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GLG LIFE TECH CORPORATION REPORTS 2023 ANNUAL & FOURTH QUARTER FINANCIAL RESULTS

Vancouver, B.C. June 28, 2024 - **GLG Life Tech Corporation** (TSX: GLG) ("GLG" or the "Company"), a global leader in the agricultural and commercial development of high-quality zero-calorie natural sweeteners, announces financial results for the three and twelve months ended December 31, 2023. The complete set of financial statements and management discussion and analysis are available on SEDAR and on the Company's website at www.glglifetech.com.

FINANCIAL SUMMARY

The Company reported revenues of $4.4 million in the fourth quarter of 2023, an increase of 69% compared with $2.6 million in revenues for the fourth quarter of 2022.

The Company reported revenues of $10.3 million for the year 2023, a slight decrease compared to the year 2022 ($10.5 million).

On a consolidated basis, including both continued and discontinued operations, the Company reported gross profit of $2.2 million for the twelve months ended December 31, 2023, compared to $3.2 million in gross profit for the same period last year. The gross profit margin was 20% for the twelve months ended December 31, 2023, compared to 29% for the same period in 2022, or a decrease of nine percentage points.

For the three months ended December 31, 2023, the Company had net income attributable to the Company from continuing operations of $3.6 million, a decrease of $4.7 million over the comparable period in 2022 (net income attributable to the Company from continuing operations of $8.3 million). For the twelve months ended December 31, 2023, the Company had net loss attributable to the Company from continuing operations of $13.0 million, an increase of $4.1 million over the comparable period in 2022 (net loss attributable to the Company from continuing operations of $8.9 million).

The Company reported a net income per share from continuing operations of $0.09 for the fourth quarter 2023, a $0.13 decrease relative to the fourth quarter 2022 (income from continuing operations of $0.22 per share). The Company reported net loss per share of $0.34 for the year 2023, an $0.11 increase relative to the year 2022 (net loss from continuing operations of $0.23 per share).

CORPORATE DEVELOPMENTS

2023 AGM Voting Results

The Company held its Annual and Special General Meeting on June 16, 2023. The shareholders voted in all nominated directors, with favorable votes for each exceeding 99%. Dr. Luke Zhang continues as Chairman of the Board and Chief Executive Officer and Brian Palmieri continues as Vice Chairman of the Board.

Incorporation of, and Affiliation With, Honghongyuan

Qingdao Honghongyuan Health Industry Technology Co., Ltd. ("HHY") was incorporated in Qingdao, Shangdong province, China, in 2023. The Company, through its subsidiary, Qingdao Runde Biotechnology Company, Ltd. (“Runde”), signed a five-year lease agreement commencing August 1, 2023, and running through July 31, 2028, to lease, for an annual fee, the use of Runde’s production facilities to HHY. In return, HHY is is licensed to use the Company’s patents and know-how to produce products at the Runde facility for the benefit of the Company, for further sale and export to the Company’s international customers. The Company will assist HHY in obtaining funding for the Company’s orders. The agreement does not involve the disposition of any assets.

While HHY is owned by a third party, production by HHY for the Company leverages principally a) the existing production staff at Runde, and/or staff migrated from Runde to HHY, and b) the existing production know-how, including adherence to specific customer requirements and established protocols. From a customer perspective, practically, the change in production responsibilities is nominal. From a corporate perspective, the change brings certain tax benefits while effectively retaining control over production of the Company’s goods.

Subsidiary Transfer Agreement and Special Shareholder Meeting

On February 20, 2024, the Company announce that it had signed an agreement, which, once fully approved, would result in the transfer of its Qingdao Runde Biotechnology Company, Ltd. (“Runde”) production facility to Fengyang Xiaogang Hongzhang Health Industrial Park Co. Ltd (“Xiaogang”). This transfer, contingent on necessary shareholder and regulatory approvals, would eliminate significant bank debt from GLG’s balance sheet.

Under the terms of the agreement, for the sale price of one Chinese RMB, one hundred percent of the equity in Runde, currently held by the Company’s Anhui Runhai Biotechnology Joint Stock Company, Ltd. (“Runhai”) subsidiary, will be transferred to Xiaogang. Xiaogang will thereafter own Runde’s tangible assets and will have sole liability for Runde’s bank debts. The Company will retain its intellectual property rights, including its proprietary technology and know-how in agriculture and natural sweetener production.

