



GLG LIFE TECH CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2022

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") for a review of interim financial statements by an entity's auditors.

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Financial Position

As at September 30, 2022 and December 31, 2021

(Unaudited – Expressed in Canadian Dollars)

		September 30, 2022	December 31, 2021
ASSETS			
	Note		
Current Assets			
Cash and cash equivalents		\$ 253,244	\$ 239,345
Accounts receivable	5	2,329,237	2,212,981
Sales taxes recoverable		663,536	705,089
Inventory	6	2,392,021	2,873,835
Prepaid expenses		482,964	437,843
Total Current Assets		6,121,002	6,469,093
Restricted cash	7	73,600	76,181
Long-term Receivables		103,932	-
Property, Plant and Equipment	8	15,842,478	17,671,328
Right-of-use Assets	9	158,828	337,626
Total Assets		\$ 22,299,840	\$ 24,554,228
LIABILITIES AND DEFICIT			
Current Liabilities			
Short-term loans	10	\$ 47,848,909	\$ 50,443,491
Interest payable		60,077,972	52,291,138
Accounts payable and accruals		16,148,038	16,609,628
Deferred revenue		10,417	273,771
Due to related parties	11	58,785,822	52,236,371
Derivative liabilities	11	1,005,884	247,979
Current portion of lease liabilities	12	167,506	189,849
Total Current Liabilities		184,044,548	172,292,227
Long-term loans	10	480,750	-
Other long-term liabilities		124,827	-
Lease Liabilities	12	222,552	226,010
Total Long-Term Liabilities		828,129	226,010
Total Liabilities		184,872,677	172,518,237
DEFICIT			
Shareholders' Deficiency			
Share capital	13	200,544,544	200,544,544
Contributed surplus		34,018,883	34,018,883
Accumulated other comprehensive income		13,543,334	10,867,763
Accumulated deficit		(409,803,528)	(392,579,670)
Total Shareholders' Deficiency Attributable to Shareholders of GLG		(161,696,767)	(147,148,480)
Non-controlling Interest	14	(876,070)	(815,529)
Total Deficit		(162,572,837)	(147,964,009)
Total Liabilities and Deficit		\$ 22,299,840	\$ 24,554,228

Going Concern (Note 3)

Commitments and Contingencies (Note 19)

Subsequent Event (Note 20)

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

APPROVED ON BEHALF OF THE BOARD:

"Brian Palmieri "

Director

"Sophia Leung"

Director

"Yingchun Liu"

Director

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

For the Periods Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
REVENUE (Note 18)	\$ 2,370,455	\$ 2,094,399	\$ 7,884,948	\$ 7,874,056
COST OF SALES (Note 16)	(1,600,461)	(1,536,240)	(5,430,346)	(5,675,167)
GROSS PROFIT	769,994	558,159	2,454,602	2,198,889
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES (Note 16)	(985,767)	(1,208,851)	(3,100,272)	(3,495,237)
OTHER INCOME (EXPENSES)				
Interest expense	(5,288,882)	(4,687,481)	(15,578,411)	(13,356,826)
Interest income	5,698	72	5,822	184
Inventory (provision) recovery (Note 6)	10,464	252	215,876	(8,938)
Foreign exchange loss	(1,948,932)	(1,575,529)	(1,049,041)	(467,937)
Other expenses	(111,204)	(84,313)	(263,760)	(251,177)
Bad debt provision	(1,787)	(133)	(1,257)	(3,717)
	(7,334,643)	(6,347,132)	(16,670,771)	(14,088,411)
NET LOSS FOR THE PERIOD	(7,550,416)	(6,997,824)	(17,316,441)	(15,384,759)
NET LOSS ATTRIBUTABLE TO				
Shareholders of GLG	(7,521,931)	(6,961,505)	(17,223,858)	(15,289,746)
Non-controlling interest	(28,485)	(36,319)	(92,583)	(95,013)
Net Loss for the period	\$ (7,550,416)	\$ (6,997,824)	\$ (17,316,441)	\$ (15,384,759)
Item that will be reclassified subsequently to profit or loss				
Foreign currency translation adjustment	(31,674)	(1,625,414)	2,707,613	(590,237)
COMPREHENSIVE LOSS FOR THE PERIOD	\$ (7,582,090)	\$ (8,623,238)	\$ (14,608,828)	\$ (15,974,996)
Total other comprehensive income attributable to:				
Shareholders of GLG	(31,808)	(1,606,542)	2,675,571	(579,584)
Non-controlling interest	134	(18,872)	32,042	(10,653)
	\$ (31,674)	\$ (1,625,414)	\$ 2,707,613	\$ (590,237)
COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
Shareholders of GLG	(7,553,739)	(8,568,047)	(14,548,287)	(15,869,330)
Non-controlling interest	(28,351)	(55,191)	(60,541)	(105,666)
	\$ (7,582,090)	\$ (8,623,238)	\$ (14,608,828)	\$ (15,974,996)
LOSS PER SHARE (Note 17)				
Basic and diluted	\$ (0.20)	\$ (0.18)	\$ (0.45)	\$ (0.40)
Weighted Average Number of Common Shares Outstanding				
Basic and diluted	38,394,223	38,394,223	38,394,223	38,394,223

