



FP Newspapers Inc.

Management's Discussion and Analysis

First Quarter

March 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
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June 25, 2020

OVERVIEW

Management's discussion and analysis, prepared as at June 25, 2020, provides a review of significant developments that affected the performance of FP Newspapers Inc. ("FPI") in the three months ended March 31, 2020. This review is based on financial information contained in the unaudited interim condensed financial statements and accompanying notes ("interim financial statements") for the three months ended March 31, 2020.

Factors that could affect future operations are also discussed. These factors may be affected by known and unknown risks and uncertainties that may cause the actual future results to be materially different from those expressed in this discussion.

The interim financial statements, which are the basis for data presented in this report, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34. The interim financial statements do not include all the information and disclosures required for annual financial statements and, therefore, the following information should be read in conjunction with the most recent audited consolidated financial statements and accompanying notes and management's discussion and analysis for the year ended December 30, 2019 prepared in accordance with IFRS and with the interim unaudited condensed financial statements and accompanying notes for the first quarter of 2020.

This Management's Discussion and Analysis contains "forward-looking statements" that are subject to risks and uncertainties set out below under the heading "Caution Regarding Forward-Looking Statements". The reader is cautioned not to place undue reliance on forward-looking statements.

Further information relating to FPI is available at www.sedar.com or on FPI's website at www.fpnewspapers.com.

FORMATION AND LEGAL ENTITIES

FPI, which was incorporated under the Canada Business Corporations Act on March 17, 2010, is the successor to the business of FP Newspapers Income Fund (the "Fund"). The Fund was created on May 15, 2002 and commenced operations on May 28, 2002 when it completed an initial public offering and purchased an interest in FP Canadian Newspapers Limited Partnership ("FPLP").

On December 31, 2010, the Fund completed its conversion from an income trust to a corporate structure pursuant to a plan of arrangement. Under the plan of arrangement, Unitholders of the Fund received, for each Unit of the Fund held, one common share of the resulting public corporation, FPI. The common shares of FPI commenced trading on the Toronto Stock Exchange on January 7, 2011 under the symbol "FP". Concurrently, the Fund's Units were delisted. Effective at the close of market on November 21, 2016 the Company delisted from trading on the Toronto Stock exchange and effective at the opening November 22, 2016, the common shares of FPI commenced trading on TSX Venture Exchange.

FPLP is a limited partnership formed on August 9, 1999. Effective November 29, 2001, FPLP acquired the business assets and assumed certain liabilities of the Winnipeg Free Press and the Brandon Sun. On July 13, 2004, FPLP acquired the business assets and liabilities of Canstar Community News ("Canstar"). On February 28, 2011, FPLP acquired the business assets and assumed certain liabilities of a commercial printing and publishing business operating under the name Derksen Printers based in Steinbach, Manitoba.

FP NEWSPAPERS INC.

A summary of FPI's quarterly revenue, net income and net income per share for 2020, 2019 and 2018 is as follows:

	2020	2019	2018
	<i>In thousands of dollars (except per share amounts)</i>		
Revenue			
Quarter 1	\$ 112	\$ 121	\$ (53)
Quarter 2		852	435
Quarter 3		177	65
Quarter 4		1,026	740
Net income (loss)			
Quarter 1	\$ 60	\$ 54	\$ (84)
Quarter 2 ^(*)		636	(2,463)
Quarter 3		67	22
Quarter 4		687	560
Net income (loss) per share			
Quarter 1	\$ 0.009	\$ 0.008	\$ (0.012)
Quarter 2 ^(*)		0.092	(0.357)
Quarter 3		0.010	0.003
Quarter 4		0.100	0.081

^(*)A non-cash write-down of \$3.1 million was recorded in the second quarter of 2018. This write-down was based on FPI's determination that its 49% equity investment in FPLP was impaired, primarily due to continued declines in revenue and earnings experienced by FPLP.

FPI reported income of \$0.1 million for the three months ended March 31, 2020, unchanged from the same period last year. Net income is primarily due to the equity share of the net income of FPLP with details disclosed in the FPLP section of this report. Other comprehensive loss for the three months ended March 31, 2020 was \$1.2 million compared to other comprehensive income of \$0.3 million for the same period in 2019. Other comprehensive income results from FPI's equity share of FPLP's recognition of remeasurements gains or losses related to the defined benefit pension plan.

