GLG LIFE TECH CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Three and Twelve Months Ended December 31, 2020

Dated: March 31, 2021

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of GLG Life Tech Corporation is dated March 31, 2021. It provides a review of the financial results for the three and twelve months ended December 31, 2020, 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, 2020. 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 five 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 expansion into 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 three 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.

Significant Accounting Estimates and Judgements

The Company makes certain estimates and judgments regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(References to Notes below are references to the corresponding Notes in the accompanying Financial Statements.)

a) Judgments

Going concern

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern assumption of the Company as previously discussed in Note 3.

Functional currency determination

The preparation of the consolidated financial statements requires management to make judgments regarding the functional currencies of the Company and its subsidiaries. As discussed in Note 4(a), the functional currency of the Company has been determined to be the CAD, while the functional currencies of its subsidiaries are as listed in Note 4(b).

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Determination of Stevia Cash Generating Unit

The stevia operation is set up as an integrated supply chain whereby each subsidiary specializes in part of the supply chain. The stevia operations include: an agricultural unit, primary processing plants and secondary processing plants.

Centralized production planning takes place across the entire supply chain. It starts with the worldwide sales forecast of the stevia products for secondary processing plants, which then translates into production forecasts for secondary processing plants. The production forecasts for secondary processing plants then define how much products will be required from the primary processing plants. The design of the integrated supply chain makes the cash flows for each component of the supply not sufficiently independent of all the components in order to break down the cash flows any lower than the stevia business level. Therefore, management has treated the four stevia processing plants, the agricultural unit as well as the North American offices as included in a single CGU ("Stevia CGU").

Determination of Monk Fruit Cash Generating Unit

The Monk Fruit operation is set up as an integrated supply chain whereby each subsidiary specializes in part of the supply chain. The Monk Fruit operations include certain processing plants in China.

Centralized production planning takes place across the entire supply chain. It starts with the worldwide sales forecast of the Monk Fruit products for processing plants.

The management has treated the Monk Fruit processing plants, as included in a single CGU ("Monk Fruit CGU").

Impairment and/or impairment reversal of long-lived assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's long-lived assets are impaired and whether previously recorded impairments should be reversed. Management judgement is involved in determining if there are circumstances indicating that testing for impairment is required, and in identifying CGUs for the purpose of impairment testing.

The Company assesses impairment by comparing the recoverable amount of a long-lived asset, CGU, or CGU group to its carrying value. The recoverable amount is defined as the higher of: (i) value in use; or (ii) fair value less cost to sell. The determination of the recoverable amount involves management judgement and estimation. These estimates and assumptions could affect the Company's future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on the long-lived assets. See Note 13 for further details.

b) Uncertainty estimation

Inventories

The Company estimates the net realizable values of inventories and right-of-use assets, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Depreciation

The Company's property, plant and equipment and right-of-use assets are depreciated on a straight-line basis, taking into account the estimated useful lives of the assets and residual values and lease terms. Changes to these estimates may affect the carrying value of these assets, inventories, net earnings (loss), and comprehensive income (loss) in future periods.

Income tax estimates

The Company provides for income taxes based on currently available information in each of the jurisdictions in which it operates. The calculation of income taxes in many cases, however, requires significant judgment in interpreting tax rules and regulations. The Company's tax filings are subject to audits, which could materially change the amount of current and deferred income tax assets and liabilities, and could, in certain circumstances, result in the assessment of interest and penalties.

Sales tax recoverable

The Company makes allowances for sales tax recoverable based on its expected future profits and its best estimate of the realization of the sales tax recoverable.

Allowance for doubtful accounts

The Company recognizes an impairment loss allowance for expected credit losses on trade accounts receivable using a probability-weighted estimate of credit losses. In its assessment, management estimates the expected credit losses based on actual credit loss experience and informed credit assessment, taking into consideration forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

Share-based compensation

Estimating fair value for granted stock options and restricted shares requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the year along with the assumptions and model used for estimating fair value for stock-based compensation transactions are disclosed in Note 19.

COVID-19

The global impact of COVID-19 has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally. The Company has implemented the pandemic-related procedures and protocols at its facilities, including enhanced screening measures, cleaning and sanitation on processes and frequency, encouraging social distancing measures and directing employees to work from home if possible. The impact of COVID-19 cannot be reasonably estimated at this time. However, this outbreak may affect the Company, its suppliers, distribution channels or customers, including the manufacturing were shut down temporarily.

Corporate and Sales Developments

Sale of Idle Production Facility and Reduction of Debt

On August 10, 2020, the Company announced the sale of one of its two idle facilities, along with substantial reduction of the Company's debt.

After extensive negotiations stretching over multiple years, the Company has concluded the sale of its idle "Runhao" facility, located in Qingdao, China. Specifically, the Company sold the buildings and land use rights to the buyer, while retaining the assets, liabilities, and obligations of the Company's subsidiary entity that previously held the buildings and land use rights. The Company had not used the facility for several years and its sale will not have any impact on the Company's ongoing operations.

The deal involved not only the Company (as seller) and the buyer, but also the Company's primary bank debtholder, China Cinda Assets Management Corporation Anhui Branch ("Cinda"). Under the terms of the deal, from the sale proceeds of RMB 222 million (approximately CAD 42.5 million), Cinda received just over RMB 102 million, and as a result of this payment, Cinda further agreed to waive an additional approximately RMB 90 million in amounts owed to Cinda.

Thus, the Company reduced its overall liability to Cinda from RMB 570 million (as at March 31, 2020) to RMB 387 million (as at July 31, 2020), which is a reduction of RMB 193 million (approximately CAD 37 million) or a 34% reduction in the Company's obligations to Cinda. The carrying amounts of the Runhao buildings and land use rights were CAD 10.8 million.

Pursuant to the sale and the Chinese government's conditions for approval for the deal, the Company is required to use the remaining proceeds from the sale to satisfy the Company's tax obligation for Runhao, settle debts owed to certain third parties tied to the construction of Runhao, repay debts to a related party that has been instrumental in facilitating the Company's overall restructuring efforts, and pay settlement fees for the transaction. The deal was concluded in late July and the disposition of Runhao is recorded as effective within the third quarter of 2020.

This substantial reduction in debt significantly improves the Company's balance sheet. Further, pursuant to a prior agreement with Cinda announced on September 9, 2019, this debt reduction positions the Company for further waivers of amounts owed to Cinda as future payments are made to Cinda. The Company continues to work closely with Cinda regarding its obligations and its plans to resolve those obligations through payments, waivers, and potentially a partial conversion of debt to equity in the Company's main Chinese subsidiary, Anhui Runhai Biotechnology Joint Stock Company.

Subsidiary Share Repurchase

Following the sale of the Runhao subsidiary, on July 31, 2020, the Company repurchased 31.77% of its ownership in Runhai from certain related parties for the payment of $11,625,100 (RMB 60,500,000) pursuant to a right held by the non-controlling interest to require the Company to buy out all or part of the shares. The Company's ownership interest in Runhai increased to 98.85% from 67.08%, and the non-controlling interest in Runhai is reduced to 1.15%. The ownership change was recorded as an equity transaction.

Changes to Executive Team

Mr. Finnsson, the Company's CFO since March of 2019, tendered his resignation, for personal reasons, effective June 30, 2020. Management thanks Mr. Finnsson for his service. The Company has appointed Mr. Edward

Wang, the Company's current Controller, as Acting Chief Financial Officer.

Additionally, the Company previously announced that its President, Paul Block, and the Company agreed that Mr. Block would step down as President with an effective date of June 25, 2020. Mr. Block remained a Director of the Company but opted to not run for re-election at the Company's upcoming Annual General and Special Meeting.

Dr. Luke Zhang, Chairman and CEO, in addition to his focus on overseeing the Company's Chinese subsidiaries and efforts to restructure the Company's debt, is continuing to manage the Company's North American team to increase sales, manage costs, and improve the Company's financial performance. "I would like to thank Paul for his years of service on our Board of Directors and for his contributions to our management team over the last eighteen months. I wish Paul well in his future endeavors," said Dr. Zhang.

Issuance and Revocation of Management Cease Trade Order

Due to a previously announced delay in filing of the Company's 2019 year-end financial statements and related documents, such delay arising from the impact of COVID-19 on the Company's ability to timely complete the filing, on May 15, 2020, the Company announced that it had applied for and been issued a Management Cease Trade Order ("MCTO") by the relevant securities commissions. Shortly after completing the filing, the MCTO was revoked on June 8, 2020.

