

GLACIER MEDIA INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

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

FORWARD-LOOKING STATEMENTS

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

The report is dated November 13, 2020 and includes information up to this date.

Glacier Media Inc.'s Interim Report, including this MD&A contains forward-looking statements that relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates and can generally be identified by the use of statements that include phrases such as "believe", "expected", "anticipate", "intend", "plan", "likely", "will", "may", "could", "should", "would", "suspect", "outlook", "estimate", "forecast", "objective", "continue" (or the negative thereof) or similar words or phrases. These forward-looking statements include, among other things, statements relating to our expectations regarding revenues, expenses, cash flows, future profitability and the effect of our strategic initiatives and restructuring, including our expectations to grow certain operations, to invest in key strategic areas, to realize cost efficiencies, to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements, that future cash flow from operations and the availability under existing banking arrangements are believed to be adequate to support financial liabilities, that the Company can renegotiate its credit facilities as needed, our expectations regarding continued federal government wage subsidies at reduced levels; the expectation that the effects of the COVID-19 pandemic will be temporary in nature and the Company's expectation that revenues will recover as the pandemic abates; the Company's belief that it has adequate liquidity to operate at lower revenue levels during the pandemic; and that the Company expects to be successful in its objection with CRA. These forward-looking statements are based on certain assumptions, including continued economic growth and recovery and the realization of cost savings in a timely manner and in the expected amounts, which are subject to risks, uncertainties and other factors which may cause results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, and undue reliance should not be placed on such statements.

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

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

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

BASIS OF DISCUSSION AND ANALYSIS

The following management discussion and analysis of the financial condition and results of operations of the Company and other information is dated as at November 13, 2020 and should be read in conjunction with the

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

Company's condensed interim consolidated financial statements and notes thereto as at and for the period ended September 30, 2020. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable to interim financial reports including IAS 34 – Interim Financial Reporting. These condensed interim consolidated financial statements include only significant events and transactions affecting the Company during the current fiscal period and do not include all disclosures normally provided in the Company's annual consolidated financial statements. As a result, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the period ended December 31, 2019 and related MD&A which can be obtained on the Company's website: www.glaciermedia.ca and on the System for Electronic Document Analysis and Retrieval ("SEDAR"). Interim results are not necessarily indicative of the results expected for the fiscal year.

NON-IFRS MEASURES

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

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

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

OVERVIEW OF THE BUSINESS

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

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

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

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

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

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

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

ENVIRONMENTAL AND PROPERTY INFORMATION



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



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



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

COMMODITY INFORMATION



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



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

COMMUNITY MEDIA



DIGITAL MEDIA

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

GLACIER MEDIA INC.
MANAGEMENT'S DISCUSSION & ANALYSIS



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



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



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

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



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

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

COMMUNITY MEDIA NEWSPAPER GROUP



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

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

GLACIER MEDIA INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

OPERATING PERFORMANCE HIGHLIGHTS

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

(thousands of dollars)	Revenue		EBITDA	
	Three months ended September 30,			
	2020	2019	2020	2019
	\$	\$	\$	\$
Environmental and Property Information	6,760	6,012	1,566	678
Commodity Information	10,801	17,508	2,194	2,012
Community Media	25,307	35,207	7,978	2,766
Centralized and corporate costs	-	-	(1,594)	(2,010)
Total including joint ventures and associates ⁽¹⁾	42,868	58,727	10,144	3,446
Joint ventures and associates	(7,554)	(10,471)	(1,567)	(1,357)
Total IFRS	35,314	48,256	8,577	2,089

(thousands of dollars)	Revenue		EBITDA	
	Nine months ended September 30,			
	2020	2019	2020	2019
	\$	\$	\$	\$
Environmental, Property and Financial Information	18,561	20,114	2,279	3,298
Commodity Information	33,491	43,180	8,022	5,855
Community Media	81,262	109,557	15,656	8,967
Centralized and corporate costs	-	-	(4,633)	(5,683)
Total including joint ventures and associates ⁽¹⁾⁽²⁾	133,314	172,851	21,324	12,437
Joint ventures and associates	(23,720)	(34,660)	(4,623)	(6,103)
Total IFRS	109,594	138,191	16,701	6,334

(thousands of dollars, except share and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
EBITDA including joint ventures and associates ⁽¹⁾⁽²⁾	\$ 10,144	\$ 3,446	\$ 21,324	\$ 12,437
EBITDA including joint ventures and associates per share ⁽¹⁾⁽²⁾	\$ 0.08	\$ 0.03	\$ 0.17	\$ 0.11
EBITDA	\$ 8,577	\$ 2,089	\$ 16,701	\$ 6,334
EBITDA per share ⁽³⁾	\$ 0.07	\$ 0.02	\$ 0.13	\$ 0.06
Capital expenditures ⁽³⁾	\$ 999	\$ 1,992	\$ 3,536	\$ 8,540
Weighted average shares outstanding, net	125,213,346	122,036,089	125,213,346	113,942,566

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

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

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

GLACIER MEDIA INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

SIGNIFICANT DEVELOPMENTS IN Q3 2020, OPERATING HIGHLIGHTS AND OUTLOOK

Impact of COVID and Actions Taken

The Company's consolidated revenues were off 26.8% for the quarter ending September 30, 2020 as compared to the same period in the prior year, as a result of the impact of the COVID pandemic, the resulting restrictions and cut-back in consumer and business activity.