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

As at September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Number of Restricted Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total GLG Shareholders' Deficiency	Non-controlling Interest	Total Deficit
Balance, January 1, 2021	37,673,374	720,849	200,471,881	34,018,883	12,485,008	(368,875,463)	(121,899,691)	(627,818)	(122,527,509)
Vested restricted shares	720,849	(720,849)	-	-	-	-	-	-	-
Share-based compensation	-	-	72,663	-	-	-	72,663	-	72,663
Change in foreign currency translation	-	-	-	-	(579,584)	-	(579,584)	(10,653)	(590,237)
Net income	-	-	-	-	-	(15,289,746)	(15,289,746)	(95,013)	(15,384,759)
Balance as at September 30, 2021	38,394,223	-	200,544,544	34,018,883	11,905,424	(384,165,209)	(137,696,358)	(733,484)	(138,429,842)
Balance, October 1, 2021	38,394,223	-	200,544,544	34,018,883	11,905,424	(384,165,209)	(137,696,358)	(733,484)	(138,429,842)
Vested restricted shares	-	-	-	-	-	-	-	-	-
Share-based compensation	-	-	-	-	-	-	-	-	-
Change in foreign currency translation	-	-	-	-	(1,037,661)	-	(1,037,661)	(11,164)	(1,048,825)
Net income	-	-	-	-	-	(8,414,461)	(8,414,461)	(70,881)	(8,485,342)
Balance as at December 31, 2021	38,394,223	-	200,544,544	34,018,883	10,867,763	(392,579,670)	(147,148,480)	(815,529)	(147,964,009)
Balance, January 1, 2022	38,394,223	-	200,544,544	34,018,883	10,867,763	(392,579,670)	(147,148,480)	(815,529)	(147,964,009)
Change in foreign currency translation	-	-	-	-	2,675,571	-	2,675,571	32,042	2,707,613
Net loss	-	-	-	-	-	(17,223,858)	(17,223,858)	(92,583)	(17,316,441)
Balance as at September 30, 2022	38,394,223	-	200,544,544	34,018,883	13,543,334	(409,803,528)	(161,696,767)	(876,070)	(162,572,837)

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Cash Flows

For the periods ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Cash Flows From Operating Activities				
Net Loss	\$ (7,521,931)	\$ (6,961,505)	\$ (17,389,752)	\$ (15,318,290)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation of property, plant and equipment and right-of-use assets (Notes 8 & 9)	334,090	361,839	1,062,921	1,084,983
Loss on disposal of property, plant and equipment and right-of-use assets	(104,118)	-	(43,014)	-
Share-based compensation	-	-	-	72,663
Inventory provision (recovery)	(10,464)	252	(215,876)	(8,938)
Bad debt provision	1,257	-	1,257	-
Interest expense, net - lease liabilities	9,170	15,699	38,149	52,297
Unrealized foreign exchange (gain) / loss	1,840,601	1,390,545	1,593,742	335,009
Changes in non-cash working capital items (Note 15)	5,600,494	4,648,868	15,985,919	13,492,184
Net cash from operating activities	149,099	(544,302)	1,033,346	(290,092)
Cash Flows From Investing Activities				
Purchase of property, plant and equipment	(606)	(13,732)	(2,884)	(22,552)
Net cash used in investing activities	(606)	(13,732)	(2,884)	(22,552)
Cash Flows From Financing Activities				
Issuance of long-term loans	480,750	-	480,750	-
Issuance of short-term loans	-	145,125	-	145,125
Repayment of short-term loans	(515,983)	1,200	(892,879)	(116,100)
Restricted cash	(56)	-	(170)	-
Changes of lease receivable and liabilities	(55,202)	(60,044)	(35,115)	(178,194)
Net of repayment to related parties	22,726	(14,989)	(55,319)	(152,760)
Interest paid	(3,476)	(11,465)	(26,459)	(37,786)
Net cash used in financing activities	(71,241)	59,827	(529,192)	(339,715)
Effect of exchange rate changes on cash	(64,677)	425,602	(487,371)	415,895
Net Change In Cash	12,575	(72,605)	13,899	(236,464)
Cash, beginning of the period	240,669	392,104	239,345	555,963
Cash, end of the period	\$ 253,244	\$ 319,499	\$ 253,244	\$ 319,499

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements
Supplemental Cash Flow Information (Note 15)

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

GLG Life Tech Corporation (the “Company”) was incorporated under the *Business Corporation Act* (British Columbia), Canada. The registered office of the Company is located at Suite 280, 13071 Vanier Place, Richmond, British Columbia V6V 2J1. The Company’s shares trade on the Toronto Stock Exchange (“TSX”) under the symbol “GLG”.

The Company is an integrated producer of high-grade stevia and monk fruit extracts. The Company’s business operates primarily through the manufacturing and sales of refined forms of stevia and monk fruit, and has operations in China and North America.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2021, which include information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies, use of judgments and estimates were presented in notes 4, respectively, of those consolidated financial statements, and have been consistently applied in the preparation of these condensed interim consolidated financial statements.

Basis of preparation and measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. Additionally, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, except when otherwise indicated.

The condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2022, were authorized for issue by the Audit Committee on behalf of the Board of Directors on November 10, 2022.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

3. GOING CONCERN

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS accounting policies, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. For the nine-month period ended September 30, 2022, the Company incurred a net loss attributed to the Company's shareholders of \$17,223,858 (2021 - \$15,289,746). As at September 30, 2022, the Company had an accumulated deficit of \$409,803,528 (December 31, 2021 - \$392,579,670), a working capital deficiency of \$177,923,546 (December 31, 2021 - \$165,823,134) and cash inflow from operating activities of \$1,033,346 (2021 – cash outflow of \$290,092).

These condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company's operating assets and main manufacturing operations originate in China; the Company is therefore subject to the considerations and risks of operating in China. These include risks associated with the political and economic environment, foreign currency exchange and the legal system in China. Changes in the political and economic policies of the People's Republic of China ("PRC") government may materially and adversely affect the Company's business, financial condition and results of operations and may result in the Company's inability to sustain growth and expansion. There is also no assurance that the Company will not be adversely affected by changes in other governmental policies or any unfavorable change in the political, economic or social conditions, laws or regulations, or the rate or method of taxation in China.

The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, the level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China are still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth in the past three decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on the Company. The financial condition and results of operations could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to the Company. In addition, the PRC government has in the past implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for the Company's products and consequently could have a material adverse effect on its business, financial condition and results of operations.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

3. GOING CONCERN, continued

There are also uncertainties regarding the interpretation and enforcement of PRC laws, rules and regulations. As noted above, most of the Company's operations are conducted in the PRC, and are governed by PRC laws, rules and regulations. The Company's PRC subsidiaries are subject to laws, rules and regulations applicable to foreign investment in China. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value. In 1979, the PRC government began to promulgate a comprehensive system of laws, rules and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investment in China. However, China has not developed a fully integrated legal system, and recently enacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in China or may be subject to significant degrees of interpretation by PRC regulatory agencies. In particular, because these laws, rules and regulations are relatively new, and because of the limited number of published decisions and the nonbinding nature of such decisions, and because the laws, rules and regulations often give the relevant regulator significant discretion in how to enforce them, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and can be inconsistent and unpredictable. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may be given retroactive effect. As a result, the Company may not be aware of a violation of these policies and rules until after the occurrence of the violation.

Furthermore, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since the PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection typically experienced in more developed legal systems. These uncertainties may impede the Company's ability to enforce the contracts it has entered into and could materially and adversely affect the Company's business, financial condition and results of operations.

Regarding risk associated with financial instruments generally, as of September 30, 2022, and December 31, 2021, substantially all bank loans were held by a state-owned capital management company ("SOCMC") and a Chinese bank. The Company has provided its SOCMC and bank guarantees and collateral agreements which could enable the SOCMC to exercise its rights against the Company's assets, because the Company has not made its principal or interest payments to the SOCMC on time. Should the SOCMC exercise its rights, it could have a significant impact on the Company's ownership of its assets, and ultimately, its operations. The Company has provided collateral and guarantor agreements in multiple provinces in China, of which each is subject to local provincial rules.

There is the additional risk that the Company could be assessed additional interest, compensation for breach of a settlement agreement and penalties. During fiscal year 2021, the Company entered into a debt settlement agreement with the SOCMC for debt held by the Company's subsidiary, Qingdao Runde Biotechnology Company, Ltd. ("Runde"), and a late payment compensation has been assessed for breach of the settlement agreement (Note 9). To the best of the Company's knowledge, neither the SOCMC nor the bank have taken any action on the Company's pledged assets to date.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

3. GOING CONCERN, continued

The Company also relies heavily on related parties for funding and continued operations of the Company. Should the related parties not act in good faith, or decide to no longer fund the operations of the Company, there is a high risk that the operations of the Company could be significantly impacted adversely.

Finally, in the ordinary course of business, the Company is from time to time involved in legal proceedings and litigation. Presently, there are no legal proceedings and litigations that recently have had, or to the Company's knowledge, are reasonably possible to have, a material impact on the Company's financial positions, results of operations or cash flows. The Company did not accrue any loss contingencies in this respect as of September 30, 2022, and December 31, 2021, as the Company did not consider an unfavorable outcome in any material respects in these legal proceedings and litigations to be probable.

The above matters indicate the existence of a material uncertainty about the Company's ability to continue as a going concern.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and application of new International Financial Reporting Standards

The unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the audited consolidated financial statements as at December 31, 2021. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021.

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 and cannot be predicted at this time. However, this outbreak may affect the Company, its suppliers, distribution channels or customers, including the manufacturing were shut down temporarily.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

The aging analysis of trade receivables is as follows:

			Past due but not impaired		
	Total	Neither past due nor impaired	<90 days	91-180 days	>180 days
September 30, 2022	\$ 2,329,237	\$ 2,309,180	\$ 7,624	\$ 11,711	\$ 722
December 31, 2021	\$ 2,212,981	\$ 2,046,855	\$ 162,316	\$ -	\$ 3,810

6. INVENTORY

	September 30, 2022	December 31, 2021
Raw materials	\$ 857,747	\$ 768,365
Work in progress	347,228	587,925
Finished goods	1,187,046	1,517,545
	\$ 2,392,021	\$ 2,873,835

The Company assessed the net realizable value of inventory based on the cost of raw materials comprising the purchase price, applicable taxes and other costs incurred in bringing inventory to its present location and condition as well as the cost of finished goods including cost of materials and cost of conversion. The cost of conversion includes costs directly related to the units of production, such as direct labor, variable and fixed production overheads, based on normal operating capacity.

