713)
Impairment expense						5,700
Restructuring and other expense						5,288
Share of earnings from joint ventures and associates						(3,663)
Income tax recovery						(5,919)
Net income for the year						37,320

For the year ended December 31, 2018

(thousands of dollars)	Environmental, Property, and Financial Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	30,247	57,569	155,789	243,605	(55,233)	188,372
Divisional earnings before interest, taxes, depreciation, and amortization	5,425	9,774	16,221	31,420	(12,743)	18,677
Centralized and corporate expenses						8,254
						10,423
Net interest expense, debt and lease liability						2,463
Depreciation and amortization						11,463
Net gain on acquisition						(3,359)
Restructuring and other expense						4,745
Share of earnings from joint ventures and associates						(5,538)
Income tax recovery						(1,104)
Net income for the year						1,753

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

32. SEGMENT DISCLOSURE (CONTINUED)

The Company operates in the following main geographical areas:

(thousands of dollars)	2019	2018
	$	$
Canada	168,941	174,321
United States	15,849	14,051
Total revenue	184,790	188,372

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

An assumed $0.01 increase in the USD/CAD foreign exchange rate during the year ended December 31, 2019 would have less than $0.1 million (2018: less than $0.1 million) impact on pre-tax net income. An assumed $0.01 decrease would have an equal but opposite effect on pre-tax net income.

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, 2019 would have a $0.3 million (2018: $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.

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

33. FINANCIAL INSTRUMENTS (CONTINUED)

(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, 2019, no single customer accounts for more than 5% of consolidated trade receivables.

Management regularly monitors trade receivable aging and customer credit limits, performs credit reviews and provides allowances for potentially uncollectible trade receivables. The amounts disclosed in the consolidated balance sheets are net of allowances for doubtful accounts. The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade receivables. Trade receivables are impaired when there is evidence that collection is unlikely. At December 31, 2019, the Company had trade receivables of $26.5 million (2018: $30.3 million), net of allowance for doubtful accounts of $1.0 million (2018: $1.3 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.

		2019		2018
	Gross $	Impairment $	Gross $	Impairment $
Not past due	14,569	(10)	15,922	(13)
Past due 0 - 30 days	6,546	(18)	7,430	(21)
Past due 30 - 60 days	2,730	(34)	2,686	(45)
Past due > 60 days	2,676	(930)	4,261	(1,232)

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

33. FINANCIAL INSTRUMENTS (CONTINUED)

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

(thousands of dollars)	2019	2018
	$	$
Balance, beginning of year	(1,311)	(1,037)
Impairment loss, net of recoveries	319	(274)
Balance, end of year	(992)	(1,311)

(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 16, 17, 18 and 20 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.

Refer to subsequent events (Note 35) for additional COVID-19 risk and uncertainty.

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. The carrying amounts of these instruments at December 31, 2019 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.

34. 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, 2019 and 2018.

35. SUBSEQUENT EVENT

Since March 2020 several measures have been implemented in Canada and the U.S. in response to the increased impact from novel coronavirus (COVID-19). We continue to serve customers and clients through our available platforms. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on our business operations, including the duration and impact on overall customer demand, cannot be reasonably estimated at this time and we anticipate this may have an adverse impact on our business, results of operations, financial position and cash flows in 2020.

GLACIER MEDIA INC.
CORPORATE INFORMATION

BOARD OF DIRECTORS

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

OFFICERS

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

TRANSFER AGENT

Computershare Trust Company of Canada
Toronto, Calgary and Vancouver

AUDITORS

PricewaterhouseCoopers LLP

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading symbol: GVC

INVESTOR RELATIONS

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

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