Under supplemental agreements expected to be signed by Runhai and Xiaogang in the coming weeks (and subsequently signed), Xiaogang will utilize Runde for the benefit of GLG and GLG’s customers. Xiaogang will partner with Qingdao Honghongyuan Health Industry Technology Co., Ltd. (“HHY”) – the operating entity previously formed to manage Runde’s production operations – such that Runde’s production continues unchanged under HHY’s processes and management. Xiaogang, via HHY, will produce goods at Runde exclusively for GLG, except for domestic China sales. In this manner, GLG’s customers can rely on the same production expertise, processes, and highest quality standards remaining in place after this asset transfer becomes fully effective.

The agreement concerning Runde provides that the equity transfer will only become effective upon completion of the Company’s regulatory obligations, including putting the agreement forth to the Company’s shareholders for a shareholder vote and additional securities-/exchange-related obligations. This agreement was put to shareholder vote at a special shareholder meeting and approved by the shareholders with over 99% of votes cast in favor of the transaction on May 16, 2024.

The Company continues to own and oversee its Runhai stevia and monk fruit manufacturing facility, located in Anhui province. The Company currently centers its stevia and monk fruit production operations at the Runde facility and plans to continue doing so, via Xiaogang and HHY, after the transaction is made fully effective, with the ability to later augment Runde’s operations with production operations at Runhai.

Delisting Review

On April 3, 2024, the Company announced that the Toronto Stock Exchange had commenced a delisting review, effective April 2, 2024. The TSX is providing the Company a 120-day window in which to remedy several long-standing deficiencies, including the Company's financial condition and/or operating results and the Company's share price and market capitalization.

At this time, the Company cannot provide any assurance that it will be able to remedy the deficiencies identified by the TSX within the 120-day window or thereafter. Even if the Company is successful in its debt restructuring plans, there is no guarantee that this will be sufficient to address the TSX's financial concerns. Further, even if those concerns were adequately addressed, there is no guarantee that the Company's share price, trading activity, or market capitalization would improve sufficiently to avoid continued TSX concern in those areas.

The Company confirms that it has been in contact with the TSX Venture Exchange ("TSX-V") regarding an application for a listing on the TSX-V to maintain trading continuity in the event that the Company is delisted from the TSX. While the Company is applying for a listing on the TSX-V, there is no guarantee that such a listing application will be successful, or that another market for the Company's securities will be available if the Company is delisted from the TSX.

Delay in Filing Financials and Cease Trade Order

As a result of the Company's failure to file its 2023 financials (consisting of annual financial statements, its management discussion and analysis relating to its annual financial statements, and its Annual Information Form and CEO and CFO certifications, all in respect of its year ended December 31, 2023) by March 31, 2024, the British Columbia Securities Commission ("BCSC") issued a failure-to-file cease trade order ("FFCTO"). The failure to file timely resulted from the late-coming court orders regarding Runyang's bankruptcy proceedings and the additional financial and audit work necessitated by those orders.

The Company is presently delayed in completing and filing its 2024 Q1 interim financial reports (consisting of 2024 Q1 quarterly financial statements, its management discussion and analysis relating to those quarterly financial statements, and its CEO and CFO certifications). Management is working on determining an expected filing date for the 2024 Q1 interim financial reports now that the 2023 financials have been filed.

Management will also be seeking to have the FFCTO rescinded now that the 2023 financials have been filed.

SELECTED FINANCIALS

As noted above, the complete set of financial statements and management discussion and analysis for the year ended December 31, 2023, are available on SEDAR and on the Company's website at www.glglifetech.com.

Results from Operations

The following results from operations have been derived from and should be read in conjunction with the Company's annual consolidated financial statements for 2023 and 2022.

