CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2021 and 2020

GLACIER MEDIA INC.

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2021 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 25, 2022 and includes information up to this date.

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

Important factors that could cause actual results to differ materially from these expectations include the continued impact of the COVID-19 pandemic, failure to implement or achieve the intended results from our strategic initiatives, the failure to reduce debt and the other risk factors listed in our Annual Information Form under the heading "Risk Factors" and in our Annual MD&A under the heading "Business Environment and Risks", many of which are out of our control. These other risk factors include, but are not limited to, the ability of the Company to sell advertising and subscriptions related to its publications, foreign exchange rate fluctuations, the seasonal and cyclical nature of the agricultural and energy sectors, discontinuation of 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 25, 2022 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, 2021. 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 (loss) 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 audit guides and compliance tools 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 ("COFS"), Ag In Motion ("AIM"), AgDealer, Global Auction Guide, MarketsFarm, METOS Canada and Weather Innovations.

Following the sale of the JWN energy information assets in March 2021, the Glacier Resource Innovation Group ("RIG") now exclusively serves the mining industry, associated suppliers and the financial industry with a wide variety of intelligence offerings. With significant operations in Vancouver and Toronto, RIG produces databases, conferences, digital media and e-learning programs for the mining sector. Key brands include the Northern Miner, the Canadian Mining Journal, CostMine, edumine, Mining.com and the Global Mining Symposium.

COMMUNITY MEDIA

DIGITAL MEDIA

Glacier Media Digital ("GMD") operations include local news, general community information and classifieds websites; digital marketing services; and specialty products and services. GMD brands include: Castanet Media, Vancouver Is Awesome, a partial interest in Village Media, Eastward Media (targeting the Asian market) and many others.

The Company's strategy is to build a standalone digital local media business with leading market positions in British Columbia and other Western Canadian markets. Glacier Media now has sufficient traffic, revenue and profit with Vancouver Is Awesome and its local websites and digital marketing services in the Lower Mainland to operate on a standalone basis.

Castanet is a digital only media business that has operated since 2000 and is the leading source of news and information in the Okanagan region of B.C. (Kelowna, Kamloops, Penticton and Vernon), with more than 54 million monthly page views.

Village Media is a digital only news and information business that operates sixteen of its own local websites in Ontario and operates websites for other media companies. It generates 72 million monthly page views across its network, and also licenses its own proprietary community website platform software.

Combined, Glacier's digital operations and network (the Local News Network), including network partners, now reaches over 35 million monthly unique visitors with over 240 million monthly page views. Local News Network is now one of the largest digital news networks in Canada as measured by page views.

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

COMMUNITY MEDIA NEWSPAPER GROUP

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

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

2021 OPERATING PERFORMANCE

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)	2021	2020	2021	2020
	$	$	$	$
Environmental and Property Information	41,554	26,571	4,688	1,371
Commodity Information	42,199	45,304	5,769	10,476
Community Media	112,205	111,604	18,923	23,481
Centralized and Corporate Costs	-	-	(5,893)	(5,568)
Total Including Joint Ventures and Associates [(1)]	195,958	183,479	23,487	29,760
Joint Ventures and Associates	(31,396)	(32,175)	(5,740)	(6,819)
Total IFRS	164,562	151,304	17,747	22,941

(thousands of dollars, except share and per share amounts)	2021	2020
EBITDA including joint ventures and associates [(1)]	$ 23,487	$ 29,760
EBITDA including joint ventures and associates per share [(1)]	$ 0.18	$ 0.24
EBITDA	$ 17,747	$ 22,941
EBITDA per share	$ 0.14	$ 0.18
Capital expenditures	$ 9,566	$ 4,530
Weighted average shares outstanding, net	130,895,835	125,213,346

(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 Great West Media Limited Partnership, the Victoria Times-Colonist, Rhode Island Suburban Newspapers, Inc., and Village Media Inc. Borden Bridge Development Corporation was included up to August 31, 2021 at which point the Company acquired the remaining 50% and began consolidating the results.

The results include the Canadian Emergency Wage Subsidy ("CEWS"), which under IFRS was $5.2 million for the year ended December 31, 2021 as compared to $18.7 million in 2020.

	IFRS		Including Joint Ventures and Associates	
(thousands of dollars)	2021	2020	2021	2020
	$	$	$	$
Revenue	164,562	151,304	195,958	183,479
EBITDA without CEWS	12,528	4,250	17,187	9,869
CEWS	5,219	18,691	6,300	19,891
EBITDA	17,747	22,941	23,487	29,760

Consolidated revenue for the year ended December 31, 2021 was $164.6 million, up $13.3 million or 8.8% from the prior year primarily as a result of 1) growth in a number of the Company's businesses due to stronger industry segment conditions and operating performance and 2) the significant impact of the COVID pandemic in the prior year and the resulting restrictions and cut-back in consumer and business activity.

Consolidated EBITDA was $12.5 million, excluding CEWS but including varying levels of other grants and subsidies, for the year ended December 31, 2021 up $8.3 million from $4.3 million for the prior year. The results for the current year include special Aid to Publishers ("ATP") at lower funding levels, as compared to the prior year resulting in a decline in ATP funds recorded between the years.

The Company recognized wage subsidies from the CEWS program of $5.2 million for the year ended December 31, 2021 compared to $18.7 million for the prior year, a decrease of $13.5 million.

Consolidated EBITDA including CEWS was $17.7 million for the year ended December 31, 2021, down $5.2 million from the prior year, including CEWS and other grants and subsidies recorded.

The Company no longer qualified for the CEWS program funding after October 2021.

The Company has experienced an improvement in market conditions in a variety of its businesses, but is still being affected by the pandemic in a number of areas. The Company is monitoring conditions on an ongoing basis and will respond accordingly if required. Revenues have been recovering gradually, and the Company is working to maintain sufficient levels of operating income within these levels and making concerted efforts to further bring revenues back and increase profits and cash flow.

Continued investments are being made in key strategic development initiatives, including the REW digital real estate marketplace, new weather and agricultural markets subscription-based products, and digital community media products.

Outlook and Operating Highlights

The Company has been working to strengthen its financial position and operating profitability during the pandemic. Revenues were significantly affected early on, although they have continued to improve during the latter part of 2020 and throughout 2021. It remains unclear how the pandemic will continue to unfold and affect conditions for the market in general and the Company's businesses in particular.

The combination of improved revenues, cost management and stronger business conditions in a number of the markets in which the Company operates has resulted in significantly improved levels of operating profitability excluding wage subsidies. A number of the Company's areas of business remain affected by the pandemic, including the low level of activity in events and tourism in particular.

The Company has no debt net of cash and is now in a significantly stronger financial position with which to 1) operate at the lower levels of revenue and profitability currently being experienced in certain markets, 2) have the financial capacity to handle restructuring costs required and other cash obligations, and 3) withstand further economic uncertainty, additional waves of the pandemic and any related impact on revenues and cash flow.

While the pandemic and related measures are still affecting the Company's businesses to varying degrees, the Company's digital media, data, and information businesses have performed relatively well. The underlying fundamentals and resilience of these products have demonstrated their value in the face of the challenging market conditions.

- Environmental and Property Information revenues were up 56% as compared to the prior year.
  - STP and ERIS revenue grew significantly for the year, which includes revenue relating to the GeoSearch acquisition. ERIS acquired the assets of GeoSearch in November 2020. ERIS also continues to grow organically, both in the U.S. and Canada.
  - REW (the Company's residential real estate portal) generated significant revenue growth as a result of the strong residential real estate market conditions and operating improvements.
  - Local Digital Media revenues were up 20% compared to the prior year.
  - Efforts to adjust sales focus and product offerings and pivot to areas of demand have been effective in growing digital revenues and generating marketing results for advertisers during the pandemic.
  - Digital audience growth was strong as the Company's monthly page views grew 24% as compared to the prior year.
- Glacier FarmMedia revenues were flat as compared to the prior year. With COVID restrictions still in place, neither of the COFS or AIM farm shows were able to return to the full in-person events. Smaller, localized events were held both virtually and in some cases in-person instead. In general, demand for food and agricultural output has remained strong during the pandemic.
- The Resource Innovation Group revenues were off 28% as compared to the prior year as the result of the sale of the energy business in March 2021. The remaining mining group revenue, on a standalone basis, was up 13% for the year.
- Print community media advertising revenues decreased 3% compared to the prior year. 2020 was significantly impacted by the negative effects of the pandemic. Print display revenues have been recovering gradually during the pandemic but flyer revenue has declined. Operating costs have been reduced significantly in response to the revenue declines. The federal government ATP program was expanded to include non-paid publications (the majority of the Company's publications are controlled non-paid distribution).
- Overall, the Company's operating profitability is improving. Excluding CEWS, consolidated IFRS EBITDA increased \$8.3 million to \$12.5 million for the year.

It is encouraging that the efforts and investment made in the core areas of focus for the Company prior to the pandemic have allowed demand for these products and services to be resilient during the pandemic. The respective brands, market positions and value to customers have remained strong.

While print advertising revenues recovered from initial declines caused by the restrictions of the pandemic, they are expected to decline over time. Government assistance received from the expanded ATP program will help with the continued transition of the local media operations.

The Company and its partners are seeing that it is possible to operate local digital media businesses on a standalone basis without newspapers, and can be operated with newspaper staff as well as new staff.

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

The Company is working to reach the point where increases in the revenue, profit and cash flow from its data, analytics and intelligence products and digital media products exceeds the decline of its print advertising related profit and cash flow. The Company has made progress in this regard and can operate at lower levels of revenue from its digital media, data and information operations in the future and operate profitably.

Financial Position. As at December 31, 2021, the Company was in a net cash positive position, with a cash balance of $21.7 million and mortgages and other loans of $8.1 million. This includes new non-recourse mortgages on farm show land in Saskatchewan and Ontario.

The Company has net $7.5 million of deferred purchase price obligations to be paid over the next three years. This amount is net of contributions from minority partners. The Company has a $5.0 million vendor-take back receivable to be paid over the next two years resulting from the sale of the Company's interest in Fundata and an estimated $1.2 million potential earn-out proceeds receivable over the next three years from the sale of the energy business.

2021 OPERATING RESULTS

REVENUE

Glacier's consolidated revenue for the year ended December 31, 2021 was $164.6 million compared to $151.3 million for the prior year, up 8.8%.

ENVIRONMENTAL AND PROPERTY INFORMATION

The Environmental and Property Information group generated revenue of $41.6 million for the year ended December 31, 2021, as compared to $26.6 million in the prior year, or an increase of 56.4%.

REW (the Company's residential real estate portal) generated significant revenue growth as a result of the strong residential real estate market conditions and operating improvements. ERIS and STP's revenues grew significantly compared to the prior year. This includes both organic growth and increased revenue relating to the GeoSearch acquisition.

COMMODITY INFORMATION

The Commodity Information group generated revenue of $42.2 million for the year ended December 31, 2021, as compared to $45.3 million for the prior year, or a decrease of 6.9%. The Company sold its energy business in March 2021. During the year, GFM had flat revenues as the result of continued COVID restrictions on in-person events and limited virtual events. RIG had revenue decreases of 28.4%, resulting from the sale of the energy business in March 2021. The remaining mining group on its own had revenue increases of 12.8% for the year as compared to the prior year.

