



GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

2022 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 22, 2023, 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 expectation to continue investment spending at a slower pace and in targeted key strategic areas; the expected effects of cost cutting measures; the expected industry specific softness in 2023; our expectations as to timing of easing of interest rate increases; 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; pressures from increased interest rates will ease in the second half of 2023; 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 geopolitical risks and events, inflation and rising interest rates, 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.

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

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 22, 2023, 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, 2022. 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 and results including joint ventures and associates to measure performance and value for various purposes. Investors are cautioned; however, that EBITDA and/or results including joint ventures and associates should not be construed as an alternative to net income (loss) attributable to common shareholders determined in accordance with IFRS as an indicator of the Company's performance.

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

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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, and Weather Innovations.



The Northern Miner Group ("TNMG") provides essential data, analysis and training solutions that enable companies in the mining industry to innovate and prosper in fast-changing global markets. With significant operations in Vancouver and Toronto, TNMG 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.

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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).



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 licenses its own proprietary community website platform software.



The Local News Collective (which includes Glacier's websites and network partners) is now one of the largest digital advertising 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).

2022 PERFORMANCE AND OUTLOOK

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	
	2022	2021	2022	2021
	\$	\$	\$	\$
Environmental and Property Information	47,290	41,554	176	4,688
Commodity Information	45,373	42,199	3,333	5,769
Community Media	117,240	112,205	8,419	18,923
Centralized and Corporate Costs	-	-	(5,575)	(5,893)
Total Including Joint Ventures and Associates ⁽¹⁾	209,903	195,958	6,353	23,487
Joint Ventures and Associates	(33,891)	(31,396)	(3,270)	(5,740)
Total IFRS	176,012	164,562	3,083	17,747

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(thousands of dollars, except share and per share amounts)	2022	2021
EBITDA including joint ventures and associates ⁽¹⁾	\$ 6,353	\$ 23,487
EBITDA including joint ventures and associates per share ⁽¹⁾	\$ 0.05	\$ 0.18
EBITDA	\$ 3,083	\$ 17,747
EBITDA per share	\$ 0.02	\$ 0.14
Capital expenditures	\$ 4,945	\$ 9,566
Weighted average shares outstanding, net	132,558,408	130,895,835

⁽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.

Consolidated revenue for the year ended December 31, 2022, was \$176.0 million, up \$11.5 million or 7.0% from the same period in the prior year. The increase was primarily the result of growth in most of the Company's businesses due to stronger operating performance from healthy industry conditions, and the return to in-person outdoor agricultural exhibition shows. Growth occurred in the first nine months of 2022, then was partially offset by weakened industry performance in the last few months of 2022, due to general economic uncertainty, and the impact of rising interest rates, and the continued decline of print media.

Consolidated EBITDA for the year was \$3.1 million, down \$14.6 million from \$17.7 million for the prior year. The \$14.6 million decrease was the result of several factors including a) \$5.2 million reduction in the Canadian Emergency Wage Subsidy (which ended in October 2021), b) \$3.0 million related to the share-based compensation plan in certain business units resulting in a non-cash expense, of which \$1.7 million related to the initial implementation of the plan in April 2022, c) increased operating expense investment in several growth areas, d) rising costs related to inflation, and e) supply chain constraints. Profit was also impacted by declining demand for print media, softness affecting the mining operations and agricultural industry consolidation affecting GFM.

Outlook and Operating Highlights

The Company continues to focus on a combination of generating revenue gains in its growth businesses and cost management in its legacy businesses. Operational profits were impacted during the year by continued operating investments made in key strategic development areas. These investments are being scaled back until the economic outlook becomes more certain. The Company is monitoring economic conditions and will respond accordingly as required.

Softness in the residential and commercial real estate markets affected operations in the latter part of the year. Declines in print products reduced profitability during the year, which is largely due to the maturation of the print industry overall. Impairments were recorded within certain operations as a result of the declines in print media. It is expected that industry specific softness will continue into the beginning of 2023 with overall economic uncertainty, inflation, and the impact of increased interest rates. Although uncertain, it is expected that the pressures from increased interest rates will ease in the second half of 2023.

The Company's digital media, data, and information businesses performed relatively well during 2022 and offer continued growth potential for the future. 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 13.8% as compared to the prior year.
 - ERIS had strong revenue growth in the first three quarters, while revenue softened in the fourth quarter. ERIS profited from the strong commercial real estate market until the fourth quarter when rising interest rates negatively impacted the commercial real estate industry. This softness is

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expected to continue into 2023. STP achieved revenue growth throughout 2022 from its new SASS-based regulatory compliance product, RegHub.