In thousands Canadian $, except per share amounts	3 Months Ended December 31		% Change	12 Months Ended December 31		% Change
	2023	2022 - Restated		2023	2022 - Restated	
Revenue	$4,372	$2,587	69%	$10,321	$10,472	(1%)
Cost of Sales	($1,994)	$173	1253%	($6,104)	($5,258)	(16%)
% of Revenue	(46%)	7%	(52%)	(59%)	(50%)	(9%)
Gross Profit	$2,378	$2,760	(14%)	$4,217	$5,215	(19%)
% of Revenue	54%	107%	(52%)	41%	50%	(9%)
(Expenses)	($274)	$821	(133%)	($3,284)	($2,279)	44%
% of Revenue	(6%)	32%	(38%)	(32%)	(22%)	(10%)
Income (Loss) from Operations	$2,104	$3,581	(41%)	$933	$2,936	(68%)
% of Revenue	48%	138%	(90%)	9%	28%	(19%)
Other Income (Expenses)	$1,576	$4,828	67%	($14,048)	($11,843)	(19%)
% of Revenue	36%	187%	(151%)	(136%)	(113%)	(23%)
Net Income (Loss) - Continuing Operations	$3,680	$8,409	56%	($13,115)	($8,907)	(47%)
% of Revenue	84%	325%	(241%)	(127%)	(85%)	(42%)
Net Income (Loss) - Discontinued Operations	$7,505	($14,375)	152%	$7,505	($14,375)	152%
% of Revenue	172%	(556%)	727%	73%	(137%)	210%
Net Income (Loss)	$11,185	($5,966)	287%	($5,610)	($23,282)	76%
% of Revenue	256%	(231%)	486%	(54%)	(222%)	168%
Net Income (Loss) Attributable to Non-Controlling Interest (NCI)	$187	($50)	474%	$19	($142)	113%
Net Income (Loss) Attributable to GLG	$10,998	($5,916)	286%	($5,629)	($23,140)	76%
% of Revenue	252%	(229%)	480%	(55%)	(221%)	166%
Net Income (Loss) Per Share (Basic & Diluted)	$0.29	($0.15)	293%	($0.15)	($0.60)	75%
Net Income (Loss) Per Share - Continuing Operations	$0.09	$0.22	59%	($0.34)	($0.23)	(48%)
Net Income (Loss) Per Share - Discontinued Operations	$0.19	($0.37)	151%	$0.19	($0.37)	151%
Other Comprehensive Income (Loss)	($125)	($1,956)	94%	$6,177	$751	723%
% of Revenue	(3%)	(76%)	73%	60%	7%	53%
Comprehensive Net Income (Loss)	$11,060	($7,922)	240%	$567	($22,531)	103%
Comprehensive Income (Loss) Attributable to NCI	$191	($72)	365%	$92	($132)	170%
Comprehensive Income (Loss) Attributable to GLG	$10,869	($7,850)	238%	$475	($22,399)	102%
% of Revenue	249%	(303%)	552%	5%	(214%)	219%

Note regarding presentation of financials:

Discontinued Operations / Restatement - Runyang

In March 2024, the Company received a series of Chinese court orders ("Court Orders"), which stated that the Company's Dongtai Runyang Stevia High Tech Company, Ltd.'s ("Runyang") assets were seized in April 2022 and were auctioned in January 2023. Court Orders also declared Runyang bankrupt in November 2023. Accordingly, the Company reclassified Runyang's operations as discontinued operations on a retrospective basis for the years ended December 31, 2023 and 2022.

Further, based on these Court Orders:

- Runyang's assets were reclassified as held-for-sale in 2022, which necessitated restatement of amounts reported in 2022, with the restated amounts reflecting a reversal of asset depreciation charges.
- Amounts related to Runyang's interest payable were restated for 2022 to reverse a late payment compensation charge recorded in 2022. In the course of this reversal, the Company similarly reversed a late payment compensation charge for its Anhui Runhai Joint Stock Company, Ltd. ("Runhai") subsidiary.

As previously announced, the Company deems Runyang's court-ordered bankruptcy to be favorable, as Runyang had been idled for many years with liabilities significantly outweighing assets. As of December 31, 2023, the Company recorded nil assets and nil liabilities for Runyang. The Company does not have any future plans for the Runyang subsidiary and expects to wind it down.

Discontinued Operations / Restatement - Runde

In August 2023, the Company through its subsidiary, Qingdao Runde Biotechnology Company, Ltd. (“Runde”) entered into an agreement with a third party, Qingdao Honghongyuan Health Industry Technology Co., Ltd. ("HHY"), incorporated in Qingdao, China in 2023. With this agreement in place, Runde transferred most of its employees to HHY and HHY, with the former Runde production and oversight personnel performing their same operations, still at the Runde facility but operating under the name of HHY, commenced production of products to be sold to the Company (and in turn, the Company’s customers). While HHY is owned by a third party, production by HHY for the Company leverages principally a) the production staff formerly employed by Runde and transferred to HHY and b) the existing production know-how, including adherence to specific customer requirements and established protocols.

Further, in January 2024, the Company entered into an ownership transfer agreement to sell 100% of its ownership in Runde to another third party. This transfer agreement was made expressly contingent on the Company gaining shareholder approval for the transfer and regulatory approvals in Canada. In May 2024, the Company’s shareholders approved the transaction. Consummation of the transaction is pending regulatory approval.

On the basis of Runde’s cessation of production under its own name, the Company has reclassified Runde’s operations as discontinued operations on a retrospective basis for the years ended December 31, 2023 and 2022.

Additionally, the Company restated a 2022 amount in term loans due resulting from an incorrect exchange rate used.

