



GLG LIFE TECH CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Six Months Ended June 30, 2026

Dated: August 31, 2026

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of GLG Life Tech Corporation is dated August 31, 2026. It provides a review of the financial results for the three and six months ended June 30, 2026, compared to the same period 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 NEX Exchange (the "Exchange") under the symbol "GLG.H". 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 condensed interim consolidated financial statements and notes thereto for the six months ended June 30, 2026, as well as the annual consolidated financial statements and notes thereto and the MD&A of GLG for the year ended December 31, 2025. 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, 2025. 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, through our operating agreement with Qingdao Honghongyuan Health Industry Technology Co., Ltd. ("HHY"), of high-quality stevia extract and high-quality monk fruit extract. While stevia has long been the foundation of our company, over the last seven years we have been producing and selling monk fruit extracts to the international market. Stevia extracts, such as Rebaudioside A (or Reb A), and monk fruit extracts are used as all-natural, zero-calorie sweeteners in food and beverages. Our revenue presently derives primarily from the sale of high-grade stevia extract to the food and beverage industry; the sale of monk fruit extracts represents an additional significant source of actual and potential revenues. Furthermore, we have expanded our product offerings and market opportunities through the supply of ingredients complementary to the natural high-intensity sweetener market under our Naturals+ product line.

We conduct our stevia and monk fruit development, refining, processing and manufacturing operations via our operating agreement with HHY, which was incorporated in Qingdao, China in 2023, to produce goods on behalf of GLG. Our stevia operations in China utilize the processing factories previously held by the Company and we work with stevia growing areas across multiple regions.

Discontinued Operations / Restatement - Runhai

In November 2024, and as further discussed in the Company's Management Circular (available on the Company's website) for the Company's Annual General and Special Meeting, held on May 22, 2025, the Company entered into a transfer agreement for its Runhai subsidiary, akin to the transfer agreement discussed above for Runde. Consummation of the transfer had been pending the shareholder vote at the Special Meeting, hence the Company reclassified Runhai's operations (idled since September 2023) into discontinued operations on a retrospective basis for years ended December 31, 2024 and 2023. With the shareholders having approved the consummation of the transfer agreement on May 22, 2025, the Company recorded the disposition of Runhai and its subsidiaries (Bengbu) in its second quarter interim financial filings.

Corporate and Sales Developments

The Company has held its Annual General Meeting of Shareholders on June 30, 2026, at its Corporate Headquarters in Richmond, B.C. The shareholders voted in favor of all five nominated directors, with favorable votes for each exceeding 99%. Dr. Luke Zhang continues as Chairman of the Board and Chief Executive Officer and Mr. Brian Palmieri continues as Vice Chairman of the Board. Mr. David Bishop, Madame Liu Yingchun and Mr. Simon Springett continue as directors of the Company.

Company Outlook

In recent years, management focused particularly on mitigating the losses – especially from a cash or EBITDA perspective – that the Company suffered in prior years and to ameliorate the Company's financial position. As a result of those sustained losses, the Company has lacked the cash necessary to fully fund the business operations and strategic product initiatives. The Company continues to manage its cash flows carefully to mitigate risk of insolvency and Management's efforts have been successful in improving the Company's performance, particularly its cash flows, with the Company regularly producing positive EBITDA. On the other hand, interest charges, most of which continue to be accrued rather than paid, continue to have significant impact on the Company's income statement and balance sheet. As a result of these efforts, in recent years and at a present, management has been successful in improving the Company's cash flows compared to prior years. 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.

A factor that has over time contributed to the Company's financial situation is the competitive price pressure in the stevia market over the last few years that has reduced mainstream "Reb A" products (such as Reb A 80 and Reb A 97) to the lowest price levels in years; less mainstream products such as "Reb M" as well as more specialized products have also more recently been facing similarly competitive price pressure. Monk fruit prices have also become highly competitive in the marketplace. To maintain margins at sustainable levels, the Company has focused on managing cost of goods sold by working with its exclusive supplier, HHY, and continues to strive for a mix of products that is weighted more heavily on higher margin, specialty products, and has focused more on direct sales rather than through distributors. Margins, however, remain slimmer than desired and the impact of special tariff actions remains unclear.

