GLG LIFE TECH CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Three Months Ended March 31, 2024

Dated: July 23, 2024

Management’s Discussion and Analysis

This Management’s Discussion and Analysis (“MD&A”) of GLG Life Tech Corporation is dated July 23, 2024. It provides a review of the financial results for the three months ended March 31, 2024, compared to the same periods in the prior year.

This MD&A relates to the consolidated financial condition and results of operations of GLG Life Tech Corporation (“we,” “us,” “our,” “GLG” or the “Company”) together with GLG’s subsidiaries in the People’s Republic of China (“China”) and other jurisdictions. As used herein, the word “Company” means, as the context requires, GLG and its subsidiaries. The common shares of GLG are listed on the Toronto Stock Exchange (the “Exchange”) under the symbol “GLG”. Except where otherwise indicated, all financial information reflected herein is expressed in Canadian dollars and determined on the basis of International Financial Reporting Standards (“IFRS”). This MD&A should be read in conjunction with the annual consolidated financial statements and notes thereto. Additional information relating to GLG Life Tech Corporation including GLG’s Annual Information Form can be found on GLG’s web site at www.glglifetech.com or on the SEDAR web site for Canadian regulatory filings at www.sedar.com.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities and disclosure of contingent assets or liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following: determining the accrued liabilities; assessing the fair value of property, plants and equipment, biological assets, intangible assets and goodwill; the valuation of future tax assets; revenue recognition; estimate of inventory net realizable value; going concern assumption; expected useful lives of assets subject to amortization and the assumptions used in determining the fair value of stock-based compensation. While management believes the estimates used are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

GLG has issued reports on certain non-IFRS measures that are used by management to evaluate the Company’s performance. Because non-IFRS measures do not have a standardized meaning, securities regulations require that non-IFRS measures be clearly defined and qualified and reconciled with their nearest IFRS measure. Where non-IFRS measures are reported, GLG has provided the definition and reconciliation to their nearest IFRS measure in the section “NON-IFRS Financial Measures”.

Forward-Looking Statements

Certain statements in this MD&A constitute “forward-looking statements” and “forward looking information” (collectively, “forward-looking statements”) within the meaning of applicable securities laws. Such forward-looking statements include, without limitation, statements evaluating the market, statements regarding potential demand for stevia, Monk fruit, and other products and discussions regarding general economic conditions and future-oriented costs and expenditures. 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 which 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 described herein under the heading "Risks Related to the Company's Business" and "Risks Associated with Doing Business in the People's Republic of China" for a discussion of these and other sources of factors underlying forward-looking statements and to those additional 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 MD&A 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, except as required by law.

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.

Financial outlook information contained in this MD&A about prospective results of operations, capital expenditures or financial positions is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information as of the date hereof. Such financial outlook information should not be used for purposes other than those for which it is disclosed herein.

Overview

We are a leading producer of high-quality stevia extract and high-quality monk fruit extract. While stevia has long been the foundation of our company, over the last seven years we have been producing and selling monk fruit extracts to the international market. Stevia extracts, such as Rebaudioside A (or Reb A), and monk fruit extracts are used as all-natural, zero-calorie sweeteners in food and beverages. Our revenue presently derives primarily from the sale of high-grade stevia extract to the food and beverage industry; the sale of monk fruit extracts represents an additional significant source of actual and potential revenues. Furthermore, we have expanded our product offerings and market opportunities through the supply of ingredients complementary to the natural high-intensity sweetener market under our Naturals+ product line.

We conduct our stevia and monk fruit development, refining, processing and manufacturing operations through a 98.85% owned subsidiary in China. Our stevia operations in China include two processing factories, stevia growing areas across 10 growing regions, and four research and development centers engaged in the development of high-yielding stevia seeds and seedlings. Our processing facilities have a combined annual throughput of 41,000 metric tons of stevia leaf, over 500 metric tons of high-purity stevia extract, and 130 metric tons of high-purity monk fruit extract.

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, in the course of completing the Company's fiscal year 2023 reporting, the Company reclassified Runyang's operations as discontinued operations on a retrospective basis for the years ended December 31, 2023 and 2022, and wrote off the Runyang business in 2023.

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 the fourth quarter of 2023, all of Runyang's assets and liabilities have been disposed of pursuant to bankruptcy court order.

Discontinued Operations / Restatement – Runde / Operating Agreement with HHY

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, in the course of completing the Company's fiscal year 2023 reporting, the Company has reclassified Runde's operations as discontinued operations on a retrospective basis for the years ended December 31, 2023 and 2022, and has continued this classification into 2024.

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

Corporate and Sales Developments

Subsidiary Transfer Agreement and Special Shareholder Meeting

On February 20, 2024, the Company announced 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, at the time contingent on necessary shareholder approval, and still contingent on regulatory approval, 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 then 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 will be able to 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 is working on securing any further necessary regulatory approvals.

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 the time of the announcement, the Company stated that it could not provide any assurance that it would be able to remedy the deficiencies identified by the TSX within the 120-day window or thereafter. Even if the Company were successful in its debt restructuring plans, there is no guarantee that this would 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 also confirmed 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 has been in discussions 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.

Final Disposition of Runyang Operations

In the course of the bankruptcy proceedings concerning Runyang, the Chinese court ultimately declared Runyang bankrupt, having liquidated all of its assets. In the fourth quarter of 2023, with Runyang's obligations thereby terminated, the Company realized a significant reduction in its liabilities, substantially outweighing the book value of the liquidated assets.

2024 AGM Voting Results

The Company held its Annual General Meeting on June 28, 2024. The shareholders voted in all four nominated directors, with favorable votes for each exceeding 99%. Dr. Luke Zhang continues as Chairman of the Board and Chief Executive Officer and Mr. Brian Palmieri continues as Vice Chairman of the Board. Madame Liu Yingchun and Mr. Simon Springett continue as directors of the Company.

Company Outlook

In recent quarters, management has placed, and continues to place, particular focus on mitigating the losses that the Company has suffered over the last several years and to ameliorate the Company's financial position. As a result of those sustained losses, the Company lacks the cash necessary to fully fund the business operations and its strategic product initiatives. The Company continues to manage its cash flows carefully to mitigate risk of insolvency. As a result of these efforts, management has been successful in improving the Company's cash flows. Nevertheless, without an infusion of cash in the months ahead, the Company may not be able to realize its strategic plans and could eventually cease to be a going concern.