- REW's (the Company's residential real estate portal) revenue growth was strong in the first half of the year and then slowed in the second half of 2022 due to rising interest rates and a softer residential real estate market in Canada. This softening trend in the market is expected to continue into 2023 until there is some certainty around economic conditions and interest rates.
- Commodity Information revenues were up 7.5% as compared to the prior year.
 - Both of GFM's outdoor exhibition shows, Ag In Motion and Canada's Outdoor Farm Show, returned to in-person events in 2022, the first time since 2019. The successful shows resulted in strong revenue growth as compared to the prior year. This was partially offset by declines in print product revenues as the result of declining demand for print advertising and agricultural specific industry consolidation resulting in fewer advertisers.
 - The Northern Miner Group's revenues were up for the year despite a challenging mining industry.
 - The Company sold its energy business in March 2021, resulting in a loss of revenue from these operations.
- Local Digital Media advertising and services revenues were up 20.1% compared to the prior year.
 - Continued efforts to build digital content, audience and revenues have proven successful in growing the Company's local news media and community information business.
- Print community media revenues were down 5.1% as compared to the prior year.
 - Print revenues will continue to decline as consumers and advertisers make the shift to digital offering. The decline in flyer distribution also resulted in lower revenues. Operating costs continue to be managed in response to the changes in revenue relating to the print industry. The federal government's ATP program will help to lengthen the life of the print publications.

Despite the economic downturn, the Company is optimistic that its operations can and will continue to perform well in the long-term. The respective brands, market positions and value to customers have remained strong. The Company continues to focus on the long-term growth of its data and information and digital media operations. Strategic investment spending in the core areas of focus has resulted in lower operating profits in the short term, with the goal of improved and more robust product offerings over time. This investment spending will become more targeted to strictly necessary spending and be scaled back until economic recovery is more certain. The Company has implemented some cost cutting measures that will begin to take effect in early 2023.

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

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.

Financial Position. As at December 31, 2022, the Company had a cash balance of \$19.6 million and \$7.6 million of non-recourse mortgages and loans (the majority of which relates to farm show land in Saskatchewan and Ontario).

The Company has net \$5.6 million of deferred purchase price obligations to be paid over the next two years. This amount is net of contributions from minority partners. The Company has a \$2.5 million vendor-take back receivable to be paid in 2023 resulting from the sale of the Company's interest in Fundata and an estimated \$0.9 million potential earn-out proceeds receivable over the next two years from the sale of the energy business.

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2022 OPERATING RESULTS

REVENUE

Glacier's consolidated revenue for the year ended December 31, 2022, was \$176.0 million compared to \$164.6 million for the prior year, up 7.0%.

ENVIRONMENTAL AND PROPERTY INFORMATION

The Environmental and Property Information group generated revenue of \$47.3 million for the year ended December 31, 2022, as compared to \$41.6 million for the prior year, or an increase of 13.8%.

ERIS grew its revenues in both the U.S. and Canadian markets in the first nine months of 2022. During the fourth quarter, revenue growth softened as the result of rising interest rates and economic uncertainty affected the commercial real estate industry. STP continued to benefit from increased sales of its new product offerings. REW had strong growth in the first six months of 2022, but was impacted in the second half of the year by a weakened residential real estate market as interest rates continued to climb. This market trend is expected to continue into 2023.

COMMODITY INFORMATION

The Commodity Information group generated revenue of \$45.4 million for the year ended December 31, 2022, as compared to \$42.2 million for the prior year, or an increase of 7.5%. During the year, GFM had higher revenues as the result of the return to in-person outdoor exhibition shows. This was partially offset by the decline of print products and industry consolidation resulting in fewer advertisers. TNMG's revenues were up for the year despite the challenging mining industry. The Company sold its energy business in March 2021, resulting in a loss of revenue from these operations.

COMMUNITY MEDIA

(thousands of dollars)	Revenue	
	2022	2021
	\$	\$
Community Media including joint ventures and associates	117,240	112,205
Joint ventures and associates	(33,891)	(31,396)
Community Media IFRS	83,349	80,809

On an IFRS reporting basis, the Community Media Group generated \$83.3 million of revenue for the year ended December 31, 2022, as compared to \$80.8 million for the prior year, an increase of 3.1%.