Note: The reclassifications described above have been effectuated on an annual basis for each of 2023 and 2022; thus, on a quarterly basis, with the full component of the annual changes reflected in the fourth quarters of each of 2023 and 2022, respectively, some quarterly comparative information may be particularly impacted by the reclassifications. Management intends in subsequent financial reports to distribute the annual reclassification impacts to a quarterly basis, in part to refine the quarterly comparative presentation.

Revenue

Revenue for the three months ended December 31, 2023, increased by 69% to $4.4 million, a $1.8 million increase compared to $2.6 million for the same period in 2022. This 69% increase was driven in part by an increase in international stevia revenues, which was partly offset by a decrease in international monk fruit sales. The other portion of the 69% increase (approximately one-fourth of it) is due to the reclassification of Runde’s operations as discontinued operations. International sales comprised over 99% of revenues in the fourth quarter (over 99% in fourth quarter of 2022).

Revenue for the twelve months ended December 31, 2023, decreased by 1% to $10.3 million, a $0.2 million decrease compared to $10.5 million in revenue for the same period in 2022. The revenue decrease of $0.2 million was driven by a decrease in international monk fruit sales, and to a lesser extent, a decrease in domestic (China) stevia sales; however, these decreases were partly offset by an increase in international stevia sales. The decrease in international monk fruit sales reflects increasingly competitive pricing in the monk fruit in 2023 and the decrease in domestic (China) stevia sales reflects increased focus in 2023, versus 2022 and prior years, on utilizing product resources to support international stevia sales. International sales made up 100% of the Company’s revenues in 2023 (95% in 2022).

Cost of Sales

For the quarter ended December 31, 2023, the cost of sales increased was $2.0 million, compared to a cost of sales of negative $0.2 million for the same period last year. The negative cost of sales reported for the fourth quarter of 2022 reflects the full annual impact of the reclassification of Runde's operations as discontinued operations. The cost of sales as a percentage of revenues was 46% for the fourth quarter of 2023, compared with a cost of sales as a percentage of revenues of negative 7% for the comparable period; however, this metric for both 2023 and 2022 was heavily impacted in the fourth quarter by the required reclassification treatment Runde's operations as discontinued operations, particularly as to the cost of goods sold in the fourth quarter.

For the twelve months ended December 31, 2023, the cost of sales was $6.1 million compared to $5.3 million for the same period last year ($0.8 million or 16% increase). Cost of sales as a percentage of revenues was 59% for the first twelve months of 2023, compared to 50% in the comparable period, a nine percentage point increase. The cost of sales as a percentage of revenues is lower than Management expects this metric to be if and when the Runde transfer is consummated, as Management believes that the adjustments made for the reclassification treatment as discontinued operations for Runde's cost of goods sold impacts disproportionately on this metric.

Capacity charges charged to the cost of sales ordinarily would flow to inventory and are a significant component of the cost of sales. Only two of GLG's manufacturing facilities were operating during 2023, and capacity charges of $0.8 million were charged to cost of sales compared to $1.1 million charged to cost of sales in the same period of 2022.

Gross Profit

Gross profit for the three months ended December 31, 2023, was $2.4 million, compared to $2.8 million in gross profit for the same period last year. The gross profit margin was 54% for the fourth quarter of 2023, compared to 107% in the fourth quarter of 2022. As with the metric for cost of sales as a percentage of revenue, the gross profit margin was heavily impacted in 2023, as well as in 2022, by the adjustments made in reclassification of Runde's operations as discontinued operations, particularly as to the cost of goods sold.

Gross profit for the twelve months ended December 31, 2023, was $4.2 million, compared to a gross profit of $5.2 million for the comparable period in 2022. The gross profit margin was 41% for the twelve months ended December 31, 2023, compared to 50% for the same period in 2022, a decrease of 9 percentage points. Conversely to the metric for cost of sales as a percentage of revenue, the gross profit margins are higher than Management expects this metric to be if and when the Runde transfer is consummated, as Management believes that the adjustments made for the reclassification treatment as discontinued operations for Runde's cost of goods sold impacts disproportionately on this metric. Following is a comparative analysis on the decrease in gross profit margins excluding the effects of the reclassification.

On a consolidated basis, including both continued and discontinued operations, gross profit for the twelve months ended December 31, 2023, was $2.2 million, compared to $3.2 million in gross profit for the same period last year. The gross profit margin was 20% for the twelve months ended December 31, 2023, compared to 29% for the same period in 2022, or a decrease of nine percentage points. The decrease in gross profit margin is primarily attributable to decreasing margins on international stevia sales as a result of increasingly competitive pricing in the market, increasing raw material costs, reduced margins as a result of the Company's transfer of production operations from Runde to HHY, and a decrease in margin contribution from domestic (China) stevia sales.