Company Outlook

One of the most critical items that management has focused on and continues to focus on is the development and implementation of plans to stem the losses that the Company has suffered in recent 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 is managing its cash flows carefully to mitigate risk of insolvency. Management has been successful in improving the Company's cash outlook in recent quarters. 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 has negotiated a CAD $1 million revolving loan facility with a related party for working capital purposes. Management has also realized the sale of one of its two idle assets; the sale of the "Runhao" facility resulted in significant debt reduction and better positions the Company to be able to access additional lines of working capital. Management is also evaluating options for its idle "Runyang" primary processing facility in Jiangsu province to further address its cash needs and balance sheet.

Another factor contributing to the Company's financial situation is the competitive price pressure in the stevia market over the last year that has reduced mainstream "Reb A" products (such as Reb A 80 and Reb A 97) to the lowest price levels in years. While these products have historically formed the core of the Company's product sales, the margins on sales of these products have grown increasingly slim. To address this, the Company is taking a three-pronged approach.

First, the Company has taken decisive steps to reduce its SG&A costs as well as its production costs. Both its North American operations and Chinese operations have significantly reduced SG&A costs. For the last several years, the Company's production capacity has been far greater than its projected order levels as it had sought rapid increases in orders for Reb A products. The Company's goal is now 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. Management expects that this will enable the Company to sell its goods at more competitive and/or more profitable prices to secure additional order volumes and/or retain additional margin.

Second, the Company is increasing its focus on specialty stevia products, relative to its Reb A products. These specialty products are more differentiated than Reb A products and can bring more revenue opportunities and more meaningful margin contributions to the Company's bottom line.

Third, the Company is exploring options to enter the CBD/hemp market, where it could leverage its production expertise and equipment towards an investment that would jump start its ability to quickly begin producing high-quality low-cost products. The Company has also entered into a distributorship agreement with East West Pharma Group for the distribution of its high-quality cannabidiol ("CBD") products and continues to explore other complementary opportunities in the CBD/hemp market.

While the Company continues to face substantial risks and 2021 remains a pivotal year for the Company, management remains optimistic about the future opportunities for the Company. With the first idle asset sale now closed, right-sizing efforts progressing well, the optimization of production efficiencies, costs, and planning, and the Company's refocused product strategies, management is proceeding down the best available path to increased financial stability and profitability.

2020 AGM Voting Results

The Company held its Annual General Meeting virtually on July 28, 2020. 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.

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 2020 and 2019.

In thousands Canadian $, except per share amounts	3 Months Ended December 31		% Change	12 Months Ended December 31		% Change
	2020	2019		2020	2019	
Revenue	$2,784	$2,928	(5%)	$15,290	$10,150	51%
Cost of Sales	($1,929)	($2,744)	(30%)	($11,722)	($8,593)	(36%)
% of Revenue	(69%)	(94%)	24%	(77%)	(85%)	8%
Gross Profit (Loss)	$855	$185	362%	$3,568	$1,557	129%
% of Revenue	31%	6%	24%	23%	15%	8%
Expenses	($438)	($1,897)	(77%)	($5,736)	($8,895)	(36%)
% of Revenue	(16%)	(65%)	49%	(38%)	(88%)	50%
Net Income (Loss) from Operations	$416	($1,712)	124%	($2,169)	($7,338)	70%
% of Revenue	15%	(58%)	73%	(14%)	(72%)	58%
Other Income (Expenses)	$4,402	($8,321)	153%	$30,252	($17,678)	271%
% of Revenue	158%	(284%)	442%	198%	(174%)	372%
Net Income (Loss) before Income Taxes	$4,818	($10,033)	148%	$28,083	($25,016)	212%
% of Revenue	173%	(343%)	516%	184%	(246%)	430%
Net Income (Loss)	$4,818	($10,033)	148%	$28,083	($25,016)	212%
% of Revenue	173%	(343%)	516%	184%	(246%)	430%
Net Income (Loss) Attributable to Non-Controlling Interest (NCI)	$11,195	($2,248)	598%	$11,557	($5,725)	302%
Net Income (Loss) Attributable to GLG	($6,377)	($7,785)	18%	$16,526	($19,291)	186%
% of Revenue	(229%)	(266%)	37%	108%	(190%)	298%
Net Income (Loss) per share (LPS, Basic & Diluted)	($0.17)	($0.20)	16%	$0.43	($0.50)	186%
Other Comprehensive Income (Loss)	($9,753)	($796)	(1125%)	($3,405)	$4,506	(176%)
% of Revenue	(350%)	(27%)	(323%)	(22%)	44%	(67%)
Comprehensive Net Income (Loss)	($4,935)	($10,829)	54%	$24,678	($20,510)	220%
Comprehensive Income (Loss) Attributable to NCI	$10,449	($2,703)	(487%)	$10,829	($4,443)	344%
Comprehensive Income (Loss) Attributable to GLG	($15,384)	($8,126)	(89%)	$13,849	($16,067)	186%
% of Revenue	(553%)	(278%)	(275%)	91%	(158%)	249%

Revenue

Revenue for the three months ended December 31, 2020, was $2.8 million compared to $2.9 million in revenue for the same period last year. Sales decreased by 5% or $0.1 million for the period ending December 31, 2020, compared to the prior period. The sales decrease of $0.1 million was driven primarily by a decrease in stevia sales, which was partly offset by an increase in monk fruit sales. China domestic stevia sales were also down between the two periods, and international sales continue to predominate, making up 98% of the Company's revenues (versus 95% in fourth quarter 2019).

Revenue for the twelve months ended December 31, 2020, was $15.3 million compared to $10.2 million in revenue for the same period last year. Sales increased by 51% or $5.1 million for the year ended December 31, 2020, compared to the prior period. The sales increase of $5.1 million was driven by increases in both international stevia and international monk fruit sales. Offsetting these increases, China domestic sales were down for the 2020 period, versus the 2019 period, but the impact was relatively small as international sales made up 96% of full-year 2020 revenues (versus 89% for the same period in 2019).

Cost of Sales

For the quarter ended December 31, 2020, the cost of sales was $1.9 million compared to $2.7 million in cost of sales for the same period last year ($0.8 million or 30% increase). Cost of sales as a percentage of revenues was 69% for the fourth quarter 2020, compared to 94% for the comparable period, an improvement of 25 percentage points. The improvement in cost of sales as a percentage of revenue for the three months ended December 31, 2020, compared to the prior comparable period, is partly attributable to an adjustment made to full-year depreciation, which was recognized in the fourth quarter and some of which flows to the cost of goods. The Company also continued its focus on reducing production costs, which resulted in improvements in both monk fruit costs and stevia costs as percentages of revenue.

For the twelve months ended December 31, 2020, the cost of sales was $11.7 million compared to $8.6 million for the same period last year (an increase of $3.1 million or 36%). Cost of sales as a percentage of revenues was 77% for the twelve months ended December 31, 2020, compared to 85% in the comparable period in 2019, an improvement of 8 percentage points. The improvement in cost of sales as a percentage of revenue for the full year ended December 31, 2020, compared to the prior comparable period, is attributable to (1) a change in mix of products sold, with a greater percentage of stevia sales coming from higher-margin stevia products and (2) a reduction in idle capacity charges related to the disposition of the Runhao subsidiary; these factors were partly offset by (3) a greater percentage of overall sales coming from lower-margin monk fruit products.

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 the twelve months ended December 31, 2020, and capacity charges of $1.4 million were charged to cost of sales (representing 12% of cost of sales) compared to $1.6 million charged to cost of sales in the same period of 2019 (representing 18% of cost of sales).

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:
    - water and power consumption;
    - manufacturing overhead used in the production of stevia and monk fruit extract, including supplies, power and water;
    - net VAT paid on export sales;
    - exchange rate changes; and
    - 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 December 31, 2020, was $0.9 million, compared to a gross profit of $0.2 million for the comparable period in 2019. The gross profit margin was 31% in the fourth quarter of 2020 compared to 6% for the same period in 2019, an increase of 25 percentage points. This 25 percentage point increase in gross profit margin for the fourth quarter of 2020, relative to the comparable period in 2019, is partly attributable to an adjustment made to full-year depreciation, which was recognized in the fourth quarter and some of which flows to the cost of goods. The Company also continued its focus on reducing production costs, which resulted in improvements in both monk fruit costs and stevia costs as percentages of revenue.