The increase in revenue was due to growth in digital media revenue.

Print revenues were down 5.1%. Print media revenues are expected to continue to decline over time.

DIGITAL MEDIA

Local Digital Media advertising and services revenues were up 20.1%. Continued efforts to build digital content, audience and revenues have resulted in growing the Company's local news media and community information business.

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GROSS PROFIT

Glacier's consolidated gross profit, being revenues less direct expenses, was \$47.3 million for the year ended December 31, 2022, as compared to \$55.1 million for the prior year. Gross profit decreased due to a) the reduction of CEWS funding to nil in the current year, b) continued operating expense investments that were made in some of the key strategic development areas, including the REW digital real estate marketplace, new product offerings within ERIS and STP, new weather and agricultural markets subscription-based products, and digital community media products; which includes increased personnel costs, c) the industry consolidation affecting GFM's print products, d) the maturation of the print industry resulting in revenue attrition, and e) inflation affecting operating costs. This has been partially offset by the margins realized on GFM's outdoor exhibition shows that both returned to in-person events in 2022 as compared to a much smaller virtual show in 2021.

Gross profit as a percentage of revenues ("gross profit margin") for the year ended December 31, 2022, was 26.9% as compared to 33.5% for the prior year. The decrease as compared to the comparative period is driven by the same factors affecting consolidated gross profit.

GENERAL & ADMINISTRATIVE EXPENSES

Glacier's consolidated general and administrative expenses were \$44.2 million for the year ended December 31, 2022, up from \$37.3 million for the prior year. The increase in administrative costs primarily related to investment spending in strategic development areas, which is mainly driven by increased personnel costs, the implementation of a share-based compensation plan in certain business units, inflation affecting operating costs, and lower CEWS funds, which were recorded as a reduction of wage expenses. This has been partially offset by reduced legal fees.

EBITDA

EBITDA was \$3.1 million for the year ended December 31, 2022, as compared to \$17.7 million for the prior year. The results are due to the various reasons stated under "Revenue, Gross Profit and General & Administrative Expenses", including a reduction in CEWS funds of \$5.2 million.

INTEREST EXPENSE, NET

Glacier's consolidated net interest expense for the year ended December 31, 2022, was \$1.7 million as compared to \$1.1 million for the prior year. The higher interest expense recorded during the period was mainly due to the increase in interest rates throughout 2022, additional mortgages on the agricultural show sites, and from higher interest accretion on current and long-term liabilities.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expenses were \$12.5 million down \$0.2 million from the prior year. The rate of depreciation and amortization is keeping pace with capital expenditures.

NET GAIN ON SALE

In the comparative year ended 2021, the Company recorded a \$2.2 million gain on sale relating to the sale of the energy operations in March 2021.

IMPAIRMENT EXPENSE

The Company recorded an impairment expense of \$15.5 million for the year ended December 31, 2022. There was no impairment expense recorded in the prior year. In 2022, the Company was impacted by the economic uncertainty relating to inflation and higher interest rates, along with the continued decline of the print industry, which impacted certain groups of CGUs. Impairments were also recorded within some of the Company's joint ventures and associates.

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OTHER INCOME

The Company recorded other income of \$4.2 million during the year ended December 31, 2022. This primarily related to the revaluation of the deferred purchase price payable, amounts received in excess of accrued deferred sales prices receivable and amounts received from the government relating to the Canadian Emergency Rent Subsidy. During the comparative year ended December 31, 2021, the Company recorded other income of \$1.8 million, which primarily related to distributions by a company in which Glacier is a minority shareholder, amounts received in excess of accrued deferred sales prices receivable and amounts received from the government relating to the Canadian Emergency Rent Subsidy.

RESTRUCTURING AND OTHER EXPENSES (NET)

Restructuring and other expenses (net) for the year ended December 31, 2022, was \$0.9 million as compared to \$5.4 million in the prior year. Restructuring and other expenses (net) 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, and other income and other expenses.

SHARE OF LOSSES FROM JOINT VENTURES AND ASSOCIATES

Share of losses 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"), increased by \$6.4 million as compared to the prior year. The increase in losses is the result of impairment of goodwill, along with a valuation allowance on certain deferred tax assets taken within an associate's results, which increased Glacier's share of losses from joint ventures and associates by \$13.8 million. The equity pickup in Glacier includes the proportionate share of CEWS received by the joint ventures and associates in the comparative period.