Net Income (Loss) Attributable to the Company

In thousands Canadian $	3 Months Ended December 31		% Change	12 Months Ended December 31		% Change
	2023	2022 - Restated		2023	2022 - Restated	
Net Income (Loss)	$11,185	($5,966)	287%	($5,610)	($23,282)	76%
% of Revenue	256%	(231%)	486%	(54%)	(222%)	168%
Net Income (Loss) - Continuing Operations	$3,680	$8,409	56%	($13,115)	($8,907)	(47%)
% of Revenue	84%	325%	(241%)	(127%)	(85%)	(42%)
Net Income (Loss) Attributable to NCI - Continuing Operations	$101	$115	12%	($67)	$23	391%
% of Revenue	2%	4%	(2%)	(1%)	0%	(1%)
Net Income (Loss) Attributable to GLG - Continuing Operations	$3,579	$8,294	57%	($13,048)	($8,930)	(46%)
% of Revenue	82%	321%	(239%)	(126%)	(85%)	(41%)
Net Income (Loss) - Discontinued Operations	$7,505	($14,375)	152%	$7,505	($14,375)	152%
% of Revenue	172%	(556%)	727%	73%	(137%)	210%

For the three months ended December 31, 2023, the Company had net income attributable to the Company from continuing operations of $3.6 million, a decrease of $4.7 million over the comparable period in 2022 (net income attributable to the Company from continuing operations of $8.3 million). The $4.7 million decrease is attributable to (1) an increase in SG&A expenses ($1.1 million), (2) a decrease in gross profit ($0.4 million) and (3) a decrease in other income ($3.3 million).

For the year ended December 31, 2023, the Company had a net loss attributable to the Company from continuing operations of $13.0 million, an increase of $4.1 million over the comparable period in 2022 (net loss attributable to the Company from continuing operations of $8.9 million). The $4.1 million increase is attributable to (1) an increase in SG&A expenses ($1.0 million), (2) a decrease in gross profit ($1.0 million), (3) an increase in other expenses ($2.2 million) and (4) an increase in net income attributable to the non-controlling interest from continuing operations ($0.2 million).

Quarterly Basic and Diluted Loss per Share

The basic loss and diluted income per share from continuing operations was $0.09 for the three months ended December 31, 2023, compared with a basic and diluted net income per share from continuing operations of $0.22 for the comparable period in 2022. The consolidated continued/discontinued operations income/loss per share is net income per share of $0.29 for the fourth quarter of 2023 and net loss per share of $0.15 for the fourth quarter of 2022.

The basic loss and diluted loss per share from continuing operations was $0.34 for the twelve months ended December 31, 2023, compared with a basic and diluted net loss per share from continuing operations of $0.23 for the comparable period in 2022. The consolidated continued/discontinued operations income/loss per share is net loss per share of $0.15 for the year 2023 and net loss per share of $0.60 for the year 2022.

Additional Information

Additional information relating to the Company, including our Annual Information Form, is available on SEDAR (www.sedar.com). Additional information relating to the Company is also available on our website (www.glglifetech.com).

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<u>About GLG Life Tech Corporation</u>

GLG Life Tech Corporation is a global leader in the supply of high-purity zero calorie natural sweeteners including stevia and monk fruit extracts used in food and beverages. GLG's vertically integrated operations, which incorporate our Fairness to Farmers program and emphasize sustainability throughout, cover each step in the stevia and monk fruit supply chains including non-GMO seed and seedling breeding, natural propagation, growth and harvest, proprietary extraction and refining, marketing and distribution of the finished products. Additionally, to further meet the varied needs of the food and beverage industry, GLG has launched its Naturals+ product line, enabling it to supply a host of complementary ingredients reliably sourced through its supplier network in China. For further information, please visit www.glglifetech.com.

Forward-looking statements: *This press release may contain certain information that may constitute "forward-looking statements" and "forward looking information" (collectively, "forward-looking statements") within the meaning of applicable securities laws. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases or words and phrases that state or indicate that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.*

While the Company has based these forward-looking statements on its current expectations about future events, the statements are not guarantees of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors include amongst others the effects of general economic conditions, consumer demand for our products and new orders from our customers and distributors, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, industry supply levels, competitive pricing pressures and misjudgments in the course of preparing forward-looking statements. Specific reference is made to the risks set forth under the heading "Risk Factors" in the Company's Annual Information Form for the financial year ended December 31, 2023. In light of these factors, the forward-looking events discussed in this press release might not occur.

Further, although the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

As there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements, readers should not place undue reliance on forward-looking statements.