To address operating cash requirements, management previously negotiated revolving loan facilities with third parties for working capital purposes. Management continues to work with third parties for its working capital needs. This has been a significant departure from the Company's prior practice of arranging loans with related parties to fund the Company's operations and the Company has been successful in securing and managing these loan facilities.

Further, with an emphasis on maintaining positive cash flow, the Company has taken decisive steps in the last few years to reduce its SG&A costs as well as reduce the cost of goods sold. In that time period, both its North American operations and, while extant, its Chinese operations significantly reduced SG&A costs. For many years, the Company's production capacity had been far greater than its projected order levels, as it had then sought rapid increases in orders for Reb A products. Instead, a few years ago, the Company pivoted to focus on "right-sizing" its then-extant Chinese operations – i.e., to optimize staffing and production planning to meet the Company's then-projected production requirements while retaining the ability to accommodate growth in future order volumes – and management made significant progress in this area. These efforts, prior to disposing of the Chinese subsidiaries, enabled the Company to sell its goods at more competitive and/or more profitable prices, notwithstanding the competitive price pressures arising in the market. Against this historical backdrop, the Company strives to maintain product cost efficiencies through its production arrangement with HHY.

Management has also availed itself of opportunities to improve the Company's balance sheet – to improve the Company's working capital position and to alleviate the debt burden that has impeded the Company's progress for many years now. In 2020, management realized the sale of one of its two idle assets; the sale of the "Runhao" facility resulted in significant debt reduction. In 2023, the Company also realized significant debt reduction through the bankruptcy liquidation of its other long-idled asset, "Runyang". Shareholders, on May 22, 2025 (and as noted further above), approved the transfer of the Company's Runhai facility on terms similar to the previously consummated transfer of the Company's Runde facility. The Company has thereby removed Chinese bank debt from its books, with only related party debt and third-party working capital loans reflected as debt on its balance sheet. The Company has kept its manufacturing capabilities and practices intact through its contract relationship with HHY, comprised of essentially the same personnel and managed under the same strict protocols as was in place with the Company's Runde subsidiary, with manufacturing performed at the same Qingdao Runde facility.

While revenue trends were increasing from late 2023 into early 2025, Management has more recently observed indications that the growth trend – previously driven both by generally increasing sales volumes from existing customers and the acquisition of new customers – is at present no longer being sustained. It is possible that our customers' purchasing flows are being impacted by concern over global macroeconomic factors and/or in some cases (at least anecdotally) reflecting weakening consumer demand across an array of end customer products (not limited to products utilizing sweeteners). Nevertheless, Management continues to focus on ways

to grow revenues – whether through innovative product offerings, new customer acquisition, ensuring customer retention, and other efforts – as Management remains driven in part, as a baseline goal, of ensuring EBITDA / cash flow. Management’s efforts over the last two years have been successful in realizing that goal and Management aims to continue that trend.

Against this backdrop, the Company has faced significant regulatory hurdles. The Company had been cease-traded, as a result of its delay in filing its 2023 full-year financials (since filed, on June 28, 2024), pursuant to a British Columbia Securities Commission order (the failure-to-file cease trade order or “FFCTO”). As a result of that filing delay, the Company was also delayed in filing its interim first quarter financials for 2024 (filed on July 23, 2024). Further, the Company was under a delisting review initiated by the TSX, on the basis of the Company’s share price and market capitalization remaining lower than the TSX’s requirements, as well as the Company’s sustained losses over the years and negative working capital situation, that as noted above, culminated in a decision by the TSX to delist the Company’s shares effective close of business September 3, 2024.

The Company has since transferred its listing to the NEX exchange, where it is currently listed (as of September 4, 2024). While the FFCTO had been in effect during the transition to the NEX exchange, the Company was ultimately notified by the BCSC that the FFCTO has been lifted; since that time, Management has been in contact with the NEX exchange and has substantially prepared its submission to resume trading on the NEX exchange. The Company expects to submit its application to resume trading within the next ten days.

Although the regulatory hurdles are substantial, Management continues to have a positive outlook on the Company’s ability to sustain and grow revenues, albeit with a cautious eye given global macroeconomic uncertainties and some signs of softened general market demand, at least in the near term. As Management seeks to have the Company’s stock trading again, Management continues to focus on maintaining and increasing revenues, notwithstanding pricing pressures, as well as on maintaining and improving sales volumes and margins and increasing cash flows.