Gross profit for the twelve months ended December 31, 2020, was $3.6 million, compared to a gross profit of $1.6 million for the comparable period in 2019. The gross profit margin was 23% for the twelve months ended December 31, 2020, compared to 15% for the same period in 2019, an increase of 8 percentage points. This 8 percentage point increase in gross profit margin for the year 2020, relative to the year 2019, is attributable to (1) a change in mix of products sold, with a greater percentage of stevia sales coming from higher-margin stevia products and (2) a reduction in idle capacity charges related to the disposition of the Runhao subsidiary; these factors were partly offset by (3) a greater percentage of overall sales coming from lower-margin monk fruit products.

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 December 31		% Change	12 Months Ended December 31		% Change
	2020	2019		2020	2019	
G&A Expenses	$539	$1,319	(59%)	$3,997	$6,366	(37%)
Stock Based Compensation Expenses	$45	$149	(70%)	$360	$598	(40%)
Depreciation Expenses	($146)	$429	134%	$1,379	$1,931	(29%)
Total	$438	$1,897	(77%)	$5,736	$8,895	(36%)

G&A expenses for the three months ended December 31, 2020, were $0.5 million, a decrease of $0.8 million compared to $1.3 million in the same period in 2019. The $0.8 million decrease in G&A expenses was driven primarily by reductions in (1) salary ($0.3 million), (2) consulting fees ($0.3 million), including an adjustment in accrued consulting fees effective for the full year 2020 and recognized in the fourth quarter 2020, and (3) office expenses, rental expenses, insurance, travel and professional fees ($0.3 million), which were offset by (4) an increase in business taxes and licenses ($0.1 million).

Stock-based compensation for the three months ended December 31, 2020, was $0.0 million, compared to $0.1 million for the same period in 2019. The number of common shares available for issue under the stock compensation plan is 10% of the issued and outstanding common shares. During the quarter, compensation from vesting stock-based compensation awards was recognized, due to previously granted restricted shares.

G&A-related depreciation and amortization expenses for the three months ended December 31, 2020, were negative $0.1 million, with the negative depreciation reflecting an adjustment related to prior disposition of plant, property, and equipment, compared with $0.4 million for the same quarter of 2019.

G&A expenses for the twelve months ended December 31, 2020, were $4.0 million, a decrease of $2.4 million compared to $6.4 million in the same period in 2019. The $2.4 million decrease in G&A expenses was driven primarily by reductions in (1) salaries and wages ($0.9 million), (2) consulting fees ($0.3 million), (3) business taxes and licenses ($0.3 million), (4) professional fees ($0.2 million), (5) research and development ($0.2 million), and (6) office expenses, travel, meals and entertainment, and insurance ($0.5 million).

Stock-based compensation for the twelve months ended December 31, 2020, was $0.4 million, compared to $0.6 million for the same period in 2019. The number of common shares available for issue under the stock compensation plan is 10% of the issued and outstanding common shares. During the twelve-month period, compensation from vesting stock-based compensation awards was recognized, due to previously granted restricted shares.

G&A-related depreciation and amortization expenses for the twelve months ended December 31, 2020, were $1.4 million compared with $1.9 million for the same period in 2019.

Other Income (Expenses)

In thousands Canadian $	3 Months Ended December 31		% Change	12 Months Ended December 31		% Change
	2020	2019		2020	2019	
Other Income (Expenses)	$4,402	($8,321)	153%	$30,252	($17,678)	271%
% of Revenue	158%	(284%)	442%	198%	(174%)	372%

Other income for the three months ended December 31, 2020, was $4.4 million, compared to expenses of $8.3 million for the same period in 2019, an increase of $12.7 million. This $12.7 million increase in other income for the quarter was driven primarily by (1) gain on disposal of the Runhao subsidiary ($8.6 million), (2) an increase in foreign exchange gain ($2.2 million), (3) a decrease in interest expenses ($1.3 million), (4) a decrease in other expenses ($0.4 million), (5) an increase in inventory recovery (reversal of provisions) ($0.3 million) and (6) gain on extinguishment of debt related to the subsidiary disposal ($0.1 million); these factors were offset by (7) a decrease in reversal of property, plant and equipment impairment ($0.2 million).

Other income for the twelve months ended December 31, 2020, was $30.3 million, compared to expenses of $17.7 million for the same period in 2019, an increase of $47.9 million. This $47.9 million increase in other income for the year was driven primarily by (1) gain on disposal of the Runhao subsidiary ($28.6 million), (2) gain on extinguishment of debt related to the subsidiary disposal ($17.6 million), (3) reversal of property, plant and equipment impairment related to the subsidiary disposal ($1.4 million), (4) a decrease in interest expense ($1.1 million), (5) a decrease in inventory provisions ($0.9 million), (6) a decrease in other expenses ($0.6 million) and (7) an increase in interest income ($0.1 million); these factors were offset by (8) an increase in foreign exchange loss ($2.4 million).

Foreign Exchange Gains (Losses)

Exchange rates	2020	2020	2020	2020	2019	2019	2019	2019
Rate (as compared to the Canadian $)	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
U.S. Dollars	0.7854	0.7497	0.7338	0.7049	0.7699	0.7551	0.7641	0.7483
Chinese RMB	5.1308	5.0942	5.1867	4.9950	5.3619	5.3967	5.2466	5.0226
Exchange rates	2020	2020	2020	2020	2019	2019	2019	2019
Rate (as compared to the US $)	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
Chinese RMB	6.5326	6.7952	7.0685	7.0864	6.9641	7.1468	6.8664	6.7111

GLG reports in Canadian dollars but earns revenues in US dollars and Chinese renminbi (“RMB”) 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 December 31, 2020, the exchange rate for RMB per Canadian dollar was 5.1308 compared to the exchange rate of 5.3619 as at December 31, 2019, reflecting an appreciation of the RMB against the Canadian dollar. As at December 31, 2020, the exchange rate for USD per Canadian dollar was 0.7854 compared to the exchange rate of 0.7699 as at December 31, 2019, reflecting a depreciation of the USD against the Canadian dollar. The balance of the AOCI was $12.5 million on December 31, 2020, compared to a balance of $11.0 million as at December 31, 2019.

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 $0.8 million for the year ended December 31, 2020, compared to the foreign exchange gain of $1.6 million for the comparable period in 2019. The table above shows the change in the Canadian dollar relative to the US dollar from March 31, 2019, to December 31, 2020, 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 December 31		% Change	12 Months Ended December 31		% Change
	2020	2019		2020	2019	
Net Income (Loss)	$4,818	($10,033)	148%	$28,083	($25,016)	212%
Net Income (Loss) Attributable to NCI	$11,195	($2,248)	598%	$11,557	($5,725)	302%
% of Revenue	402%	(77%)	479%	76%	(56%)	132%
Net Income (Loss) Attributable to GLG	($6,377)	($7,785)	18%	$16,526	($19,291)	186%
% of Revenue	(229%)	(266%)	37%	108%	(190%)	298%

For the three months ended December 31, 2020, the Company had a net loss attributable to the Company of $6.4 million, a decrease of $1.4 million over the comparable period in 2019 (loss of $7.8 million). The $1.4 million decrease in net loss attributable to the Company was driven by (1) an increase in other income ($12.7 million) and (2) an increase in net income from operations ($2.1 million), which were offset by (3) an increase in net income attributable to non-controlling interests ($13.4 million).

For the twelve months ended December 31, 2020, the Company had net income attributable to the Company of $16.5 million, an increase of $35.8 million over the comparable period in 2019 (loss of $19.3 million). The $35.8 million increase in net income attributable to the Company was driven by (1) an increase in other income ($47.9 million) attributable primarily to disposal of the Company's Runhao subsidiary and (2) a decrease in net loss from operations ($5.2 million), which were offset by (3) an increase in net income attributable to non-controlling interests ($17.3 million).