For the nine months ended September 30, 2022, the Company recorded an inventory recovery of \$215,876 (2021 provision - \$8,938).

The carrying amounts of inventory have been pledged as general collateral for the loans from the SOCMC and a bank.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

7. RESTRICTED CASH

	September 30, 2022		December 31, 2021	
Restricted cash	\$	73,600	\$	76,181
	\$	73,600	\$	76,181

For the period ended September 30, 2022, the Company has \$73,600 or RMB 382,735 in restricted cash (December 31, 2021 – \$76,181 or RMB 381,862) that is held by the SOCMC due to non-payment on its short-term loan and breach of the debt settlement agreement (Note 10).

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements Nine Months Ended September 30, 2022 and 2021 (Unaudited – Expressed in Canadian Dollars)

8. PROPERTY, PLANT AND EQUIPMENT

	Ion exchange resin equipment	Manufacturing equipment	Buildings & CIP	Leasehold & land use rights	Computer equipment & software	Motor vehicles & furniture and fixture	Bearer plants	Total
Costs								
As at December 31, 2020	\$ 2,294,807	\$ 16,502,619	\$ 21,161,928	\$ 1,592,965	\$ 251,224	\$ 403,321	\$ 252,472	\$ 42,459,336
Additions	-	18,216	31,962	-	6,826	2,991	-	59,995
Disposal	-	-	-	-	-	-	(251,695)	(251,695)
Foreign currency adjustments	185,550	567,779	1,078,223	36,665	4,686	7,958	(777)	1,880,084
As at December 31, 2021	\$ 2,480,357	\$ 17,088,614	\$ 22,272,113	\$ 1,629,630	\$ 262,736	\$ 414,270	\$ -	\$ 44,147,720
Additions	-	2,884	-	-	-	-	-	2,884
Disposal	-	-	-	(39,470)	-	-	-	(39,470)
Transfer	-	35,297	(35,297)	-	-	-	-	-
Foreign currency adjustments	(290,426)	(889,643)	(1,687,827)	(57,389)	(7,301)	(12,456)	-	(2,945,042)
As at September 30, 2022	\$ 2,189,931	\$ 16,237,152	\$ 20,548,989	\$ 1,532,771	\$ 255,435	\$ 401,814	\$ -	\$ 41,166,092
Accumulated depreciation								
As at December 31, 2020	\$ 2,294,807	\$ 13,871,620	\$ 6,740,405	\$ 405,357	\$ 231,838	\$ 363,475	\$ 252,472	\$ 24,159,974
Depreciation	-	216,831	1,021,062	36,219	3,573	6,212	-	1,283,897
Disposal	-	-	-	-	-	-	(251,695)	(251,695)
Foreign currency adjustments	185,550	488,151	590,091	9,861	4,163	7,177	(777)	1,284,216
As at December 31, 2021	\$ 2,480,357	\$ 14,576,602	\$ 8,351,558	\$ 451,437	\$ 239,574	\$ 376,864	\$ -	\$ 26,476,392
Depreciation	-	157,080	760,217	29,184	2,270	449	-	949,200
Disposal	-	-	-	(30,425)	-	-	-	(30,425)
Foreign currency adjustments	(290,426)	(768,883)	(975,730)	(18,779)	(6,525)	(11,210)	-	(2,071,553)
As at September 30, 2022	\$ 2,189,931	\$ 13,964,799	\$ 8,136,045	\$ 431,417	\$ 235,319	\$ 366,103	\$ -	\$ 25,323,614
Net book value								
As at December 31, 2021	\$ -	\$ 2,512,012	\$ 13,920,555	\$ 1,178,193	\$ 23,162	\$ 37,406	\$ -	\$ 17,671,328
As at September 30, 2022	\$ -	\$ 2,272,353	\$ 12,412,944	\$ 1,101,354	\$ 20,116	\$ 35,711	\$ -	\$ 15,842,478

The carrying amounts of property, plant and equipment have been pledged as general collateral for the credit facilities available to the Chinese subsidiaries (Note 10).

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

8. PROPERTY, PLANT AND EQUIPMENT, continued

Land use rights in China have remaining terms ranging from 36.4 to 36.5 years.