COMMUNITY MEDIA

	Revenue		EBITDA	
(thousands of dollars)	2021	2020	2021	2020
	$	$	$	$
Community Media Including Joint Ventures and Associates	112,205	111,604	18,923	23,481
Joint Ventures and Associates	(31,396)	(32,175)	(5,740)	(6,819)
Community Media IFRS	80,809	79,429	13,183	16,662

The Community Media Group generated $80.8 million of revenue, up 1.7% for the year ended December 31, 2021, as compared to $79.4 million in the prior year.

Including the Company's share of joint ventures and associates, the Community Media Group's revenue was $112.2 million, as compared to $111.6 million for the prior year, or an increase of 0.5%.

Print revenues were down 3%. Print display advertising recovered from the negative effects of the pandemic but flyer revenue has declined.

DIGITAL MEDIA

Local Digital Media revenues were up 19.4% during as compared to the prior year despite the pandemic.

Efforts to adjust sales focus and product offerings and pivot to areas of demand are proving effective in maintaining revenues despite the challenges of the pandemic.

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

GROSS PROFIT

Glacier's consolidated gross profit, being revenues less direct expenses, for the year ended December 31, 2021 was $55.1 million as compared to $57.8 million in the prior year. Gross profit improved excluding wage subsidies as a result of the improvement in revenues, but decreased including wage subsidies and other government grants because of the significant reduction in CEWS and other government funding recorded in the year compared to last year (which were recorded as an offset to wage expense and other direct printing expenses) and the reversal of wage roll-backs.

Gross profit as a percentage of revenues ("gross profit margin") for the year ended December 31, 2021 was 33.5% as compared to 38.2% in the prior year.

GENERAL & ADMINISTRATIVE EXPENSES

Glacier's consolidated general and administrative expenses were $37.3 million for the year ended December 31, 2021, up from $34.9 million in the prior year. The increase in administrative costs primarily related to lower CEWS funds recorded, which were recorded as a reduction of wage expenses, the reversal of wage roll-backs, and increased legal fees.

EBITDA

EBITDA was $17.7 million for the year ended December 31, 2021 as compared to $22.9 million in the prior year. The results are due to the various reasons stated under "Revenue, Gross Profit and General & Administrative Expenses". Part of the decrease is the amounts recorded in 2021 and 2020 from CEWS and ATP. CEWS recorded during the year ended December 31, 2021 was $5.2 million as compared to $18.7 million in the prior year.

NET INTEREST EXPENSE, DEBT

Glacier's consolidated net interest expense for the year ended December 31, 2021 was $0.6 million as compared to $1.6 million in the prior year. The lower interest expense recorded during the year was mainly due to the reduction of debt.

INTEREST EXPENSE, LEASE LIABILITIES

Interest expense relating to lease liabilities for the year ended December 31, 2021 was $0.5 million as compared to $0.6 million in the prior year. Changes in leases including new leases, renewals and terminations affect the interest paid on lease liabilities.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased $0.5 million as compared to the prior year. Depreciation of property, plant and equipment, and right-of-use assets decreased. Amortization of intangible assets increased as the result of additions and acquisitions throughout 2020 and 2021.

NET GAIN ON SALE

The Company recorded a $2.2 million gain on sale relating to the sale of the energy operations in March 2021. The reported gain takes into account the contingent consideration of $1.2 million related to the receivable on the sale of the energy operations.

IMPAIRMENT EXPENSE

In the prior year, ending December 31, 2020, the Company recorded an impairment expense of $23.5 million resulting from certain CGU's being impacted by the negative affects of the COVID-19 pandemic, along with the continued decline of the print industry. No impairment expense was recorded in 2021.

OTHER INCOME

During the year ended December 31, 2021 the Company recorded other income of $1.8 million, as compared to $3.0 million in the prior year. The other income in both years primarily relates to distributions by a company in which Glacier is a minority shareholder.

RESTRUCTURING AND OTHER EXPENSES (NET)

Restructuring and other expenses (net) for the year ended December 31, 2021 were $5.4 million compared to $5.8 million for in the prior year. The other expenses include $3.7 million of revaluations of deferred purchase price payables. Restructuring and other expenses (net) also 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 (including equity transactions with non-controlling interests), foreign exchange, amounts received in excess of accrued deferred sales prices receivable and other income and other expenses.

SHARE OF (LOSS) EARNINGS FROM JOINT VENTURES AND ASSOCIATES

Share of (loss) earnings from joint ventures and associates, which include the Company's share of Great West Media Limited Partnership ("GWMLP"), the Victoria Times-Colonist ("VTC"), Rhode Island Suburban Newspapers, Inc. ("RISN"), and Village Media Inc. ("Village"), changed by $8.8 million (to losses from earnings) as compared to the prior year. The decrease is the result of impairment of goodwill and non-amortizing intangible assets, along with a valuation allowance on certain tax assets taken within an associate's results, which increased Glacier's share of losses from joint ventures and associates by $11.5 million. The equity pickup in Glacier also includes the CEWS received by the joint ventures and associates.

Borden Bridge Development Corporation was included up to August 31, 2021 when the Company acquired the remaining 50%, at which point the were consolidated.

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

	As at December 31,	
(thousands of dollars)	2021	2020
	$	$
Assets	49,601	61,914
Liabilities	13,341	18,827
Net assets	36,260	43,087

	Year ended December 31,	
(thousands of dollars)	2021	2020
	$	$
Revenues	31,396	32,175
EBITDA	5,740	6,819
Net (loss) income for the year	(5,467)	3,309

NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Net income attributable to non-controlling interest increased by $5.5 million mainly as the result of the sale of 45% of ERI Environmental Risk LP ("ERI") in July 2020, and ERI's growth in 2021 and the impact CEWS had on net income of subsidiaries with non-controlling interests.

NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS

For the year ended December 31, 2021 net loss attributable to common shareholders decreased by $10.1 million as compared the prior year. The change resulted from i) no impairment expense recorded in the current year, as compared to $23.5 million recorded in the prior year, ii) lower interest expense on debt of $1.0 million, iii) lower interest expense on lease liabilities of $0.1 million, iv) a net gain on sale of $2.2 million in the current year and v) lower restructuring and other expenses (net) of $0.4 million. This was partially offset by i) lower operating results of $5.2 million from the reductions in CEWS, ii) higher share of losses from joint ventures and associates of $8.8 million, as the result of impairment of goodwill and non-amortizing intangible assets, along with a valuation allowance on certain tax assets taken within a investment in joint venture and associates, iii) higher depreciation and amortization expense of $0.5 million, iv) lower other income of $1.2 million, v) higher income attributable to non-controlling interests of $5.5 million, and iv) higher income tax recovery of $4.1 million.

OTHER COMPREHENSIVE INCOME (NET OF TAX)

For the year ended December 31, 2021, Glacier recognized other comprehensive income (net of tax) of $9.1 million. The income related to the mix of actuarial gains on defined benefit pension plans resulting from the change in actuarial assumptions, mainly the discount rate, and the change in the currency translation adjustment.

CASH FLOW FROM OPERATIONS

Glacier's consolidated cash flow from operations was $16.5 million (before changes in non-cash operating accounts) for the year ended December 31, 2021 as compared to $21.4 million in the prior year. The change in cash flow from operations was primarily the result of the factors stated under "Revenue, Gross Profit, General & Administrative Expenses and EBITDA".

Capital expenditures were $9.6 million in the year as compared to $4.5 million in the prior year. The majority of the current year expenditures relates the purchase of land for the agricultural exhibition shows, the development and implementation of software and websites, content development, data and technology, leasehold improvements and the purchase of weather stations. Prior year capital expenditures primarily related to development and implementation of software and websites.

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

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2021, the Company recorded administration, consulting, interest and other expenses of $2.0 million (2020: $1.1 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 period between April 15, 2021 and December 31, 2021, the Company paid Madison Pacific Properties Inc., a related entity to a shareholder of the Company, $0.7 million for rent on leased properties. April 15, 2021 was the date at which Madison Pacific Properties Inc. became related parties to the Company.

During the period between April 15, 2021 and December 31, 2021, the Company paid an entity related to a shareholder of the Company, $0.3 million for rent on leased properties. April 15, 2021 was the date at which this entity became a related party to the Company.

During the period between April 15, 2021 and December 31, 2021, the Company paid Grant Street Properties Inc., a related entity to a shareholder of the Company, $0.6 million for rent on leased properties. April 15, 2021 was the date at which Grant Street Properties Inc. became related parties to the Company.

During the year ended December 31, 2021, the Company paid $0.4 million to its associate Village Media Inc. for operational services.

During the year ended December 31, 2021, the Company paid its joint venture Great West Media LP for printing services as part of its normal operations. These services were provided at an agreed upon value. Total printing charged to the Company for the year was $0.3 million.

At December 31, 2021, the Company had amounts due from an associate of $3.2 million relating to non-operating advances. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade 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.

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 $60.9 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. Accordingly, the Company has not recorded a liability in these consolidated financial statements for the reassessed taxes payable and related interest described above. If the entity is ultimately successful in defending its positions, deposits made plus applicable interest will be refunded. There is no assurance that the Company's objections will be successful. The affiliate is vigorously defending such positions. The Company and its affiliate expect to ultimately be successful in its objection. The ultimate outcome is uncertain.

SELECTED FINANCIAL INFORMATION

The following outlines selected financial statistics and performance measures for Glacier, on an IFRS basis (other than the non-IFRS measures noted) for the years ended December 31, 2021, 2020 and 2019:

(thousands of dollars) except share and per share amounts	2021	2020	2019
Revenue	$ 164,562	$ 151,304	$ 184,790
Gross profit [2]	$ 55,065	$ 57,841	$ 48,236
Gross margin	33.5%	38.2%	26.1%
EBITDA [1]	$ 17,747	$ 22,941	$ 7,967
EBITDA margin [1]	10.8%	15.2%	4.3%
EBITDA per share [1]	$ 0.14	$ 0.18	$ 0.07
Net interest expense, debt	$ 638	$ 1,595	$ 2,519
Net (loss) income attributable to common shareholders	$ (4,880)	$ (14,966)	$ 34,249
Net (loss) income attributable to common shareholders per share	$ (0.04)	$ (0.12)	$ 0.29
Cash flow from operations	$ 16,489	$ 21,365	$ 3,870
Cash flow from operations per share	$ 0.13	$ 0.17	$ 0.03
Capital expenditures	$ 9,566	$ 4,530	$ 9,765
Total assets	$ 271,120	$ 263,086	$ 271,144
Total non-current financial liabilities	$ 26,795	$ 19,037	$ 29,472
Equity attributable to common shareholders	$ 178,547	$ 170,761	$ 176,953
Weighted average shares outstanding, net	130,895,835	125,213,346	116,783,420

Notes:
(1) Refer to "Non-IFRS Measures" and "EBITDA Reconciliation" section for calculation of non-IFRS measures
(2) Gross profit for these purposes excludes depreciation and amortization.