EBITDA for the Company including joint ventures and associates was \$2.4 million for the quarter before wage subsidies. Wage subsidies from the Canadian Emergency Wage Subsidy ("CEWS") were \$7.7 million recorded for the quarter including joint ventures and associates. EBITDA including joint ventures and associates was \$10.1 million including the CEWS funding.

The \$2.4 million included 1) six months of new Aid to Publishers ("ATP") funding received from the federal government, including three months of funding for the prior quarter and 2) the operating losses incurred from the conversion of the two outdoor farm shows to virtual shows that Glacier FarmMedia runs once a year in July and September. After adjusting for the extra quarter of ATP funding and the losses, EBITDA including joint ventures and associates for the quarter was \$2.7 million excluding wage subsidies.

The federal government announced that the CEWS will continue until at least June 2021, but at significantly reduced levels (a reduction of more than 70% currently, with the level of reduction increasing in phases).

EBITDA was \$1.4 million excluding joint ventures and associates before wage subsidies, and \$8.6 million including wage subsidies.

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

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

RELATED PARTY TRANSACTION

On July 7, 2020, GVIC Communications Corp. ("GVIC"), an affiliated company of Glacier, sold a 45% non-controlling interest in its ERI and STP businesses (ERI Environmental Risk LP) to Madison Venture Corporation ("Madison"). GVIC received \$11 million in cash and retained 100% of the cash flow of the businesses relating to the 45% interest for two years. A \$1.6 million deferred consideration receivable has been recorded with respect to the additional cash flows being received over two years. The transaction reflected a value of \$28 million for the ERI Environmental Risk businesses. The transaction allows Madison to acquire an additional 4% interest in the businesses at the acquisition date pricing and an additional 2% at fair market value, and includes a mutual right of first refusal. There is a buy/sell provision that is exercisable after three years that allows either party to offer to acquire the other party's interest at fair market value.

The Company considered a variety of financial restructuring options with the objective of raising sufficient capital in the time required while preserving financial value for shareholders. Selling part of an asset at the valuation attained in the time required was deemed significantly more favourable for shareholders than raising equity at current market prices, or attempting to sell an entire asset to a third-party during the pandemic. The

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

transaction allowed GVIC to retain ownership in the businesses, retain 100% of the cash flow for operating and debt service needs, maintain operating scale, and have the opportunity to repurchase the interest sold in the future.

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

Due to the financial impact of the pandemic and the level of the Company's leverage prior to the transaction, the Company requested and received temporary covenant relief from its lenders and worked with its banking syndicate to implement a financial restructuring plan that would provide access to sufficient ongoing liquidity with which to operate through the pandemic. As a result of the transaction, the banking agreement was amended to provide ongoing additional borrowing capacity.

Outlook and Operating Highlights

The Company has been working to strengthen its financial position and operating profitability during the pandemic. Revenues have been impacted significantly, and it is unclear how the pandemic will continue to unfold and affect conditions for the market in general and the Company's businesses in particular.

The extensive measures taken to reduce operating expenses were implemented to ensure the Company's businesses can operate profitably at the reduced revenue levels without the wage subsidy. It was unclear initially as to how long and how much subsidy would be received. The subsidies have helped, but are, as of September, at much lower levels. The wage roll-backs have been viewed as temporary measures that are not sustainable for a prolonged period. Alternative cost savings initiatives have been pursued and management and staff have been working hard to generate higher levels of revenue to allow the wage roll-backs to be reversed as much as possible.

The Company is now in a significantly stronger financial position with which to 1) operate at the lower levels of revenue and profitability currently being experienced, 2) have the financial capacity to handle restructuring costs required, weaker receivables and other cash obligations and 3) withstand further economic uncertainty, additional waves of the pandemic and any related impact on revenues and cash flow.

OPERATING HIGHLIGHTS

While the pandemic is still affecting the Company's businesses to varying degrees, the Company's digital media, data, and information businesses have held up relatively well. The underlying fundamentals and value of these products have proven resilient despite the challenging market conditions.

Revenues have begun to recover in a number of areas and are gradually improving on an overall basis. The 26.8% decline in consolidated revenues for the third quarter was an improvement from the 32% decline in the second quarter. Third quarter revenues were impacted significantly by the cancellation of the Company's two outdoor farm shows in July and September. Virtual shows were run instead, which attracted a large audience and offered good value to attendees and sponsors, but had significantly less revenue.