Depreciation expense is included in the unaudited condensed interim consolidated statement of operations under the following categories:

	Nine months ended September 30	
	2022	2021
Cost of sales	\$ 357,385	\$ 390,862
Selling, general and administrative expenses	577,271	715,002
	<hr/>	<hr/>
	\$ 934,656	\$ 1,105,864

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

9. RIGHT-OF-USE ASSETS

	Office	Land	Production equipment	Total
Cost				
As at December 31, 2020	491,766	44,328	228,545	764,639
Additions	-	-	77,365	77,365
As at December 31, 2021	491,766	44,328	305,910	842,004
Additions	118,418	-	-	118,418
Decrease	(491,766)	-	-	(491,766)
As at September 30, 2022	118,418	44,328	305,910	468,656
Accumulated depreciation				
As at December 31, 2020	176,155	7,340	152,363	335,858
Depreciation expense	88,077	3,670	76,773	168,520
As at December 31, 2021	264,232	11,010	229,136	504,378
Depreciation expense	53,388	2,753	57,580	113,721
Decrease	(308,271)	-	-	(308,271)
As at September 30, 2022	9,349	13,763	286,716	309,828
Net book value - December 31, 2021	227,534	33,318	76,774	337,626
Net book value - September 30, 2022	\$ 109,069	\$ 30,565	\$ 19,194	\$ 158,828

The Company has entered into a three-year and 16 days lease agreement for new office premises beginning on August 16, 2022, and expiring on August 31, 2025. The recognized right-of-use is \$118,418.

The Company has entered into a two-year and 15 days sub-lease agreement for the prior office premises beginning on July 15, 2022, and expiring on July 30, 2024. The derecognized right-of-use is \$183,495.

There is a \$52,059 loss from the prior office lease derecognition.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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10. SHORT-TERM AND LONG-TERM LOANS

The Company's short-term and long-term loans of \$47,848,909 (December 31, 2021 - \$50,443,491) consist of borrowings from a SOCMC and a bank in China of \$47,275,170 (December 31, 2021 - \$49,164,924) and loans from private lenders of \$1,054,489 (December 31, 2021 - \$1,278,567) as follows:

Bank loans as at September 30, 2022:

Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
\$ 576,900	3,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
5,384,400	28,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,923,000	10,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,880,694	9,780,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
9,917,237	51,571,696	On Demand	10.22%	China Cinda Assets Management Anhui Branch
15,384,000	80,000,000	On Demand	10.22%	China Cinda Assets Management Anhui Branch
3,357,073	17,457,477	On Demand	10.82%	China Cinda Assets Management Anhui Branch
8,177	42,523	On Demand	10.82%	China Cinda Assets Management Anhui Branch
673,050	3,500,000	August 31, 2025	5.82%	Huishang Bank
5,769,000	30,000,000	On Demand	9.09%	Jiangsu Xinbao Assets Management Co.
2,401,639	12,489,025	On Demand	9.09%	Jiangsu Xinbao Assets Management Co.
\$ 47,275,170	245,840,721			

During the nine months ended September 30, 2022, the Company repaid an RMB 600,000 or \$116,640 bank loan pursuant to the signed loan agreement with the local bank.

The Company entered into a number of restructuring agreements with its SOCMC lender in April 2020 for the loan settlement. The Company did not make scheduled payments to the SOCMC that were due under the payment schedule of the restructuring agreement in 2020. During the year ended December 31, 2021, the Company entered into a settlement agreement with the SOCMC for debt held by Runde. In addition, the Company was assessed a late payment compensation related to the breach of the debt restructuring agreement with the SOCMC. This amount was included in interest expense and accrued in interest payable.

The assets of the Company's subsidiaries including inventory, restricted cash and property, plant and equipment have been pledged as collateral for these loans (see Notes 6, 7 and 8).

The Company continues to work with its Chinese bank and SOCMCs on restructuring its debt. To date, no payments have been demanded by the SOCMC.

GLG LIFE TECH CORPORATION

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10. SHORT-TERM AND LONG-TERM LOANS, continued

In October 2022, the Company completed a bank loan renewal in China with principal of RMB3,500,000 or \$673,050 for a term of three years. The loan bears interest at 5.82% per annum and is due on August 31, 2025, per the following repayment schedule.

Schedule	Principal Repayment	Status
In October, 2022	200,000	Paid in October 2022
Before February 28, 2023	400,000	Outstanding
Before August 31, 2023	400,000	Outstanding
Before February 29, 2024	600,000	Outstanding
Before August 31, 2024	600,000	Outstanding
Before February 28, 2025	650,000	Outstanding
Before August 31, 2025	650,000	Outstanding
Total Loan in RMB	3,500,000	

As at September 30, 2022, of the above renewed loan, there is RMB1,000,000 or \$192,300 included in short-term loans and RMB2,500,000 or \$480,750 included in long-term loans per the repayment schedule.

Bank loans as at December 31, 2021:

Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
\$ 598,500	3,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
5,586,000	28,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,995,000	10,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,951,110	9,780,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
10,288,553	51,571,696	On Demand	10.22%	China Cinda Assets Management Anhui Branch
15,960,000	80,000,000	On Demand	10.22%	China Cinda Assets Management Anhui Branch
3,482,767	17,457,477	On Demand	10.82%	China Cinda Assets Management Anhui Branch
8,483	42,523	On Demand	10.82%	China Cinda Assets Management Anhui Branch
817,950	4,100,000	July 23, 2022	5.82%	Huishang Bank
5,985,000	30,000,000	On Demand	9.09%	Jiangsu Xinbao Assets Management Co.
2,491,561	12,489,025	On Demand	9.09%	Jiangsu Xinbao Assets Management Co.
\$ 49,164,924	246,440,721			

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

10. SHORT-TERM AND LONG-TERM LOANS, continued

Short-term borrowing from private lenders:

December 31, 2020	\$	979,482
Advances		359,455
(Repayments)		(64,119)
Foreign currency translation		3,749
December 31, 2021	\$	1,278,567
Advances		-
(Repayments)		(295,488)
Foreign currency translation		71,410
September 30, 2022	\$	1,054,489

During the nine months ended September 30, 2022, the Company repaid RMB 1,520,000 or \$295,488 in short-term loans to the private lenders.