The main factors affecting the comparability between years include:

- Operating performance of the Company's various business units and general market conditions during the reported years;
- The varying impact of and recovery from COVID-19 on the Company's operations' revenues and expenses;

- The $5.2 million of CEWS as an offset to wage expense for the year ended December 31, 2021 as compared to $18.7 million in 2020. Other subsidies were also received, at varying levels throughout 2021 as compared to 2020. Additionally, certain joint venture and associate entities also received CEWS during 2021 and 2020;

- In December 2021, one of the Company's investment in joint ventures and associates took an impairment of goodwill and non-amortizing intangible assets, along with a valuation allowance on certain tax assets, resulting in the Company recording $11.5 million share of losses from joint ventures and associates;

- In March 2021, the Company sold its energy business for net cash proceeds of $4.3 million plus a potential earn-out of up to $3.5 million. The earn-out is revenue based and payable over three years. The Company recorded an estimated $1.2 million as a receivable relating to the discounted deferred consideration. A gain of $2.2 million was recorded on the sale;

- In March, 2021, the Company and GVIC Communications Corp. ("GVIC") completed a Plan of Arrangement pursuant to which Glacier acquired all of the Class B voting common shares and Class C non-voting shares of GVIC not already held by Glacier and its subsidiary, and by a wholly-owned limited partnership of GVIC. Shareholders of GVIC received, for each GVIC Share held, 0.8 of a common share of Glacier. The transaction resulted in the issuance of 7,542,213 new Glacier common shares;

- An impairment charge $23.5 million for the comparative year ended December 31, 2020 and $5.7 million for the year ended December 31, 2019. There was no impairment charge in the current year ended December 31, 2021;

- In November 2020, the Company, through its subsidiaries ERIS Information Inc. and ERIS Information LP (together "ERIS"), acquired the assets of GeoSearch LLC, a U.S. based company, resulting in increased revenues and expenses in subsequent periods; and

- In July 2020, the sale of a 45% non-controlling interest in ERI Environmental Risk LP.

FOURTH QUARTER 2021 RESULTS AND OVERVIEW OF OPERATING PERFORMANCE

REVENUE

Glacier's consolidated revenue for the three months ended December 31, 2021 was $43.8 million compared to $41.7 million for the same period in the prior year.

Revenues in the fourth quarter continue to grow, showing an improvement over the prior year which was still somewhat affected by COVID, although the fourth quarter in the prior year already was showing signs of rebounding.

The Environmental and Property Information operations experienced another strong quarter. ERIS's revenue increase was achieved through organic growth and through the acquisition of GeoSearch. REW's revenues are steadily increasing through growth in traffic and through product offerings. STP had revenue growth as RegHub, STP's regulatory compliance service, continues to gain traction.

The Commodity Information operation experienced a decrease in revenues. The decrease was primarily the result of the sale of the energy operations in March 2021. 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. While print advertising revenues have recovered from the pandemic lows, flyer revenue has declined. Local Digital Media revenues grew in the quarter. Efforts to adjust sales focus and product offerings and pivot to areas of demand are proving effective in maintaining revenues despite the challenges of the pandemic. Digital audience growth was strong, continuing a consistent pre-COVID trend and accelerating during the year due to the focus on local news and COVID related issues.

GROSS PROFIT

Glacier's consolidated gross profit for the three months ended December 31, 2021 was $14.4 million compared to $15.7 million for the same period in the prior year. Despite increases in revenue, gross profit was affected by the $1.7 million decreases in CEWS funds (which were recorded as an offset to wage expense) as compared to the same quarter in the prior year.

GENERAL & ADMINISTRATIVE EXPENSES

Glacier's consolidated general and administrative expenses were $8.6 million for the three months ended December 31, 2021 compared to $9.5 million for the same period in the prior year. Reduced legal expenses in the quarter drove the decrease in general and administrative expenses. The prior year included CEWS at higher levels and wage-roll backs. The Company continues to invest in its infrastructure to support its growth opportunities and digital products.

EBITDA

Consolidated EBITDA was $5.8 million for the three months ended December 31, 2021 as compared to $6.2 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. A large driver of the decreases in the fourth quarter of 2021 was from lower levels of CEWS as compared to the fourth quarter of 2020.

NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS

Net loss attributable to common shareholders for the three months ended December 31, 2021 increased by $8.7 million as compared to income in the same period in the prior year. The change resulted from i) lower operating results of $0.4 million, ii) higher depreciation and amortization expense of $0.3 million, iii) lower other income of $1.2 million, iv) higher restructuring and other expenses net of $3.7 million, v) higher share of losses from joint ventures and associates of $10.9 million, as the result of impairment of goodwill and non-amortizing intangible assets, along with a valuation allowance on certain tax assets taken within an investment in joint venture and associates, and vi) higher income attributable to non-controlling interests of $0.9 million. This was partially offset by i) no impairment expense in the fourth quarter of 2021 as compared to $3.5 million in the fourth quarter of 2020, ii) lower interest expense on debt of $0.1 million, and iii) higher income tax recovery of $5.0 million.

CASH FLOW FROM OPERATIONS

Glacier's consolidated cash flow from operations was $4.1 million (before changes in non-cash working capital) for the three months ended December 31, 2021 compared to $8.5 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 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	$ 164,562	$ 43,841	$ 40,211	$ 41,013	$ 39,497
EBITDA [1]	$ 17,747	$ 5,846	$ 3,248	$ 4,250	$ 4,403
EBITDA margin [1]	10.8%	13.3%	8.1%	10.4%	11.1%
EBITDA per share [1]	$ 0.14	$ 0.04	$ 0.02	$ 0.03	$ 0.04
Net interest expense, debt	$ 638	$ 132	$ 119	$ 149	$ 238
Net (loss) income attributable to common shareholders	$ (4,880)	$ (4,784)	$ 75	$ (1,902)	$ 1,731
Net (loss) income attributable to common shareholders per share	$ (0.04)	$ (0.04)	$ 0.00	$ (0.01)	$ 0.01
Cash flow from operations	$ 16,489	$ 4,052	$ 3,166	$ 3,356	$ 5,915
Cash flow from operations per share	$ 0.13	$ 0.03	$ 0.02	$ 0.03	$ 0.05
Capital expenditures	$ 9,566	$ 5,205	$ 1,188	$ 2,060	$ 1,113
Equity attributable to common shareholders	$ 178,547	$ 178,547	$ 182,186	$ 181,765	$ 182,795
Weighted average shares outstanding, net	130,895,835	132,755,559	132,755,559	132,755,559	125,213,346

	Trailing 12 Months	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	$ 151,304	$ 41,710	$ 35,314	$ 30,999	$ 43,281
EBITDA [1]	$ 22,941	$ 6,240	$ 8,577	$ 6,191	$ 1,933
EBITDA margin [1]	15.2%	15.0%	24.3%	20.0%	4.5%
EBITDA per share [1]	$ 0.18	$ 0.05	$ 0.07	$ 0.05	$ 0.02
Net interest expense, debt	$ 1,595	$ 260	$ 391	$ 502	$ 442
Net (loss) income attributable to common shareholders	$ (14,966)	$ 3,926	$ 1,133	$ (7,816)	$ (12,209)
Net (loss) income attributable to common shareholders per share	$ (0.12)	$ 0.03	$ 0.01	$ (0.06)	$ (0.10)
Cash flow from operations	$ 21,365	$ 8,450	$ 6,601	$ 5,832	$ 482
Cash flow from operations per share	$ 0.17	$ 0.07	$ 0.05	$ 0.05	$ 0.00
Capital expenditures	$ 4,530	$ 994	$ 999	$ 1,214	$ 1,323
Equity attributable to common shareholders	$ 170,761	$ 170,761	$ 164,699	$ 152,340	$ 162,881
Weighted average shares outstanding, net	125,213,346	125,213,346	125,213,346	125,213,346	125,213,346

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

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

- Operating performance of the Company's various business units, including cost-reduction initiatives and general market conditions during the reported periods;
- The impact of COVID-19 on certain of the Company's operations' revenues and expenses;
- The $0.4 million of CEWS as an offset to wage expense for the three months ended December 31, 2021, $1.4 million for the three months ended September 30, 2021, $1.2 million for the three months ended June 30, 2021 and $2.2 million for the three months ended March 31, 2021, as compared to $2.1 million in the three months ended December 31, 2020, $7.1 million for the three months ended September 30, 2020, $8.8 million for the three months ended June 30, 2020 and $0.6 million in the three months ended March 31, 2020. Other subsidies were also received, at varying levels during throughout 2021 as compared to 2020. Additionally, certain joint venture and associate entities also received CEWS during these periods;
- In December 2021, one of the Company's investment in joint ventures and associates took an impairment of goodwill and non-amortizing intangible assets, along with a valuation allowance on certain tax assets, resulting in the Company recording $11.5 million share of losses from joint ventures and associates;
- In March 2021, the Company sold its energy business for net cash proceeds of $4.3 million plus a potential earn-out of up to $3.5 million. The earn-out is revenue based and payable over three years. The Company recorded an estimated $1.2 million as a receivable relating to the discounted deferred consideration. A gain of $2.2 million was recorded on the sale;

- In March, 2021, the Company and GVIC Communications Corp. ("GVIC") completed a Plan of Arrangement pursuant to which Glacier acquired all of the Class B voting common shares and Class C non-voting shares of GVIC not already held by Glacier and its subsidiary, and by a wholly-owned limited partnership of GVIC. Shareholders of GVIC received, for each GVIC Share held, 0.8 of a common share of Glacier. The transaction resulted in the issuance of 7,542,213 new Glacier common shares;
- In July 2020, the sale of a 45% non-controlling interest in ERI Environmental Risk;
- In November 2020, the Company, through its subsidiaries ERIS Information Inc. and ERIS Information LP (together "ERIS") acquired the assets of GeoSearch LLC, a U.S. based company, resulting in increased revenues and expenses in subsequent periods; and
- An impairment charge of $23.5 million for the year ended December 31, 2020. $3.5 million during the three months ended December 31, 2020, $9.1 million during the three months ended June 30, 2020 and $10.9 million during the three months ended March 31, 2020.

EBITDA RECONCILIATION

The following table reconciles the Company's net (loss) income attributable to common shareholders as reported under IFRS to EBITDA, which is considered a non-GAPP measure.

(thousands of dollars) except share and per share amounts	2021	2020	2019
Net (loss) income attributable to common shareholders	$ (4,880)	$ (14,966)	$ 34,249
Add (deduct):			
Non-controlling interests	$ 5,726	$ 225	$ 3,071
Net interest expense, debt	$ 638	$ 1,595	$ 2,519
Interest expense, lease liability	$ 479	$ 595	$ 675
Depreciation and amortization	$ 12,626	$ 12,152	$ 13,760
Net gain on sale	$ (2,207)	$ -	$ (47,713)
Impairment expense	$ -	$ 23,505	$ 5,700
Other income	$ (1,770)	$ (3,014)	$ -
Restructuring and other expenses (net)	$ 5,426	$ 5,796	$ 5,288
Share of loss (earnings) from joint ventures and associates	$ 5,467	$ (3,309)	$ (3,663)
Income tax (recovery) expense	$ (3,758)	$ 362	$ (5,919)
EBITDA [1]	$ 17,747	$ 22,941	$ 7,967
Weighted average shares outstanding, net	130,895,835	125,213,346	116,783,420
Net (loss) income attributable to common shareholders per share	$ (0.04)	$ (0.12)	$ 0.29
EBITDA per share [1]	$ 0.14	$ 0.18	$ 0.07

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, 2021, Glacier had consolidated cash and cash equivalents of $21.7 million, current and long-term debt of $8.1 million, and working capital of $26.4 million excluding deferred revenue. Glacier's actual cash working capital is greater than reflected by the amounts indicated on the consolidated balance sheet due to deferred revenue relating to renewals and subscriptions that have been paid for by subscribers but not yet delivered; and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities.

