



GLG Life Tech Corporation * Suite 280, 13071 Vanier Place,
Richmond, B.C. Canada V6V 2J1 TSX: GLG

GLG LIFE TECH CORPORATION REPORTS 2022 THIRD QUARTER FINANCIAL RESULTS

Vancouver, B.C. November 14, 2022 - GLG Life Tech Corporation (TSX: GLG) (“GLG” or the “Company”), a global leader in the agricultural and commercial development of high-quality zero-calorie natural sweeteners, announces financial results for the three and nine months ended September 30, 2022. The complete set of financial statements and management discussion and analysis are available on SEDAR and on the Company’s website at www.glglifetech.com.

FINANCIAL SUMMARY

The Company reported a 13% increase in revenues in the third quarter of 2022 at \$2.4 million, compared to \$2.1 million in revenue for the third quarter of 2021. The Company’s gross profit margin improved by 5 percentage points at 32% for the third quarter of 2022, compared to 27% for the third quarter of 2021.

For the nine months ended September 30, 2022, the Company reported revenues of \$7.9 million, compared to \$7.9 million for the comparable period in 2021. While revenues were even across the two nine-month periods, the Company’s gross profit margin improved by three percentage points to 31% for the 2022 period, compared to 28% for the 2021 period.

The Company continues its efforts to closely manage its SG&A expenses, reducing its SG&A expenses by 16% in the three months ended September 30, 2022, versus the comparable period in 2021 (\$0.8 million vs. \$0.9 million), and reducing its SG&A expenses by 6% in the nine months ended September 30, 2022, versus the comparable period in 2021 (\$2.5 million vs. \$2.6 million).

For the three months ended September 30, 2022, the Company had a net loss attributable to the Company of \$7.5 million, an increase in net loss of \$0.6 million over the comparable period in 2021 (net loss of \$7.0 million). The Company reported a net loss per share of \$0.20 for the third quarter of 2022, compared to a net loss per share of \$0.18 for the third quarter of 2021.

For the nine months ended September 30, 2022, the Company had a net loss attributable to the Company of \$17.2 million, an increase in net loss of \$1.9 million over the comparable period in 2021 (net loss of \$15.3 million). The Company reported a net loss per share of \$0.45 for the first nine months of 2022, compared to a net loss per share of \$0.40 for the same period in 2021.

CORPORATE DEVELOPMENTS

Formation of Joint Venture

On April 25, 2022, the Company announced the formation of a new joint venture through its Chinese subsidiary, Anhui Runhai Biotechnology Joint Stock Company, Ltd. (“Runhai”). The joint venture, operating under the name Xinjiang Huanyu Technology Co., Ltd. (“Huanyu”), brings together Xinjiang Luxiang Sugar Industry Co. (“Luxiang”), Ltd., Xiao Gang HZ Health Industrial Park (“Xiao Gang”), and Runhai

in a vertically integrated endeavor to bring a suite of consumer natural sweetener products as well as expanded business-to-business stevia sales to the domestic China market.

Huanyu will bring together upstream agricultural resources in support of downstream production for both the B2B and B2C sectors, with specialization in and integration of harvesting to bulk manufacturing to production of a variety of end customer products. Luxiang, located in Northwest China, where the soil, water, and sunlight are optimal for growing high-quality stevia leaf and other agricultural products, will produce and provide the agricultural raw materials for the joint venturers. Runhai, with its 18 years of technical expertise in manufacturing stevia products, will use this premium stevia leaf for producing its high-purity stevia extracts and other specialized stevia products – both in support of the joint venture as well as in support of GLG’s international customers. Xiaogang, with its history of producing and selling high-quality low/zero-calorie sweetener consumer products, will use raw material inputs from both Luxiang and Runhai to produce its suite of healthful consumer products. Integrating agriculture with both B2B and B2C product manufacturing streams offers Huanyu a uniquely complementary advantage in China.

Under the terms of the agreement, Luxiang, a state-owned company, will be the majority stakeholder with a 51% share. Runhai will have a 26% share and Xiao Gang will have a 23% share. Luxiang will provide working capital for Huanyu’s production needs as well as the production facilities. Runhai is providing key idle equipment from its facilities and specialized know-how in the production of stevia products leveraging a variety of steviol glycosides for sale to food and beverage companies across China. Xiao Gang has particular equipment and expertise in the natural products space that it will contribute for Huanyu’s consumer products development, production, and sales.