As at September 30, 2022, short-term borrowing from private lenders consisted of one US dollar denominated loan. The US dollar loan is unsecured and bears interest at 11.50% per annum, compounding quarterly. The loan is due on demand.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

11. RELATED PARTIES TRANSACTIONS AND BALANCES

a) Amount due to related parties

Amounts due to related parties are summarized as follows:

	Note	September 30, 2022	December 31, 2021
Loans from Chief Executive Officer ("CEO")	\$	11,191,617	\$ 9,361,947
Loans from direct family member of CEO		43,055,042	38,690,304
	i)	54,246,659	48,052,251
Consulting fees payable to CEO	ii)	3,605,136	3,250,093
Loan from Director of the Company	iii)	934,027	934,027
	\$	58,785,822	\$ 52,236,371

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

11. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

a) Amount due to related parties, continued

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
	\$ 685,419	April 27, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	1,370,700	October 11, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	685,350	May 30, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	342,675	November 15, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	826,826	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
	198,752	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
	2,549,502	August 7, 2018	On demand	Unsecured	Category 3	Direct family member of CEO
	929,467	May 6, 2020	On demand	Unsecured	Category 4	Direct family member of CEO
	134,888	November 9, 2020	On demand	Unsecured	Category 5	Direct family member of CEO
Principal	\$ 7,723,579					
Accrued interest	46,523,080					
	\$ 54,246,659					

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, 2021

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	\$ 633,963	April 27, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	1,267,800	October 11, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	633,900	May 30, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	316,950	November 15, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	764,755	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
	183,831	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
	2,358,108	August 7, 2018	On demand	Unsecured	Category 3	Direct family member of CEO
	997,500	May 6, 2020	On demand	Unsecured	Category 4	Direct family member of CEO
	175,560	November 9, 2020	On demand	Unsecured	Category 5	Direct family member of CEO
Principal	\$ 7,332,367					
Accrued interest	40,719,884					
	\$ 48,052,251					

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

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

11. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

a) Amount due to related parties, continued

- i. The Company obtained loans under numerous credit facility agreements from the Company's Chairman and CEO. As at September 30, 2022, the total amount owed to the CEO under these facilities, including principal and accumulated interest is \$11,191,617 (December 31, 2021 - \$9,361,947). As at September 30, 2022, 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 September 30, 2022, the total amount owed under these facilities, including principal and accumulated interest is \$43,055,042 (December 31, 2021 - \$38,690,304). As at September 30, 2022, 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 the accrued interest, is \$54,246,659 (December 31, 2021 - \$48,052,251). 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 above.

Some of 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 \$1,005,884 (December 31, 2021 - \$247,979), 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:

	September 30, 2022	December 31, 2021
Risk free interest	1.79%	0.11%
Expected life of the loan	1 year	1 year
Expected foreign currency volatility	3.70%	2.71%

- ii. As of September 30, 2022, the Company has accrued \$3,605,136 (December 31, 2021 - \$3,250,093), including 3% interest per annum compounding quarterly, in consulting fees to the Company's Chairman and CEO.
- iii. As of September 30, 2022, the Company has a loan of \$934,027 including unpaid interest of \$34,027, which was paid in earlier of October 2022, (December 31, 2021 - \$934,027 including unpaid interest of \$34,027) from a Director of the Company originally borrowed to provide working capital required for Monk Fruit extracts. The loan was been renewed in May 2022 for one year, bearing interest at 15% per annum and repayable in full on March 31, 2023.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

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11. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

b) Transactions with key management personnel

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

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

	Nine months ended September 30	
	2022	2021
Short-term employee benefits (including salaries, bonuses and fees)	\$ 546,527	\$ 528,227
Share-based benefits	-	72,663
Total remuneration	\$ 546,527	\$ 600,890

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 salary, totaling approximately \$1,892,000.

Key management did not exercise stock options granted under the Company's stock option plan in the nine months ended September 30, 2022.

GLG LIFE TECH CORPORATION

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12. LEASE LIABILITIES

	Office	Land	Production equipment	Total
At December 31, 2020	\$ 366,082	\$ 42,309	\$ 90,124	\$ 498,515
Recognized in 2021	-	-	77,365	77,365
Lease payments made	(130,465)	(9,135)	(97,451)	(237,051)
Interest expense on lease liabilities	49,608	7,486	19,936	77,030
	285,225	40,660	89,974	415,859
Less: current portion	(97,606)	(2,269)	(89,974)	(189,849)
Non-current portion as at December 31, 2021	\$ 187,619	\$ 38,391	\$ -	\$ 226,010

	Office	Land	Production equipment	Total
At December 31, 2021	\$ 285,225	\$ 40,660	\$ 89,974	\$ 415,859
Recognized in 2022	118,418	-	-	118,418
Lease payments made	(107,866)	(7,055)	(73,088)	(188,009)
Interest expense on lease liabilities	31,518	5,392	6,880	43,790
	327,295	38,997	23,766	390,058
Less: current portion	(141,145)	(2,595)	(23,766)	(167,506)
Non-current portion as at September 30, 2022	\$ 186,150	\$ 36,402	\$ -	\$ 222,552

	September 30, 2022	December 31, 2021
Current	\$ 167,506	\$ 189,849
Non-Current	222,552	226,010
	\$ 390,058	\$ 415,859

As at September 30, 2022, the recognized liabilities from the new office lease is \$118,418.