As at June 25, 2020, FPI had 6,902,592 shares outstanding.

FP CANADIAN NEWSPAPERS LIMITED PARTNERSHIP

Results of Operations

FPLP's revenue for the three months ended March 31, 2020 was \$14.2 million, a decrease of \$1.3 million or 8.2% from the same three months in the prior year. FPLP's print advertising revenues for the three months ended March 31, 2020 were \$6.8 million, a \$1.2 million or 15.5% decrease compared to the same period last year. FPLP's largest advertising revenue category, display advertising including colour, was \$3.3 million, a decrease of \$1.1 million or 24.9% from the same period in the prior year, primarily due to decreased spending in almost all categories, mostly due to the challenges associated with the economic conditions caused by the COVID-19 pandemic. Classified advertising revenues for the first quarter decreased by \$0.1 million or 3.8% compared to the same period last year, primarily due to lower spending in the employment and real estate categories, partly offset by increased spending in the obituary category. Flyer distribution revenues decreased by \$0.1 million or 4.6% compared to the first quarter in 2019, primarily due to a decrease in flyer volumes delivered.

Circulation revenue remained at relatively the same level compared to the same quarter last year, primarily due to an increase in digital subscriptions, offsetting print circulation unit reductions. Digital advertising revenues were \$0.6 million, at relatively the same level compared to the first quarter of 2019.

Operating expenses for the three months ended March 31, 2020 were \$13.9 million, a decrease of \$1.2 million or 7.9% compared to the same quarter last year. Employee compensation costs for the first quarter decreased by \$0.7 million or 9.8% from the same period in the prior year, primarily due to a \$0.3 million tax credit from the federal government's support for Canadian journalism program as well as staff reductions from voluntary resignations and retirements. Newsprint expense for FPLP's own publications for the first quarter decreased by \$0.2 million or 17.0% compared to the same period in the prior year, primarily due to lower printing volumes, partly offset by higher newsprint prices. Delivery expenses for the three months ended March 31, 2020 decreased by \$0.2 million or 5.8%, primarily due to a lower number of circulation subscriptions and flyers delivered and initiatives implemented to improve delivery route efficiency. Other expenses for the three months ended March 31, 2020 decreased by \$0.1 million, primarily due to the replacement of third-party copy editing and page layout services by internal resources.

EBITDA⁽¹⁾ for the three months ended March 31, 2020 was \$1.0 million compared to \$1.2 million for the same period last year, a decrease of 11.3%. EBITDA⁽¹⁾ margin for the three months ended March 31, 2020 was 7.3%, compared to 7.6% in the same period last year. The changes in EBITDA⁽¹⁾ were due to the factors described above.

Finance costs for the three months ended March 31, 2020 decreased by \$0.1 million, due to the lower level of debt outstanding and lower interest rates.

FPLP's net income was \$0.2 million for the three months ended March 31, 2020, which was unchanged from the prior year.

Under IFRS, comprehensive income includes remeasurement gains and losses related to FPLP's defined benefit pension plan. These gains and losses are primarily related to changes in actuarial discount rate assumptions and returns on plan assets differing from expected income. In the three months ended March 31, 2020, the actuarial loss was due to decreases in the defined benefit obligation primarily resulting from a lower actual return on the plan's investments compared to the actuarial expected return assumptions, partially offset by an actuarial discount rate increase.

The *Winnipeg Free Press* writer Melisa Martin was named Canada's columnist of the year during a National Newspaper Awards ceremony livestreamed on May 1, 2020. This is the second time in her career she has won this award. She won based on three submissions: two columns related to missing murdered indigenous women and the third was a personal reflection that emerged after she experienced terrifying turbulence while flying home from Japan. *Free Press* writer Erin Lebar was named a finalist in the arts and Entertainment category for a biography of Begonia, an emerging singer in Winnipeg. Reporter Ryan Thorpe was a finalist in the Long Feature category for documenting the despair in a neighbourhood that is ground zero for the city's street drugs and gang violence. The awards were established by the Toronto Press Club in 1949 to encourage excellence and reward achievement in daily newspaper work in Canada. The competition is open to daily newspapers, news agencies and online news sites approved for entry by the NNA board of governors.