Q3 HIGHLIGHTS:

- Local Digital Media revenues, including a partial interest in Village Media, were off only 1% for the quarter compared to the same period in the prior year, an improvement from the 10% year-over-year decline in the second quarter.

GLACIER MEDIA INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

- Efforts to adjust sales focus and product offerings and pivot to areas of demand have been effective in maintaining digital revenues and providing marketing results for advertisers during the pandemic.
- Digital audience growth was strong as the Company's Local News Network monthly page views grew 23% vs. last year. This growth continued a consistent pre-COVID trend and accelerated due to the focus on local news and COVID related issues.
- Environmental and Property Information revenues were up 12% during the quarter compared to the same period in the prior year.
 - REW (the Company's residential real estate portal) had record traffic and revenues were up 50% in the quarter as the residential real estate market rebounded.
 - STP and ERIS were up 6% in revenue during the quarter.
- Glacier FarmMedia revenues decreased 44% as compared to the same period in the prior year as a result of the conversion of the farm shows to virtual from outdoor. Revenues were off 14% during the quarter excluding the farm shows. Demand for food and agricultural output has remained strong during the pandemic.
- The energy and mining group revenues were off 15%, a significant improvement from the 25% decline in the second quarter. Significant cost reductions have offset the decline in revenues.
- Print community media advertising revenues, including joint ventures and associates, were off 30% for the quarter compared to last year, an improvement from the 49% year-over-year decline in Q2. Operating costs have been reduced significantly in response to the revenue declines. The federal government Aid to Publishers ("ATP") program was expanded to include non-paid publications. The majority of the Company's publications are free distribution, so the expansion of the ATP program helped offset the revenue declines in these markets.
- Overall, the Company's operating profitability is improving. Consolidated EBITDA including joint ventures and associates was \$2.4 million for the quarter excluding wage subsidies.

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.

Print advertising revenues have declined the most, but are improving. They are expected to recover further from current levels in the near term then continue their secular decline. The Company is planning for the financial costs relating to newspaper restructurings that may be required in the future. It owns real estate in some of its newspaper markets that can be sold to partially offset these costs. The new ATP program will help extend the life of the newspapers if it continues.

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

Overall, the Company expects that as time progresses, and the pandemic abates, revenues will recover. Due to the uncertainty surrounding the continued magnitude and impact of the COVID pandemic on the economy, 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 inflection point where 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 had made good progress in this regard in the first two months of the first quarter of 2020 before the impact of the pandemic set in. The Company can operate at lower levels of revenue from its digital media, data and information operations in the future and generate strong profit and cash flow without print newspapers.

GLACIER MEDIA INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

Q3 2020 OPERATIONAL PERFORMANCE

Consolidated revenue for the period ending September 30, 2020 was \$35.3 million, down \$12.9 million or 26.8% from the same period in the prior year. Consolidated EBITDA was \$8.6 million for the period, up \$6.5 million from the same period in the prior year. Including the Company's share of joint ventures and associates, revenue was \$42.9 million, down \$15.9 million or 27.0% and EBITDA was \$10.1 million, up \$6.7 million.

The Company recorded wage subsidies from the Canadian Emergency Wage Subsidy of \$7.1 million for the quarter. Consolidated EBITDA was \$1.4 million excluding the wage subsidy and the Company's share of joint ventures and associates.

The federal government announced that the wage subsidy program will continue until June 2021, but at reduced levels (a reduction of more than 70% currently, with the level of reduction increasing in phases).

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

The Company is monitoring conditions on an ongoing basis and will respond accordingly. Revenues have been recovering gradually, and the Company is working to maintain sufficient levels of operating income within these levels, and making concerted efforts to bring revenues back further and increase profits and cash flow.

While costs have been reduced, the Company is trying as much as possible to avoid the adverse impact of laying off capable staff that are required to maintain product quality, sales capacity, customer service, sufficient handling of workload and general operating effectiveness. The objective is to be in as strong a competitive and market position as possible as the pandemic abates. The implementation of wage roll-backs was intended to allow more staff to remain employed. As stated, the Company expects to reverse the wage roll-backs as revenues are increased and alternative cost savings are realized.

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

Financial Position. As at September 30, 2020, senior debt was \$8.0 million, and total current and long-term debt was \$10.6 million, down from \$26.5 million as at June 30, 2020. The Company's consolidated non-recourse, non-mortgage debt is in a nil position net of cash on hand as a result of significant debt repayment in 2019.

The Company's revolving facility has been classified as current based on its maturity date. The Company expects to renegotiate its banking agreement well before maturity.