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Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

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13. SHARE CAPITAL

a) Common shares

An unlimited number of common shares are authorized with no par value. The holders of common shares are entitled to one vote per share. As at September 30, 2022, there are 38,394,223 (December 31, 2021 – 38,394,223) common and restricted shares issued and outstanding with no par value.

b) Share-based payments

i) Share-based compensation

Share-based compensation to employees is measured at fair value. Fair value is determined using the Company's common share price, and the Black-Scholes option pricing model ("Black-Scholes model").

The Company is subject to the policies of the TSX, under which it is authorized to grant options and restricted shares to officers, directors, employees and consultants enabling them to purchase common stock of the Company. The Company has a stock option and restricted share plan (the "Plan") amended and effective from May 16, 2008. The Plan is administered by the Board of Directors, which determines individual eligibility under the plan.

ii) Stock options

Under the Plan, options granted are non-assignable and the number of common shares available for issue is a maximum of 10% of the issued and outstanding common shares of the Company, inclusive of any restricted shares granted under the Plan. The maximum term of an option is five years after the date of grant. The exercise price may not be less than the closing price of the Company's shares on the last business day immediately preceding the date of grant options, and options have a vesting period from 1 year to 3 years.

Under the Plan, restricted shares granted are non-assignable and the number of common shares available for issue is a maximum of 10% of the issued and outstanding common shares in the Company inclusive of any stock options granted under the Plan. Holders of restricted shares are entitled to voting rights and dividends. The maximum vesting period for restricted shares is five years from the date of grant unless otherwise approved by the Board of Directors. Restricted shares are issued to certain employees and may have certain performance criteria, which are based on production and financial targets.

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Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

13. SHARE CAPITAL, continued

b) Share-based payments, continued

ii) Stock options, continued

A continuity of stock options is as follows:

	Weighted Average	
	Stock Options	Exercise Price
Balance as at December 31, 2020	-	\$ -
Expired/cancelled/forfeited	-	-
Balance as at December 31, 2021 and September 30, 2022	-	\$ -

iii) Restricted shares

The Company recorded share-based payments in the amount of nil as of September 30, 2022 (2021 - \$72,663), which related to restricted shares granted in previous years. Those were valued using the stock price at the date of issue, recognized over the vesting period of the restricted shares.

A continuity of Restricted Shares is as follows:

	Restricted Shares
Balance as at December 31, 2020	200,000
Vested	(200,000)
Expired/cancelled/forfeited	-
Balance as at December 31, 2021	-
Vested	-
Expired/cancelled/forfeited	-
Balance as at September 30, 2022	-

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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14. NON-CONTROLLING INTEREST

Prior to December 31, 2019, the Company had a 67.08% interest in Runhai.

On July 31, 2020, the Company repurchased of 31.77% of its ownership in Runhai from certain related parties for payment of RMB 60,500,000 pursuant to the 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 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 September 30, 2022, and December 31, 2021:

	September 30, 2022	December 31, 2021
ASSETS		
Current	\$ 3,848,350	\$ 3,512,918
Non-current	15,889,263	17,765,854
	\$ 19,737,613	\$ 21,278,772
LIABILITIES		
Current	\$ 105,143,049	\$ 101,943,494
	\$ 105,143,049	\$ 101,943,494
Net liabilities	\$ (85,405,436)	\$ (80,664,722)
Non-controlling interest percentage	1.15%	1.15%
Non-controlling interest in net liabilities	\$ (876,070)	\$ (815,529)

The following table presents the loss and comprehensive income attributable to the non-controlling interest ("NCI") for the years ended September 30, 2022 and 2021:

	Nine months ended September 30	
	2022	2021
Loss for the year - NCI	\$ (92,583)	\$ (95,013)
Foreign exchange translation adjustment	32,042	(10,653)
Comprehensive loss for the year	\$ (60,541)	\$ (105,666)

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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15. SUPPLEMENTAL CASH FLOW INFORMATION

Supplementary cash flow information is as follows:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Changes in non-cash working capital items:				
Accounts receivable	\$ 560,460	\$ (99,638)	\$ 155,529	\$ 42,336
Taxes recoverable	(26,180)	(95,162)	16,364	(177,225)
Inventory	(228,085)	306,079	611,596	491,621
Prepaid expenses	260,066	196,295	(60,539)	17,805
Accounts payable and accruals	(234,528)	(212,317)	98,668	(77,836)
Interest payable	3,209,572	2,852,762	9,630,957	8,295,992
Deferred revenue	(2,416)	-	(267,302)	-
Due to related parties (current)	2,061,605	1,700,849	5,800,646	4,899,491
Changes in non-cash working capital items	\$ 5,600,494	\$ 4,648,868	\$ 15,985,919	\$ 13,492,184
Interest paid	\$ 3,476	\$ 11,465	\$ 26,459	\$ 37,786
Income tax paid	\$ -	\$ -	\$ -	\$ -