To address that cash need, management previously negotiated revolving loan facilities with a third party for working capital purposes. In 2020, management also realized the sale of one of its two idle assets; the sale of the "Runhao" facility resulted in significant debt reduction. In 2023, the Company also realized significant debt reduction through the bankruptcy liquidation of its other long-idled asset, "Runyang".

A factor that continues to contribute to the Company's financial situation is the competitive price pressure in the stevia market over the last few years that has reduced mainstream "Reb A" products (such as Reb A 80 and Reb A 97) to the lowest price levels in years. Monk fruit prices have also become highly competitive in the marketplace. To maintain margins at sustainable levels, the Company focused on improving production efficiencies, and continues to strive for a mix of products that is weighted more heavily on higher margin, specialty products, and has focused more on higher margin direct sales.

The Company's focus on maintaining positive cash flow led the Company to take decisive steps in 2021, 2022 and 2023 to reduce its SG&A costs as well as its production costs. Both its North American operations and Chinese operations significantly reduced SG&A costs. For many years, the Company's production capacity had been far greater than its projected order levels, as it had then sought rapid increases in orders for Reb A products. The Company's aim has since been to "right-size" its Chinese operations – i.e., to optimize its staffing and production planning to meet the Company's projected production requirements while retaining the ability to accommodate growth in future order volumes – and management made significant progress in this area. These efforts have enabled the Company to sell its goods at more competitive and/or more profitable prices, although the competitive price pressures remain strong.

Revenue trends have been and remain encouraging, as Management's efforts to increase sales have brought increased revenues in the last two quarters (Q1 2024 and Q4 2023) relative to the several prior quarters. While the remainder of the year is impossible to predict with any reasonable certainty, Management currently expects 2024 full-year revenues to meaningfully exceed full-year 2023 revenues. This revenue growth is important to the Company's goals of maintaining positive cash flow and positive EBITDA.

Against this backdrop of sales growth, the Company faces significant regulatory hurdles. It is currently cease-traded, as a result of its delay in filing its 2023 full-year financials (since filed, on June 28, 2024), pursuant to a British Columbia Securities Commission order (the failure-to-file cease trade order or "FFCTO"). As a result of that filing delay, the Company was also delayed in filing its interim first quarter financials for 2024 (filed today). Further, the Company is under a delisting review initiated by the Toronto Stock Exchange ("TSE"), on the basis of the Company's share price and market capitalization remaining lower than the TSE's requirements, as well as the Company's sustained losses over the years and negative working capital situation.

As has been previously announced by the Company, the financial filing delays resulted from late-coming court orders in China related to proceedings concerning the Runyang; the court proceedings resulted in the disposal of the Runyang business, including elimination of significant debts previously carried by the Company, such debt elimination far greater than the carried value of the disposed assets. With today's filing of the Company's first quarter 2024 financials, Management has brought the Company current in its financial reporting requirements. Further, Management expects to timely file its second quarter 2024 financial reporting on or before the prescribed deadline of August 14, 2024. Accordingly, Management is seeking to have the FFCTO rescinded, but cannot at present provide a timeline or any measure of certainty in having the FFCTO rescinded in the near future.

Regarding the TSE's delisting review, the Company is nearing the end of that review period (which extends through August 1, 2024), which could give rise to a delisting thirty days after the end of the review period. While the Company has been successful in improving its working capital situation, Management cannot presently foresee a likelihood of the Company's share price and market capitalization gaining sufficiently to meet the TSE's requirements in the required timeframe. In the event of a delisting from the TSE, which Management understands could happen as soon as August 31, 2024, Management is pursuing its options to maintain trading continuity. While the Company has previously announced that it 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.

Although the regulatory hurdles are substantial, Management continues to have a positive outlook on the Company's revenue growth in at least the near term. As Management works to have the Company's stock trading again, Management continues to focus on that revenue growth, as well as on maintaining and improving margins and increase cash flows. Management also continues to work on the Company's negative working capital situation, and in particular, on options to restructure or otherwise resolve some or all of the remainder of the Company's long-standing bank debt.

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 the condensed interim consolidated financial statements for the three-month period ended March 31, 2024.

In thousands Canadian $, except per share amounts	3 Months Ended March 31		% Change
	2024	2023-Restated	
Results from Continuing Operations			
Revenue	$3,457	$1,550	123%
Cost of Sales	($2,862)	($1,252)	(129%)
% of Revenue	(83%)	(81%)	(2%)
Gross Profit	$594	$299	99%
% of Revenue	17%	19%	(2%)
Expenses	($528)	($754)	(30%)
% of Revenue	(15%)	(49%)	34%
Income/(Loss) from Operations	$66	($455)	115%
% of Revenue	2%	(29%)	31%
Other Income/(Expenses)	($4,471)	($2,933)	(52%)
% of Revenue	(129%)	(189%)	60%
Net Income/(Loss)	($4,405)	($3,388)	(30%)
% of Revenue	(127%)	(219%)	91%
Net Income/(Loss) Attributable to GLG	($4,397)	($3,382)	(30%)
% of Revenue	(127%)	(218%)	91%
Net Earnings/(Loss) Per Share Attributable to GLG	($0.11)	($0.09)	(30%)
Consolidated Results (Consolidating Continued and Discontinued Operations)			
Net Income/(Loss) - Continuing Operations	($4,405)	($3,388)	(30%)
Net Income/(Loss) - Discontinued Operations	($2,620)	($10,865)	76%
Net Income/(Loss)	($7,025)	($14,253)	51%
Net Income/(Loss) Attributable to GLG	($6,988)	($14,122)	51%
Net Earnings/(Loss) Per Share Attributable to GLG	($0.18)	($0.37)	51%
Other Comprehensive Income/(Loss)	($326)	$47	(794%)
Comprehensive Net Income/(Loss)	($7,351)	($14,207)	48%
Comprehensive Net Income/(Loss) Attributable to GLG	($7,304)	($14,074)	48%

Revenue

Revenue for the three months ended March 31, 2024, increased by 123% to $3.5 million, a $1.9 million increase compared to $1.6 million for the same period in 2023. This 123% increase was attributable to an increase in international stevia revenues, deriving in part from a base effect from a temporary slow-down in orders from one of the Company's largest customers in early 2023 and in part from success in the Company's efforts to increase revenues (the inventory-related order slow-down eased and ceased in the second and third quarters of

2023). International monk fruit sales decreased in the first quarter of 2024, relative to the comparable period in 2023, but the decrease was slight relative to the increase in international stevia revenues. The Company's revenues consisted wholly of international sales in the first quarters of both 2024 and 2023.