Cease-Trade Status

As noted in the Outlook section above, while the Company has been cease-traded since April of 2024, the FFCTO was ultimately revoked last year. Management has been in contact with the NEX exchange and is planning to submit its application to the exchange to resume trading within the next ten days.

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 2025 and the condensed interim consolidated financial statements for the three- and six-month periods ended June 30, 2026.

In thousands Canadian \$, except per share amounts	3 Months Ended June 30		% Change	6 Months Ended June 30		% Change
	2026	2025		2026	2025	
Results from Continued Operations						
Revenue	\$2,333	\$2,864	(19%)	\$4,669	\$6,030	(23%)
Cost of Sales	(\$1,826)	(\$2,433)	25%	(\$3,865)	(\$5,146)	25%
% of Revenue	(78%)	(85%)	7%	(83%)	(85%)	3%
Gross Profit	\$506	\$431	17%	\$804	\$883	(9%)
% of Revenue	22%	15%	7%	17%	15%	3%
Expenses	(\$291)	(\$321)	9%	(\$591)	(\$618)	4%
% of Revenue	(12%)	(11%)	(1%)	(13%)	(10%)	(3%)
Income/(Loss) from Operations	\$215	\$110	95%	\$213	\$265	(20%)
% of Revenue	0%	4%	(4%)	0%	4%	(4%)
Other Income/(Expenses)	(\$6,309)	\$23,632	(127%)	(\$11,826)	\$20,262	(158%)
% of Revenue	(270%)	825%	(1096%)	(253%)	336%	(589%)
Net Income/(Loss)	(\$6,094)	\$23,742	(126%)	(\$11,613)	\$20,527	(157%)
% of Revenue	(261%)	829%	(1090%)	(249%)	340%	(589%)
Net Income/(Loss) Attributable to GLG	(\$6,094)	\$23,798	(126%)	(\$11,613)	\$20,583	(156%)
% of Revenue	(261%)	831%	(1092%)	(249%)	341%	(590%)
Net Earnings/(Loss) Per Share Attributable to GLG	(\$0.16)	\$0.62	(126%)	(\$0.30)	\$0.54	(156%)
Consolidated Results (Consolidating Continued and Discontinued Operations)						
Net Income/(Loss) - Continuing Operations	(\$6,094)	\$23,742	(126%)	(\$11,613)	\$20,527	(157%)
Net Income/(Loss) - Discontinued Operations	\$0	\$4,450	100%	\$0	\$3,864	(100%)
Net Income/(Loss)	(\$6,094)	\$28,192	(122%)	(\$11,613)	\$24,391	(148%)
Net Income/(Loss) Attributable to GLG	(\$6,094)	\$28,196	(122%)	(\$11,613)	\$24,402	(148%)
Net Earnings/(Loss) Per Share Attributable to GLG	(\$0.16)	\$0.73	(122%)	(\$0.30)	\$0.64	(148%)
Other Comprehensive Income/(Loss)	(\$62)	(\$74)	16%	(\$114)	(\$94)	(21%)
Comprehensive Net Income/(Loss)	(\$6,156)	\$28,118	(122%)	(\$11,727)	\$24,298	(148%)
Comprehensive Net Income/(Loss) Attributable to GLG	(\$6,156)	\$28,120	(122%)	(\$11,727)	\$24,245	(148%)

Revenue

Revenue for the three months ended June 30, 2026, decreased by 19% to \$2.3 million, a \$0.5 million decrease compared to \$2.9 million for the same period in 2025. This 19% decrease was primarily attributable to decreases in both unit prices (driven by overall market pricing pressures) and units sold for many of the Company's products, relative to the comparable 2025 period. International (ex-China) sales comprised 100% of revenues in the second quarter (100% in second quarter of 2025).

Revenue for the six months ended June 30, 2026, decreased by 23% to \$4.7 million, a \$1.4 million decrease compared to \$6.0 million for the same period in 2025. This 23% decrease was primarily attributable to decreases in both unit prices (driven by overall market pricing pressures) and units sold for many of the Company's products, relative to the comparable 2025 period. International (ex-China) sales comprised 100% of revenues in the first six months of 2026 (100% in first six months of 2025).