In addition to the National Newspaper Awards, two other writer's works were recognized. Reporter Katie May was awarded the International Fetisov Journalism Award for her deep dive into northern Manitoba's dysfunctional justice system in her work "Remote life, rough justice". Ms. May's reporting shed light on a chronically underfunded, overburdened legal system and its implications for both the people facing charges and legal professionals working on cases. Winnipeg Free Press columnist Niigaan Sinclair was honoured by the Manitoba Museum as a local leader who will shape the future of the province. Mr. Sinclair was one of five Manitobans selected by the museum's board of governors to be celebrated at the institution's annual Tribute Gala celebrating the museum's 50th anniversary.

Given the Free Press's role as trusted source of news content, the decision was made to open-up COVID-19 coverage outside the paywall. Readership support was evident as over one thousand new digital only subscriptions were taken out between January and April 2020. The combination of digital only subscriptions and digital with Saturday print packages stands at just under 13,000 at April 30 an increase of approximately 9.5% from December 2019.

In response to the uncertainty around the revenue shortfalls due to the COVID-19 pandemic, the Winnipeg Free Press and its union agreed to wage reductions of between 12% and 20% depending on what wage tier employees were on. The reductions were effective April 5, 2020. FPLP did apply for the federal wage subsidy provided under the Canada

Employment Wages Subsidy (“CEWS”) program. To June 25, 2020, FPLP received \$3.0 million under the CEWS program which was originally to have ended on June 6, 2020 but was subsequently extended for a further 12- week period to August 29, 2020. Following receipt of the first CEWS payment, an agreement was reached with the union to reinstate wage levels over a four-week period starting with the lowest wage earners effective May 24, 2020 with the highest wage earners wages reinstated starting June 21, 2020. In addition to the federal CEWS program the Manitoba Government announced support to businesses in the form of workers compensation premium rebates and automobile insurance rebates. While these programs combined will be less than \$0.1 million in financial assistance to our combined businesses, we are appreciative of this support during these difficult times.

The six papers of Canstar Community News have continued to publish throughout the disruption of the COVID-19 pandemic, telling stories of the many ways people are helping and supporting others in their communities. Because of social distancing guidelines, medical concerns and child-care issues, Canstar’s editorial employees have not been in the same room together since mid-March, yet they have been able to produce their six papers collaboratively, using remote desktop technology as well as group conferencing and group-chat platforms. The novel coronavirus crisis began just as Canstar reorganized its editorial team. Deputy editor Darren Ridgley moved upstairs to join the staff of the *Free Press* in early March. His position was not filled and his tasks and responsibilities have been assumed by editor John Kendle or redistributed to other staff, making for a more streamlined operation. In May, Canstar’s editorial department moved into available space in the third-floor newsroom of the Winnipeg Free Press, freeing up its former first-floor office for other use. Canstar continues to seek out and engage in creative sales relationships. A campaign to thank front-line workers for their efforts during the pandemic was quite successful in May and several advertisers from across all categories have continued to purchase space despite the economic slowdown.

In Brandon, the advertising revenue losses from the COVID-19 shut-down unfortunately resulted in staff layoffs which we hope are temporary. Like other essential businesses, public access restrictions were implemented and the newspaper continued to publish with a number of employees working remotely.

On a positive note, readers and new readers realized, or call it a reaffirmation, the role their local newspaper plays as a trusted source for news. Readership for both print and digital subscriptions grew beyond budget levels and traffic to our website increased significantly, at times, up to 100 percent compared to the same time last year.

The strong commitment by the team at the Brandon Sun became even more evident during this crisis. All Covid-19 related articles were open to viewing by the general public free of charge via our website.

In the second quarter the Brandon Sun entered into a partnership with a local company that provides digital support including the development of websites. The partnership will allow Brandon Sun to offer a complete package for both print and digital marketing solutions to existing and future customers. Digital training that will position our sales representatives to be more effective in selling all multimedia platforms was provided during the slow-down as part of the partnership.