Comprehensive Income (Loss)

In thousands Canadian $	3 Months Ended December 31		% Change	12 Months Ended December 31		% Change
	2020	2019		2020	2019	
Net Income (Loss) Attributable to GLG	($6,377)	($7,785)	18%	$16,526	($19,291)	186%
Other Comprehensive Income (Loss)	($9,753)	($796)	(1125%)	($3,405)	$4,506	(176%)
Total Comprehensive Income (Loss)	($4,935)	($10,829)	54%	$24,678	($20,510)	220%
Comprehensive Income (Loss) Attributable to NCI	$10,449	($2,703)	487%	$10,829	($4,443)	344%
Comprehensive Income (Loss) Attributable to GLG	($15,384)	($8,126)	(89%)	$13,849	($16,067)	186%
% of Revenue	(553%)	(278%)	(275%)	91%	(158%)	249%

The Company recorded total comprehensive loss of $15.4 million for the three months ended December 31, 2020, comprising $6.4 million of net loss attributable to the Company and $9.0 million of other comprehensive loss attributable to the Company. The Company recorded total comprehensive loss of $8.1 million for the three months ended December 31, 2019, comprising $7.8 million of net loss attributable to the Company and $0.3 million of other comprehensive loss attributable to the Company.

The Company recorded total comprehensive income of $13.8 million for the twelve months ended December 31, 2020, comprising $16.5 million of net income attributable to the Company and $2.7 million of other comprehensive loss attributable to the Company. The Company recorded a total comprehensive loss of $16.1

million for the twelve months ended December 31, 2019, comprising $19.3 million of net loss attributable to the Company and $3.2 million of other comprehensive income attributable to the Company.

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 Income (Loss)

In thousands Canadian $, except per share amounts	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Revenue	$2,784	$3,966	$5,975	$2,565	$2,928	$2,373	$2,827	$2,023
Gross Profit $	$855	$727	$1,676	$311	$185	$444	$851	$77
Gross Profit %	31%	18%	28%	12%	6%	19%	30%	4%
Net Income (Loss) Attributable to GLG	($6,375)	$21,141	$10,438	($8,678)	($7,785)	($3,858)	($2,849)	($4,799)
Basic Income (Loss) Per Share	($0.17)	$0.55	$0.27	($0.23)	($0.20)	($0.10)	($0.07)	($0.12)

For the three months ended December 31, 2020, the Company had a net loss attributable to the Company of $6.4 million, a decrease of $1.4 million over the comparable period in 2019 (loss of $7.8 million). The $1.4 million decrease in net loss attributable to the Company was driven by (1) an increase in other income ($12.7 million) and (2) an increase in net income from operations ($2.1 million), which were offset by (3) an increase in net income attributable to non-controlling interests ($13.4 million).

For the three months ended September 30, 2020, the Company had net income attributable to the Company of $21.1 million, an increase of $25.0 million over the comparable period in 2019 (loss of $3.9 million). The $25.0 million increase in net income attributable to the Company was driven by (1) an increase in other income ($21.6 million) attributable primarily to disposal of the Company's Runhao subsidiary, (2) an increase in net loss attributable to non-controlling interests ($2.9 million) and (3) a decrease in net loss from operations ($0.5 million).

For the three months ended June 30, 2020, the Company had net income attributable to the Company of $10.4 million, an increase of $13.2 million over the comparable period in 2019 (loss of $2.8 million). The $13.2 million increase in net income attributable to the Company was driven by (1) an increase in other income ($18.1 million) attributable primarily to debt forgiveness from the sale of an idle asset and (2) a decrease in net loss from operations ($1.6 million), which were offset by (3) an increase in net income attributable to non-controlling interests ($6.4 million).

For the three months ended March 31, 2020, the Company had a net loss attributable to the Company of $8.7 million, an increase of $3.9 million or 81% over the comparable period in 2019 ($4.8 million). The $3.9 million increase in net loss attributable to the Company was driven by (1) an increase in other expenses ($4.4 million) and (2) a decrease in net loss attributable to non-controlling interests ($0.4 million), which were offset by (3) a decrease in loss from operations ($0.9 million).

For the three months ended December 31, 2019, the Company had a net loss attributable to the Company of $7.8 million, a decrease of $2.5 million or 24% over the comparable period in 2018 ($10.3 million). The $2.5 million decrease in net loss attributable to the Company was driven by (1) a decrease in loss from operations ($0.3 million) and (2) a decrease in other expenses ($3.1 million), which were offset by (3) a decrease in net loss attributable to non-controlling interests ($0.9 million).

For the three months ended September 30, 2019, the Company had a net loss attributable to the Company of $3.9 million, an increase of $1.4 million or 56% over the comparable period in 2018 ($2.5 million). The $1.4 million increase in net loss attributable to the Company was driven by (1) an increase in other expenses ($2.5

million), which was offset by (2) a decrease in loss from operations ($1.0 million) and (3) an increase in net loss attributable to non-controlling interests ($0.1 million).

For the three months ended June 30, 2019, the Company had a net loss attributable to the Company of $2.8 million, a decrease of $0.3 million or 9% over the comparable period in 2018 ($3.1 million). The $0.3 million decrease in net loss was driven by (1) an increase in net loss attributable to non-controlling interests ($0.6 million), which was offset by (2) an increase in net loss ($0.3 million).

For the three months ended March 31, 2019, the Company had a net loss attributable to the Company of $4.8 million, a decrease of $0.8 million or 15% over the comparable period in 2018 ($5.6 million). The $0.8 million decrease in net loss was driven by (1) an increase in net losses attributable to non-controlling interests ($1.0 million), which were offset by (2) a decrease in gross profit ($0.2 million).

Quarterly Basic and Diluted Income (Loss) per Share

The basic loss and diluted loss per share from operations was $0.17 for the three months ended December 31, 2020, compared with a basic and diluted net loss of $0.20 for the comparable period in 2019. For the three months ended December 31, 2020, the Company had a net loss attributable to the Company of $6.4 million, a decrease of $1.4 million over the comparable period in 2019 (loss of $7.8 million). The $1.4 million decrease in net loss attributable to the Company was driven by (1) an increase in other income ($12.7 million) and (2) an increase in net income from operations ($2.1 million), which were offset by (3) an increase in net income attributable to non-controlling interests ($13.4 million).

The basic income and diluted income per share from operations was $0.55 for the three months ended September 30, 2020, compared with a basic and diluted net loss of $0.10 for the comparable period in 2019. For the three months ended September 30, 2020, the Company had net income attributable to the Company of $21.1 million, an increase of $25.0 million over the comparable period in 2019 (loss of $3.9 million). The $25.0 million increase in net income attributable to the Company was driven by (1) an increase in other income ($21.6 million) attributable primarily to disposal of the Company’s Runhao subsidiary, (2) an increase in net loss attributable to non-controlling interests ($2.9 million) and (3) a decrease in net loss from operations ($0.5 million).

The basic income and diluted income per share from operations was $0.27 for the three months ended June 30, 2020, compared with a basic and diluted net loss of $0.07 for the comparable period in 2019. For the three months ended June 30, 2020, the Company had net income attributable to the Company of $10.4 million, an increase of $13.2 million over the comparable period in 2019 (loss of $2.8 million). The $13.2 million increase in net income attributable to the Company was driven by (1) an increase in other income ($18.1 million) attributable primarily to debt forgiveness from the sale of an idle asset and (2) a decrease in net loss from operations ($1.6 million), which were offset by (3) an increase in net income attributable to non-controlling interests ($6.4 million).

The basic loss and diluted loss per share from operations was $0.23 for the three months ended March 31, 2020, compared with a basic and diluted net loss of $0.12 for the comparable period in 2019. For the three months ended March 31, 2020, the Company had a net loss attributable to the Company of $8.7 million, an increase of $3.9 million or 81% over the comparable period in 2019 ($4.8 million). The $3.9 million increase in net loss attributable to the Company was driven by (1) an increase in other expenses ($4.4 million) and (2) a decrease in net loss attributable to non-controlling interests ($0.4 million), which were offset by (3) a decrease in loss from operations ($0.9 million).

The basic loss and diluted loss per share from operations was $0.20 for the three months ended December 31, 2019, compared with a basic and diluted net loss of $0.27 for the comparable period in 2018. For the three months ended December 31, 2019, the Company had a net loss attributable to the Company of $7.8 million, a decrease of $2.5 million or 24% over the comparable period in 2018 ($10.3 million). The $2.5 million decrease in net loss attributable to the Company was driven by (1) a decrease in loss from operations ($0.3 million) and (2) a decrease in other expenses ($3.1 million), which were offset by (3) a decrease in net loss attributable to non-controlling interests ($0.9 million).