Capital expenditures were $9.6 million in the year as compared to $4.5 million in the prior year. The majority of the current year expenditures relates the purchase of land for the agricultural exhibition shows, the development and implementation of software and websites, content development, data and technology, leasehold improvements and the purchase of weather stations. Prior year capital expenditures primarily related to development and implementation of software and websites.

CHANGES IN FINANCIAL POSITION

(thousands of dollars)	2021	2020	2019
	$	$	$
Cash generated from (used in)			
Operating activities	14,113	26,319	4,214
Investing activities	(342)	(6,391)	18,666
Financing activities	(6,302)	(10,766)	(20,884)
Increase in cash	7,469	9,162	1,996

The changes in the components of cash flows during 2021 and 2020 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 flow from operations before changes in non-cash operating accounts of $16.5 million for the year ended December 31, 2021 as compared to $21.4 million in the prior year as a result of the factors stated under Revenue, Gross Profit, General & Administrative Expenses and EBITDA. Cash flow generated from operations after changes in non-cash working capital was $14.1 million for the year ended December 31, 2021 as compared to $26.3 million in the prior year.

INVESTING ACTIVITIES

Cash used in investing activities totalled $0.3 million for the year ended December 31, 2021 as compared $6.4 million in the prior year. Investing activities included $9.6 million of capital expenditures, $4.3 million of proceeds from the disposal of assets and $0.2 million of net cash disposed of on sale (mainly relating to the sale of the energy operations), $3.5 million distributions received from joint ventures and associates, $0.2 million acquisitions, and $1.8 million of other investing activities.

FINANCING ACTIVITIES

Cash used in financing activities was $6.3 million for the year ended December 31, 2021 as compared to $10.8 million in the prior year. The Company had net repayment of debt of $0.3 million as compared to $16.1 million in the comparative year, additional borrowing of debt of $3.5 million relating to the mortgages on the land acquisition for the agricultural exhibition show sites, $6.1 million distributions to non-controlling interests, $1.2 million contributions from non-controlling interest, $0.5 million repurchase of non-controlling interests, $0.1 million proceeds from the sale of non-controlling interests in a subsidiary, interest paid on debt of $0.6 million, interest paid on lease liabilities of $0.5 million, and principal payment of lease liabilities of $3.2 million.

OUTSTANDING SHARE DATA

As at December 31, 2021 and March 25, 2022 there were 132,755,559 common shares and 1,115,000 share purchase warrants outstanding.

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

CONTRACTUAL AGREEMENTS

As at December 31, 2021, the Company has an agreement with a major Canadian bank. The new facility matures on May 31, 2024 and is a revolving facility with no requirement for principal payments during the term.

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

(thousands of dollars)	Total	2022	2023	2024	2025	2026	Thereafter
	$	$	$	$	$	$	$
Debt	8,062	451	464	386	411	385	5,965
Undiscounted lease liabilities	14,443	3,594	3,459	2,711	1,499	984	2,196
	22,505	4,045	3,923	3,097	1,910	1,369	8,161

Under the existing agreement, 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, 2021 and 2020.

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.

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

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

The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its trade receivables from customers. The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for trade receivables are net of applicable expected credit loss allowances, which are determined using the expected credit losses ("ECL") model. Expected 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, 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. Glacier's actual cash working capital is greater than reflected by the amounts indicated on the consolidated balance sheet due to deferred revenue relating to renewals and subscriptions that have been paid for by subscribers but not yet delivered; and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities.

The 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, debt and other current and non-current liabilities (classified as measured at amortized cost), and other investments (classified as measured at fair value through other comprehensive income or fair value through profit and loss). 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 (COVID-19)

Since the end of March 2020 several measures have been implemented in Canada and the U.S. in response to the increased impact from novel coronavirus (COVID-19). While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations are expected to continue for some time. The duration and impact on overall customer demand cannot be reasonably estimated at this time, but it is anticipated this may have a further adverse impact on the Company's business, results of operations, financial position and cash flows in future periods. See "Significant Developments in 2021, Operating Highlights and Outlook – Impact of COVID and Actions Taken".

FOREIGN EXCHANGE

Certain 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.

GOVERNMENT PROGRAMS

The Department of Canadian Heritage's Canada Periodical Fund's Aid to Publishers program and Special Measures for Journalism program provides subsidies to eligible Canadian publications, including Western Producer Publications, Farm Business Communications and the Glacier community media group. While the Aid to Publishers 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.

The federal government introduced the Canadian Emergency Wage Subsidy program to help businesses keep workers employed through the challenges posed by the COVID-19 pandemic. The Company no longer qualified for the CEWS program funding after October 2021.

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 exist. 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, 2021, 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, 2021 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, 2021, 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.

THE IMPACT OF COVID-19

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

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 data and technology, 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, finite life intangible assets and investments in joint ventures and associates, 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 2021, no indicators of impairment were present, as such no impairment was recorded. In 2020, certain CGU's continue to be impacted by the negative impacts of COVID-19 pandemic, along with the continued decline of the industry, and based on the annual testing a further $3.5 million impairments were recorded in the fourth quarter for a total of $23.5 million for the year ending December 31, 2020.

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 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. Judgements are used when determining the split between intangible assets and goodwill. Estimates and judgments related to revenue and gross margin forecasts, customer attrition rate, and discount rate are used to determine the overall fair value of the purchase price when there is deferred and variable consideration.

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

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, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of operations for the years ended December 31, 2021 and 2020;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated balance sheets as at December 31, 2021 and 2020;
- 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 significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill, and impairment assessment of investments in joint ventures and associates *Refer to note 3 – Significant accounting policies, note 4 – Critical accounting estimates and judgments and uncertainty, note 7 – Investments in joint ventures and associates, note 13 – Goodwill and note 14 – Impairment to the consolidated financial statements.* The Company had goodwill of $35.7 million and investments in joint ventures and associates of $44.6 million as at December 31, 2021. Management conducts an impairment test for goodwill annually, or more frequently if events or circumstances indicate that the carrying value of goodwill may not be recoverable. Management conducts an impairment test for investments in joint ventures and associates if events or circumstances indicate that the carrying value of these investments may be impaired. Goodwill is tested for impairment by management at the cash generating unit (CGU) or group of CGUs level. Investments in joint ventures and associates are monitored and tested for impairment by management at an investment level. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is based on the greater of the value in use and the fair value less costs to dispose of the CGUs, groups of CGUs, or investments. The recoverable amounts were determined using discounted cash flow models or market-based valuation models.	Our approach to addressing the matter involved the following procedures, among others: • Evaluated how management determined the recoverable amounts, which included the following: – For the discounted cash flow models: o Tested the appropriateness of the models used and the mathematical accuracy of the discounted cash flow models. o Evaluated whether management's assumptions related to cash flow forecasts and annual and expected growth rates were reasonable, considering (i) the current and past performance of the relevant CGUs and investments; (ii) the comparability with external market and industry data; and (iii) whether these assumptions were aligned with evidence obtained in other areas of the audit. o Tested the underlying data used in the discounted cash flow model. o Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the appropriateness of management's models and testing the reasonableness of the pre-tax discount rates applied by management.

Key audit matter	How our audit addressed the key audit matter
For discounted cash flow models, management used five-year cash flow forecasts that made use of observable market inputs and outputs. For the period beyond the five-year forecast period, cash flows were extrapolated using expected future growth rates. Key assumptions used by management included cash flow forecasts, annual and expected future growth rates and pre-tax discount rates. Management did not recognize an impairment loss on goodwill or investments in joint ventures and associates for the year ended December 31, 2021. We considered this a key audit matter due to the judgments made by management in determining the recoverable amount of the CGUs or investments, including the use of key assumptions. This has resulted in a high degree of subjectivity and audit effort in performing audit procedures to test the key assumptions. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	• Tested the disclosures made in the consolidated financial statements.
Impairment assessment of indefinite life intangible assets *Refer to note 3 – Significant accounting policies, note 4 – Critical accounting estimates and judgements and uncertainty, note 11 – Intangible assets and note 14 – Impairment to the consolidated financial statements.* The Company had indefinite life intangible assets with a carrying value of $17.6 million as at December 31, 2021. The indefinite life intangible assets consist of mastheads and trademarks across various CGUs. Management conducts an impairment test annually, or more frequently if events or circumstances indicate that the carrying value of indefinite life intangible assets may not be recoverable. Indefinite life intangible assets are	Our approach to addressing the matter involved the following procedures, among others: • Evaluated how management determined the recoverable amounts of the indefinite life intangible assets, which included the following: o Tested the reasonability of management’s assumptions related to budgeted revenues and annual growth rates by considering the current and past performance of the CGU or group of CGUs on the assumptions used in the method, and whether these assumptions were consistent with evidence obtained in other areas of the audit. o Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the appropriateness of

Key audit matter	How our audit addressed the key audit matter
tested for impairment by management at the CGU or group of CGUs level. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is based on the greater of the value in use and the fair value less costs to dispose of the CGUs or groups of CGUs. To determine the recoverable amounts of indefinite life intangible assets, management used the relief from royalty method, which involves budgeted revenues for the mastheads and trademarks. For periods beyond the budget period, revenues were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry. Key assumptions used by management in estimating the recoverable amounts included budgeted revenues, annual growth rates, royalty rates and pre-tax discount rates. Management did not recognize an impairment loss on indefinite life intangible assets for the year ended December 31, 2021. We considered this a key audit matter due to the judgments made by management in developing assumptions to determine the recoverable amounts. This in turn resulted in significant audit effort and subjectivity in performing audit procedures to test the recoverable amounts determined by management. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	management's relief from royalty method, as well as certain key assumptions such as royalty rates and the pre-tax discount rates. o Tested the underlying data used in the relief from royalty method. • Tested the disclosures made in the consolidated financial statements.

Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 25, 2022

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021	2020
	$	$
Revenue (Note 24)	164,562	151,304
Operational expenses before depreciation and amortization and other items		
Direct expenses (Note 25)	109,497	93,463
General and administrative (Note 25)	37,318	34,900
	17,747	22,941
Interest expense, debt (Note 27)	638	1,595
Interest expense, lease liabilities (Note 9)	479	595
Depreciation and amortization (Note 12)	12,626	12,152
Net gain on sale (Note 5)	(2,207)	-
Impairment expense (Note 14)	-	23,505
Other income	(1,770)	(3,014)
Restructuring and other expenses (net) (Note 28)	5,426	5,796
Share of loss (earnings) from joint ventures and associates (Note 7)	5,467	(3,309)
Net loss before income taxes	(2,912)	(14,379)
Income tax (recovery) expense (Note 23)	(3,758)	362
Net income (loss) for the year	846	(14,741)
Net loss attributable to:		
Common shareholders	(4,880)	(14,966)
Non-controlling interests	5,726	225
Net loss attributable to common shareholders per share		
Basic and diluted	(0.04)	(0.12)
Weighted average number of common shares		
Basic and diluted	130,895,835	125,213,346

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	2021	2020
	$	$
Net income (loss) for the year	846	(14,741)
Other comprehensive income (loss) (net of tax) (Note 22)		
Actuarial income (loss) on defined benefit pension plans [1]	6,269	(944)
Currency translation adjustment [2]	145	(406)
Share of other comprehensive income (loss) from joint ventures and associates[1] (Note 7)	2,708	(984)
Other comprehensive income (loss) (net of tax)	9,122	(2,334)
Total comprehensive income (loss)	9,968	(17,075)
Total comprehensive income (loss) attributable to:		
Common shareholders	3,634	(17,263)
Non-controlling interests	6,334	188

[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, 2021 AND 2020

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	2021	2020
	$	$
Assets		
Current assets		
Cash and cash equivalents	21,744	14,275
Trade and other receivables (Note 6)	35,686	37,959
Inventory	2,672	2,156
Prepaid expenses	2,504	3,617
	62,606	58,007
Non-current assets		
Investments in joint ventures and associates (Note 7)	44,604	51,189
Other assets (Notes 5 and 19)	28,894	29,849
Right-of-use assets (Note 9)	10,244	9,189
Property, plant and equipment (Note 10)	31,802	26,905
Intangible assets (Note 11)	41,411	45,071
Goodwill (Note 13)	35,741	37,217
Post-employment benefit asset (Note 18)	10,438	1,762
Deferred income taxes (Note 23)	5,380	3,897
Total assets	271,120	263,086
Liabilities		
Current liabilities		
Trade and other payables (Note 15)	29,624	33,563
Deferred revenue	10,798	10,038
Current portion of lease liabilities (Note 9)	3,091	2,967
Current portion of debt (Note 17)	451	338
Other current liabilities (Note 16)	3,035	3,945
	46,999	50,851
Non-current liabilities		
Non-current portion of deferred revenue	866	925
Lease liabilities (Note 9)	7,819	6,782
Other non-current liabilities (Note 16)	11,365	10,000
Long-term debt (Note 17)	7,611	2,255
Total liabilities	74,660	70,813
Equity		
Share capital (Note 5 and 20)	224,970	221,802
Contributed surplus (Note 5)	21,120	20,022
Accumulated other comprehensive loss (Note 22)	(270)	(339)
Deficit	(67,273)	(70,724)
Total equity attributable to common shareholders	178,547	170,761
Non-controlling interests (Note 5 and 8)	17,913	21,512
Total equity	196,460	192,273
Total liabilities and equity	271,120	263,086

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, 2021 AND 2020

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

	Attributable to common shareholders							
	Share capital			Accumulated other	Retained		Non-	
	Shares	Amount	Contributed surplus	comprehensive loss	earnings (deficit)	Total	controlling interest	Total equity
		$	$	$	$	$	$	$
Balance, December 31, 2019	125,213,346	221,802	8,951	55	(53,855)	176,953	21,316	198,269
Net (loss) income for the year	-	-	-	-	(14,966)	(14,966)	225 .	(14,741)
Other comprehensive loss (net of tax)	-	-	-	(394)	(1,903)	(2,297)	(37)	(2,334)
Total comprehensive (loss) income for the year	-	-	-	(394)	(16,869)	(17,263)	188	(17,075)
Sale of non-controlling interest in a subsidary, net of tax (Note 5)	-	-	11,071	-	-	11,071	443	11,514
Contribution from non-controlling interests	-	-	-	-	-	-	1,800	1,800
Distributions to non-controlling interests	-	-	-	-	-	-	(2,235)	(2,235)
Balance, December 31, 2020	125,213,346	221,802	20,022	(339)	(70,724)	170,761	21,512	192,273
Net income (loss) for the year	-	-	-	-	(4,880)	(4,880)	5,726	846
Other comprehensive income (net of tax)	-	-	-	183	8,331	8,514	608	9,122
Total comprehensive income for the year	-	-	-	183	3,451	3,634	6,334	9,968
Disposal of foreign operation (Note 5)	-	-	-	(114)	-	(114)	-	(114)
Repurchase of non-controlling interest (Note 5)	7,542,213	3,168	1,098	-	-	4,266	(5,149)	(883)
Sale of non-controlling interest in a subsidiary	-	-	-	-	-	-	69	69
Contribution from non-controlling interests	-	-	-	-	-	-	1,221	1,221
Distributions to non-controlling interests	-	-	-	-	-	-	(6,074)	(6,074)
Balance, December 31, 2021	132,755,559	224,970	21,120	(270)	(67,273)	178,547	17,913	196,460

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	2021	2020
	$	$
Operating activities		
Net income (loss) for the year	846	(14,741)
Items not affecting cash:		
Depreciation and amortization (Note 12)	12,626	12,152
Net gain on sale (Notes 5)	(2,026)	(5)
Impairment expense (Note 14)	-	23,505
Employee future benefit expense (less than) in excess of of employer contributions	(88)	6
Deferred income tax (recovery) expense (Note 23)	(3,802)	334
Interest expense, long term debt	696	1,617
Interest expense, lease liabilities (Note 9)	479	595
Share of losses (earnings) from joint ventures and associates (Note 7)	5,467	(3,309)
Other non-cash items	2,291	1,211
Cash flow from operations before changes in non-cash operating accounts	16,489	21,365
Changes in non-cash operating accounts		
Trade and other receivables	1,263	(1,639)
Inventory	(516)	(60)
Prepaid expenses	917	(1,026)
Trade and other payables	(6,370)	8,263
Deferred revenue	2,330	(584)
Cash generated from operating activities	14,113	26,319
Investing activities		
Acquisitions, inclusive of assumed and related financing liabilities	(200)	(3,731)
Net cash disposed of on sale (Note 5)	(155)	-
Other investing activities	1,811	(269)
Proceeds from disposal of assets (Note 5)	4,297	198
Distributions received from joint ventures and associates (Note 7)	3,471	1,941
Purchase of property, plant and equipment (Note 10)	(5,490)	(880)
Purchase of intangible assets (Note 11)	(4,076)	(3,650)
Cash used in investing activities	(342)	(6,391)
Financing activities		
Distribution to non-controlling interests	(6,074)	(2,235)
Contribution from non-controlling interests	1,221	1,800
Repurchase of non-controlling interests (Note 5)	(475)	-
Proceeds from sale of non-controlling interest in a subsidiary	69	11,000
Interest paid, debt	(634)	(1,436)
Interest paid, lease liabilities (Note 9)	(481)	(603)
Additional borrowing of debt (Note 17)	3,524	-
Net repayment of debt (Note 17)	(301)	(16,114)
Principal payment of lease liabilities (Note 9)	(3,151)	(3,178)
Cash used in financing activities	(6,302)	(10,766)
Net cash generated	7,469	9,162
Cash and cash equivalents, beginning of year	14,275	5,113
Cash and cash equivalents, end of year	21,744	14,275

See accompanying notes to these consolidated financial statements

1. GENERAL BUSINESS DESCRIPTION

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

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

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of consolidated financial statements. Certain prior year comparative figures have been reclassified to conform to the current year's presentation. These reclassifications did not have an impact on the statement of operations. The balance sheet was impacted by the finalisation of the purchase price allocations detailed in Note 5.

These consolidated financial statements have been approved by the Board of Directors for issue on March 25, 2022.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Non-controlling interests

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

Associates

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

- Investments are initially recognized at cost.
- Associates include goodwill and intangible assets identified on acquisition, net of any accumulated impairment loss.
- The Company's share of its associates' post-acquisition profits or losses 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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.

(c) Foreign currency

Functional and presentation currency

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

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

Transactions and balances

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

(d) Revenue recognition

Advertising revenue

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

Subscription, data and services revenue

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(f) Cash and cash equivalents

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

(g) Inventory

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(i) Identifiable intangible assets

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

Trademarks and mastheads

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

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

Other identifiable intangible assets

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

Computer software, data and technology, and websites

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Goodwill

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

(k) Impairment of non-financial assets

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

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

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

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

(l) Leases

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (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.

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.

(m) Provisions

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

(n) Employee pension and other post-employment benefits

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 deferred 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.

(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.
operations in the year in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(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. The Company has not designated any investments as FVOCI.

Measurement

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND UNCERTAINTY

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

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

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

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

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

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

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

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

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

(b) Retirement benefit assets/obligations

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

(c) Income taxes

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

(d) Utilization of tax losses

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

(e) Fair value assessment of business combinations

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

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

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

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

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

(f) Estimated useful lives

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

(g) Consolidation of entities

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

(h) The impact of COVID-19

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

5. ACQUISITIONS AND DISPOSITIONS

(a) On March 31, 2021, the Company and GVIC Communications Corp. ("GVIC") completed a Plan of Arrangement pursuant to which Glacier acquired all of the Class B voting common shares and Class C non-voting shares of GVIC not already held by Glacier and its subsidiary, or by a wholly-owned limited partnership of GVIC. Shareholders of GVIC received, for each GVIC Share held, 0.8 of a common share of Glacier.

As a result of this transaction, the Company issued 7,542,213 shares at a value of $3.2 million; based on the closing price of Glacier shares on March 31, 2021 which was $0.42 per share. The Company repurchased $5.1 million of non-controlling interests and recorded contributed surplus of $1.1 million, after deducting costs to complete the transaction.

(b) On March 12, 2021, the Company completed the sale of its energy business to geoLOGIC systems ltd for $4.5 million cash at closing, net of a $0.2 million escrow holdback, plus a potential earn-out of up to $3.5 million, for a total of up to $8.0 million. The earn-out is revenue based and payable over three years. The sale resulted in a net gain on sale of $2.2 million.

The earn-out is accounted for as variable deferred contingent consideration and was recorded at an estimated fair value of $1.2 million recorded within Other assets. The energy operations sold, which included the RIG energy assets and Evaluate Energy, were previously included within the Commodity Information segment.

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

5. ACQUISITIONS AND DISPOSITIONS (CONTINUED)

(c) On November 30, 2020, the Company, through its subsidiaries ERIS Information Inc. and ERIS Information LP (together "ERIS"), acquired the assets of GeoSearch LLC ("GeoSearch"), a U.S. based company, for estimated total consideration of $15.2 million.

During the year ended December 31, 2021, the Company updated and completed the purchase price allocation ("PPA") for the acquisition of the GeoSearch assets. The acquired assets and liabilities have been allocated as follows upon finalization.

(thousands of dollars)	
	$
Assets acquired	
Trade and other receivables	608
Property, plant and equipment	159
Software and data	5,570
Customer relationships	3,947
Mastheads	66
Goodwill	5,087
	15,437
Liabilities assumed	
Trade payables and accrued liabiliaties	(207)
	(207)
Consideration	15,230

The finalization of the PPA resulted in a $1.2 million decrease to Goodwill and a $1.2 million increase to Software and Data, as compared to the preliminary PPA as disclosed at December 31, 2020. Refer to Notes 11 and 13.

The primary factors contributing to goodwill were increased market share, synergies with existing operations and future growth prospects.

(d) On July 16, 2020, GVIC Communications Corp. ("GVIC"), an affiliated company of Glacier sold a 45% non-controlling interest in its subsidiary ERI Environmental Risk LP (which is comprised of the ERIS and STP operations) to Madison Venture Corporation ("Madison"). Madison acquired units of ERI Environmental Risk LP and has the right, for a period of 3 years following closing, to acquire an additional 4% of the outstanding units at the pro rata acquisition date enterprise value and an additional 2% of the outstanding units at the greater of the pro rata fair market value and the pro rata enterprise value. The transaction contains a buy/sell provision that is exercisable after 3 years and a mutual right of first refusal. Madison is a related party of Glacier, refer to Note 29.