The Company has \$2.2 million of deferred purchase price obligations owing over the next year and a \$7.5 million vendor-take back receivable over the next three years resulting from the sale of the Company's interest in Fundata.

REVENUE

Glacier's consolidated revenue for the period ended September 30, 2020 was \$35.3 million compared to \$48.3 million for the same period in the prior year.

ENVIRONMENTAL AND PROPERTY INFORMATION

The Environmental and Property Information group generated revenue of \$6.8 million for the period ended September 30, 2020, as compared to \$6.0 million for the same period in the prior year, or an increase of 12.4%.

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

REW (the Company's residential real estate portal) had record traffic and revenues increased 50% over the same quarter in the prior year. ERIS and STP's revenues increased 6% over the same quarter in the prior year.

COMMODITY INFORMATION

The Commodity Information group generated revenue of \$10.8 million for the period ended September 30, 2020, as compared to \$17.5 million for the same period in the prior year, or a decline of 38.3%.

Glacier FarmMedia revenues were impacted by both COFS and AIM holding virtual shows instead of in-person shows. The virtual shows generated revenues of \$5.1 million less than the in-person shows did in 2019. Management is confident that revenues will recovery once the pandemic has receded.

COMMUNITY MEDIA

(thousands of dollars)	Revenue		EBITDA	
	Three months ended September 30,		September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Community Media including joint ventures and associates	25,307	35,207	7,978	2,766
Joint ventures and associates	(7,554)	(10,471)	(1,567)	(1,357)
Community Media IFRS	17,753	24,736	6,411	1,409

(thousands of dollars)	Revenue		EBITDA	
	Nine months ended September 30,		September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Community Media including joint ventures and associates	81,262	109,557	15,656	8,967
Joint ventures and associates	(23,720)	(32,178)	(4,623)	(4,769)
Community Media IFRS	57,542	77,379	11,033	4,198

The Community Media Group generated \$17.8 million of revenue, down 28.2% for the period ended September 30, 2020, as compared to \$24.7 million for the same period in the prior year.

Including the Company's share of joint ventures and associates, the Community Media Group's revenue was \$25.3 million, as compared to \$35.2 million for the same period in the prior year, or a decline of 28.1%.

While print advertising revenues caused the majority of the decline, they have recovered gradually during the pandemic. Print revenues, including joint venture and associates, were down 30% for the quarter compared to last year, an improvement from the 49% year-over-year decline in the second quarter.

DIGITAL MEDIA

Local Digital Media revenues continued to hold up well in the quarter, 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 quarter due to the focus on local news and COVID related issues.

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

GROSS PROFIT

Glacier's consolidated gross profit, being revenues less direct expenses, for the period ended September 30, 2020 was \$17.7 million as compared to \$11.9 million for the same period in the prior year. Gross profit was affected by the drop in revenues related COVID-19, but was offset by the CEWS funds (which were recorded as an offset to wage expense).

Gross profit as a percentage of revenues ("gross profit margin") for the period ended September 30, 2020 was 50.2% as compared to 24.6% for the same period in the prior year.

GENERAL & ADMINISTRATIVE EXPENSES

Glacier's consolidated general and administrative expenses were \$9.2 million for the period ended September 30, 2020, down from \$9.8 million for the same period in the prior year. The reduction in administrative costs was a result of cost savings and the CEWS funds, which were recorded as a reduction of wage expenses. Senior management and staff wage roll-back, permanent and temporary lay-offs and reduced working hours reduced overall wage expense.

EBITDA

EBITDA was \$8.6 million for the period ended September 30, 2020 as compared to \$2.1 million for the same period in the prior year. The results are due to the various reasons stated under "Revenue, Gross Profit and General & Administrative Expenses". Most noticeable is the amounts recorded in Q3 from Canada's Emergency Wage Subsidy program. The result of this is a positive EBITDA in Q3 despite the financial hardship and decline discussed in the preceding paragraphs.

NET INTEREST EXPENSE, DEBT

Glacier's consolidated net interest expense for the period ended September 30, 2020 was \$0.4 million as compared to \$0.5 million for the same period in the prior year. The lower interest expense recorded during the period was mainly due to the reduction of debt between the two periods.

INTEREST EXPENSE, LEASE LIABILITIES

Interest expense relating to lease liabilities for the period ended September 30, 2020 was \$0.1 million as compared to \$0.2 million for the same period in the prior year.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization decreased \$0.5 million as the results of certain amortizing intangible assets becoming fully amortized in the prior year.

NET GAIN ON SALE

In prior year's nine months ending September 30, 2019, the Company recognized a \$47.7 million gain on the sale of the Company's interest in Fundata.

IMPAIRMENT EXPENSE

No new indicators of impairment were identified at September 30, 2020; therefore, no impairment expense was recorded for the period ended September 30, 2020. An impairment charge of \$9.1 million was recorded during the period ended June 30, 2020 and \$10.9 million during the period ended March 31, 2020.