Borden Bridge Development Corporation was accounted for as a joint venture up to August 31, 2021, when the Company acquired the remaining 50%, at which point the results 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:

(thousands of dollars)	As at December 31,	
	2022	2021
	\$	\$
Assets	34,446	49,601
Liabilities	10,852	13,341
Net assets	23,594	36,260

(thousands of dollars)	Year ended December 31,	
	2022	2021
	\$	\$
Revenues	33,891	31,396
EBITDA	3,270	5,740
Net loss for the year	(11,829)	(5,467)

Subsequent to December 31, 2022, the Company completed the sale of assets of its printing operations into two new joint venture operations.

Additionally, subsequent to December 31, 2022, certain entities which were consolidated in 2022, will be treated as joint ventures in 2023. As a result of changes in the structure or underlying shareholders agreements with the previous minority shareholders, it was determined that Company no longer has the ability to exercise control.

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NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Net income attributable to non-controlling interest decreased \$5.1 million mainly due to impairments taken directly by the Company and within the Company's joint ventures and associates and lower net income of subsidiaries with non-controlling interests, as compared to the prior year.

NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS

For the year ended December 31, 2022, net loss attributable to common shareholders was \$29.6 million as compared to \$4.9 million in the prior year. The change resulted from i) lower operating results of \$14.7 million, ii) impairment of \$15.5 million, iii) higher losses from joint ventures and associates of \$6.4 million, iv) a net gain on sale in the prior year of \$2.2 million, and v) higher interest expense of \$0.6 million. This was partially offset by i) lower restructuring and other expenses (net) of \$4.5 million, ii) higher other income of \$2.5 million, iii) lower depreciation and amortization of \$0.2 million, iv) lower income attributable to non-controlling interests of \$5.1 million, and v) a higher income tax recovery of \$2.4 million.

OTHER COMPREHENSIVE (LOSS) INCOME (NET OF TAX)

For the year ended December 31, 2022, Glacier recognized an other comprehensive loss (net of tax) of \$0.7 million. The loss related to the mix of actuarial losses on defined benefit pension plans resulting from the change in actuarial assumptions, mainly the discount rate, and the change in the currency translation adjustment.

CASH FLOW FROM OPERATIONS

Glacier's consolidated cash flow from operations was \$7.1 million (before changes in non-cash operating accounts) for the year ended December 31, 2022, as compared to \$16.5 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 \$4.9 million, down from \$9.6 million in the prior year. The majority of the current year expenditures relate the development and implementation of software and websites, content development, data and technology, hardware, and leasehold improvements. Prior year capital expenditures primarily relate to the development and implementation of software and websites, content development, data and technology acquisition and the purchase of weather stations.

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

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2022, the Company recorded IT, administration, consulting, interest and other expenses of \$3.5 million from Madison Venture Corporation ("Madison") and its subsidiaries. IT charges were not included in the prior year's fees as IT services transitioned from Glacier to Madison on January 1, 2022. Madison is a shareholder of the Company and certain of its officers and directors are officers and directors of the Company.

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

During the year ended December 31, 2022, the Company paid Madison Pacific Properties Inc., a related entity to a shareholder of the Company, \$0.7 million for rent on leased properties.

During the year ended December 31, 2022, the Company paid an entity related to a shareholder of the Company, \$0.4 million for rent on leased properties.



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During the year ended December 31, 2022, the Company paid Grant Street Properties Inc., a related entity to a shareholder of the Company, \$0.8 million for rent on leased properties.

During the year ended December 31, 2022, the Company paid \$0.5 million to its associate Village Media Inc. for operational services.

During the year ended December 31, 2022, 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, 2022, the Company had amounts due from an associate of \$2.7 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 \$63.9 million. The affiliate has filed notices of objection with the CRA and provincial taxing authorities and has substantially paid the required deposits, which have 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 defending such positions. The Company and its affiliate expect to ultimately be successful in its objection. The ultimate outcome is uncertain.