The Company received proceeds of $11.0 million in cash plus recorded deferred consideration within Other current receivables and Other assets. The sale of the 45% non-controlling interest in a subsidiary was accounted for as an equity transaction which was recorded as contributed surplus of $11.1 million, net of tax, and non-controlling interest of $0.4 million.

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

6. TRADE AND OTHER RECEIVABLES

(thousands of dollars)	2021	2020
	$	$
Trade receivables	29,815	25,080
Allowance for doubtful accounts	(922)	(1,131)
Trade receivables (net)	28,893	23,949
Other current receivables	6,793	14,010
	35,686	37,959

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

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Set out below are the joint ventures and associates of the Company as at December 31, 2021. 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 business	% ownership interest	Nature of relationship	Principal activities
Great West Media 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] This entity has a March 31 year-end.

[2] The Company does not have control over this investment as it does not have a majority of members on the Board of Directors, nor does it have voting control over the entity.

The Company acquired the remaining 50% of Borden Bridge Development Corp. on August 31, 2021, at which point the Company started to consolidate the results. This resulted in the addition of land and a corresponding mortgage (refer to Notes 10 and 17).

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

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

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

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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)	2021	2020	2021	2020
	$	$	$	$
Current assets				
Cash and cash equivalents	10,170	9,382	3,862	5,031
Other current assets	7,133	5,733	2,900	2,901
Non-current assets	40,995	43,863	30,867	48,128
Current liabilities				
Current financial liabilities				
(excluding trade and other payables)	(5,784)	(3,949)	(328)	(336)
Other current liabilities	(6,554)	(5,564)	(5,504)	(6,281)
Non-current liabilities	(1,718)	(4,809)	(6,301)	(13,708)
Net assets	44,242	44,656	25,496	35,735
Reconciliation of net assets:				
Opening net assets	44,656	42,754	35,735	60,411
Income (loss) for the year	7,249	6,037	(14,904)	1,128
Other comprehensive loss	(14)	(202)	4,603	(1,671)
Dividends paid	(7,649)	(3,933)	-	-
Derecognition of investments in				
joint ventures and associates	-	-	62	(24,133)
Closing net assets	44,242	44,656	25,496	35,735
Revenue	36,048	38,628	28,611	26,144
Depreciation and amortization	2,783	3,116	633	485
Interest income	1	(33)	(6)	(26)
Interest expense	255	239	87	113
Income tax expense	360	355	9,373	119
Income (loss) for the year	7,249	6,037	(14,904)	1,128
Other comprehensive loss	(14)	(202)	4,603	(1,671)
Total comprehensive income (loss)	7,235	5,835	(10,301)	(543)
Dividends received by the Company				
from joint ventures and associates	(3,471)	(1,941)	-	-

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

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

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)	2021	2020
	$	$
Aggregate net assets of individually immaterial associates	-	665
Aggregate amounts of the Company's share of:		
Income for the year	15	30
Total comprehensive income	15	30

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

(thousands of dollars)	2021	2020
	$	$
Balance, beginning of year	51,189	56,605
Acquisition of control of investment in joint ventures and associates	(355)	-
Share of (loss) earnings for the year	(5,467)	3,309
Impairment of investment in joint ventures and associates	-	(5,800)
Share of other comprehensive income (loss) (net of tax) (Note 22)	2,708	(984)
Distributions, dividends received and other equity movements	(3,471)	(1,941)
Balance, end of year	44,604	51,189

During the year ended December 31, 2021, one of the Company's associates took an impairment of $4.5 million of goodwill and $3.5 million of non-amortizing intangible assets and took a $11.6 million valuation allowance on certain tax assets. The Company's share of losses from joint ventures and associates relating to these two transactions was $11.5 million.

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

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

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

	Joint ventures		Associates		Total	
(thousands of dollars)	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$
Revenue	17,679	18,914	13,717	13,261	31,396	32,175
Operating expenses before depreciation and amortization	13,500	14,044	12,156	11,312	25,656	25,356
	4,179	4,870	1,561	1,949	5,740	6,819
Net interest expense, debt	87	102	37	67	124	169
Interest expense, lease liabilities	6	8	25	9	31	17
Depreciation and amortization	1,371	1,536	331	259	1,702	1,795
Impairment, restructuring and other expenses (income) (net)	(1,028)	134	4,703	1,145	3,675	1,279
Net income (loss) before income taxes	3,743	3,090	(3,535)	469	208	3,559
Income tax expense	175	168	5,500	82	5,675	250
Net (loss) income for the year	3,568	2,922	(9,035)	387	(5,467)	3,309

	Joint ventures		Associates		Total	
(thousands of dollars)	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$
Assets	28,740	29,053	20,861	32,861	49,601	61,914
Liabilities	6,912	7,056	6,429	11,771	13,341	18,827
Net Assets	21,828	21,997	14,432	21,090	36,260	43,087

8. SUBSIDIARIES, AFFILIATED ENTITIES AND NON-CONTROLLING INTEREST

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

Name of entity	Principal place of business	Principal activities
Alta Newspaper Group LP	Alberta	Community media
Glacier FarmMedia LP	Manitoba	Agricultural information
Western Producer LP	Manitoba	Agricultural information
ERI Environmental Risk LP	British Columbia	Environmental Information

In the prior year, the Company had a material non-controlling interest in GVIC Communication Corp. In March 2021, the Company re-purchased the outstanding non-controlling interest (Note 5).

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

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

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

(thousands of dollars)	2021	2020
	$	$
Summarized balance sheets		
Current assets	36,334	74,910
Non-current assets	89,312	289,683
Current liabilities	(21,646)	(69,079)
Non-current liabilities	(19,361)	(86,344)
Net assets	84,639	209,170
Summarized statements of comprehensive income		
Revenue	81,065	221,655
Income (loss) for the year	9,271	(7,483)
Other comprehensive income (loss)	2,116	(2,485)
Total comprehensive income (loss)	11,387	(9,968)
Income (loss) allocated to non-controlling interest	3,232	(1,880)
Dividends paid to non-controlling interest	5,724	1,978
Summarized cash flows		
Cash flows from operating activities	22,009	43,412
Cash flows from investing activities	(9,347)	(12,473)
Cash flows from financing activities	(6,613)	(22,540)
Net increase in cash and cash equivalents	6,049	8,399

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

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

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

(thousands of dollars)	Property leases	Equipment leases	Total
	$	$	$
Cost			
Balance at December 31, 2019	15,202	97	15,299
Additions	231	-	231
Retirements	(1,024)	-	(1,024)
Renewals	791	-	791
Early Terminations	(387)	-	(387)
Balance at December 31, 2020	14,813	97	14,910
Additions	402	1,021	1,423
Retirements	(2,003)	-	(2,003)
Renewals	3,191	-	3,191
Early Terminations	(674)	-	(674)
Foreign Exchange	(4)	-	(4)
Balance at December 31, 2021	15,725	1,118	16,843
Accumulated depreciation			
Balance at December 31, 2019	3,365	22	3,387
Depreciation (Note 12)	3,384	22	3,406
Retirements	(1,023)	-	(1,023)
Terminations	(49)	-	(49)
Balance at December 31, 2020	5,677	44	5,721
Depreciation (Note 12)	3,108	173	3,281
Retirements	(2,003)	-	(2,003)
Terminations	(400)	-	(400)
Balance at December 31, 2021	6,382	217	6,599
Carrying amounts			
At December 31, 2020	9,136	53	9,189
At December 31, 2021	9,343	901	10,244

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

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

The Company's lease liabilities are as follows:

(thousands of dollars)	2021	2020
	$	$
Current portion of lease liabilities	3,091	2,967
Long term lease liabilities	7,819	6,782
	10,910	9,749

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

(thousands of dollars)	2021	2020
	$	$
Balance, beginning of year	9,749	12,262
New leases and lease renewals	4,614	1,022
Interest expense, lease liability	479	595
Interest paid, lease liability	(481)	(603)
Payment of principal portion of lease liabilities	(3,151)	(3,178)
Termination	(299)	(347)
Foreign exchange	(1)	(2)
Balance, end of year	10,910	9,749

During the year ended December 31, 2021, the Company had short-term and low value lease expenses of $0.7 million (2020: $0.4 million).

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

10. PROPERTY, PLANT AND EQUIPMENT

(thousands of dollars)	Land and land improvements	Buildings	Production equipment	Office equipment and leaseholds	Total
	$	$	$	$	$
Cost					
Balance at December 31, 2019	6,706	13,129	30,673	22,959	73,467
Additions	-	3	195	682	880
Acquisition on business combinations	-	-	6	149	155
Disposals	(88)	(276)	(2,382)	(46)	(2,792)
Balance at December 31, 2020	6,618	12,856	28,492	23,744	71,710
Additions	3,697	60	711	1,022	5,490
Acquisition on business combinations	2,856	-	-	-	2,856
Disposals	(11)	(38)	(111)	(964)	(1,124)
Balance at December 31, 2021	13,160	12,878	29,092	23,802	78,932
Accumulated depreciation					
Balance at December 31, 2019	183	3,612	21,814	17,840	43,449
Depreciation (Note 12)	29	500	1,246	1,667	3,442
Disposals	-	(203)	(1,858)	(25)	(2,086)
Balance at December 31, 2020	212	3,909	21,202	19,482	44,805
Depreciation (Note 12)	30	467	1,298	1,463	3,258
Disposals	-	(11)	(28)	(894)	(933)
Balance at December 31, 2021	242	4,365	22,472	20,051	47,130
Carrying amounts					
At December 31, 2020	6,406	8,947	7,290	4,262	26,905
At December 31, 2021	12,918	8,513	6,620	3,751	31,802

The Company acquired the remaining 50% of Borden Bridge Development Corp on August 31, 2021, at which point the Company started to consolidate the results. This resulted in the addition of $2.9 million of land and a corresponding mortgage (refer to Note 7 and 17).

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

11. INTANGIBLE ASSETS

The Company has various intangible assets including customer relationships, subscription lists, mastheads, software, data and technology, 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, data and technology, and websites	Total
	$	$	$	$	$	$
Cost						
Balance at December 31, 2019	59,642	10,242	65,478	3,841	39,209	178,412
Additions	-	-	-	-	3,762	3,762
Acquisitions on business combinations	65	-	4,377	-	5,570	10,012
Foreign exchange revaluation	(7)	-	(126)	-	(39)	(172)
Balance at December 31, 2020	59,700	10,242	69,729	3,841	48,502	192,014
Additions	-	-	-	-	4,120	4,120
Acquisitions on business combinations	-	-	200	-	-	200
Disposals	(1,812)	-	-	-	(745)	(2,557)
Foreign exchange revaluation	(1)	-	(20)	-	4	(17)
Balance at December 31, 2021	57,887	10,242	69,909	3,841	51,881	193,760
Accumulated amortization and impairment losses						
Balance at December 31, 2019	29,005	10,229	57,460	3,841	29,032	129,567
Amortization (Note 12)	-	9	1,635	-	3,660	5,304
Impairment (Note 14)	11,285	-	787	-	-	12,072
Balance at December 31, 2020	40,290	10,238	59,882	3,841	32,692	146,943
Amortization (Note 12)	-	4	1,649	-	4,434	6,087
Disposals	-	-	-	-	(681)	(681)
Balance at December 31, 2021	40,290	10,242	61,531	3,841	36,445	152,349
Carrying amounts						
At December 31, 2020	19,410	4	9,847	-	15,810	45,071
At December 31, 2021	17,597	-	8,378	-	15,436	41,411

During the comparative year ended December 31, 2020 impairment charges of $11.3 million and $0.8 million were recorded against indefinite life intangible assets and customer relationships, respectively. Refer to Note 14.