The basic loss and diluted loss per share from operations was $0.10 for the three months ended September 30, 2019, compared with a basic and diluted net loss of $0.06 for the comparable period in 2018. For the three months ended September 30, 2019, the Company had a net loss attributable to the Company of $3.9 million, an increase of $1.4 million or 56% over the comparable period in 2018 ($2.5 million). The $1.4 million increase in net loss attributable to the Company was driven by (1) an increase in other expenses ($2.5 million), which was offset by (2) a decrease in loss from operations ($1.0 million) and (3) an increase in net loss attributable to non-controlling interests ($0.1 million).

The basic loss and diluted loss per share from operations was $0.07 for the three months ended June 30, 2019, compared with a basic and diluted net loss of $0.08 for the comparable period in 2018. For the three months ended June 30, 2019, the Company had a net loss attributable to the Company of $2.8 million, a decrease of $0.3 million or 9% over the comparable period in 2018 ($3.1 million). The $0.3 million decrease in net loss was driven by (1) an increase in net loss attributable to non-controlling interests ($0.6 million), which was offset by (2) an increase in net loss ($0.3 million).

The basic loss and diluted loss per share from operations was $0.12 for the three months ended March 31, 2019, compared with a basic and diluted net loss of $0.15 for the comparable period in 2018. For the three months ended March 31, 2019, the Company had a net loss attributable to the Company of $4.8 million, a decrease of $0.8 million or 15% over the comparable period in 2018 ($5.6 million). The $0.8 million decrease in net loss was driven by (1) an increase in net losses attributable to non-controlling interests ($1.0 million), which were offset by (2) a decrease in gross profit ($0.2 million).

NON-IFRS Financial Measures

Gross Profit Before Capacity Charges

This non-IFRS financial measure shows the gross profit (loss) before the impact of idle capacity charges are reflected on the gross profit margin. GLG had only two of its production facilities in operation in 2020 (with two production facilities idle – and one of those was sold during the second quarter) and idle capacity charges have a material impact on the gross profit (loss) line in the financial statements.

Gross profit before capacity charges for the three months ended December 31, 2020, was $0.9 million or 33% of fourth quarter revenues compared to $0.9 million or 31% of fourth quarter revenues in 2019.

Gross profit before capacity charges for the twelve months ended December 31, 2020, was $5.0 million or 33% of full-year revenues compared to $3.1 million or 31% of full-year revenues in 2019. Gross profit before capacity charges for 2020 increased from 2019 due primarily to increased revenues from international stevia sales.

Gross profit as a percentage of revenues before capacity charges increased 2 percentage points in both the three-month and twelve-month periods, compared to the comparable periods, due to a change in mix of products sold, with a greater percentage of stevia sales coming from higher-margin stevia products, which was partly offset by a greater percentage of overall sales coming from lower-margin monk fruit products.

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

In thousands Canadian $	3 Months Ended December 31		% Change	12 Months Ended December 31		% Change
	2020	2019		2020	2019	
Income / (Loss) Before Income Taxes	$4,818	($10,033)	148%	$28,083	($25,016)	212%
Add:						
Provisions for Inventory Impairment	($87)	$202	(143%)	($178)	$676	126%
Bad Debt (Recoveries for Receivables)	$48	($41)	100%	$44	($41)	(207%)
Depreciation and Amortization	($209)	$757	(128%)	$2,093	$2,889	(28%)
Net Interest Expense	$5,356	$6,712	(20%)	$16,617	$17,867	(7%)
Debt Forgiveness	($118)	$0	100%	($17,632)	$0	100%
Gain on Subsidiary Disposal	($8,616)	$0	100%	($30,182)	$0	100%
Foreign Exchange Gain & Loss	($1,140)	$1,092	(204%)	$791	($1,573)	(150%)
Non-Cash Share Compensation	$45	$149	(70%)	$360	$598	(40%)
EBITDA	$97	($1,162)	108%	($4)	($4,600)	100%
EBITDA as a % of Revenue	3%	(40%)	43%	(%)	(45%)	45%

EBITDA for the three months ended December 31, 2020, was $0.1 million or 3% of revenues, compared to negative $1.2 million or negative 40% of revenues for the same period in 2019. EBITDA income increased by $1.3 million for the three-month period ended December 31, 2020, relative to the comparable period in 2019, driven primarily by an increase in gross profit and a decrease in SG&A expenses.

EBITDA for the twelve months ended December 31, 2020, was $0.0 million or nil% of revenues, compared to negative $4.6 or negative 45% of revenues for the same period in 2019. EBITDA loss decreased by $4.6 million for the twelve-month period ended December 31, 2020, relative to the comparable period in 2019, driven primarily by an increase in gross profit and a decrease in SG&A expenses.

Liquidity and Capital Resources

In thousands Canadian $	31-Dec-20	31-Dec-19
Cash and Cash Equivalents	$ 556	$ 206
Working Capital	$ (140,930)	$ (164,450)
Total Assets	$ 25,442	$ 36,652
Total Liabilities	$ 147,969	$ 172,591
Loan Payable (<1 year)	$ 94,236	$ 101,623
Loan Payable (>1 year)	$ -	$ -
Total Shareholder's Deficiency	$ (121,900)	$ (107,124)

The Company has several initiatives currently underway in order to manage cash flow, including working closely with the banks to restructure its loans, having completed the sale of one idle asset and negotiating the possible sale of another idle asset, and reducing operating expenditures including general and administrative expenses and production-related expenses. The Company also continues to work to reduce accounts receivable, negotiate with creditors for extended payment terms, and arrange financing as necessary with its Directors and other related parties.

Total loans payable (both short-term and long-term) is $94.2 million as of December 31, 2020, a decrease of $7.4 million compared to the total loans payable as at December 31, 2019 ($101.6 million). The decrease in short-term loans was primarily driven by loan repayments related to the sale of an idle facility, which was partly offset by an increase in accrued interest on amounts due to related parties.

The Company continues to work with its Chinese banks on restructuring its Chinese debt in 2020. 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”) is the sole SOCMC holding the 98% of short-term bank debt. 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 second quarter of 2020, including the recording of $17.4 million in debt forgiveness related to that sale, and has been finalized as of July 23, 2020. The Company also continues to negotiate with Cinda regarding the conversion of outstanding debt into equity in Runhai with a view to participate as an equity shareholder in the potential returns. Cinda could also be a source of possible future capital.

Until the final debt restructuring is completed, the terms of the original loans are represented in the financial statements.

Cash Flows: Three Months Ended December 31, 2020 and 2019

Cash generated from operating activities was $5.7 million in the three-month period ended December 31, 2020, compared to $0.1 million cash used in operating activities in the same period of 2019. Cash generated from operating activities increased by $5.9 million year-over-year. This was the result of (1) an increase in cash generated from operating activities before the impact of non-cash working capital of $13.4 million and (2) a decrease in cash generated from non-cash working capital of $7.5 million for the three months ended December 31, 2020, relative to the comparative 2019 period.

The $7.5 million decrease in cash generated from non-cash working capital was due to (1) a decrease in interest payable ($7.8 million), (2) a decrease in accounts payable ($2.7 million) and (3) a decrease in prepaid expenses ($0.1 million), which were offset by (4) an increase in inventories ($2.1 million), (5) an increase in accounts receivable ($0.5 million) and (6) an increase in due to related parties ($0.5 million).

Cash used in investing activities was $6.6 million during the fourth quarter of 2020, compared to $0.1 million cash used in the fourth quarter of 2019. The $6.6 million in cash used in investing activities primarily reflects repurchase of ownership interest in the Runhai subsidiary.

Cash used in financing activities was $2.1 million in the fourth quarter of 2020, compared to $0.4 million cash used in the fourth quarter of 2019. The $2.1 million in cash used in financing activities was driven by (1) $3.1 million in interest paid and (2) $1.8 million in related party repayments, which were offset by (3) a net $2.6 million increase in cash from short-term loans, due to a reclassification of a between issuance of short-term loans and repayment of short-term loans, and (4) $0.2 million in advances from related parties.

Cash Flows: Twelve Months Ended December 31, 2020 and 2019

Cash used in operating activities was $8.3 million in the twelve-month period ended December 31, 2020, compared to $0.7 million used in operating activities in the same period of 2019. Cash used in operating activities increased by $7.6 million year-over-year. This was the result of (1) an increase in cash used in non-cash working capital of $12.0 million and (2) an increase in cash generated from operating activities before the impact of non-cash working capital of $4.5 million for the twelve months ended December 31, 2020, relative to the comparative 2019 period.