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

16. COST OF SALES AND EXPENSES

	Nine months ended September 30	
	2022	2021
Cost of sales		
Direct cost of sales	\$ 4,765,479	\$ 4,882,309
Depreciation and amortization	414,965	447,998
Freight & others	249,902	344,860
Total	\$ 5,430,346	\$ 5,675,167
Selling, general and administrative (SG&A) expenses		
Direct SG&A expenses	\$ 2,466,860	\$ 2,711,424
Depreciation and amortization	633,412	783,813
Total	\$ 3,100,272	\$ 3,495,237
Supplementary information:		
Salaries and wages	\$ 907,054	\$ 853,195

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited – Expressed in Canadian Dollars)

17. LOSS PER SHARE

The following table sets forth the calculation of the basic and diluted loss per share for the nine months ended September 30, 2022 and 2021:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Numerator:				
Net loss after tax	\$ (7,521,931)	\$ (6,961,505)	\$ (17,223,858)	\$ (15,289,746)
Denominator:				
Weighted average number of shares outstanding - basic	38,394,223	38,394,223	38,394,223	38,394,223
Weighted average number of shares outstanding - diluted	38,394,223	38,394,223	38,394,223	38,394,223
Loss per share - basic	\$ (0.20)	\$ (0.18)	\$ (0.45)	\$ (0.40)
Loss per share - diluted	\$ (0.20)	\$ (0.18)	\$ (0.45)	\$ (0.40)

The total number of anti-dilutive options excluded from the calculation for the nine months ended September 30, 2022 was nil (2021 – nil).

18. SEGMENT INFORMATION

The Company's business operates primarily through the Natural Sweeteners Products segment. The Natural Sweeteners Products segment is the manufacturing and sales of refined forms of stevia and monk fruit, which has operations in China and North America.

The Company's chief operating decision makers are the CEO, the Chief Operating Officer and Chief Financial Officer. They review the operations and performance of the Company.

Revenue to external customers by geographical location is as follows:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
China	\$ (4,489)	\$ 95,088	\$ 536,265	\$ 292,790
North America & others	2,374,944	1,999,311	7,348,683	7,581,266
	\$ 2,370,455	\$ 2,094,399	\$ 7,884,948	\$ 7,874,056

During the nine months ended September 30, 2022, two customers of the Natural Sweeteners CGU represented 63% of total consolidated revenue (2021 – 49%).

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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19. COMMITMENTS

a) Operating leases and sub-lease

The Company's prior office premises are leased under an eight-year agreement beginning August 1, 2016 and expiring on July 31, 2024. The Company has entered into a two year and 15 days sub-lease agreement for the current office premises beginning on July 15, 2022, and expiring on July 30, 2024.

The Company has entered into a three year and 16 days agreement for the new office premises beginning on August 16, 2022, and expiring on August 31, 2025. The annual minimum of the new lease payment is approximately \$49,490.

Future undiscounted minimum lease payments for the lease of right-of-use assets as described in Notes 9 and 12 are as follows:

	September 30, 2022	December 31, 2021
Less than one year	\$ 216,753	\$ 240,718
Between one and five years	239,716	250,367
More than five years	55,213	60,133
Total	\$ 511,682	\$ 551,218

b) Long-term loan

In October 2022, the Company completed a bank loan renewal in China with principal of RMB3,500,000 or \$673,050 for a term of three years. The loan bears interest at 5.82% per annum and is due on August 31, 2025, per the following repayment schedule. The loan has been reclassified with separate short-term and long-term components, as of September 30, 2022, per the repayment schedule.

Schedule	Principal Repayment	Status
In October, 2022	200,000	Paid in October 2022
Before February 28, 2023	400,000	Outstanding
Before August 31, 2023	400,000	Outstanding
Before February 29, 2024	600,000	Outstanding
Before August 31, 2024	600,000	Outstanding
Before February 28, 2025	650,000	Outstanding
Before August 31, 2025	650,000	Outstanding
Total Loan in RMB	3,500,000	

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Nine Months Ended September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

19. COMMITMENTS, continued

c) Contingencies

In the ordinary course of business, the Company is from time to time involved in legal proceedings and litigation. Presently, there are no legal proceedings and litigations that recently have had, or to the Company's knowledge, are reasonably possible to have, a material impact on the Company's financial positions, results of operations or cash flows. The Company and the SOCMC are in legal proceeding over the short-term loans due to late payment on these loans. The Company continues to negotiate with the SOCMC on the settlement of its debt. The Company did not accrue any loss contingencies in this respect as of September 30, 2022, and December 31, 2021, as the Company did not consider an unfavorable outcome in any material respects in these legal proceedings and litigations to be probable.

20. SUBSEQUENT EVENT

The Company repaid RMB200,000 principal for part of a long-term loan in October 2022 according to the repayment schedule (see Note 19).