RESTRUCTURING AND OTHER EXPENSES (NET)

Restructuring and other expenses (net) for the period ended September 30, 2020 were \$2.1 million compared to \$1.7 million for the same period in the prior year. These expenses include restructuring costs (from the

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

closure or divestiture of operations, or part of operations; including severance, redundant office costs and other direct closure costs during transition periods), transaction costs, foreign exchange, other income and other expenses.

SHARE OF EARNINGS FROM JOINT VENTURES AND ASSOCIATES

Share of earnings from joint ventures and associates, which include the Company's share of Continental Newspapers Ltd. ("Continental"), Great West Newspapers Limited Partnership ("GWNLP"), the Victoria Times-Colonist ("VTC"), Rhode Island Suburban Newspapers, Inc. ("RISN"), Village Media Inc. ("Village") and other joint ventures and associates, decreased \$0.2 million as compared to the same period in the prior year. Included in this increase is the CEWS received in the joint ventures and associates. The Company's share of Fundata's results have been included in the share of earnings from joint ventures and associates up to March 31, 2019. In April 2019, the Company sold its interest in Fundata.

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

	Three months ended	
	September 30, 2020	September 30, 2019
	\$	\$
Revenues	7,554	10,471
EBITDA	1,567	1,357
Net income for the period	303	462
	Nine months ended	
(thousands of dollars)	September 30, 2020	September 30, 2019
	\$	\$
Revenues	23,720	34,660
EBITDA	4,623	6,103
Net income for the period	1,067	3,152
	As at	
(thousands of dollars)	September 30, 2020	December 31, 2019
	\$	\$
Assets	67,567	64,041
Liabilities	19,864	16,765
Net assets	47,703	47,276

NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Net income attributable to non-controlling interest increased by \$1.1 million as the result of the sale of 45% of ERI Environmental Risk LP and the impact CEWS had on net income of subsidiaries with non-controlling interests.

NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS

Net income attributable to common shareholders increased \$4.3 million compared to the same period in the prior year. The change resulted from i) increased operating results of \$6.5 million, ii) lower interest expense of \$0.1 million, and iii) lower depreciation and amortization of \$0.5 million. This was partially offset by i) increased restructuring and other expenses of \$0.4 million, ii) lower share of earnings from joint ventures and associates of \$0.2 million, iii) higher non-controlling interest of \$1.1 million and iv) increased income tax expense of \$1.1 million, from a recovery in the prior year.



GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

OTHER COMPREHENSIVE (LOSS) INCOME (NET OF TAX)

For the period ended September 30, 2020, Glacier recognized other comprehensive income (net of tax) of \$0.2 million. The income related to the mix of actuarial gain 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 \$6.6 million (before changes in non-cash operating accounts) for the period ended September 30, 2020 as compared to \$0.8 million for the same period in the prior year. The change in cash flow from operations was primarily the result of the factors stated under "Revenue, Gross Profit, General & Administrative Expenses and EBITDA".

Capital expenditures were \$1.0 million in the period as compared to \$2.0 million for the same period in the prior year. The majority of the current year expenditures relate to the development and implementation of software and websites, content development and data acquisition. Prior year capital expenditures related to the agricultural show site development, leasehold improvements and software development.

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

CONTINGENCY

During 2014-2018 an affiliate of the Company ("the affiliate") has received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessments and assessments relating to the taxation years 2008-2017. The notices deny the application of non-capital losses, capital losses, scientific research and experimental development ("SR&ED") pool deductions and SR&ED tax credits claimed. As a result additional taxes payable including interest and penalties are assessed at approximately \$59.1 million. The affiliate has filed notices of objection with the CRA and provincial taxing authorities and has substantially paid the required deposits, which has been recorded in Other assets.

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

GLACIER MEDIA INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

SELECTED FINANCIAL INFORMATION

The following outlines selected financial statistics and performance measures for Glacier, on an IFRS basis (other than the non-IFRS measures noted) for the periods ended September 30, 2020 and 2019:

(thousands of dollars) except share and per share amounts	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Revenue	\$ 35,314	\$ 48,256	\$ 109,594	\$ 138,191
Gross profit ⁽²⁾	\$ 17,739	\$ 11,877	\$ 42,152	\$ 35,856
Gross margin	50.2%	24.6%	38.5%	25.9%
EBITDA ⁽¹⁾	\$ 8,577	\$ 2,089	\$ 16,701	\$ 6,334
EBITDA margin ⁽¹⁾	24.3%	4.3%	15.2%	4.6%
EBITDA per share ⁽¹⁾	\$ 0.07	\$ 0.02	\$ 0.13	\$ 0.06
Net interest expense, debt	\$ 391	\$ 460	\$ 1,335	\$ 2,185
Net (loss) income attributable to common shareholders	\$ 1,133	\$ (3,166)	\$ (18,892)	\$ 35,415
Net (loss) income attributable to common shareholders per share	\$ 0.01	\$ (0.03)	\$ (0.15)	\$ 0.31
Cash flow from operations	\$ 6,601	\$ 802	\$ 12,915	\$ 3,872
Cash flow from operations per share	\$ 0.05	\$ 0.01	\$ 0.10	\$ 0.03
Capital expenditures ⁽³⁾	\$ 999	\$ 1,992	\$ 3,536	\$ 8,540
Total assets	\$ 255,828	\$ 270,883	\$ 255,828	\$ 270,883
Total non-current financial liabilities	\$ 11,508	\$ 30,360	\$ 11,508	\$ 30,360
Equity attributable to common shareholders	\$ 164,699	\$ 175,641	\$ 164,699	\$ 175,641
Weighted average shares outstanding, net	125,213,346	122,036,089	125,213,346	113,942,566

Notes:

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

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

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

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

- Operating performance of the Company's various business units and general market conditions during the reported periods;
- The varying impact of COVID-19 on the Company's operations' revenues and expenses. As a result of COVID-19, the Company implemented senior management and staff wage roll-back, permanent and temporary lay-offs and reduced working hours reduced overall wage expense;
- The \$7.1 million of CEWS as an offset to wage expense in the period ended September 30, 2020;
- In July 2020, the sale of a 45% non-controlling interest in ERI Environmental Risk LP for \$11.0 million of cash and \$1.6 million receivable over the next two years. This was accounted for as an equity transaction and was recorded as contributed surplus of \$11.1 million, net of the tax impact of \$1.1 million, and non-controlling interest of \$0.4 million;
- Revenues continue to be impacted by declining print advertising revenue and the cyclical nature of certain of Glacier's businesses, including the low price of oil and fluctuating conditions in the agriculture industry. This is partially being offset by the increase in community media digital revenue;
- In July 2019, the Company completed a private placement of 15,384,615 common shares at a price of \$0.65 per share for gross proceeds of \$10.0 million; and
- Fluctuations in restructuring expenses including severance payments, transaction and transition expenses, and other amounts related to the closure and sale of certain community media assets.

GLACIER MEDIA INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

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	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Revenue	\$ 156,193	\$ 35,314	\$ 30,999	\$ 43,281	\$ 46,599
EBITDA ⁽¹⁾	\$ 18,334	\$ 8,577	\$ 6,191	\$ 1,933	\$ 1,633
EBITDA margin ⁽¹⁾	11.7%	24.3%	20.0%	4.5%	3.5%
EBITDA per share ⁽¹⁾	\$ 0.15	\$ 0.07	\$ 0.05	\$ 0.02	\$ 0.01
Net interest expense, debt	\$ 1,669	\$ 391	\$ 502	\$ 442	\$ 334
Net (loss) income attributable to common shareholders	\$ (20,058)	\$ 1,133	\$ (7,816)	\$ (12,209)	\$ (1,166)
Net (loss) income attributable to common shareholders per share	\$ (0.16)	\$ 0.01	\$ (0.06)	\$ (0.10)	\$ (0.01)
Cash flow from operations	\$ 12,913	\$ 6,601	\$ 5,832	\$ 482	\$ (2)
Cash flow from operations per share	\$ 0.10	\$ 0.05	\$ 0.05	\$ 0.00	\$ 0.00
Capital expenditures	\$ 4,761	\$ 999	\$ 1,214	\$ 1,323	\$ 1,225
Equity attributable to common shareholders	\$ 164,699	\$ 164,699	\$ 152,340	\$ 162,881	\$ 176,953
Weighted average shares outstanding, net	125,213,346	125,213,346	125,213,346	125,213,346	125,213,346

	Trailing 12 Months	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Revenue	\$ 186,760	\$ 48,256	\$ 45,673	\$ 44,262	\$ 48,569
EBITDA ⁽¹⁾	\$ 9,817	\$ 2,089	\$ 2,284	\$ 1,961	\$ 3,483
EBITDA margin ⁽¹⁾	5.3%	4.3%	5.0%	4.4%	7.2%
EBITDA per share ⁽¹⁾	\$ 0.09	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.03
Net interest expense, debt	\$ 2,885	\$ 460	\$ 834	\$ 891	\$ 700
Net income (loss) attributable to common shareholders	\$ 36,274	\$ (3,166)	\$ 40,057	\$ (1,476)	\$ 859
Net income (loss) attributable to common shareholders per share	\$ 0.32	\$ (0.03)	\$ 0.36	\$ (0.01)	\$ 0.01
Cash flow from operations	\$ 6,446	\$ 802	\$ 1,370	\$ 1,700	\$ 2,574
Cash flow from operations per share	\$ 0.06	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02
Capital expenditures	\$ 10,603	\$ 1,992	\$ 1,701	\$ 4,847	\$ 2,063
Equity attributable to common shareholders	\$ 175,641	\$ 175,641	\$ 168,891	\$ 130,061	\$ 132,033
Weighted average shares outstanding, net	112,905,654	122,036,089	109,828,731	109,828,731	109,828,731