The $12.0 million increase in cash used in non-cash working capital was due to (1) an increase in accounts payable and accruals ($15.5 million) and (2) a decrease in accounts receivable ($1.5 million), which were offset by increases in (3) interest payable ($1.6 million), (4) due to related parties ($1.1 million) and (5) inventories ($2.3 million).

Cash generated by investing activities was $33.1 million during 2020, compared to $0.1 million in cash used in 2019. The $33.1 million in cash generated by investing activities primarily reflects proceeds received from the sale of the idle facility.

Cash used in financing activities was $25.4 million in 2020, compared to $0.5 million cash used in 2019. The $25.4 million in cash used in financing activities was driven by (1) $17.8 million in repayment of short-term loans, (2) $8.0 million in interest paid, (3) $2.6 million in repayments to related parties and (4) $0.2 million in repayment of lease liabilities, which were offset by (5) $2.1 million in issuance of short-term loans and (6) $1.1 million in advances from related parties.

Selected Annual Information

In thousands Canadian $, except for EPS	2020	2019	2018
Gross Revenue	$15,290	$10,150	$16,583
Net Income (Loss)	$28,084	($25,017)	($26,463)
Total Assets	$25,442	$36,652	$43,943
Non-Current Financial Liabilities	$326	$499	$0
Basic and Diluted	$0.43	($0.50)	($0.57)
Diluted	$0.43	($0.50)	($0.57)

Revenues increased in 2020 relative to 2019, primarily due to increases in international stevia sales and monk fruit sales. Monk fruit sales became a larger percentage of revenues than in 2019. However, compared to the monk fruit market opportunity, the stevia market opportunity provides many more geographic markets with ingredient approval; this wider market approval combined with the improvements to the cost and taste performance of stevia make stevia the most attractive market for the Company to focus on for revenue growth, but monk fruit remains a focus for the Company as well.

Revenues decreased in 2019 relative to 2018, primarily due to a significant decrease in international stevia sales, which was largely attributable to a decrease in orders from the Company's distribution partner. The Company attributes this decrease to reduced customer demand due to existing inventories and to competitive price pressure in the global stevia market. Monk fruit sales decreased moderately in 2019 versus 2018, although monk fruit sales have made up a relatively small amount of the Company's revenues compared to stevia.

Revenues decreased in 2018 compared to the previous year primarily due to lower average product prices for stevia extracts, with lower prices reflecting both competitive pricing pressures as well as variation in the types of products sold to customers, as stevia sales volumes held steady year-over-year. Monk fruit revenues increased moderately year-over-year.

In 2018, the Company's net loss attributable to the Company increased to $21.6 million, in part due to an increase in interest expenses resulting from the buyout of the Company's core bank debt by Cinda during 2018.

In 2019, the Company's net loss attributable to the Company decreased to $19.3 million, due primarily to a decrease in other expenses.

In 2020, the Company's net income attributable to the Company increased to $16.5 million, due primarily to the sale of the Runhao subsidiary.

The key items the Company is pursuing to continue to reduce the annual losses and move the Company to profitability are:

1. Increase stevia sales primarily through its direct sales efforts.

2. New offerings to the market, including exploring options in the CBD/hemp space.
3. Restructure debt with Chinese Banks into equity into its China subsidiary or otherwise use assets to extinguish debt.
4. Reduce production and other operating costs.

Financial Resources

Cash and cash equivalents increased by $0.4 million for the twelve months ended December 31, 2020, relative to December 31, 2019. Working capital increased by $23.5 million from the year-end 2019 position to negative $140.9 million.

The working capital increase of $23.5 million is attributable to a decrease in current liabilities of $24.4 million, which was offset by a decrease in current assets of $0.9 million. The $24.4 million decrease in current liabilities was due primarily to decreases in (1) short-term loans ($13.0 million), (2) interest payable ($9.6 million) and (3) accounts payable and accruals ($7.4 million), which were offset by (4) an increase in due to related parties ($5.6 million). The $0.9 million decrease in current assets is primarily attributable to decreases in (1) inventories ($1.3 million) and (2) sales taxes recoverable and prepaid expenses ($0.1 million), which were offset by increases in (3) cash and cash equivalents ($0.4 million) and (4) accounts receivable ($0.1 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 - 2020. 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 December 31, 2020, in comparison to December 31, 2019, the total assets decreased by $11.2 million. This $11.2 million decrease was due to decreases in fixed assets of $10.1 million, current assets of $0.9 million and right-of-use assets of $0.2 million. Total liabilities decreased by $24.6 million as at December 31, 2020, in comparison to December 31, 2019.

Shareholders' deficiency decreased by $14.8 million due to (1) a decrease in contributed surplus ($33.1 million), which was offset by (2) a decrease in accumulated deficit ($16.5 million), (3) an increase in share capital ($0.4 million) and (4) a decrease in accumulated other comprehensive income ($1.5 million).

Short-Term Loans

The Company's short-term loans of $49,127,718 (2019- $62,092,012) consist of borrowings from a SOCMC and a bank in China of $48,148,236 (2019 - $60,952,961) and loans from private lenders of $979,482 (2019 - $1,139,051) as follows:

Bank loans as at December 31, 2020:

Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
$ 584,700	3,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
5,457,200	28,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,949,000	10,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,906,122	9,780,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
10,051,323	51,571,696	On Demand	10.22%	China Cinda Assets Management Anhui Branch
15,592,000	80,000,000	On Demand	10.22%	China Cinda Assets Management Anhui Branch
3,402,462	17,457,477	On Demand	10.82%	China Cinda Assets Management Anhui Branch
8,288	42,523	On Demand	10.82%	China Cinda Assets Management Anhui Branch
916,030	4,700,000	July 27, 2021	5.82%	Huishang Bank
5,847,000	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
2,434,111	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
$ 48,148,236	247,040,721			

During the year ended December 31, 2020, the Company repaid RMB 102,275,300 to the SOCMC pursuant to the signed restructuring agreement with the SOCMC, whereby the SOCMC agreed to forgive approximately $17.5 million (RMB 89,778,527) in debt which was recorded as gain on extinguishment of debt. The Company has fully settled the obligations previously outstanding on the loan between Runhao and the SOCMC.

In addition to the settlement of the loan between Runhao and the SOCMC described above, during April 2020, the Company entered into a number of restructuring agreements with its SOCMC lender. The agreements set out outstanding principal and interest of RMB 266,126,460 owed by the Company as of February 29, 2020. The agreements state that the SOCMC will forgive principal and interest owing on the loans, provided that payments are made in accordance with the restructuring agreements. The remaining payments are as follows:

Repayment date		Amount (RMB)
September 20, 2020	(Overdue)	35,000,000
December 20, 2020	(Overdue)	35,000,000
June 20, 2021		113,994,600
Total		183,994,600

The Company continues to work with its Chinese bank and SOCMC's on restructuring its debt.

Bank loans as at December 31, 2019:

Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
559,500	3,000,000	On Demand	9.26%	China Cinda Assets Management Anhui Branch
5,222,000	28,000,000	On Demand	9.26%	China Cinda Assets Management Anhui Branch
1,865,000	10,000,000	On Demand	8.56%	China Cinda Assets Management Anhui Branch
1,823,970	9,780,000	On Demand	8.56%	China Cinda Assets Management Anhui Branch
9,618,121	51,571,696	On Demand	7.78%	China Cinda Assets Management Anhui Branch
14,920,000	80,000,000	On Demand	7.78%	China Cinda Assets Management Anhui Branch
14,767,967	79,184,808	On Demand	11.97%	China Cinda Assets Management Anhui Branch
3,255,819	17,457,477	On Demand	8.83%	China Cinda Assets Management Anhui Branch
7,931	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
988,450	5,300,000	July 31, 2020	5.82%	Huishang Bank
5,595,000	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
2,329,203	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
$ 60,952,961	$ 326,825,529			

The assets of the Company's subsidiaries including inventory and property, plant and equipment have been pledged as collateral for these loans. (see Notes 8 and 10).