Despite the fact that several businesses continue to be closed or are financially limited at this time the Brandon Sun has continued with plans to publish special sections including graduation, home renovation, and cottage life. Under the circumstances, they are all selling well at this point.

The first quarter of 2020 saw our Derksen Printers side of the business off to a positive start until we hit the start of the COVID-19 shutdown in March. Very quickly we had to make adjustments in staffing and processes to respond to the dramatic fall in revenues. As of early June, we have almost half of our full-time staff on temporary layoff as well as four of our part time staff. Slowly some of the government-imposed closure restrictions are being lifted as we approach the end of the second quarter. We are expecting the return of revenues on the commercial printing side of our business will be slow. Staffing levels will be reinstated in line with the returning revenue streams.

The Carillon newspaper also saw a very rapid revenue decline as mandatory closures of non-essential businesses halted a large portion of advertising revenue. In this time of needing trusted communication and information sources, newspapers and other media are deemed essential businesses and we have maintained our editorial staffing to ensure we are meeting the needs of our readers. Front office staff have been reduced again by temporary layoff and we have reduced the salaries of all employees that remain essential to the continuation of those parts of our business that remain.

In May an opportunity presented itself with the closure of some rural Manitoba newspapers and Derksen Printers launched a new publication into the Altona area which borders on our current market area for the Carillon newspaper. The town and surrounding area have been very positive about the initial launch of the publication as a forum for sharing local interest content. As we are still in a very changed world with restrictions still in force limiting some business activities, the future of this new publication will be closely monitored as we move forward.

Quarterly Summary

Newspaper publishing is, to a certain extent, a seasonal business, with a higher proportion of revenues and operating income occurring during the second and fourth quarters of the calendar year. Revenue, EBITDA⁽¹⁾ and net income of FPLP by quarter for 2020, 2019 and 2018 were as follows:

	2020	2019	2018
<i>In thousands of dollars</i>			
Revenue			
Quarter 1	\$ 14,218	\$ 15,493	\$ 16,070
Quarter 2		16,971	17,375
Quarter 3		15,129	15,925
Quarter 4		16,227	17,651
		<u>63,820</u>	<u>\$ 67,021</u>
EBITDA⁽¹⁾			
Quarter 1 ^(**)	\$ 1,039	\$ 1,171	\$ 887
Quarter 2 ^(*) ^(**)		2,634	1,846
Quarter 3 ^(**)		1,240	1,096
Quarter 4 ^(**)		2,956	2,456
		<u>8,001</u>	<u>\$ 6,285</u>
Net Income (Loss)			
Quarter 1 ^(**)	\$ 227	\$ 244	\$ (110)
Quarter 2 ^(*) ^(**)		1,735	(5,465)
Quarter 3 ^(**)		360	132
Quarter 4 ^(**)		2,088	1,508
		<u>4,427</u>	<u>\$ (3,935)</u>

(*) A goodwill impairment charge of \$6.4 million in the second quarter of 2018 was recorded primarily due to continued declines in revenues and earnings.

(**) A reduction in compensation costs in the amount of \$0.3 million was recorded in the first quarter of 2020 and the third and fourth quarters of 2019 and \$0.5 million was recorded in the second quarter of 2019 for the estimated support under the federal government's Canadian journalism labour tax credit program, which was formally approved in the second quarter of 2019.

Liquidity and Capital Resources of FPLP

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with existing and future financial liabilities that are and will be settled by delivering cash or another financial asset as they come due. Cash and cash equivalents at March 31, 2020 was \$3.6 million, compared to \$4.4 million at December 31, 2019. Cash and cash equivalents may be used to reduce debt, to fund future capital expenditures, to pay future distributions (including future income taxes payable by the partners), or for other strategic initiatives or general purposes. Cash flow from operations, together with cash balances on hand, are currently expected to be sufficient to fund FPLP's forecasted cash requirements for the next twelve months, although this could be affected by a worsening of the impact on advertising revenues of the COVID-19 pandemic.