The Company finalized the purchase price allocation of the GeoSearch acquisition resulting in a $1.2 million increase to the 2020 acquisition on business combinations of Software, data and technology, and websites. Refer to Note 5.

The allocation of indefinite life intangible assets by group of CGUs at December 31, 2021 is as follows: BC Community Media $8.2 million, Prairie Community Media $2.4 million, Commodity Information $5.7 million and Environmental and Property Information $1.3 million.

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

12. DEPRECIATION AND AMORTIZATION

(thousands of dollars)	2021	2020
	$	$
Depreciation of property, plant and equipment (Note 10)	3,258	3,442
Depreciation of right-of-use assets (Note 9)	3,281	3,406
Amortization of intangible assets (Note 11)	6,087	5,304
Depreciation and amortization	12,626	12,152

13. GOODWILL

(thousands of dollars)	2021	2020
	$	$
Balance, beginning of year	37,217	37,968
Acquisition on business combinations (Note 5)	-	4,882
Disposition (Note 5)	(1,449)	-
Foreign exchange revaluation	(27)	-
Impairment (Note 14)	-	(5,633)
Balance, end of year	35,741	37,217

The Company finalized the purchase price allocation of the GeoSearch acquisition resulting in a $1.2 million decrease to the 2020 acquisition on business combinations of Goodwill. Refer to Note 5.

The allocation of goodwill by group of CGUs is as follows: BC Community Media $7.8 million, Prairie Community Media $3.3 million, Commodity Information $19.3 million and Environmental and Property Information $5.4 million.

14. IMPAIRMENT

During 2021, the Company conducted its annual impairment testing of goodwill and indefinite life intangible assets. The Company used the aggregate recoverable amount of the assets included in each cash generating unit or group of CGUs and compared it to their respective carrying amounts. The recoverable amount is based on the greater of the value in use and the fair value less costs to dispose of the CGUs or groups of CGUs.

The Company also reviewed for further indicators of impairment on its finite life intangible assets and investments in joint ventures and associates. No additional testing was required to be performed in 2021.

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

14. IMPAIRMENT (CONTINUED)

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

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

Key assumptions for all CGUs or groups of CGUs included in the 2021 testing are: cash flow forecasts and budgeted revenues, annual growth rates of 0.0% - 5.0% (2020: 0.0% - 5.0%), royalty rates of 3.5% - 10.0% (2020: 3.5% - 10.0%) and pre-tax discount rates of 11.76% - 12.71% (2020: 12.3% - 15.6%)

In 2021, as a result of the annual testing, no impairment expense was recorded.

In 2020, certain CGU's continued to be impacted by the negative impacts of COVID-19 pandemic, along with the continued decline of the industry. Based on the impairment testing performed at various period ends in the 2020 year, impairments of $23.5 million for the year ending December 31, 2020. $3.5 million of impairments were recorded in the fourth quarter, in addition to $20.0 million recorded in previous quarters of 2020.pa

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 would be sensitive.

15. TRADE AND OTHER PAYABLES

(thousands of dollars)	2021	2020
	$	$
Trade payables	7,013	2,742
Accrued liabilities	22,611	30,821
	29,624	33,563

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

16. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities primarily relate to $13.3 million of deferred payments from acquisition transactions in previous periods. Included in this amount are fixed, variable and contingent payments. These amounts are due in future periods; the amounts due in the next year are included in other current liabilities.

17. DEBT

The Company has the following debt outstanding:

(thousands of dollars)	2021	2020
	$	$
Current:		
Mortgages and other loans	451	400
Deferred financing costs	-	(62)
	451	338
Non-current:		
Mortgages and other loans	7,611	2,255
	8,062	2,593

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

(thousands of dollars)	2021	2020
	$	$
Balance, beginning of year	2,593	18,524
Additional borrowings	3,524	-
Assumption of mortgage from former joint venture	2,181	-
Financing charges (net)	65	183
Repayment of debt	(301)	(16,114)
Balance, end of year	8,062	2,593

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, 2021 and 2020.

(a) Revolving bank loan

During the year ended December 31, 2021 the Company entered into a new financing agreement with a major Canadian bank, replacing the previous facility. The new facility matures on May 31, 2024 and is a revolving facility with no requirement for principal payments during the term.

(b) Mortgages and other loans

During the year ended December 31, 2021, the Company increased its mortgages by $5.7 million on property acquired to expand the agricultural show sites in Ontario and Saskatchewan.

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

17. DEBT (CONTINUED)

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

(thousands of dollars)	2022	2023	2024	2025	2026	Thereafter	Total
	$	$	$	$		$	$
Long-Term Debt	451	464	386	411	385	5,965	8,062

18. POST EMPLOYMENT BENEFIT OBLIGATIONS

The Company has defined benefit pension plans which cover certain employees. These plans provide pensions based on length of service and final average annual earnings. Effective December 31, 2015, the Company eliminated future benefit accruals under the defined benefit provision of the plan for certain employees. Effective January 1, 2016, all eligible employees joined a new defined contribution plan sponsored by Glacier. The Company also has health care plans covering certain retired employees.

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

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 2019.

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

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2021	2020	2021	2020
	$	$	$	$
Present value of benefit obligation	(40,683)	(44,693)	(702)	(769)
Fair value of plan assets	51,823	47,224	-	-
Net benefit asset (obligation)	11,140	2,531	(702)	(769)

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

18. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The movement in the defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2021	2020	2021	2020
	$	$	$	$
Balance, beginning of year	44,693	41,867	769	763
Interest cost on the defined benefit obligation	1,162	1,330	18	22
Actuarial loss	(2,823)	3,716	(32)	35
Benefits paid from plan assets	(2,349)	(2,220)	(53)	(51)
Balance, end of year	40,683	44,693	702	769

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)	2021	2020	2021	2020
	$	$	$	$
Beginning of year	47,224	45,691	-	-
Interest income on plan assets	987	1,184	-	-
Non investment expenses	(250)	(250)	-	-
Return on plan assets greater than discount	5,732	2,458	-	-
Employer contributions	479	361	53	51
Benefits paid	(2,349)	(2,220)	(53)	(51)
Balance, end of year	51,823	47,224	-	-

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

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	2021	2020	2021	2020
	$	$	$	$
Net interest on defined benefit liability	179	139	20	22
Other	(416)	(5)	-	-
	(237)	134	20	22

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:

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

18. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

	Pension benefit plans		Other benefit plans	
	2021	2020	2021	2020
Benefit obligations:				
Discount rate	2.90%	2.40%	2.90%	2.40%
Net benefit expense:				
Discount rate	2.40%	3.00%	2.40%	3.00%

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

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

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

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(3,793)	5,093

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)	67
Heath care trend rates	1.00%	24	(24)

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

In addition to the assumptions listed in the table above, as at December 31, 2021, the weighted average duration of the defined benefit plan and the other benefit plans is 13.6 years (2020: 13.0 years) and 9.3 years (2020: 9.6 years), respectively.

Expected contributions to the benefit plans for the year ended December 31, 2022 are less than $0.1 million. As at December 31, 2021, the accumulated actuarial income recognized in other comprehensive income were $8.6 million (2020: losses of $1.3 million).

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

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

18. POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

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	2021
Canadian equities	0% - 10%	0%	13%
International equities	0% - 10%	0%	1%
Fixed income and cash and cash equivalents	90% - 100%	100%	86%
		100%	100%

	Acceptable range	Normal policy	2020
Canadian equities	20% - 90%	75%	44%
International equities	0% - 40%	15%	29%
Fixed income and cash and cash equivalents	10% - 80%	10%	27%
		100%	100%

Risk management practices

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

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

19. CONTINGENCIES AND COMMITMENTS

(a) The Company has the following guarantees and contingencies at December 31, 2021:

(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 $60.9 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. Accordingly, the Company has not recorded a liability in these consolidated financial statements for the reassessed taxes payable and related interest described. The affiliate intends to vigorously defend such positions. The ultimate outcome is uncertain.

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

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

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

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

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

19. CONTINGENCIES AND COMMITMENTS (CONTINUED)

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

No provisions have been recorded for these items as at December 31, 2021 or 2020.

(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:

	2022	2023	2024	2025	2026	Thereafter	Total
	$	$	$	$	$	$	$
Undiscounted lease liability	3,594	3,459	2,711	1,499	984	2,196	14,443

The Company's share of its joint ventures and associates' minimum lease payments is $1.0 million (2020: $1.1 million), due through 2026.

20. SHARE CAPITAL

At December 31, 2021 and 2020, the Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares.

At December 31, 2021, the Company has 132,755,559 (2020: 125,213,346) common shares outstanding. At December 31, 2021 and 2020, the Company did not have any preferred shares issued. As a result of the transaction described in Note 5(a) the Company issued 7,542,213 at a value of $3.2 million.

At December 31, 2021, 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.

	Number of common shares	Amount
		$
Balance, December 31, 2020	125,213,346	221,802
Shares issued	7,542,213	3,168
Balance, December 31, 2021	132,755,559	224,970

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

21. LOSS PER SHARE

	Loss	Shares	Per share
2020	$		$
Basic loss per share			
Loss	(14,966)	125,213,346	(0.12)
Effect of dilutive securities	-	-	-
Diluted loss per share:			
Net Loss	(14,966)	125,213,346	(0.12)

	Loss	Shares	Per share
2021	$		$
Basic loss per share			
Loss	(4,880)	130,895,835	(0.04)
Effect of dilutive securities	-	-	-
Diluted loss per share:			
Net Loss	(4,880)	130,895,835	(0.04)

22. OTHER COMPREHENSIVE INCOME (LOSS)

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

	Accumulated other comprehensive (loss) income	Retained deficit		
(thousands of dollars)	Cumulative translation adjustment	Actuarial income (loss) on defined benefit plans	Non-controlling interest	Total other comprehensive income (loss)
	$	$	$	$
Balance, December 31, 2019	55	(1,193)	90	(1,048)
Actuarial loss on defined benefit plans	-	(949)	5	(944)
Cumulative translation adjustment	(394)	-	(12)	(406)
Share of other comprehensive loss from joint ventures and associates	-	(954)	(30)	(984)
Other comprehensive loss for the year	(394)	(1,903)	(37)	(2,334)
Balance, December 31, 2020	(339)	(3,096)	53	(3,382)
Actuarial income on defined benefit plans	-	5,633	636	6,269
Cumulative translation adjustment	183	-	(38)	145
Share of other comprehensive income from joint ventures and associates	-	2,698	10	2,708
Other comprehensive income for the year	183	8,331	608	9,122
Disposal of foreign operation (Note 5)	(114)	-	-	(114)
Balance, December 31, 2021	(270)	5,235	661	5,626

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

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

22. OTHER COMPREHENSIVE INCOME (LOSS) (CONTINUED)

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

(thousands of dollars)	2021	2020
	$	$
Income tax effect of:		
Actuarial (income) loss on defined benefit plans	(2,319)	349
Share of other comprehensive (income) loss from joint ventures and associates	(1,002)	364

23. INCOME TAXES

Income tax recovery is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the year ended December 31, 2021 was 27.0% (2020: 27.0%). The components of income tax recovery are shown in the following table:

(thousands of dollars)	2021	2020
	$	$
Current tax	44	28
Deferred tax	(3,802)	334
Income tax (recovery) expense	(3,758)	362

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)	2021	2020
	$	$
Net loss before income taxes	(2,912)	(14,379)
Tax rate	27.0%	27.0%
	(786)	(3,882)
Effect of capital transactions and non-deductible expenses	(1,364)	3,426
Impairment of assets	-	1,353
Loss (income) from joint ventures and associates and non-controlling interest	2,072	(499)
Adjustment in respect of prior years	(3,680)	(36)
Income tax (recovery) expense	(3,758)	362

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

23. INCOME TAXES (CONTINUED)

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

(thousands of dollars)	2021	2020
	$	$
Deferred Tax Assets:		
Available capital and non-capital losses	7,714	6,640
Long-term investments	169	169
Deferred income and other	827	69
Intangible assets	2,968	2,324
	11,678	9,202
Deferred Tax Liabilities:		
Property, plant and equipment	(3,811)	(4,804)
Pension asset and post-retirement benefit	(2,487)	(501)
	(6,298)	(5,305)
Net tax position	5,380	3,897

The Company has recognized non-capital tax loss of approximately $30.6 million (2020: $28.9 million) that can be carried forward and may be used to reduce future years' net income for tax purposes from the Canadian tax jurisdictions.