Short-term borrowing from private lenders:

As at December 31, 2019, short-term borrowing from private lenders consisted of both US dollar and RMB denominated loans. During the year ended December 31, 2020, the RMB denominated loans borrowed in 2019 were repaid.

December 31, 2018	$	1,049,487
Advance / (Repayment)		139,875
Foreign currency translation		(50,311)
December 31, 2019	$	1,139,051
Advance / (Repayment)		2,138,400
(Repayment)		(2,284,200)
Foreign currency translation		(13,769)
December 31, 2020	$	979,482

During the twelve months ended December 31, 2020, the Company received several unsecured loans from private lenders denominated in RMB, each bearing interest at 12% per annum with a due date of January 5, 2021. As of December 31, 2020, all loan principals have been repaid.

The outstanding US dollar loan is unsecured and bears interest at 11.50% per annum, compounding quarterly. The loan is due on demand.

Financial Risk Management and Financial Instruments

The Company is exposed to credit risk, liquidity risk and market risk. The Company's primary risk management objective is to protect its income and cash flows and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance.

a) Credit risk

Credit risk represents the financial loss that the Company would experience if a counterparty to a financial instrument, in which the Company has an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Company.

The Company's primary credit risk is on its cash and accounts receivable. The Company has a high concentration of credit risk as two major customers made up 65% of the total accounts receivable as at December 31, 2020 (2019 – 77%). The amounts disclosed in the consolidated statements of financial position are net of allowances for doubtful accounts. Significant management estimates are used to determine the allowance for doubtful accounts. The Company considers the probability of default on a specific account basis, which involves assessing whether there was a significant increase in credit risk. Indicators include actual or expected changes in the debtor's ability to pay based on information that is available each reporting period; monitoring past due accounts and other external factors. The Company believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk associated with the Company's accounts receivable. The Company monitors the credit quality of the financial institutions it deals with on an ongoing basis.

		December 31, 2020		December 31, 2019
Current				
Accounts receivable	$	2,929,403	$	5,059,351
Allowance for doubtful accounts		(1,238,840)		(3,515,160)
	$	1,690,563	$	1,544,191

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 27. It also manages liquidity risk by continually monitoring actual and projected cash flows to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the undiscounted contractual maturities of the Company's financial liabilities with the exception of the derivative liabilities as at December 31, 2020 and 2019:

Financial liabilities	December 31, 2020 0 to 12 months	December 31, 2020 12 to 24 months	December 31, 2019 0 to 12 months	December 31, 2019 12 to 24 months
Short-term loans	$ 49,127,718	-	$ 62,092,012	-
Interest payable	36,597,934	-	46,184,401	-
Accounts payable and accruals	16,264,485	-	23,619,472	-
Due to related parties	45,108,501	-	39,530,769	-
	$ 147,098,638	$ -	$ 171,426,654	$ -

c) Market risk

Market risk is the risk that changes in market prices, such as fluctuations in the Company's share price, foreign exchange rates and interest rates, will affect the Company's income, cash flows or the value of its financial instruments.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk on its short-term loans and some amounts due to related parties at December 31, 2020. The interest rates on these financial instruments fluctuate based on the bank prime rate. As at December 31, 2020, with other variables unchanged, a 100-basis point change in the bank prime rate would have a net effect of $937,000 (December 31, 2019 - $1,014,171) on profit or loss.

ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. The Company conducts its business in U.S. dollars, Chinese renminbi ("RMB"), Canadian dollars and Hong Kong dollars. The Company is exposed to currency risk as the functional currency of its subsidiaries is other than Canadian dollars.

The majority of the Company's assets are held in subsidiaries whose functional currency is the RMB. The RMB is not a freely convertible currency. Many foreign currency exchange transactions involving RMB, including foreign exchange transactions under the Company's capital account, are subject to foreign exchange controls and require the approval of the People's Republic of China State Administration of Foreign Exchange. Developments relating to the PRC's economy and actions taken by the PRC government could cause future foreign exchange rates to vary significantly from current or historical rates. The Company cannot predict nor give any assurance of its future stability. Future fluctuations in exchange rates may adversely affect the value, translated or converted into Canadian dollars, of the Company's net assets and net profits.

The Company cannot give any assurance that any future movements in the exchange rates of RMB against the Canadian dollar and other foreign currencies will not adversely affect its results of operations, financial condition and cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Information on the net foreign exchange risk exposure on translating the functional currency of the consolidated entities to the presentation currency with an impact on the other comprehensive income (loss) is provided in the following table:

	December 31, 2020					
		RMB balance	HK balance		US balance	
Total financial assets	¥	62,827,921	HK$	1	$	1,345
Total financial liabilities		(487,870,683)		-		(33,556)
Net foreign exchange risk exposure	¥	(425,042,762)	HK$	1	$	(32,211)

	December 31, 2019					
		RMB balance	HK balance		US balance	
Total financial assets	¥	1,382,348	HK$	1	$	27,581
Total financial liabilities		(657,321,831)		-		(24,250)
Net foreign exchange risk exposure	¥	(655,939,483)	HK$	1	$	3,331

As of December 31, 2020, assuming that all other variables remain constant, a change of 1% in the Canadian dollar against the RMB would have an effect on other comprehensive income (loss) approximately of $829,000 (2019 - $1,223,000).

The Company's U.S. operations, which are integrated operations, and Canadian operations are exposed to exchange rate changes between the U.S. dollar and the Canadian dollar. The Company's primary U.S. dollar exposure in Canada relates to the revaluation into Canadian dollars of its U.S. dollar denominated working capital.

The following table provides information on the Company's net foreign exchange risk exposure from its US and Canadian operations which could have an impact on the loss for the year:

		December 31, 2020		December 31, 2019
		US$		US$
Financial assets				
Cash	$	71,122	$	54,303
Accounts receivable		1,288,006		1,428,493
Financial liabilities				
Short-term loans	$	(769,307)	$	(769,307)
Interest payable		(1,923,172)		(1,494,540)
Accounts payable and accruals		(112,198)		(201,710)
Due to related parties		(33,645,413)		(29,637,564)
Net foreign exchange risk exposure	$	(35,090,962)	$	(30,620,325)

As at December 31, 2020, assuming that all other variables remain constant, an increase of 1% in the Canadian dollar against the US dollar would have an effect on net income of approximately $351,000 (2019 - $417,000).

Lease Liabilities

	Office	Land	Production equipment	Total
Recognized as at January 1, 2019	$ 491,766	$ 44,328	$ 228,545	$ 764,639
Lease payments made	(128,040)	(8,655)	(99,149)	(235,844)
Interest expense on lease liabilities	69,873	7,920	36,105	113,898
	433,599	43,593	165,501	642,693
Less: current portion	(67,517)	(1,284)	(75,377)	(144,178)
Non-current portion as at December 31, 2019	$ 366,082	$ 42,309	$ 90,124	$ 498,515

	Office	Land	Production equipment	Total
At December 31, 2019	$ 433,599	$ 43,593	$ 165,501	$ 642,693
Lease payments made	(128,040)	(9,034)	(99,149)	(236,223)
Interest expense on lease liabilities	60,523	7,750	23,772	92,045
	366,082	42,309	90,124	498,515
Less: current portion	(80,857)	(1,648)	(90,124)	(172,629)
Non-current portion as at December 31, 2020	$ 285,225	$ 40,661	$ -	$ 325,886

Capital Structure

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

	31-Dec-20	31-Dec-19
Common Shares Issued	38,394,223	38,394,223
Stock Options	-	622,000
Total Reserved For Issuance	-	622,000
Fully Diluted Shares	38,394,223	39,016,223

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

Non-Controlling Interests

During the year ended December 31, 2017, the Company disposed of 32.92% of its ownership in Runhai to certain related parties and a private lender in order to settle $15,971,767 (RMB 80,584,090) in related party loans and short-term loans. Accordingly, the Company de-recognized the derivative liabilities related to this portion of the loans totaling $274,538. The reduction in the Company's ownership interest in Runhai did not result in a loss of control and was recorded as an equity transaction. In connection with the recognition of non-controlling interest, the proportionate share of the cumulative amount of foreign exchange translation differences recognized in other comprehensive income totaling $3,649,111 was re-attributed to the non-controlling interest in Runhai. In addition, the Company incurred transaction costs totaling $563,154 and this amount was deducted from equity.