While Luxiang will be a major customer of Huanyu’s, the joint venturers are planning on sales of their products to customers and companies throughout China, both off the shelf to consumers and to food and beverage companies looking for high-quality and innovative natural sweeteners for use in their own products.

Huanyu anticipates production commencing in 2023. In the meantime, it plans to access up to 500M RMB from government funding available to support agricultural initiatives. This funding, if received, will help the joint venturers to fund their operation. Furthermore, in Runhai’s case, this funding can be used to substantially, if not entirely, resolve long-standing debt issues, as the joint venturers have as a collective goal to clear Runhai of its debts. This will put Runhai, and consequently the Company, on much more solid financial footing. Dr. Zhang, the Company’s Chairman and CEO, commented “Our new joint venture offers new and greater opportunities for GLG to access the domestic markets in China as well as to improve our company’s balance sheet. We are excited to partner with Luxiang Sugar and Xiaogang Health, both ambitious companies excited to bring healthful products to our Chinese populace.”

Runhai will continue producing products for GLG’s international customers through its active production facilities located in Qingdao and Anhui provinces. Serving GLG’s customers with high-quality products remains a central focus for Runhai and for GLG; the joint venture opportunity is entirely additive to the Company’s business plans.

2022 AGM Voting Results

The Company held its Annual General Meeting on June 17, 2022. 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. Dr. Hong Zhao Guang opted not to run for election this year and is therefore no longer a director.

Company Outlook

In recent quarters, 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 continues to manage its cash flows carefully to mitigate risk of insolvency. As a result of these efforts, management has been successful in improving the Company's cash flows 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 negotiated a CAD \$1 million revolving loan facility with a related party for working capital purposes in 2020. In 2020, management also realized the sale of one of its two idle assets; the sale of the "Runhao" facility resulted in significant debt reduction and better positions the Company to be able to access additional lines of working capital. Management also continues to explore options for the sale or repurposing of its idle "Runyang" primary processing facility in Jiangsu province to further address its cash needs and balance sheet.

Another factor that continues to contribute to the Company's financial situation is the competitive price pressure in the stevia market over the last two years that has reduced mainstream "Reb A" products (such as Reb A 80 and Reb A 97) to the lowest price levels in years, although pricing has begun to rise (reflecting the increased cost of raw materials in the most recent harvest). Monk fruit prices have also become increasingly competitive in the marketplace. To maintain margins at sustainable levels, the Company has focused on improving its production efficiencies, continues to strive for a mix of products that is weighted more heavily on higher margin, specialty products, and has focused more on higher margin direct sales.

The Company's focus on maintaining positive cash flow led the Company to take decisive steps in 2021 and continued efforts in 2022 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 aim continues to be to "right-size" its Chinese operations – i.e., to optimize its staffing and production planning to meet the Company's projected production requirements while retaining the ability to accommodate growth in future order volumes – and management made significant progress in this area and continues striving to optimize staffing and production plans. As a result, this has enabled the Company to sell its goods at more competitive and/or more profitable prices although the competitive price pressures remain strong.

The Company continues to explore options to significantly improve its balance sheet and cash flows, whether through restructuring of debt or other opportunities for infusions of cash to address the debt load. One of these options is taking shape, as the Company entered into a joint venture in China through its Runhai subsidiary, which has the potential to significantly increase revenues and overhaul the Company's balance sheet. The Company also continues to explore options that may be complementary to the natural sweetener market, where it could leverage its production expertise and equipment towards an investment that may help grow the Company's revenues and improve its financial position.

While the Company continues to face substantial risks, management remains optimistic about the future opportunities for the Company. Having closed the idle asset sale in 2020 and having successfully implemented right-sizing efforts to manage costs, having entered into the joint venture, and continuing to optimize production efficiencies, costs, and planning, management is proceeding down the best available path to increased financial stability and improved profitability.

SELECTED FINANCIALS

As noted above, the complete set of financial statements and management discussion and analysis for the three and nine months ended September 30, 2022, are available on SEDAR and on the Company's website at www.glglifetech.com.

Results from Operations

The following results from operations have been derived from and should be read in conjunction with the Company's annual consolidated financial statements for 2021 and the condensed interim consolidated financial statements for the nine-month period ended September 30, 2022.