Cost of Sales

For the three months ended March 31, 2024, the cost of sales increased to $2.9 million, compared to a cost of sales of $1.3 million for the same period last year (an increase in cost of sales of 129%). Cost of sales as a percentage of revenues was 83% for the first quarter, a two-percentage point increase compared to the first quarter of 2023 (81%). This two-percentage point increase in cost of sales as a percentage of revenues is driven in part by higher costs of raw materials in the first quarter of 2024 relative to the first quarter of 2023 for much of the Company's product portfolio, with product pricing often constrained either contractually or by the competitive marketplace. This two-percentage point increase would have been larger, but for the reclassification effects for 2023 discontinued operations effectively increasing the cost of sales for continuing operations in the first quarter of 2023.

Capacity charges charged to the cost of sales ordinarily would flow to inventory but historically have been a significant component of the cost of sales. With all production in the first quarter of 2024 taking place at the Company's Runde facility (as operated by HHY), the company did not record capacity charges in the first quarter of 2024, compared to $0.2 million charged to cost of sales in the first quarter of 2023.

The key factors that impact stevia and monk fruit cost of sales and gross profit percentages in each period include:

1. Capacity utilization of stevia and monk fruit manufacturing plants.
2. The price paid for stevia leaf and monk fruit, and their respective quality which is impacted by crop quality for a particular year/period, and the price per kilogram for which the stevia and monk fruit extracts are sold. These are the most important factors that will impact the gross profit of GLG's stevia and monk fruit business.
3. Other factors which also impact stevia and monk fruit cost of sales to a lesser degree include:
    a. water and power consumption;
    b. manufacturing overhead used in the production of stevia and monk fruit extract, including supplies, power, steam and labor cost;
    c. duties, distribution and warehousing cost;
    d. exchange rate changes; and
    e. depreciation and capacity utilization of the extract processing plants.

GLG's stevia and monk fruit businesses are affected by seasonality. The harvest of the stevia leaves typically occurs starting at the end of July and continues through the fall of each year. The monk fruit harvest takes place typically from October to December each year. GLG's operations in China are also impacted by Chinese New Year celebrations, which occur approximately late-January to mid-February each year, and during which many businesses close down operations for approximately two weeks. GLG's production year runs October 1 through September 30 each year.

Gross Profit (Loss)

Gross profit for the three months ended March 31, 2024, increased by 99% to $0.6 million, compared to $0.3 million in gross profit for the same period last year. This 99% increase in gross profit was driven by the increase in revenues for the first quarter of 2024 compared to the first quarter of 2023. The gross profit margin was 17% for the first quarter of 2024, compared to 19% in the first quarter of 2023, for the same reasons as described above for the year-over-year comparison of cost of sales as a percentage of revenues.

Selling, General, and Administration Expenses

Selling, General and Administration (“SG&A”) expenses include sales, marketing, general and administration costs (“G&A”), stock-based compensation, and depreciation and amortization expenses on G&A fixed assets. A breakdown of SG&A expenses into these components is presented below:

In thousands Canadian $	3 Months Ended March 31		% Change
	2024	2023-Restated	
Results from Continuing Operations			
G&A Expenses	$515	$641	(20%)
Depreciation Expenses	$13	$113	(88%)
Total	$528	$754	(30%)

G&A expenses for the three months ended March 31, 2024, decreased by $0.1 million to $0.5 million, compared to $0.6 million in the same period in 2023. The $0.1 million decrease in G&A expenses for the first quarter of 2024 was driven by a reduction in salaries and wages, with other contributions to the decrease from professional fees, rental expenses and business taxes and licences. G&A-related depreciation and amortization expenses for the three months ended March 31, 2024, were $nil million compared with $0.1 million for the first quarter of 2023.

Other Expenses

In thousands Canadian $	3 Months Ended March 31		% Change
	2024	2023-Restated	
Results from Continuing Operations			
Other Expenses	($4,471)	($2,933)	(52%)
% of Revenue	(129%)	(189%)	60%

Other expenses for the three months ended March 31, 2024, was $4.5 million, compared to other expenses of $2.9 million for the same period in 2023, an increase in other expenses of $1.5 million. This $1.5 million increase in other expenses for the quarter was driven by increases in (1) foreign exchange loss ($1.2 million) and (2) interest expense ($0.3 million).

Foreign Exchange Gains (Losses)

Exchange rates	2024	2023	2023	2023	2023	2022	2022	2022
Rate (as compared to the Canadian $)	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun
U.S. Dollars	0.7380	0.7561	0.7396	0.7553	0.7389	0.7383	0.7296	0.7760
Chinese RMB	5.3333	5.3677	5.3996	5.4795	5.0761	5.0942	5.2002	5.1975

Exchange rates	2024	2023	2023	2023	2023	2022	2022	2022
Rate (as compared to the US $)	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun
Chinese RMB	7.2267	7.0993	7.3002	7.2548	6.8695	6.8996	7.1279	6.6975

GLG reports in Canadian dollars but earns revenues in US dollars and incurs most of its expenses in RMB. Impacts of the appreciation or depreciation of the RMB against the Canadian dollar are shown separately in

Accumulated Other Comprehensive Income ("AOCI") on the Balance Sheet. As at March 31, 2024, the exchange rate for RMB per Canadian dollar was 5.3333 compared to the exchange rate of 5.3677 as at December 31, 2023, reflecting an appreciation of the RMB against the Canadian dollar. As at March 31, 2024, the exchange rate for USD per Canadian dollar was 0.7380 compared to the exchange rate of 0.7561 as at December 31, 2023, reflecting an appreciation of the USD against the Canadian dollar. The balance of the AOCI was $16.5 million on March 31, 2024, compared to a balance of $17.7 million as at December 31, 2023.