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

24. REVENUE BY CATEGORY

(thousands of dollars)	2021	2020
	$	$
Advertising	97,152	97,431
Subscription, data, services and events	61,069	48,806
Commercial printing and other	6,341	5,067
	164,562	151,304

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

25. EXPENSE BY NATURE

(thousands of dollars)	2021	2020
	$	$
Wages and benefits	91,460	88,447
CEWS (a)	(5,219)	(18,691)
Newsprint, ink and other printing costs	10,322	10,574
Delivery costs	8,133	8,011
Rent, utilities and other property costs	4,754	4,681
Advertising, marketing and other promotion costs	3,950	5,216
Third party production and editorial costs	7,988	7,546
Legal, bank, insurance and professional services	12,012	10,266
Data services, system maintenance, telecommunications and software licences	8,487	7,843
Fees, licences and other services	3,083	2,610
Event costs	252	576
Other	1,593	1,284
	146,815	128,363
Direct expenses	109,497	93,463
General and administrative expenses	37,318	34,900
	146,815	128,363

(a) The Government of Canada passed the Canadian Emergency Wage Subsidy (“CEWS”) to help businesses keep workers employed through the challenges posed by the COVID-19 pandemic. The Company’s eligibility to the CEWS program funding ended on October 23, 2021. The subsidy available to employers decreases over the claim periods until the end of the program. The Company recognized a recovery of compensation expense of $5.2 million during the year ended December 31, 2021 (2020: $18.7 million). As at December 31, 2021, the Company has less than $0.1 million receivable related to CEWS (2020: $2.8 million) included in Trade and other receivables.

(b) The Company received grants from various government aid programs, some relating to COVID relief, including the Department of Canadian Heritage’s Canada Periodical Fund’s Aid to Publishers program, Special Measures for Journalism, which were treated as an offset to certain expenses above.

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

26. WAGES AND EMPLOYEE BENEFITS EXPENSE

(thousands of dollars)	2021	2020
	$	$
Salaries and wages	80,497	77,335
CEWS (Note 25 (a))	(5,219)	(18,712)
Pension and benefit plan costs	10,487	10,474
Other	476	659
	86,241	69,756

Compensation awarded to key management for the year consists of salaries and short-term benefits of $4.8 million (2020: $4.8 million). As at December 31, 2021, there were termination benefits payable to key management of $ nil (2020: $ nil). Key management includes the Company's directors, officers and divisional managers.

27. INTEREST EXPENSE (NET)

(thousands of dollars)	2021	2020
	$	$
Interest income	(58)	(22)
Interest expense	696	1,617
Interest expense (net)	638	1,595

28. RESTRUCTURING AND OTHER EXPENSES (NET)

(thousands of dollars)	2021	2020
	$	$
Restructuring expenses (a)	395	3,421
Transaction and transition costs (b)	1,406	2,553
Other expense (net) (c)	3,846	(178)
Other income (d)	(221)	-
	5,426	5,796

(a) Restructuring expenses

During the year ended December 31, 2021, restructuring expenses of $0.4 million were recognized (2020: $3.4 million). Restructuring expenses include severance costs of $0.3 million (2020: $2.8 million) incurred as the Company restructured and reduced its workforce.

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

(b) Transaction and transition costs

The Company incurred costs related to its acquisitions and divestitures completed in 2021 and 2020. These costs include both the costs of completing the transactions and the costs of integrating these new operations into the Company, including equity transactions with non-controlling interest. Transaction costs include legal, accounting, due diligence, consulting and general acquisition costs. Transition costs include information technology costs, transitional staffing requirements, service fees paid to the vendor during the transition period and other costs directly related to the operational integration of the newly acquired businesses, as well as any closing costs associated with the closure or divestiture of operations.

(c) Other expenses (net)

Other expenses (net) primarily relates to $3.7 million revaluation of deferred purchase price payables. It also includes, foreign exchanges gains and losses, and other expenses.

(d) Other income

Other income includes amounts received from the government relating to the Canadian Emergency Rent Subsidy, other income relating to amounts received from a company in which Glacier is a non-controlling interest, amounts received in excess of accrued deferred sales prices receivable and other income.

29. 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, 2021, the Company recorded administration, consulting, interest and other expenses of $2.0 million (2020: $1.1 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.

In July 2020, the Company sold a 45% non-controlling interest in its ERIS and STP businesses (ERI Environmental Risk LP) to Madison Venture Corporation, a related party; refer to Note 5.

(b) During the period between April 15, 2021 and December 31, 2021, the Company paid Madison Pacific Properties Inc., a related entity to a shareholder of the Company, $0.7 million for rent on leased properties. April 15, 2021 was the date at which Madison Pacific Properties Inc. became related parties to the Company. At December 31, 2021, $ nil was due to Madison Pacific Properties Inc.

(c) During the period between April 15, 2021 and December 31, 2021, the Company paid an entity related to a shareholder of the Company, $0.3 million for rent on leased properties. April 15, 2021 was the date at which this entity became a related party to the Company. At December 31, 2021, $ nil was due to the related party.

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

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) During the period between April 15, 2021 and December 31, 2021, the Company paid Grant Street Properties Inc., a related entity to a shareholder of the Company, $0.6 million for rent on leased properties. April 15, 2021 was the date at which Grant Street Properties Inc. became related parties to the Company. At December 31, 2021, $ nil was due to Grant Street Properties Inc.

(e) During the year ended December 31, 2021, the Company paid $0.4 million to its associate Village Media Inc. for operational services. At December 31, 2021, less than $0.1 million was due to Village Media Inc.

(f) During the year ended December 31, 2021, the Company paid its joint venture Great West Media LP for printing services as part of its normal operations. These services were provided at an agreed upon value. Total printing charged to the Company for the year was $0.3 million (2020: $0.3 million). At December 31, 2021, $0.1 million (2020: $0.3 million) was due to Great West Media LP for printing services and other amounts plus accrued interest on the outstanding balance.

(g) At December 31, 2021, the Company had amounts due from an associate of $3.2 million (2020: $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 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.

30. SEGMENT DISCLOSURE

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

Year ended December 31, 2021 (thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	41,554	42,199	112,205	195,958	(31,396)	164,562
Divisional earnings before interest, taxes, depreciation, and amortization	4,688	5,769	18,923	29,380	(5,740)	23,640
Centralized and corporate expenses						5,893
						17,747
Net interest expense, debt and lease liability						1,117
Depreciation and amortization						12,626
Net gain on sale						(2,207)
Other income						(1,770)
Restructuring and other (income) expense, net						5,426
Share of loss from joint ventures and associates						5,467
Income tax expense						(3,758)
Net loss for the year						846

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

30. SEGMENT DISCLOSURE (CONTINUED)

The following segment information is for the years ending December 31, 2021 and 2020:

Year ended December 31, 2020 (thousands of dollars)	Environmental and Property Information	Commodity Information	Community Media	Total Operations	Joint Ventures and Associates	IFRS Total
	$	$	$	$	$	$
Revenue	26,571	45,304	111,604	183,479	(32,175)	151,304
Divisional earnings before interest, taxes, depreciation, and amortization	1,371	10,476	23,481	35,328	(6,819)	28,509
Centralized and corporate expenses						5,568
						22,941
Net interest expense, debt and lease liability						2,190
Depreciation and amortization						12,152
Impairment expense						23,505
Other income						(3,014)
Restructuring and other expense, net						5,796
Share of earnings from joint ventures and associates						(3,309)
Income tax recovery						362
Net loss for the year						(14,741)

The Company operates in the following main geographical areas:

(thousands of dollars)	2021	2020
	$	$
Canada	134,709	131,741
United States	29,853	19,563
Total revenue	164,562	151,304

31. FINANCIAL INSTRUMENTS

Financial risk management

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

(a) Market risk

(i) Foreign exchange risk

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

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

31. FINANCIAL INSTRUMENTS (CONTINUED)

An assumed $0.01 increase in the USD/CAD foreign exchange rate during the year ended December 31, 2021 would have less than $0.1 million (2020: 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, 2021 would have a less than $0.1 million (2020: $0.1 million) impact on pre-tax net income. An assumed 100 basis points decrease would have had an equal but opposite effect on pre-tax net income.

(b) Credit risk

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

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

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

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

The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity. As at December 31, 2021, 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, 2021, the Company had trade receivables of $29.8 million (2020: $25.1 million), net of allowance for doubtful accounts of $0.9 million (2020: $1.1 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.

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

31. FINANCIAL INSTRUMENTS (CONTINUED)

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.

	2021		2020	
	Gross	Impairment	Gross	Impairment
	$	$	$	$
Not past due	19,961	(8)	13,479	(11)
Past due 0 - 30 days	4,297	(12)	5,145	(17)
Past due 30 - 60 days	2,035	(27)	2,539	(33)
Past due > 60 days	3,522	(875)	3,917	(1,070)

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

(thousands of dollars)	2021	2020
	$	$
Balance, beginning of year	(1,131)	(992)
Impairment loss, net of recoveries	209	(139)
Balance, end of year	(922)	(1,131)

(c) Liquidity risk

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

The Company manages liquidity by maintaining adequate cash balances and by having appropriate lines of credit available. In addition, the Company continuously monitors and reviews both actual and forecasted cash flows. Management believes that future cash flow from operations and the availability under existing banking arrangements will be adequate to support its financial liabilities. The Company continues to monitor costs and restructure accordingly to maintain sufficient levels of profitability and cash flow.

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

Fair value

The Company's cash and cash equivalents, trade and other receivable, trade and other payables, debt and other current and non-current liabilities are classified as measured at amortized cost, and other investments are classified as measured at FVOCI. The carrying amounts of these instruments at December 31, 2021 approximate fair value.

31. FINANCIAL INSTRUMENTS (CONTINUED)

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.

32. CAPITAL DISCLOSURES

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

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

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

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

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

The Company is also subject to financial covenants, in its operating credit facility agreement, which are measured on a quarterly basis. The Company is in compliance with all financial covenants at December 31, 2021 and 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.

CORPORATE OFFICE

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