In thousands Canadian \$, except per share amounts	3 Months Ended September 30		% Change	9 Months Ended September 30		% Change
	2022	2021		2022	2021	
Revenue	\$2,370	\$2,094	13%	\$7,885	\$7,874	0%
Cost of Sales	(\$1,600)	(\$1,536)	4%	(\$5,430)	(\$5,675)	(4%)
% of Revenue	(68%)	(73%)	6%	(69%)	(72%)	3%
Gross Profit	\$770	\$558	38%	\$2,455	\$2,199	12%
% of Revenue	32%	27%	6%	31%	28%	3%
Expenses	(\$986)	(\$1,209)	(18%)	(\$3,100)	(\$3,495)	(11%)
% of Revenue	(42%)	(58%)	16%	(39%)	(44%)	5%
Loss from Operations	(\$216)	(\$651)	(67%)	(\$645)	(\$1,296)	(50%)
% of Revenue	(9%)	(31%)	22%	(8%)	(16%)	8%
Other Expenses	(\$7,335)	(\$6,347)	16%	(\$16,671)	(\$14,088)	18%
% of Revenue	(309%)	(303%)	(6%)	(211%)	(179%)	(33%)
Net Loss before Income Taxes	(\$7,551)	(\$6,998)	8%	(\$17,316)	(\$15,384)	13%
% of Revenue	(319%)	(334%)	16%	(220%)	(195%)	(24%)
Net Loss	(\$7,551)	(\$6,998)	8%	(\$17,316)	(\$15,384)	13%
% of Revenue	(319%)	(334%)	16%	(220%)	(195%)	(24%)
Net Loss Attributable to Non-Controlling Interest (NCI)	(\$28)	(\$36)	(22%)	(\$93)	(\$95)	(2%)
Net Loss Attributable to GLG	(\$7,523)	(\$6,962)	8%	(\$17,223)	(\$15,289)	13%
% of Revenue	(317%)	(332%)	15%	(218%)	(194%)	(24%)
Net Loss per share (LPS, Basic & Diluted)	(\$0.20)	(\$0.18)	10%	(\$0.45)	(\$0.40)	13%
Other Comprehensive Income (Expense)	(\$32)	(\$1,625)	(98%)	\$2,708	(\$590)	(559%)
% of Revenue	(1%)	(78%)	76%	34%	(7%)	42%
Comprehensive Net Loss	(\$7,583)	(\$8,623)	(12%)	(\$14,608)	(\$15,974)	(9%)
Comprehensive Loss Attributable to NCI	(\$28)	(\$55)	(49%)	(\$61)	(\$106)	(42%)
Comprehensive Loss Attributable to GLG	(\$7,555)	(\$8,568)	(12%)	(\$14,547)	(\$15,868)	(8%)
% of Revenue	(319%)	(409%)	90%	(184%)	(202%)	18%

Revenue

Revenue for the three months ended September 30, 2022, was \$2.4 million compared to \$2.1 million in revenue for the same period last year. Sales increased by 13% or \$0.3 million for the period ending September 30, 2022, compared to the prior period. This 13% increase in sales is attributable to an increase in international stevia sales, which was partly offset by a decrease in monk fruit sales and domestic China stevia sales. International sales continue to predominate, making up 100% of the Company's revenues in the third quarter of 2022 (95% in third quarter of 2021).

Revenue for the nine months ended September 30, 2022, was \$7.9 million compared to \$7.9 million in revenue for the same period last year. International and domestic stevia sales increased in the first nine months of 2022, with those increases offset by a decrease in monk fruit sales, resulting in revenues holding even between the two year-over-year periods. International sales made up 93% of the Company's revenues in the first nine months of 2022 (96% in the first nine months of 2021).

Cost of Sales

For the quarter ended September 30, 2022, the cost of sales was \$1.6 million compared to \$1.5 million in cost of sales for the same period last year (\$0.1 million or 4% increase). Cost of sales as a percentage of revenues was 68% for the third quarter 2021, compared to 73% for the third quarter 2022, an improvement of 5 percentage points.

For the nine months ended September 30, 2022, the cost of sales was \$5.4 million compared to \$5.7 million for the same period last year (\$0.2 million or 4% decrease). Cost of sales as a percentage of revenues was 69% for the first nine months of 2022, compared to 72% in the comparable period in 2021, an improvement of 3 percentage points.