The foreign exchange gain or loss is made up of realized and unrealized gains or losses due to the depreciation or appreciation of the foreign currency against the Canadian dollar. Foreign exchange loss was $1.3 million for the three months ended March 31, 2024, compared to the foreign exchange loss of $0.1 million for the comparable period in 2023. The table above shows the change in the Canadian dollar relative to the US dollar from June 30, 2022, to March 31, 2024, and the exchange rate movement for the Canadian dollar relative to the US dollar and RMB as shown above.

Net Income (Loss) Attributable to the Company

In thousands Canadian $	3 Months Ended March 31		% Change
	2024	2023-Restated	
Net Income/(Loss) - Continuing Operations			
Net Income/(Loss)	($4,405)	($3,388)	(30%)
% of Revenue	(127%)	(219%)	91%
Net Income/(Loss) Attributable to NCI	($7)	($6)	(17%)
Net Income/(Loss) Attributable to GLG	($4,397)	($3,382)	(30%)
% of Revenue	(127%)	(218%)	91%
Net Earnings/(Loss) Per Share Attributable to GLG	($0.11)	($0.09)	(30%)

For the three months ended March 31, 2024, the Company had net loss attributable to the Company from continuing operations of $4.4 million, an increase of $1.0 million over the comparable period in 2023. This $1.0 million increase is attributable to (1) an increase in other expenses ($1.5 million), which was offset by (2) an increase in gross profit ($0.3 million) and (3) a decrease in SG&A expenses ($0.2 million).

Comprehensive Income (Loss)

In thousands Canadian $	3 Months Ended March 31		% Change
	2024	2023-Restated	
Comprehensive Income/(Loss) - Consolidated (Continuing and Discontinued Operations)			
Net Income/(Loss)	($7,025)	($14,253)	51%
Net Income/(Loss) Attributable to NCI	($38)	($131)	71%
Net Income/(Loss) Attributable to GLG	($6,988)	($14,122)	51%
Other Comprehensive Income/(Loss)	($326)	$47	(794%)
% of Revenue	(9%)	3%	(12%)
Other Comprehensive Income/(Loss) Attributable to NCI	($9)	($1)	(800%)
Other Comprehensive Income/(Loss) Attributable to GLG	($316)	$48	(758%)
% of Revenue	(9%)	3%	(12%)
Comprehensive Income/(Loss)	($7,351)	($14,207)	48%
% of Revenue	(213%)	(917%)	704%
Comprehensive Income/Loss Attributable to NCI	($47)	($132)	64%
Comprehensive Income/Loss Attributable to GLG	($7,304)	($14,074)	48%
% of Revenue	(211%)	(908%)	697%

The Company, on a consolidated continuing and discontinued operations basis, recorded total comprehensive loss of $7.3 million for the three months ended March 31, 2024, comprising $7.0 million of net loss and $0.3 million of other comprehensive loss. The Company recorded total comprehensive loss of $14.1 million for the three months ended March 31, 2023, driven primarily by $14.3 million of net loss, offset by $0.1 million of comprehensive loss attributable to the non-controlling interest and less than $0.1 million of other comprehensive income.

Summary of Quarterly Results

The selected consolidated information below has been gathered from GLG's quarterly condensed interim consolidated financial statements for the previous eight quarterly periods:

Quarterly Net Loss

In thousands Canadian $, except per share amounts	2024 Q1	2023 Q4 - Restated	2023 Q3 - Restated	2023 Q2 - Restated	2023 Q1 - Restated	2022 Q4-Restated	2022 Q3	2022 Q2
Quarterly Results from Continuing Operations								
Revenue	$3,457	$4,399	$2,370	$2,002	$1,550	$2,587	$2,370	$2,771
Gross Profit $	$594	$3,012	$376	$530	$299	$2,760	$770	$884
Gross Profit %	17%	68%	16%	26%	19%	107%	32%	32%
Net Income/(Loss)	($4,405)	($5,854)	($4,176)	$303	($3,388)	$8,409	($7,550)	($5,482)
Net Income/(Loss) Attributable to GLG	($4,397)	($5,804)	($4,167)	$306	($3,382)	$8,294	($7,522)	($5,450)
Net Earnings/(Loss) Per Share Attributable to GLG *	($0.11)	($0.15)	($0.11)	$0.01	($0.09)	$0.22	($0.20)	($0.14)
* Basic and Diluted								
Consolidated Quarterly Results (Consolidating Continued and Discontinued Operations)								
Net Income/(Loss) - Consolidated	($7,025)	$17,109	($6,570)	($1,896)	($14,253)	($5,966)	($7,550)	($5,482)
Net Income/(Loss) - Discontinued Operations	($2,620)	$22,963	($2,394)	($2,199)	($10,865)	($14,375)	$0	$0
Net Income/(Loss) Attributable to GLG - Consolidated	($6,988)	$16,896	($6,533)	($1,868)	($14,122)	($5,916)	($7,522)	($5,450)
Net Earnings/(Loss) Per Share Attributable to GLG - Consolidated *	($0.18)	$0.44	($0.17)	($0.05)	($0.37)	($0.15)	($0.20)	($0.14)
* Basic and Diluted								

For the three months ended March 31, 2024, net loss attributable to the Company from continuing operations was $4.4 million, an increase of $1.0 million over the comparable period in 2023 (net loss attributable to the Company from continuing operations of $3.4 million). This $1.0 million increase is attributable to (1) an increase in other expenses ($1.5 million), which was offset by (2) an increase in gross profit ($0.3 million) and (3) a decrease in SG&A expenses ($0.2 million). For the three months ended March 31, 2024, net loss attributable to the Company from consolidated (continuing and discontinued) operations was $7.0 million, a decrease in net loss on this basis of $7.1 million over the comparable period in 2023 (net loss attributable to the Company from continuing operations of $14.1 million).

For the three months ended December 31, 2023, net loss attributable to the Company from continuing operations was $5.8 million, an increase in net loss on this basis of $14.1 million over the comparable period in 2022 (net income attributable to the Company from continuing operations of $8.3 million). For the three months ended December 31, 2023, net income attributable to the Company from consolidated (continuing and discontinued) operations was $16.9 million, an increase in net income on this basis of $22.8 million over the comparable period in 2022 (net loss attributable to the Company from continuing operations of $5.9 million).

For the three months ended September 30, 2023, the Company had consolidated net loss attributable to the Company of $6.5 million. For the comparable three months ending September 30, 2022, the Company had net loss attributable to the Company of $7.5 million.