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SELECTED INTERIM 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, 2022, 2021, and 2020:

(thousands of dollars) except share and per share amounts	2022	2021	2020
Revenue	\$ 176,012	\$ 164,562	\$ 151,304
Gross profit ⁽²⁾	\$ 47,332	\$ 55,065	\$ 57,841
Gross margin	26.9%	33.5%	38.2%
EBITDA ⁽¹⁾	\$ 3,083	\$ 17,747	\$ 22,941
EBITDA margin ⁽¹⁾	1.8%	10.8%	15.2%
EBITDA per share ⁽¹⁾	\$ 0.02	\$ 0.14	\$ 0.18
Net loss attributable to common shareholders	\$ (29,553)	\$ (4,880)	\$ (14,966)
Net loss attributable to common shareholders per share	\$ (0.22)	\$ (0.04)	\$ (0.12)
Cash flow from operations	\$ 7,067	\$ 16,489	\$ 21,365
Cash flow from operations per share	\$ 0.05	\$ 0.13	\$ 0.17
Capital expenditures	\$ 4,945	\$ 9,566	\$ 4,530
Total assets	\$ 237,557	\$ 271,120	\$ 263,086
Total non-current financial liabilities	\$ 21,909	\$ 26,795	\$ 19,037
Equity attributable to common shareholders	\$ 150,933	\$ 178,547	\$ 170,761
Weighted average shares outstanding, net	132,558,408	130,895,835	125,213,346

Notes:

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

⁽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.
- Revenues continue to be impacted by declining print advertising revenue and the cyclical nature of certain of Glacier's businesses, including the fluctuating conditions in the mining and agriculture industry.
- The impact of COVID-19, and related restrictions and/or removal of restrictions, on certain of the Company's operations' revenues and expenses.
- Fluctuations in restructuring expenses including severance payments, transaction and transition expenses.
- In December 2022, the Company recorded an impairment charge of \$15.5 million. There was no impairment charge in the year ended December 31, 2021. An impairment charge \$23.5 million was recorded for the year ended December 31, 2020.
- In December 2022, one of the Company's investments in joint ventures and associates took an impairment of goodwill, along with a valuation allowance on certain deferred tax assets, resulting in the Company recording its share \$13.8 million share of losses from joint ventures and associates. In December 2021, one of the Company's investments in joint ventures and associates took an impairment of goodwill and non-amortizing intangible assets, along with a valuation allowance on certain deferred tax assets, resulting in the Company recording \$11.5 million share of losses from joint ventures and associates.
- In the third quarter of 2022, GFM's outdoor agricultural exhibition shows returned to full scale in-person shows after two years of scaled back virtual replacement shows as the result of COVID restrictions.

GLACIER MEDIA INC.

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

- In 2022, the Company implemented a share-based compensation plan within certain subsidiary business units resulting in a non-cash cost of \$3.0 million, including a one-time implementation expense of \$1.7 million.
- In the comparative year ended December 31, 2021, the Company recorded \$5.2 million of CEWS as an offset to wage expense, 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. No CEWS funding was recorded in 2022.
- 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 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.
- In July 2020, the sale of a 45% non-controlling interest in ERI Environmental Risk LP.

FOURTH QUARTER 2022 RESULTS AND OVERVIEW OF OPERATING PERFORMANCE

REVENUE

Glacier's consolidated revenue for the three months ended December 31, 2022, was \$42.7 million compared to \$43.8 million for the same period in the prior year.

Revenues in the fourth quarter were down compared to the same quarter in the prior year. Revenue decreases were driven by economic factors affecting certain industries including the impact of rising interest rates affecting both residential and commercial real estate, inflation, supply chain issues and the maturation of the print industry. This was partially offset by an increase in digital media revenues.

The Environmental and Property Information operations were impacted by rising interest rates negatively impacting the residential and commercial real estate sectors. This had a negative effect on both ERIS and REW's revenue in the fourth quarter. STP had revenue growth as their regulatory compliance services continue to expand.

The Commodity Information operation experienced a decrease in revenues. The decrease was primarily the result of declines in agricultural print advertising and the consolidation of advertisers in this space. The Company continues to focus on its agricultural information operations in key growth areas such as outdoor exhibitions, digital products, and online listings. The mining group experience revenue growth in the quarter despite a weak mining industry overall.

The Company's Community Media's operations continue to face ongoing print advertising declines. The print declines were offset by growth in the local digital media revenues in the quarter.

GROSS PROFIT

Glacier's consolidated gross profit for the three months ended December 31, 2022, was \$11.6 million compared to \$14.4 million for the same period in the prior year. Gross profit was affected by inflation in input costs, including increase wages in many of the Company's operations, and reallocation of personnel between direct and administrative functions. Additionally, there was an increase in headcount within many operations as compared to the fourth quarter of 2021.