Cost of Sales

For the three months ended June 30, 2026, the cost of sales decreased to \$1.8 million, compared to a cost of sales of \$2.4 million for the same period last year (a decrease in cost of sales of 25%). Cost of sales as a percentage of revenues was 78% for the second quarter, a seven-percentage point improvement compared to

the second quarter of 2025 (85%). This seven-percentage point improvement in cost of sales as a percentage of revenues is attributable to several factors, including a more favorable mix of higher margin product sales relative to the second quarter of 2025, tariff rebates received in the second quarter of 2026, and favorable impact of foreign exchange rates relative to the second quarter of 2025.

For the six months ended June 30, 2026, the cost of sales decreased to \$3.9 million, compared to a cost of sales of \$5.1 million for the same period last year (a decrease in cost of sales of 25%). Cost of sales as a percentage of revenues was 83% for the first six months of 2026, a two-percentage point improvement compared to the first six months of 2025 (85%).

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

1. The market pricing 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.
2. The competitive landscape, as an increase in the number of competitors and/or those willing to offer below-market pricing, can have the effect of driving down market prices, and thereby generally constrict margins, for finished products.
3. Other factors which can also indirectly impact stevia and monk fruit cost of sales to a lesser degree include upstream cost and operating conditions at independent third-party extract producers, including HHY, and which may affect the prices charged to the Company.:
 - a. water and power consumption;
 - b. manufacturing overhead used in the production of stevia and monk fruit extract, including supplies, power, steam and labor cost;
 - c. duties, distribution and warehousing cost;
 - d. exchange rate changes; and
 - e. depreciation and capacity utilization of the extract processing plants.

GLG's stevia and monk fruit businesses are affected by seasonality. The stevia leaf harvest typically begins 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 business is 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, via HHY, runs October 1 through September 30 each year.

Gross Profit (Loss)

Gross profit for the three months ended June 30, 2026, increased by 17% to \$0.5 million, compared to \$0.4 million in gross profit for the same period last year. This 17% increase in gross profit was driven by factors listed above in the *Cost of Sales* section. The gross profit margin was 22% for the second quarter of 2026, compared to 15% in the second quarter of 2025, for the same reasons as described above for the year-over-year comparison of cost of sales as a percentage of revenues.

Gross profit for the six months ended June 30, 2026, decreased by 9% to \$0.8 million, compared to \$0.9 million in gross profit for the same period last year. This 9% decrease in gross profit was driven primarily by the decrease in revenues for the first six months of 2026 compared to the first six months of 2025 as well as by a

decrease in unit prices attributable to competitive price pressures in the stevia marketplace. The gross profit margin was 17% for the first six months of 2026, compared to 15% for the first six months of 2025.

Selling, General, and Administration Expenses

Selling, General and Administration (“SG&A”) expenses include sales, marketing, general and administration costs (“G&A”), 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 June 30		% Change	6 Months Ended June 30		% Change
	2026	2025		2026	2025	
Results from Continuing Operations						
G&A Expenses	\$285	\$311	(8%)	\$579	\$597	(3%)
Depreciation Expenses	\$6	\$10	(40%)	\$12	\$21	(43%)
Total	\$291	\$321	(9%)	\$591	\$618	(4%)

G&A expenses for the three months ended June 30, 2026, decreased by 8%, relative to the second quarter in 2025; in rounded terms, G&A expenses held steady year-over-year at \$0.3 million. G&A-related depreciation and amortization expenses were \$nil million for each of the three-month periods ended June 30, 2026 and 2025.

G&A expenses for the six months ended June 30, 2026, decreased by 3%, relative to the first six months of 2025; in rounded terms, G&A expenses held steady year-over-year at \$0.6 million. G&A-related depreciation and amortization expenses were \$nil million for each of the six-month periods ended June 30, 2026 and 2025.

Other Expenses

In thousands Canadian \$	3 Months Ended June 30		% Change	6 Months Ended June 30		% Change
	2026	2025		2026	2025	
Results from Continuing Operations						
Other Expenses	(\$6,309)	\$23,632	(127%)	(\$11,826)	\$20,262	(158%)
% of Revenue	(270%)	825%	(1096%)	(253%)	336%	(589%)

Other expenses for the three months ended June 30, 2026, was \$6.3 million, compared to other income of \$23.6 million for the same period in 2025, an increase in other expenses of \$29.9 million. This \$29.9 million increase in other expenses for the second quarter of 2026, relative to the second quarter of 2025, was driven primarily by (1) a base effect in the second quarter of 2025, when the Company recorded a \$20.9 million gain for the disposition of the Runhai subsidiary, (2) an increase in foreign exchange loss (\$7.9 million) and (3) an increase in interest expense (\$1.2 million).