Notes:

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

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

- Operating performance of the Company's various business units, including cost-reduction initiatives and general market conditions during the reported periods;
- The impact of COVID-19 on certain of the Company's operations' revenues and expenses for the periods ended September 30, 2020, June 30, 2020 and March 31, 2020. As a result of COVID-19, the Company implemented senior management and staff wage roll-back, permanent and temporary lay-offs and reduced working hours reduced overall wage expense at the end of March 2020;
- The \$7.1 million of CEWS as an offset to wage expense in the period ended September 30, 2020, \$8.8 million in the period ended June 30, 2020 and \$0.6 million in the period ended March 31, 2020;
- In July 2020, the sale of a 45% non-controlling interest in ERI Environmental Risk LP for \$11.0 million of cash and \$1.6 million receivable over the next two years. This was accounted for as an equity transaction and was recorded as contributed surplus of \$11.1 million, net of the tax impact of \$1.1 million, and non-controlling interest of \$0.4 million;
- An impairment charge of \$9.1 million during the period ended June 30, 2020 and \$10.9 million during the period ended March 31, 2020;
- In July 2019, the Company completed a private placement of 15,384,615 common shares at a price of \$0.65 per share for gross proceeds of \$10.0 million;

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

- The sale of Fundata in April 2019, resulting in a gain on sale of \$47.6 million. The sale price was \$55.0 million, \$45.0 million cash was received up front with the remaining \$10.0 million receivable over four years;
- The acquisition of Castanet Media in April 2019, for a purchase price of \$22.0 million. \$19.0 million was paid up front with the remaining payable over two years; and
- The adoption of IFRS 16 Leases changes the accounting treatment for leases from operating lease. Previously, leases were off balance sheet with operating costs recorded in general and administrative expenses. Effective January 1, 2019, leases are recorded as right-of-use assets with a related lease liability and are expensed through depreciation and interest expense.

EBITDA RECONCILIATION

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

(thousands of dollars) except share and per share amounts	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net (loss) income attributable to common shareholders	\$ 1,133	\$ (3,166)	\$ (18,892)	\$ 35,415
Add (deduct):				
Non-controlling interests	\$ 1,343	\$ 231	\$ 1,877	\$ 2,375
Net interest expense, debt	\$ 391	\$ 460	\$ 1,335	\$ 2,185
Interest expense, lease liability	\$ 146	\$ 170	\$ 459	\$ 504
Depreciation and amortization	\$ 3,050	\$ 3,516	\$ 9,139	\$ 10,614
Net gain on sale	\$ -	\$ -	\$ -	\$ (47,713)
Impairment expense	\$ -	\$ -	\$ 19,964	\$ -
Restructuring and other expenses (net)	\$ 2,106	\$ 1,686	\$ 4,620	\$ 4,306
Share of earnings from joint ventures and associates	\$ (303)	\$ (462)	\$ (1,067)	\$ (3,152)
Income tax (recovery) expense	\$ 711	\$ (346)	\$ (734)	\$ 1,800
EBITDA ⁽¹⁾	<u>\$ 8,577</u>	<u>\$ 2,089</u>	<u>\$ 16,701</u>	<u>\$ 6,334</u>
Weighted average shares outstanding, net	<u>125,213,346</u>	<u>122,036,089</u>	<u>125,213,346</u>	<u>113,942,566</u>
Net (loss) income attributable to common shareholders per share	<u>\$ 0.01</u>	<u>\$ (0.03)</u>	<u>\$ (0.15)</u>	<u>\$ 0.31</u>
EBITDA per share ⁽¹⁾	<u>\$ 0.07</u>	<u>\$ 0.02</u>	<u>\$ 0.13</u>	<u>\$ 0.06</u>

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 September 30, 2020, Glacier had consolidated cash and cash equivalents of \$12.9 million, current and long-term debt of \$10.7 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of \$15.8 million excluding deferred revenue (this includes the Company's revolving facility which has been classified as current based on its maturity date. The Company expects to renegotiate its banking agreement well before maturity). Glacier's actual cash working capital is greater than reflected by the amounts indicated on the consolidated balance sheet due to deferred revenue relating to renewals and subscriptions that have been paid for by subscribers but not yet delivered; and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities.

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

Capital expenditures were \$1.0 million in the period as compared to \$2.0 million for the same period in the prior year. The majority of the current year expenditures relate to the development and implementation of software and websites, content development and data acquisition. Prior year capital expenditures related to the agricultural show site development, leasehold improvements and software development.