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

GENERAL & ADMINISTRATIVE EXPENSES

Glacier's consolidated general and administrative expenses were \$13.3 million for the three months ended December 31, 2022, compared to \$8.6 million for the same period in the prior year. General and administration costs increased as the result of inflation affecting input costs such as office costs, return to in-person events and travel, increased wages, reallocation of personnel between direct and administrative functions and the implementation of a share-based compensation plan within certain subsidiary business units resulting in a non-cash expense.

EBITDA

Consolidated EBITDA was a loss of \$1.6 million for the three months ended December 31, 2022, as compared to income of \$5.8 million for the same period in the prior year. The decrease in EBITDA was due to the reasons stated under Revenue, Gross Profit and General & Administrative Expenses.

NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS

Net loss attributable to common shareholders for the three months ended December 31, 2022, increased by \$21.0 million as compared to income in the same period in the prior year. The change resulted from i) lower operating results of \$7.5 million, ii) impairment of \$15.5 million, iii) higher share of losses from joint ventures and associates of \$4.2 million, v) higher interest expense of \$0.2 million, and v) higher loss from non-controlling interests of \$0.8 million. This was partially offset by i) higher other income of \$2.5 million, ii) lower restructuring and other expenses (net) of \$2.9 million and iii) lower depreciation and amortization of \$0.2 million.

CASH FLOW FROM OPERATIONS

Glacier's consolidated cash flow used in operations was \$1.7 million (before changes in non-cash working capital) for the three months ended December 31, 2022, compared to cash generated of \$4.1 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.

GLACIER MEDIA INC.

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

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 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	\$ 176,012	\$ 42,725	\$ 47,920	\$ 43,135	\$ 42,232
EBITDA ⁽¹⁾	\$ 3,083	\$ (1,630)	\$ 1,837	\$ 636	\$ 2,240
EBITDA margin ⁽¹⁾	1.8%	-3.8%	3.8%	1.5%	5.3%
EBITDA per share ⁽¹⁾	\$ 0.02	\$ (0.01)	\$ 0.01	\$ 0.00	\$ 0.02
Net loss attributable to common shareholders	\$ (29,553)	\$ (25,753)	\$ (748)	\$ (2,386)	\$ (666)
Net loss attributable to common shareholders per share	\$ (0.22)	\$ (0.19)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Cash flow from operations	\$ 7,067	\$ (1,681)	\$ 3,586	\$ 2,022	\$ 3,140
Cash flow from operations per share	\$ 0.05	\$ (0.01)	\$ 0.03	\$ 0.02	\$ 0.02
Capital expenditures	\$ 4,945	\$ 1,327	\$ 1,486	\$ 1,040	\$ 1,092
Equity attributable to common shareholders	\$ 150,933	\$ 150,933	\$ 176,169	\$ 177,245	\$ 177,389
Weighted average shares outstanding, net	132,558,408	132,396,635	132,503,804	132,601,956	132,755,559

	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 (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

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.
- Revenues continue to be impacted by declining print advertising revenue and the cyclical nature of certain of Glacier's businesses, including the fluctuating conditions in the mining and agriculture industry.
- The impact of COVID-19, and related restrictions and/or removal of restrictions, on certain of the Company's operations' revenues and expenses.
- Fluctuations in restructuring expenses including severance payments, transaction and transition expenses.
- In December 2022, the Company recorded an impairment charge of \$15.5 million. There was no impairment charge in the year ended December 31, 2021.
- In December 2022, one of the Company's investments in joint ventures and associates took an impairment of goodwill, along with a valuation allowance on certain deferred tax assets, resulting in the Company recording its share \$13.8 million share of losses from joint ventures and associates. In December 2021, one of the Company's investments in joint ventures and associates took an impairment of goodwill and non-amortizing intangible assets, along with a valuation allowance on certain deferred tax assets, resulting in the Company recording \$11.5 million share of losses from joint ventures and associates.
- In the third quarter of 2022, GFM's outdoor agricultural exhibition shows returned to full scale in-person shows after two years of scaled back virtual replacement shows as the result of COVID restrictions.

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

- In the second quarter of 2022, Company implemented a share-based compensation plan within certain subsidiary business units resulting in a non-cash implementation cost of \$1.7 million.
- 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. The total CEWS recorded in 2021 was \$5.2 million, in the comparative period. Other subsidies were also received, at varying levels throughout 2022, and 2021. Additionally, certain joint venture and associate entities also received CEWS and other government funding during these periods. There was no CEWS recorded in 2022.
- 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.