The improvements in cost of sales as a percentage of revenue for both the three-month and nine-month periods in 2022, relative to the respective comparable periods in 2021, are primarily attributable to a continued focus on production efficiency and cost management.

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 first nine months of 2022, and capacity charges of \$0.5 million were charged to cost of sales (representing 9% of cost of sales) compared to \$0.7 million charged to cost of sales in the same period of 2021 (representing 11% of cost of sales).

Gross Profit (Loss)

Gross profit for the three months ended September 30, 2022, was \$0.8 million, compared to a gross profit of \$0.6 million for the comparable period in 2021. The gross profit margin was 32% in the third quarter 2022 compared to 27% in the third quarter 2021, an improvement of 5 percentage points.

Gross profit for the nine months ended September 30, 2022, was \$2.5 million, compared to a gross profit of \$2.2 million for the comparable period in 2021. The gross profit margin was 31% in the first nine months of 2022 compared to 28% for the same period in 2021, an improvement of 3 percentage points.

The improvements in gross profit margins for both the three-month and nine-month periods in 2022, relative to the respective comparable periods in 2021, are primarily attributable to a continued focus on production efficiency and cost management.

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 September 30		% Change	9 Months Ended September 30		% Change
	2022	2021		2022	2021	
G&A Expenses	\$792	\$946	(16%)	\$2,467	\$2,638	(6%)
Stock Based Compensation Expenses	\$0	\$0	--	\$0	\$73	(100%)
Depreciation Expenses	\$194	\$263	(26%)	\$633	\$784	(19%)
Total	\$986	\$1,209	(18%)	\$3,100	\$3,495	(11%)

G&A expenses for the three months ended September 30, 2022, were \$0.8 million, a decrease of \$0.1 million compared to \$0.9 million in the same period in 2021.

G&A expenses for the nine months ended September 30, 2022, were \$2.5 million, a decrease of \$0.1 million compared to \$2.6 million in the same period in 2021.

Net Loss Attributable to the Company

In thousands Canadian \$	3 Months Ended September 30		% Change	9 Months Ended September 30		% Change
	2022	2021		2022	2021	
Net Loss	(\$7,551)	(\$6,998)	8%	(\$17,316)	(\$15,384)	13%
Net Loss Attributable to NCI	(\$28)	(\$36)	(22%)	(\$93)	(\$95)	(2%)
% of Revenue	(1%)	(2%)	1%	(1%)	(1%)	0%
Net Loss Attributable to GLG	(\$7,523)	(\$6,962)	8%	(\$17,223)	(\$15,289)	13%
% of Revenue	(317%)	(332%)	15%	(218%)	(194%)	(24%)

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

For the nine months ended September 30, 2022, the Company had a net loss attributable to the Company of \$17.2 million, an increase in net loss of \$1.9 million over the comparable period in 2021 (net loss of \$15.3 million). The \$1.9 million increase in net loss attributable to the Company was driven by increases in (1) interest expenses (\$2.2 million) and (2) foreign exchange loss (\$0.6 million), which were offset by (3) a decrease in loss from operations (\$0.7 million) and (4) an increase in inventory recovery (\$0.2 million).

Quarterly Basic and Diluted Loss per Share

The basic and diluted net loss per share from operations was \$0.20 for the three months ended September 30, 2022, compared with a basic and diluted net loss per share of \$0.18 for the comparable period in 2021.

The basic and diluted net loss per share from operations was \$0.45 for the nine months ended September 30, 2022, compared with a basic and diluted net loss per share of \$0.40 for the comparable period in 2021.

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).

For further information, please contact:

Simon Springett, Investor Relations

Phone: +1 (604) 669-2602 ext. 101

Fax: +1 (604) 662-8858

Email: ir@glglifetech.com

About GLG Life Tech Corporation

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

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

While the Company has based these forward-looking statements on its current expectations about future events, the statements are not guarantees of the Company’s future performance and are subject to risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors include amongst others the effects of general economic conditions, consumer demand for our products and new orders from our customers and distributors, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, industry supply levels, competitive pricing pressures and misjudgments in the course of preparing forward-looking statements. Specific reference is made to the risks set forth under the heading “Risk Factors” in the Company’s Annual Information Form for the financial year ended December 31, 2021. In light of these factors, the forward-looking events discussed in this press release might not occur.

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

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