CHANGES IN FINANCIAL POSITION

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash generated from (used in)				
Operating activities	10,038	1,970	12,660	1,599
Investing activities	(1,485)	(2,199)	(2,564)	18,386
Financing activities	(6,836)	646	(2,358)	(18,258)
Increase in cash	1,717	417	7,738	1,727

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

OPERATING ACTIVITIES

Glacier generated cash flow from operations before changes in non-cash operating accounts of \$6.6 million for the period ended September 30, 2020 as compared to \$0.8 million for the same period in the prior year as a result of the factors stated under Revenue, Gross Profit, General & Administrative Expenses and EBITDA. Cash flow generated from operations after changes in non-cash working capital was \$10.0 million compared to \$2.0 million for the same period in the prior year.

INVESTING ACTIVITIES

Cash used in investing activities totalled \$1.5 million for the period ended September 30, 2020 as compared to \$2.2 million for the same period in the prior year. Investing activities included \$1.0 million of capital expenditures, distributions received of \$0.3 million and other investing activities \$0.7 million.

FINANCING ACTIVITIES

Cash used in financing activities was \$6.8 million for the period ended September 30, 2020 as compared to cash generated of \$0.6 million for the same period in the prior year. The Company had net repayments of \$16.0 million, proceeds from the sale of non-controlling interest in a subsidiary of \$11.0 million, distributions to non-controlling interests of \$0.6 million, interest paid on long-term debt of \$0.4 million, interest paid on lease liabilities of \$0.2 million and principal repayment of lease liabilities of \$0.8 million. The comparative period included the issuance of common shares of \$10.0 million.

OUTSTANDING SHARE DATA

As at September 30, 2020 and November 13, 2020 there were 125,213,346 common shares and 1,115,000 share purchase warrants outstanding.

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

CONTRACTUAL AGREEMENTS

As at September 30, 2020, the Company has agreements with a syndicate of major Canadian banks whereby the lenders provide a revolving loan facility with no required principal repayments during its term.

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

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

(thousands of dollars)	Total	2020	2021	2022	2023	2024	Thereafter
	\$	\$	\$	\$	\$	\$	\$
Long-term debt	10,608	53	8,182	297	295	154	1,627
Undiscounted lease liabilities	11,983	972	3,403	2,517	1,832	1,311	1,948
	22,591	1,025	11,585	2,814	2,127	1,465	3,575

Under various financing arrangements with its banks, the Company, its subsidiaries and its affiliates are required to meet certain covenants. The Company, its subsidiaries and its affiliates were fully in compliance with these covenants at September 30, 2020 and 2019.

FINANCIAL INSTRUMENTS

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

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

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

The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its trade receivables from customers. The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for trade receivables are net of applicable 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, long-term debt, and contractual obligations. The Company manages liquidity by maintaining adequate cash balances and by having appropriate lines of credit available. In addition, the Company continuously monitors and reviews both actual and forecasted cash flows. Management believes that future cash flow from operations and the availability under existing banking arrangements will be adequate to support its financial liabilities. The Company's revolving facility has been classified as current based on its maturity date. The Company's working capital, excluding deferred revenue, is positive. Glacier's actual cash working capital is greater than reflected by the amounts indicated on the consolidated balance sheet due to deferred revenue relating to renewals and subscriptions that have been paid for by subscribers but not yet delivered; and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities. The Company expects to renegotiate its banking agreement well before maturity.

The carrying value of certain financial instruments maturing in the short-term approximates their fair value. These financial instruments include cash and cash equivalents, trade and other receivable, trade and other payables, long-term debt and other current and non-current liabilities are classified as measured at amortized cost, and other investments are classified as measured at fair value through other comprehensive income. The fair values calculated approximate the amounts for which the financial instruments could be settled between



GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS

consenting parties, based on current market data for similar instruments. Consequently, as estimates must be used to determine fair value, they must not be interpreted as being realizable in the event of an immediate settlement of the instruments.

BUSINESS ENVIRONMENT AND RISKS

A comprehensive discussion of Risks and Uncertainties was included in the 2019 Annual Report and can be found on SEDAR. The discussion is applicable for the period ended September 30, 2020.

In addition, since the end of March 2020 several measures have been implemented in Canada and the U.S. in response to the increased impact from novel coronavirus (COVID-19). While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations are expected to continue for some time. The duration and impact on overall customer demand cannot be reasonably estimated at this time, but it is anticipated this may have a further adverse impact on the Company's business, results of operations, financial position and cash flows during the remainder of 2020. See "Significant Developments in Q3 2020, Operating Highlights and Outlook – Impact of Coronavirus and Actions Taken".

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

The Company did not make any changes to its internal controls over financial reporting ("ICFR") during the most recent period ended September 30, 2020 which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

CRITICAL ACCOUNTING ESTIMATES AND UNCERTAINTY

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

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