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-GAAP measure.

(thousands of dollars)

except share and per share amounts	2022	2021	2020
Net loss attributable to common shareholders	\$ (29,553)	\$ (4,880)	\$ (14,966)
Add (deduct):			
Non-controlling interests	\$ 624	\$ 5,726	\$ 225
Interest expense, net	\$ 1,713	\$ 1,117	\$ 2,190
Depreciation and amortization	\$ 12,455	\$ 12,626	\$ 12,152
Net gain on sale	\$ -	\$ (2,207)	\$ -
Impairment expense	\$ 15,525	\$ -	\$ 23,505
Other income	\$ (4,247)	\$ (1,770)	\$ (3,014)
Restructuring and other expenses (net)	\$ 904	\$ 5,426	\$ 5,796
Share of losses (earnings) from joint ventures and associates	\$ 11,829	\$ 5,467	\$ (3,309)
Income tax (recovery) expense	\$ (6,167)	\$ (3,758)	\$ 362
EBITDA ⁽¹⁾	\$ 3,083	\$ 17,747	\$ 22,941
Weighted average shares outstanding, net	132,558,408	130,895,835	125,213,346
Net loss attributable to common share holders per share	\$ (0.22)	\$ (0.04)	\$ (0.12)
EBITDA per share ⁽¹⁾	\$ 0.02	\$ 0.14	\$ 0.18

Notes:

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

GLACIER MEDIA INC.

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

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, 2022, Glacier had consolidated cash and cash equivalents of \$19.6 million, current and long-term debt of \$7.6 million, its share of net deferred purchase price obligations of \$5.6 million to be paid over the next two years, and working capital of \$23.5 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 \$4.9 million in the year down from \$9.6 million as compared to the prior year. The majority of the current year expenditures relate the development and implementation of software and websites, content development, data and technology, hardware, and leasehold improvements. Prior year capital expenditures primarily relate to the development and implementation of software and websites, content development, data and technology acquisition and the purchase of weather stations.

CHANGES IN FINANCIAL POSITION

(thousands of dollars)	2022	2021	2020
	\$	\$	\$
Cash generated from (used in)			
Operating activities	7,946	14,113	26,319
Investing activities	(2,770)	(342)	(6,391)
Financing activities	(7,284)	(6,302)	(10,766)
(Decrease) increase in cash	(2,108)	7,469	9,162

The changes in the components of cash flows during the years ended 2022 and 2021 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 \$7.1 million for the year ended December 31, 2022, as compared to \$16.5 million in the prior year as the 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 \$7.9 million for the year ended December 31, 2022, as compared to \$14.1 million in the prior year.

INVESTING ACTIVITIES

Cash used in investing activities totalled \$2.8 million for the year ended December 1, 2022, as compared to \$0.3 million in the prior year. Investing activities included \$4.9 million of capital expenditures, \$2.4 million distributions received from joint ventures and associates, and \$0.3 million of other net investing activities.

FINANCING ACTIVITIES

Cash used in financing activities was \$7.3 million for the year ended December 31, 2022, as compared to \$6.3 million in the prior year. The Company made distributions to non-controlling interests of \$4.0 million, received contributions from non-controlling interests of \$1.6 million, repurchase of common shares through the NCIB of \$0.4 million, interest paid on debt of \$0.5 million, interest paid on lease liabilities of \$0.5 million, net repayment of debt of \$0.4 million and principal payment of lease liabilities of \$3.1 million.

OUTSTANDING SHARE DATA

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

As at December 31, 2022, there were 131,629,429 common shares and 1,115,000 share purchase warrants outstanding.

The Company has a Normal Course Issuer Bid ("NCIB") to buy back up to 5,300,000 common shares, for cancellation, between April 4, 2022, and April 3, 2023. Daily purchases of shares under the NCIB are limited to 20,016 shares, subject to certain exceptions. The Company also entered into an automatic securities purchase plan with a designated broker under the NCIB which would allow for the purchase of shares under the NCIB when the Company ordinarily would not be permitted to purchase shares due to regulatory restrictions and customary self-imposed blackout periods. Between April 4, 2022, and December 31, 2022, the Company repurchased 1,126,130 common shares. Between January 1, 2023, and March 22, 2023, the Company repurchased 352,231 common shares at an average share price of \$0.34 per share.