For the three months ended June 30, 2023, the Company had consolidated net loss attributable to the Company of $1.9 million. For the comparable three months ending June 30, 2022, the Company had net loss attributable to the Company of $5.5 million.

For the three months ended March 31, 2023, the Company had consolidated net loss attributable to the Company of $14.1 million. For the comparable three months ended March 31, 2022, the Company had net loss attributable to the Company of $4.3 million.

For the three months ended December 31, 2022, the Company had consolidated net loss attributable to the Company of $5.9 million. For the comparable three months ended December 31, 2021, the Company had net loss attributable to the Company of $8.4 million.

For the three months ended September 30, 2022, the Company had net loss attributable to the Company of $7.5 million, an increase in net loss of $0.6 million over the comparable period in 2021 (net loss of $7.0 million). The $0.6 million increase in net loss attributable to the Company was driven by increases in (1) interest expenses ($0.6 million) and (2) foreign exchange loss ($0.4 million), which were offset by (3) a decrease in loss from operations ($0.4 million).

For the three months ended June 30, 2022, the Company had a net loss attributable to the Company of $5.5 million, an increase in net loss of $1.0 million over the comparable period in 2021 (net loss of $4.5 million). The $1.0 million increase in net loss attributable to the Company was driven by increases in (1) interest expenses ($0.8 million) and (2) other expenses ($0.2 million) and (3) a decrease in foreign exchange gain ($0.2 million), which were offset by (4) a decrease in loss from operations ($0.2 million) and (5) an increase in inventory recovery ($0.1 million).

Quarterly Basic and Diluted Income (Loss) per Share

The basic and diluted loss per share from continuing operations was $0.11 for the three months ended March 31, 2024, compared with a basic and diluted net loss per share from continuing operations of $0.09 for the comparable period in 2023. For the three months ended March 31, 2024, net loss attributable to the Company from continuing operations was $4.4 million, an increase of $1.0 million over the comparable period in 2023 (net loss attributable to the Company from continuing operations of $3.4 million). This $1.0 million increase is attributable to (1) an increase in other expenses ($1.5 million), which was offset by (2) an increase in gross profit ($0.3 million) and (3) a decrease in SG&A expenses ($0.2 million). For the three months ended March 31, 2024, net loss attributable to the Company from consolidated (continuing and discontinued) operations was $7.0 million, a decrease in net loss on this basis of $7.1 million over the comparable period in 2023 (net loss attributable to the Company from continuing operations of $14.1 million).

The basic and diluted loss per share from continuing operations was $0.15 for the three months ended December 31, 2023, compared to a basic and diluted income per share of $0.22 for the comparable period in 2022. For the three months ended December 31, 2023, net loss attributable to the Company from continuing operations was $5.8 million, an increase in net loss on this basis of $14.1 million over the comparable period in 2022 (net income attributable to the Company from continuing operations of $8.3 million). For the three months ended December 31, 2023, net income attributable to the Company from consolidated (continuing and discontinued) operations was $16.9 million, an increase in net income on this basis of $22.8 million over the comparable period in 2022 (net loss attributable to the Company from continuing operations of $5.9 million).

The basic and diluted loss per share from continuing operations was $0.11 for the three months ended September 30, 2023, which together with basic and diluted loss per share from discontinued operations of $0.06, results in a consolidated basic and diluted loss per share of $0.17, compared to a basic and diluted loss per share of $0.20 for the comparable period in 2022. For the three months ended September 30, 2023, the Company had consolidated net loss attributable to the Company of $6.5 million. For the comparable three months ending September 30, 2022, the Company had net loss attributable to the Company of $7.5 million.

The basic and diluted income per share from continuing operations was $0.01 for the three months ended June 30, 2023, which together with basic and diluted loss per share from discontinued operations of $0.06, results in a consolidated basic and diluted loss per share of $0.05, compared to a basic and diluted loss per share of $0.14 for the comparable period in 2022. For the three months ended June 30, 2023, the Company had consolidated net loss attributable to the Company of $1.9 million. For the comparable three months ending June 30, 2022, the Company had net loss attributable to the Company of $5.5 million.

The basic and diluted loss per share from continuing operations was $0.09 for the three months ended March 31, 2023, which together with basic and diluted loss per share from discontinued operations of $0.28, results in a consolidated basic and diluted loss per share of $0.37, compared to a basic and diluted loss per share of $0.11 for the comparable period in 2022. For the three months ended March 31, 2023, the Company had consolidated net loss attributable to the Company of $14.1 million. For the comparable three months ended March 31, 2022, the Company had net loss attributable to the Company of $4.3 million.

The basic and diluted income per share from continuing operations was $0.22 for the three months ended December 31, 2022, which together with basic and diluted loss per share from discontinued operations of $0.37, results in a consolidated basic and diluted loss per share of $0.15, compared to a basic and diluted loss per share of $0.22 for the comparable period in 2021. For the three months ended December 31, 2022, the Company had consolidated net loss attributable to the Company of $5.9 million. For the comparable three months ended December 31, 2021, the Company had net loss attributable to the Company of $8.4 million.

The basic and diluted loss per share from operations was $0.20 for the three months ended September 30, 2022, compared to a basic and diluted loss per share of $0.18 for the comparable period in 2021. For the three months ended September 30, 2022, the Company had net loss attributable to the Company of $7.5 million, an increase in net loss of $0.6 million over the comparable period in 2021 (net loss of $7.0 million). The $0.6 million increase in net loss attributable to the Company was driven by increases in (1) interest expenses ($0.6 million) and (2) foreign exchange loss ($0.4 million), which were offset by (3) a decrease in loss from operations ($0.4 million).

The basic loss and diluted loss per share from operations was $0.14 for the three months ended June 30, 2022, compared with a basic and diluted net loss of $0.12 for the comparable period in 2021. For the three months ended June 30, 2022, the Company had a net loss attributable to the Company of $5.5 million, an increase in net loss of $1.0 million over the comparable period in 2021 (net loss of $4.5 million). The $1.0 million increase in net loss attributable to the Company was driven by increases in (1) interest expenses ($0.8 million) and (2) other expenses ($0.2 million) and (3) a decrease in foreign exchange gain ($0.2 million), which were offset by (4) a decrease in loss from operations ($0.2 million) and (5) an increase in inventory recovery ($0.1 million).