On June 1, 2018, the Company transferred its 100% ownership interest in its subsidiary Qingdao Runde Biotechnology Company, Ltd. ("Runde") to Runhai. As the Company held a 67.08% interest in Runhai, the effect of this transfer was a disposition of 32.92% of its ownership interest in Runde. The reduction in the Company's ownership interest in Runhai did not result in a loss of control and was recorded as an equity transaction. As a result of this transaction, Runhai has sole ownership of all other China subsidiaries and the Company continued to own 67.08% of Runhai. The carrying amount of non-controlling interests was adjusted to reflect the change in the non-controlling interests' relative interests in the subsidiary and the difference between the adjustments to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to shareholders of the Company.

On July 31, 2020, the Company repurchased of 31.77% of its ownership in Runhai from certain related parties for the payment of $11,625,100 (RMB 60,500,000) pursuant to a right held by the non-controlling interest to require the Company to buy out all or part of the shares. The Company's ownership interest in Runhai increased to 98.85% from 67.08%, The non-controlling interest in Runhai is reduced to 1.15%. The ownership change was recorded as an equity transaction.

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

		December 31, 2020
January 1, 2020	$	(28,814,093)
Ownership interest transferred from non-controlling interest		17,356,817
Non-controlling interest's share of gain		11,557,325
Non-controlling interest's share of other comprehensive gain		(727,867)
December 31, 2020	$	(627,818)

		December 31, 2019
January 1, 2019	$	(24,370,689)
Non-controlling interest's share of loss		(5,725,290)
Non-controlling interest's share of other comprehensive gain		1,281,886
December 31, 2019	$	(28,814,093)

The following table summarizes the consolidated assets and liabilities of Runhai and the share of the net liabilities which are attributable to the non-controlling interest as at December 31, 2020 and 2019:

		December 31, 2020		December 31, 2019
ASSETS				
Current	$	3,864,955	$	5,433,912
Non-current		18,391,937		28,379,295
	$	22,256,892	$	33,813,207
LIABILITIES				
Current	$	88,174,324	$	121,340,827
	$	88,174,324	$	121,340,827
Net liabilities	$	(65,917,432)	$	(87,527,620)
Non-controlling interest percentage *		1.15%		32.92%
Non-controlling interest in net liabilities	$	(627,818)	$	(28,814,093)

* Non-controlling interest shares was changed from 32.92% to 1.15% in 2020.

The following table presents the loss and comprehensive income attributable to the non-controlling interest ("NCI") for the years ended December 31, 2020 and 2019:

		Year ended December 31, 2020		Year ended December 31, 2019
Profit (Loss) for the year - NCI	$	11,557,325	$	(5,725,290)
Foreign exchange translation adjustment		(727,867)		1,281,886
Comprehensive loss for the year	$	10,829,458	$	(4,443,404)

Transactions with Related Parties

a) Amount due to related parties

Amounts due to related parties are summarized as follows:

	Note		**December 31, 2020**		**December 31, 2019**
Loans from Chief Executive Officer ("CEO")		$	8,318,129	$	7,547,163
Loans from direct family member of CEO			32,584,980		27,809,675
	i) & iv)		40,903,109		35,356,838
Consulting fees payable to CEO	ii)		3,167,892		3,136,431
Loan from Director of the Company	iii)		1,037,500		1,037,500
		$	45,108,501	$	39,530,769

The loans from the CEO and close family member are summarized as follows:

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 636,664	April 27, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	1,273,200	October 11, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	636,600	May 30, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	318,300	November 15, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	878,508	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
	184,614	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
	2,368,152	August 7, 2018	On demand	Unsecured	Category 3	Direct family member of CEO
	974,500	May 6, 2020	June 30, 2021	Unsecured	Category 4	Direct family member of CEO
	171,512	November 9, 2020	November 9, 2021	Unsecured	Category 5	Direct family member of CEO
Principal	**$ 7,442,050**					
Accrued interest	**33,461,059**					
	$ 40,903,109					

Category 1: US 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in USD or
China 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in RMB, compounding quarterly
Category 2: 20% annual interest rate, compounding quarterly
Category 3: 18% annual interest rate, compounding quarterly
Category 4: 20% simple interest
Category 5: 18% simple interest

Loan balance as of December 31, 2019

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 649,465	April 27, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	1,298,800	October 11, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	649,400	May 30, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	324,700	November 15, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	896,172	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
	188,326	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
	1,430,175	August 28, 2017	On demand	Unsecured	Category 3	Direct family member of CEO
	2,415,768	August 7, 2018	On demand	Unsecured	Category 3	Direct family member of CEO
	649,400	November 27, 2018	On demand	Unsecured	Category 4	Direct family member of CEO
Principal	**$ 8,502,206**					
Accrued interest	**26,854,632**					
	$ 35,356,838					

Category 1: US 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in USD or
China 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in RMB, compounding quarterly
Category 2: 20% annual interest rate, compounding quarterly
Category 3: 18% annual interest rate, compounding quarterly
Category 4: 20% simple interest

i. The Company obtained loans under numerous credit facility agreements from the Company's Chairman and Chief Executive Officer ("CEO"). As at December 31, 2020, the total amount owed to the CEO under these facilities, including principal and accumulated interest is $8,318,129 (2019 - $7,547,163). As at December 31, 2020, the entire balance owed is due within 12 months and is therefore classified as current on the statement of financial position.

The Company also obtained loans under numerous credit facility agreements from a direct family member of the CEO. As at December 31, 2020, the total amount owed under these facilities, including principal and accumulated interest is $32,584,980 (2019 - $27,809,675). As at December 31, 2020, the entire balance owed is due within 12 months and is therefore classified as current on the statement of financial position.

The combined total of the above loans, including accrued interest, is $40,903,109 (2019 - $35,356,838). These loans will be repaid by either GLG or its Chinese subsidiaries to the lender in the currency the loans were originally borrowed (either USD or RMB), or, at the lender's discretion, in either USD or RMB, depending on the terms of the specific credit facility. The terms of each individual loan are disclosed in the table below.

These loans provide a repayment option to the lenders in either RMB or USD using a fixed foreign exchange rate specified in each credit facility. This option results in a liability of $372,340 (2019 - $521,468), which is comprised of a derivative liability and an unrealized foreign exchange loss. The fair value of the derivative liability was calculated using the Black-Scholes model with the following assumptions:

	2020	**2019**
Risk free interest	0.32%	2.02%
Expected life of the loan	1 year	1 year
Expected foreign currency volatility	3.76%	3.27%

ii. As of December 31, 2020, the Company has an accrued balance of $3,167,892 (2019 - $3,136,431), including 3% interest per annum compounding quarterly, in consulting fees payable to the Company's Chairman and Chief Executive Officer.

iii. During 2020, the Company renewed a loan of $1,000,000 (December 31, 2019 - $1,000,000) from a Director of the Company originally borrowed to provide working capital required for monk fruit extracts. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 15% per annum and repayable in full on March 31, 2021. As of December 31, 2020, the total amount due to this related party, including interest was $1,037,500 (December 31, 2019 - $1,037,500).

iv. On May 6, 2020, the Company received a RMB 5 million or $1 million equivalent revolving loan facility from a direct family member of the Company's CEO. The Company may request and receive disbursements, as well as make repayments of principal before the expiry date. The Company is obligated to complete repayment of any outstanding principal and interest balance no later than June 30, 2021. The loan bears interest at 20% per annum.

On November 9, 2020, the Company received a RMB 880,000 loan from a direct family member of the Company's CEO. The Company may request and receive disbursements, as well as make repayments of principal before the expiry date. The Company is obligated to complete repayment of any outstanding principal and interest balance no later than November 9, 2021. The loan bears interest at 18% per annum.

v. On November 25, the Company signed a RMB4.7 million one-year loan from a direct family member of the Company's CEO. The loan bears interest at 18% per annum. The Company has not yet requested any disbursements.

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 any external director of the Company.

Remuneration of Key Management Personnel of the Company is comprised of the following:

	Twelve months ended December 31			
		2020		2019
Short-term employee benefits (including salaries, bonuses and fees)	$	846,840	$	1,304,096
Share-based benefits	$	359,706	$	597,763
Total remuneration	$	1,206,546	$	1,901,859

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 $1,758,000.

Key Management Personnel exercised no stock options granted under the Company's stock option plan during fiscal 2020 (2019 – nil).

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 December 31, 2020, 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 December 31, 2020. 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 December 31, 2020, 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).