Cash Flow from Operating Activities

During the three months ended March 31, 2020, cash generated from operating activities was \$1.3 million, compared to \$1.2 million for the same period in 2019. Net income for the three months ended March 31, 2020 was \$0.2 million, compared to net income of \$0.2 million for the same period in 2019. The change in cash flow from operating activities is primarily from a decrease in pension funding as a result of the CAAT Pension Plan merger in which the FPLP defined benefit plan was amended to cease all service accruals on December 31, 2019.

Financing Activities

Financing activities used \$2.1 million for the three months ended March 31, 2020, compared to \$2.7 million for the same period in 2019. A principal repayment of \$2.0 million on the term loan was made in the three months ended March 31, 2020 compared to a voluntary \$2.5 million principal repayment made in the three months ended March 31, 2019. Subsequent to March 31, 2020, an annual principal repayment of \$1,000,000 was paid.

Commitments and Contingencies

There have been no significant changes to contractual obligations since December 31, 2019.

Related Party Transactions

FPLP purchased a majority of its newsprint from Alberta Newsprint Company (“ANC”), a related party, as disclosed under the related party transaction section of FPLP’s Annual Management’s Discussion and Analysis at December 31, 2019. Total newsprint purchases from ANC, based on actual invoice prices, for the three months ended March 31, 2020 were \$0.9 million, compared to \$1.0 million for the same period last year.

DISCLOSURE CONTROLS AND PROCEDURES

In FPI’s 2019 filings, the CEO and CFO certified, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design and effectiveness of the Corporation’s disclosure controls and procedures, and the design and effectiveness of internal controls over financial reporting.

In FPI’s first quarter 2020 filings, the CEO and CFO certify, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design of the Corporation’s disclosure controls and procedures, and the design of internal controls over financial reporting.

FPI’s Audit Committee reviewed this MD&A, and the interim financial report, and the Board of Directors approved these documents prior to their release.

There have been no changes to FPI’s internal controls over financial reporting that occurred during the first quarter of 2020 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The accounting policies adopted in preparation of the interim condensed financial statements for FPI and FPLP are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 30, 2019 and December 31, 2019, respectively.

Use of Estimates and judgements

COVID-19

The COVID-19 outbreak and the resulting government response to combat the spread of the virus has resulted in a material disruption to the world-wide economy. The extent to which this slow-down affects our business operations, liquidity, availability of credit and operating results cannot be predicted with any meaningful precision. It is not possible to confidently predict the length or severity of the slow-down and the impact on our financial condition, cash flows or results of operations in future periods.

Regular impairment testing requires predicting future revenues and cash flows in addition to other forward information. The outbreak of COVID-19 has resulted in significantly increased risks with respect to predicting future operating results used in both FPI’s and FPLP’s impairment testing at March 31, 2020.

OUTLOOK

Advertising revenues were significantly lower following the start of the government measures for physical distancing and the closure of non-essential businesses resulting from the COVID-19 pandemic in mid-March. Print advertising revenues in April and May were lower by approximately 50 percent compared to the same weeks last year. As a result of strong community support for social distancing regulations and corresponding low confirmed case counts of COVID-19, the Manitoba government started easing restrictions on May 4, 2020 and phase 2 of the re-opening of the economy

started on June 1, 2020. While we have seen a modest improvement in print advertising revenues following the re-opening steps taken to date, there remains a significant gap from the levels we were experiencing prior to the start of the business closures resulting from the pandemic.

Typical of Manitoban’s responses to crisis situations, combined with the power of our brand, our publications received strong support from subscribers of both print and digital versions. While we did not reverse the long-term trend of lower print circulation sales, there were improvements in the level of decline. On the digital side we did put our COVID-19 coverage outside the paywall and we experienced strong increases in user traffic counts. In addition to increased website traffic we have seen significant increases in digital subscriptions during the second quarter. Digital only subscriptions increased by 36 percent from the end of the prior year to June 18, 2020. We are anticipating that overall circulation revenue will remain relatively stable throughout the second quarter and a ten percent print subscription increase effective July 1, 2020 should allow us to see some modest circulation revenue growth in the second half of the year. Digital advertising and commercial printing revenues were also lower so far in the second quarter primarily due to the COVID-19 business closures.