NON-IFRS Financial Measures

Earnings Before Interest, Taxes and Depreciation ("EBITDA") and EBITDA Margin

In thousands Canadian $	3 Months Ended March 31		% Change
	2024	2023-Restated	
Adjusted EBITDA - Consolidated (Continuing and Discontinued Operations)			
Income/(Loss) Before Income Taxes	($7,025)	($14,253)	51%
Addback:			
Provisions for Inventory/(Recovery)	$0	($21)	
Other Expenses/(Income)	$49	$42	
Depreciation and Amortization	$13	$294	
Net Interest Expense/(Income)	$3,111	$2,763	
Foreign Exchange Loss/(Gain)	$1,311	$149	
Net Loss/(Gain) from Discontinued Operations	$2,620	$10,865	
Adjusted EBITDA	$79	($161)	149%
% of Revenue	2%	(10%)	13%

Adjusted EBITDA for the three months ended March 31, 2024, was $0.1 million or 2% of revenues, compared to negative $0.2 million or negative 10% of revenues for the same period in 2023.

Liquidity and Capital Resources

In thousands Canadian $	31-Mar-24	31-Dec-23
Cash and Cash Equivalents	$ 443	$ 386
Working Capital	$ (176,747)	$ (170,162)
Total Assets	$ 10,077	$ 10,067
Total Liabilities	$ 187,353	$ 179,992
Loan Payable (<1 year)	$ 80,314	$ 77,361
Loan Payable (>1 year)	$ 1,022	$ 242
Total Shareholder's Deficiency	$ (176,374)	$ (169,070)

The Company has several initiatives currently underway in order to manage cash flow, including working closely with the banks to restructure its loans and carefully controlling operating expenditures including general and administrative expenses and production-related expenses. The Company also continues to work to reduce accounts receivable, participate in supplier financing programs, negotiate with creditors for extended payment terms, and arrange financing as necessary with private parties.

Total loans payable (both short-term and long-term) is $81.3 million as of March 31, 2024, an increase of $3.7 million compared to the total loans payable as at December 31, 2023 ($77.6 million). Until any final debt restructuring is completed, the terms of the original loans are represented in the financial statements.

The Company continues to work with the Chinese banks on restructuring its Chinese debt in 2023. Previously, 98% of all China bank loans held by GLG's Chinese subsidiary – Anhui Runhai Biotechnology Joint Stock Company, Ltd. ("Runhai") and its wholly owned Chinese subsidiaries – had been transferred to one state-owned capital management company ("SOCMC"), China Cinda Assets Management ("Cinda"). Subsequently, in the fourth quarter of 2021, part of Cinda's debt holding (approximately 17.5%) was transferred to another SOCMC, Jiangsu Xinbao Assets Management Co. ("Xinbao"). The Xinbao debt has since been disposed of as a result of the Runyang bankruptcy proceedings.

The Company announced in September 2019 a finalized agreement with Cinda to resolve most of its bank debt over a two-year period commencing with the sale of one of its idle assets. That asset sale commenced in the third quarter of 2020, including the recording of $17.5 million in debt forgiveness related to that sale, and was finalized as of July 23, 2020. The Company also continues to negotiate with Cinda regarding the debt repayment schedule as well as the possibility of converting outstanding debt into equity in Runhai with a view to participate as an equity shareholder in the potential returns.

The Company continues to explore other options to reduce or eliminate the debt. In early 2024, the Company entered into a contingent agreement to transfer its Runde facility, which would relieve the Company of Runde's bank debt load, while, through an operating agreement with HHY, enable production to continue at Runde's facility.

Cash Flows: Three Months Ended March 31, 2024 and 2023

Cash used in operating activities was $0.4 million in the three-month period ended March 31, 2024, compared to $1.4 cash generated by operating activities in the same period of 2023. Cash used in operating activities increased by $1.9 million year-over-year. This was the result of (1) an increase in cash used in operating activities before the impact of non-cash working capital of $0.6 million and (2) a decrease in cash generated by non-cash working capital of $1.3 million for the three months ended March 31, 2024, relative to the comparable 2023 period.

The $1.3 million decrease in cash generated by non-cash working capital was due to increases in cash used in (1) inventory ($0.6 million) and (2) taxes recoverable and prepaid expenses ($0.1 million) and decreases in cash generated by (3) accounts payable and accruals ($0.6 million) and (4) accounts receivable ($0.3 million), which were offset by an increase in cash generated by interest accruals ($0.4 million).

Cash generated by investing activities was $nil during the first quarters of both 2024 and 2023.

Cash used in financing activities was $nil in the first quarter of 2024, compared to $0.2 million in cash generated in the first quarter of 2023.

Financial Resources

Cash and cash equivalents increased by $0.1 million for the three months ended March 31, 2024, relative to December 31, 2023. Working capital decreased by $6.6 million from the year-end 2023 position (negative $170.2 million) to negative $176.7 million. The working capital decrease of $6.6 million is attributable to an increase in current liabilities of $6.6 million.

The $6.6 million increase in current liabilities was due to increases in (1) current loans payable from discontinued operations ($3.1 million), (2) other loans payable – current portion ($2.8 million), (3) interest payable ($0.5 million), (4) term loans – current portion ($0.1 million) and (5) accounts payable and accruals ($0.1 million).

There was $nil change in current assets as (1) a decrease in accounts receivable ($0.8 million) was offset by (2) an increase in inventory ($0.8 million).

The Company has been working on improving its working capital deficiency situation, which was driven by the impairments to inventory, accounts receivable, sales taxes recoverable and prepaid expenses over the years 2011 - 2023. See above section on Liquidity and Capital Resources for additional details on the Company's debt restructuring progress and new short-term loans.

The Company's working capital and working capital requirements fluctuate from quarter to quarter depending on, among other factors, the annual stevia harvest in China (third and fourth quarter each year) and the production output along with the amount of sales conducted during the period. The value of raw material in inventory has historically been the highest in the fourth quarter due to the fact that the Company purchases leaf during the third and fourth quarter and monk fruit during the fourth quarter for the entire production year, which runs October through September each year. The Company's principal working capital needs include accounts receivable, taxes receivable, inventory, prepaid expenses, other current assets, and accounts payable and interest payable.