As at March 22, 2023, there were 131,277,198 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, 2022, the Company has an agreement with a major Canadian bank. The facility, which matures on May 31, 2024, 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	2023	2024	2025	2026	2027	Thereafter
	\$	\$	\$	\$	\$	\$	\$
Debt	7,621	456	7,165	-	-	-	-
Undiscounted lease liabilities	11,330	3,764	2,828	1,485	892	662	1,699
	18,951	4,220	9,993	1,485	892	662	1,699

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, 2022, and 2021.

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 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.

GLACIER MEDIA INC.

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

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

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.

In 2022, the Company received these grants at levels comparable to the prior year. These grants are recorded as an offset against the related expenses in the statement of operations.

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 Business Information operations generate revenue through the sale of specialized data and information available electronically to its customers. Revenue is generated through the purchase of data and information products, advertising, and subscriptions.

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

Glacier's Community Media Group generates revenue through the sale of print and digital advertising and digital services revenue. 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.

Certain operations are tied to both the commercial and residential real estate markets. A downturn in real estate markets, from events such as rising interest rates, economic uncertainty, and government regulations can have an effect on the related revenue generations in the operations.

Glacier's print publications, in both the Business Information Group and the Community Media Group are affected by changes in the prices of purchased supplies, including newsprint.

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.

Widespread inflation and corresponding interest rate increases resulted in increased input costs, wage expenses and office costs. Economic uncertainty relating to inflation and interest rate increases is also affecting the Company's customers and spending plans of advertisers.

Although Glacier is well diversified, competition is a continuing risk from existing businesses or new ones.

- ERIS provides comprehensive information from a variety of databases regarding potential environmental liability.
- REW is a real estate portal providing residential real estate listings and property information.
- Glacier FarmMedia, Glacier Resource Innovation Group and Business in Vancouver publishes a wide variety of specialized publications distributed across Canada.
- Glacier FarmMedia host two large outdoor agricultural exhibition shows annually. Many of Glacier's operations host other smaller events.
- 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 geographically diversified as a result.
- Glacier disseminates its information in print, online and digital format.

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

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

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related consolidated financial statements was properly recorded, processed, summarized and reported to the Audit Committee and the Board. The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have evaluated the effectiveness of these disclosure controls and procedures for the year ending December 31, 2022, 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, 2022 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, 2022, 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

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

recommendation to the Board of Directors. The Board of Directors in passing its resolutions acknowledges that it is basing and relying on such certification and report.

CRITICAL ACCOUNTING ESTIMATES

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

INCOME TAXES

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

RETIREMENT BENEFIT ASSETS/OBLIGATIONS

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

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

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

SHARE-BASED PAYMENTS

The Company provides incentives via share-based payment entitlements. Share based compensation relates to equity settled restricted share units within certain of the Company's subsidiaries. The grant date fair values of equity settled RSUs granted are recognized as an expense, with a corresponding increase in equity, over the vesting period. The amount recognized as an expense is based on the estimate of the number of RSUs expected to vest. Upon vesting of equity settled RSUs, an expense is recorded with an offset to share capital within the subsidiary. This is converted to contributed surplus upon consolidation. The fair value of the RSU is determined based on the fair value of the underlying equity securities using market multiples of projected annual revenues and operating income and/or recent third-party transactions.

GLACIER MEDIA INC. MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

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 CGUs, 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. The most significant assumptions used in the Company's discounted cash flow models relating to goodwill is the forecasted EBITDA, annual growth rates and discount rates. The most significant assumptions used in the Company's relief from royalty models relating to indefinite life intangible assets are relating to the royalty rate and revenue growth rates.

In 2022, certain CGUs were impacted by the current economic uncertainty driven by inflation and rising interest rates, along with the continued decline of the print industry. Based on the annual testing \$15.5 million of impairment expense was recorded in the fourth quarter of 2022. In 2021, no impairment was recorded.

In its assessment of the recoverable amounts of the groups of CGUs, the Company performed a sensitivity analysis of key assumptions used in the impairment testing models, being: discount rates, forecasted EBITDA growth and annual growth rates. The results of the sensitivity analysis show that some of the CGU's remain sensitive to a reasonable change in underlying significant assumptions. The Commodity Information group of CGUs remain sensitive to forecasted EBITDA, annual growth rates and discount rate. Certain CGUs within the BC Community group remain sensitive to changes in royalty rates and discount rates.

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.



GLACIER MEDIA INC.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

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.