The cooperation of our employees and the union representing them to implement wage reductions effective April 5, 2020 is a testament to the dedication to the businesses we operate and recognition of the important service we provide to the communities we serve. Monthly compensation expense reductions were in the range of \$0.4 million up to the June 21, 2020 full reinstatement of all the reductions following the company’s receipt of the first payment under the federal government’s wage subsidy program (CEWS). During the second quarter FPLP did receive a total of three payments under this program combining for \$3.0 million of federal support. The Government of Canada announced a twelve-week extension of the CEWS program and based on eligibility criteria and expected results, we believe FPLP will see additional support payments under the program up to the currently scheduled August 29, 2020 program end date.

As a result of lower advertising volumes, fewer overall pages are being printed and we will be seeing a corresponding decrease in newsprint expense. Similarly, lower flyer delivery volumes will result in a decrease in the delivery expense line in the second quarter and beyond while flyer volumes are lower than pre-COVID-19 shutdown levels.

COVID-19

While Manitoba has fared better to-date than many other Provinces, the short and long-term impact on the local and national economies is uncertain and is expected to remain this way for the unforeseeable future. The overall impact on our businesses as a result of COVID-19 cannot be predicted with any reliability. While we believe swift actions taken to reduce and defer costs together with meaningful direct support by the federal government has resulted in us being in a relatively stable financial position currently, this could deteriorate quickly if the overall economy does not improve or worsens from the present state.

NON-IFRS MEASURES

(1) EBITDA

FPLP believes that in addition to net income as reported on FPLP’s interim condensed consolidated statements of income, EBITDA is a useful supplemental measure as it is a measure used by many of FPLP’s Unitholders, creditors and analysts as a proxy for the amount of cash generated by FPLP’s operating activities. EBITDA is not a recognized measure of financial performance under IFRS. Investors are cautioned that EBITDA should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of FPLP’s performance. FPLP’s method of calculating EBITDA is detailed below and may differ from that used by other issuers and, accordingly, EBITDA as calculated by FPLP may not be comparable to similar measures used by other issuers.

	Three Months Ended March 31,	
	2020	2019
	<i>In thousands of dollars</i>	
Net income for the period	\$ 227	\$ 244
Add (subtract):		
Depreciation and amortization	681	721
Finance costs	145	222
Other income	(14)	(16)
EBITDA	<u>\$ 1,039</u>	<u>\$ 1,171</u>

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this management’s discussion and analysis may constitute forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. These statements include but are not limited to statements regarding management’s intent, belief or current expectations with respect to market and general economic conditions, future costs and operating performance. Generally, but not always, forward-looking statements will be indicated by words such as “may”, “will”, “intend”, “anticipate”, “expect”, “believe”, “plan”, “forecast”, “is budgeting for” or similar terminology.

Forward-looking statements are subject to known and unknown risks and uncertainties that may cause the actual results, performance or achievements of the Corporation or FPLP, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the current general economic uncertainty, FPLP’s ability to effectively manage growth and maintain its profitability, FPLP’s ability to operate in a highly competitive industry, FPLP’s ability to compete with other forms of media, FPLP’s ability to attract advertisers, FPLP’s reliance upon key personnel, FPLP’s relatively high fixed costs, FPLP’s dependence upon particular advertising customer segments, indebtedness incurred in making acquisitions, the availability of financing for capital improvements, the availability of an extension or refinancing of FPLP’s term loan facilities, costs related to capital expenditures, cyclical and seasonal variations in FPLP’s revenues, the risk of acts of terrorism, the cost of newsprint, the potential for labour disruptions, the risk of equipment failure, and the effect of Canadian tax laws. Additional information about these and other factors is discussed under “Risk Factors” in our Annual Management Discussion and Analysis dated May 15, 2020, which is available at www.sedar.com.

In addition, although the forward-looking statements contained in this management’s discussion and analysis are based upon what management of FPLP believes are reasonable assumptions, such assumptions may prove to be incorrect.

Forward-looking statements speak only as of the date hereof and, except as required by law, the Corporation and FPLP assume no obligation to update or revise them to reflect new events or circumstances. Because forward-looking statements are inherently uncertain, readers should not place undue reliance on them.