Balance Sheet

As at March 31, 2024, in comparison to December 31, 2023, the total assets were essentially unchanged. Total liabilities increased by $7.4 million as at March 31, 2024, in comparison to December 31, 2023, due to increases in current liabilities of $6.6 million and long-term liabilities of $0.8 million. The $0.8 million increase in long-term liabilities was driven by an increase in other loans payable ($0.9 million), which was offset by a decrease in term loans ($0.1 million).

Shareholders' deficiency increased by $7.3 million due to (1) an increase in accumulated deficit ($7.0 million) and (2) a decrease in accumulated other comprehensive income ($0.3 million).

Term Loans

The Company's term loans of $3,898,125 (December 31, 2023 - $3,873,177) consist of borrowings from the SOCMC and a bank in China as follows:

The following table presents the principal amount of each term loan.

	Runhai-Cinda (i)	Runhai-Bank (ii)	TOTAL
Balance, December 31, 2022	**$ 3,435,250**	**$ 647,790**	**$ 4,083,040**
Repayment	-	(1,907)	(1,907)
FX impact	(175,000)	(32,956)	(207,956)
Balance, December 31, 2023	**$ 3,260,250**	**$ 612,927**	**$ 3,873,177**
FX impact	21,000	3,948	24,948
Balance, March 31, 2024	**$ 3,281,250**	**$ 616,875**	**$ 3,898,125**
Long term	**-**	**121,875**	**121,875**
Current	**$ 3,281,250**	**$ 495,000**	**$ 3,776,250**

The following table presents the interest expenses of each term loan.

		Runhai-Cinda (i)		Runhai-Bank (ii)		TOTAL
Balance, December 31, 2022	**$**	**7,719,296**	**$**	**11,352**	**$**	**7,730,648**
Interest		1,221,391		37,058		1,258,449
Interest paid		-		(18,313)		(18,313)
FX impact		(421,420)		(1,011)		(422,431)
Balance, December 31, 2023	**$**	**8,519,267**	**$**	**29,086**	**$**	**8,548,353**
Interest		436,431		9,080		445,511
FX impact		54,642		183		54,825
Balance, March 31, 2024	**$**	**9,010,340**	**$**	**38,349**	**$**	**9,048,689**

i. The Company's subsidiary Runhai has numerous loans with Cinda. $3,281,250 (RMB 17,500,000) of loans are due on demand at March 31, 2024, and bear interest at 10.82% per annum.

ii. During the year ended December 31, 2021, Runhai borrowed a loan of $817,950 (RMB 4,100,000) from a local bank. During the year ended December 31, 2022, Runhai restructured the loan with a repayment schedule over three years. The loan bears interest at 5.82% per annum and is due between February 2023 to August 2025. Due to the restructuring of the loan, the Company repaid $154,880 (RMB 800,000) in 2022, repaid $1,907 (RMB 10,000) in 2023. There were principal repayments due in 2023 of $149,040 (RMB 800,000) and due in February 2024 of $114,040 (RMB 600,000); as of June 30, 2024, these repayments had not been made and Runhai is in default according to the repayment schedule.

The assets of the Company's subsidiaries including inventory, restricted cash and property, plant and equipment have been pledged as collateral for these loans. (Notes 6 and 8). As of the reporting date, all term loans have been in default, and Cinda has the right to collect all the principals and accrued interest, as well as the right to take possession of the pledged assets. If lenders take possession of the pledged assets, the Company will no longer be able to continue its operation. The Company has been negotiating with Cinda to arrange for debt repayment plans, and no consensus has been arrived yet as of the reporting date.

Other Loans Payable

The following table presents the other loans payable.

	Ms. Yuen (i)	Others (ii)	TOTAL
Balance, December 31, 2022	**$ 45,535,362**	**$ 5,388,308**	**$ 50,923,670**
Addition	1,894,345	-	1,894,345
Interest expense	7,442,728	795,185	8,237,913
Repayment	(2,409,215)	-	(2,409,215)
Transfer	(871,876)	871,876	-
FX impact	(2,153,979)	(218,253)	(2,372,232)
Balance, December 31, 2023	**$ 49,437,365**	**$ 6,837,116**	**$ 56,274,481**
Addition	-	900,000	900,000
Interest expense	1,922,158	249,778	2,171,936
FX impact	509,164	93,307	602,471
Balance, March 31, 2024	**$ 51,868,687**	**$ 8,080,201**	**$ 59,948,888**
Long term	**-**	900,000	**900,000**
Current	**$ 51,868,687**	**$ 7,180,201**	**$ 59,048,888**

The Company obtained loans under numerous credit facility agreements from a private lender, Ms. Yuen, in USD and RMB.

- $1,200,188 of loans bear interest at 8% with an expiry date of August 9, 2024; the loan is secured with one of the Company's major customer's accounts receivable payments.
- $837,918 of loans bear interest at 18% per annum, compounding quarterly, $703,125 of loans bear annual interest at 20% and $813,118 of loans bear annual interest at 15%. The maturity dates for loans from Ms. Yuen ranged from August 2019 to August 2023. As at March 31, 2024, the loans are unsecured and due on demand.
- During the three months ended March 31, 2024, there was no repayment to Ms. Yuen's loans. As of the reporting date, the remaining $50,565,641 in loans from Ms. Yuen are in default. If Mrs. Yuen calls the loans, the Company may no longer be able to continue its operations.

The Company obtained numerous loans from other private lenders in CAD, USD and RMB. In February 2024, the Company obtained a $900,000 loan from a private lender. The loan bears interest at a net interest rate of 15% per annum (net of any applicable mandatory withholding taxes) for three years. With the new loan principal, the Company repaid an expired related party loan to one of its directors in February 2024.

As at March 31, 2024, the loans from other private lenders are unsecured and due on demand with interest at 11.50% per annum, with interest compounding quarterly, and at 15% per annum with simple interest. As of December 31, 2023, the outstanding principal of these loans was $2,567,099 (December 31, 2023 – $1,638,175).

Lease Liabilities

		Office
At December 31, 2022	$	290,967
Lease payments made		(183,409)
Interest expense on lease liabilities		33,854
As at December 31, 2023	$	141,412
Lease payments made		(43,540)
Interest expense on lease liabilities		4,887
As at March 31, 2024	$	102,759
Less: current portion		(82,956)
Non-current portion as at March 31, 2024	$	19,803

		March 31, 2024		December 31, 2023
Current	$	82,956	$	98,323
Non-Current		19,803		43,089
	$	102,759	$	141,412

Capital Structure

Outstanding Share Data as at the date of this MD&A:

	31-Mar-24	31-Dec-23
Common Shares Issued	38,394,223	38,394,223
Stock Options	-	-
Total Reserved For Issuance	-	-
Fully Diluted Shares	38,394,223	38,394,223

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

Non-Controlling Interests

The following table represents the share of equity attributable to the non-controlling interest:

		March 31, 2024
January 1, 2024	$	(854,909)
Non-controlling interest's share of earnings		(37,557)
Non-controlling interest's share of other comprehensive loss		(9,306)
March 31, 2024	$	(901,772)

		December 31, 2023
January 1, 2023	$	(946,402)
Non-controlling interest's share of earnings		18,569
Non-controlling interest's share of other comprehensive loss		72,924
December 31, 2023	$	(854,909)

Related Parties Transactions and Balances

Amounts due to related parties

Amounts due to related parties are summarized as follows:

	Loan from CEO (i)	Loan from Director (ii)	Consulting fee payable to CEO (iii)	Total
Balance, December 31, 2022	**$ 11,471,771**	**$ 900,000**	**$ 3,566,006**	**$ 15,937,777**
Additions - Non cash	-	-	462,947	462,947
Interest expense	1,808,256	135,000	107,750	2,051,006
Payments	-	(135,000)	(470,179)	(605,179)
FX impact	(305,653)	-	(85,746)	(391,399)
Balance, December 31, 2023	**$ 12,974,374**	**$ 900,000**	**$ 3,580,778**	**$ 17,455,152**
Additions - Non cash	-	-	116,334	116,334
Interest expense	498,533	21,082	27,238	546,853
Payments	-	(921,082)	(116,334)	(1,037,416)
FX impact	320,127	-	87,843	407,970
Balance, March 31, 2024	**$ 13,793,034**	**$ -**	**$ 3,695,859**	**$ 17,488,893**

i. The Company obtained loans under numerous credit facility agreements from the Company's Chairman and CEO in USD and RMB. For the loans borrowed in USD, the interest rate is US 10-year benchmark government bond rate plus 1100 basis points per annum. For the loans borrowed in RMB, the interest rate is the Chinese 10-year benchmark government bond rate plus 1100 basis points per annum, compounding quarterly. The loans from the CEO are unsecured and due on demand. As of March 31, 2024, the outstanding principal of these loans was $3,048,818 (December 31, 2023 - $2,975,916).

ii. On February 26, 2024, the Company repaid one of its director's outstanding loan and interest by obtaining a $900,00 loan from a private lender. As of March 31, 2024, the outstanding principal of the director's loan was zero (December 31, 2023 - $900,000).

iii. As of March 31, 2024, the consulting fee payable to the Company's Chairman and CEO was $3,695,859 (December 31, 2023 - $3,580,778), which bears interest at 3% per annum compounding quarterly.

b) Transactions with key management personnel

Key Management Personnel are those persons who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly, including the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, senior management of the Chinese subsidiaries and any external directors of the Company.

Remuneration of key management of the Company is comprised of the following:

	Three months ended March 31	
	2024	2023
Short-term employee benefits (including salaries, bonuses and fees)	$ 183,286	$ 189,271
Share-based benefits	-	-
Total remuneration	$ 183,286	$ 189,271

Certain executive officers are subject to termination benefits. Upon resignation at the Company's request or in the event of a change in control, they are entitled to termination benefits equal to 36 months of gross payment, totaling approximately $1,870,000.

Disclosure Controls and Internal Controls over Financial Reporting

The Company's disclosure controls and procedures are designed to provide reasonable assurance that relevant information relating to the Company, including its consolidated subsidiaries, is made known to senior management in a timely manner so that information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation. As of the end of the period covered by this report, the Company's management evaluated, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim filings ("NI 52-109"). The Company's Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2024, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports the Company files or submits to the Canadian Securities Administrators ("CSA") is recorded, processed, summarized and reported within the time periods specified therein and accumulated and reported to management to allow timely discussions regarding required disclosure.

The Company's management, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, is also responsible for establishing and maintaining internal control over financial reporting. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in Canada.

Management assessed the effectiveness of the Company's internal control over financial reporting, as defined in NI 52-109, as of March 31, 2024. In making this assessment, management used the criteria set forth in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, the Company's Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2024, the Company's internal control over financial reporting were effective.

It should be noted that while the officers of the Company have certified the Company's period-end filings, they do not expect that the disclosure controls and procedures or internal controls over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or implemented, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Risks Related to the Company's Business

This section describes the material risks affecting the Company's business, financial condition, operating results and prospects. A prospective investor should carefully consider the risk factors set out below and consult with his, her or its investment and professional advisors before making an investment decision. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on the Company's business, financial condition, operating results or prospects. In that case, the trading price of the common shares could decline substantially, and investors may lose all or part of the value of the common shares held by them.

There are a number of risk factors that could materially affect the business of GLG, which include but are not limited to the risk factors set out below. The Company has been structured to minimize these risks. More details about the following risk factors can be found in the Company's Annual Information Form filed on SEDAR at www.sedar.com.

- Intellectual Property Infringement
- Product Liability Costs
- Manufacturing Risk
- Inventory Risk
- Customer Concentration Risk
- Competition
- Government Regulations
- Consumer Perception of Products
- Changing Consumer Preferences

- Market Acceptance
- Dependence on Key Personnel
- Volatility of Share Prices

Risks Associated with Doing Business in the People's Republic of China

The Company faces the following additional risk factors that are unique to it doing business in China. More details about the following risk factors can be found in the Company's Annual Information Form.

- Government Involvement
- Changes in the Laws and Regulations in the People's Republic of China
- The Chinese Legal and Accounting System
- Currency Controls
- Additional Compliance Costs in the People's Republic of China
- Difficulties Establishing Adequate Management, Legal and Financial Controls in the People's Republic of China
- Capital Outflow Policies in the People's Republic of China
- Jurisdictional and Enforcement Issues
- Political System in the People's Republic of China

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).