Other expenses for the six months ended June 30, 2026, was \$11.8 million, compared to other income of \$20.3 million for the same period in 2025, an increase in other expenses of \$32.1 million. This \$32.1 million increase in other expenses for the first six months of 2026, relative to the comparable period in 2025, was driven primarily by (1) a base effect in the second quarter of 2025, when the Company recorded a \$20.9 million gain for the disposition of the Runhai subsidiary, (2) an increase in foreign exchange loss (\$10.3 million) and (3) an increase in interest expense (\$0.9 million).

Foreign Exchange Gains (Losses)

Exchange rates	2026	2026	2025	2025	2025	2025	2024	2024
Rate (as compared to the Canadian \$)	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep
U.S. Dollars	0.7037	0.7174	0.7296	0.7183	0.7330	0.6956	0.6950	0.7408
Chinese RMB	4.7755	4.9480	5.1020	5.1151	5.2521	5.0480	5.0736	5.1948
Exchange rates	2026	2026	2025	2025	2025	2025	2024	2024
Rate (as compared to the US \$)	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep
Chinese RMB	6.7861	6.8971	6.9929	7.1207	7.1654	7.2566	7.3001	7.0125

GLG reports in Canadian dollars but earns revenues in US dollars and incurs some of its expenses in RMB. As at June 30, 2026, the exchange rate for RMB per Canadian dollar was 4.7755 compared to the exchange rate of 5.1020 as at December 31, 2025, reflecting an appreciation of the RMB against the Canadian dollar. As at June 30, 2026, the exchange rate for USD per Canadian dollar was 0.7037 compared to the exchange rate of 0.7296 as at December 31, 2025, reflecting an appreciation of the USD against the Canadian dollar. The balance of the AOCI was negative \$0.2 million on June 30, 2026, compared to a balance of negative \$0.1 million as at December 31, 2025.

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 \$3.2 million for the three months ended June 30, 2026, compared to the foreign exchange gain of \$4.7 million for the comparable period in 2025. The table above shows the change in the Canadian dollar relative to the US dollar from September 30, 2024, to June 30, 2026, 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 June 30		% Change	6 Months Ended June 30		% Change
	2026	2025		2026	2025	
Net Income/(Loss) - Continuing Operations						
Net Income/(Loss)	(\$6,094)	\$23,742	(126%)	(\$11,613)	\$20,527	(157%)
% of Revenue	(261%)	829%	(1090%)	(249%)	340%	(589%)
Net Income/(Loss) Attributable to NCI	\$0	(\$55)	100%	\$0	(\$55)	100%
Net Income/(Loss) Attributable to GLG	(\$6,094)	\$23,798	(126%)	(\$11,613)	\$20,583	(156%)
% of Revenue	(261%)	831%	(1092%)	(249%)	341%	(590%)
Net Earnings/(Loss) Per Share Attributable to GLG	(\$0.16)	\$0.62	(126%)	(\$0.30)	\$0.54	(156%)

For the three months ended June 30, 2026, the Company had net loss attributable to the Company from continuing operations of \$6.1 million, an increase in net loss of \$29.9 million over the comparable period in 2025 (net income of \$28.2 million). This \$29.9 million increase in net loss is attributable to (1) an increase in other expenses (\$29.9 million) offset by (2) an increase in gross profit (\$0.1 million).

For the six months ended June 30, 2026, the Company had net loss attributable to the Company from continuing operations of \$11.6 million, an increase in net loss of \$32.2 million over the comparable period in 2025 (net income of \$20.6 million). This \$32.2 million increase in net loss is attributable to (1) an increase in other expenses (\$32.1 million) and (2) a decrease in gross profit (\$0.1 million).

Comprehensive Income (Loss)

In thousands Canadian \$	3 Months Ended June 30		% Change	6 Months Ended June 30		% Change
	2026	2025		2026	2025	
Comprehensive Income/(Loss) - Consolidated (Continuing and Discontinued Operations)						
Net Income/(Loss)	(\$6,094)	\$28,192	(122%)	(\$11,613)	\$24,391	(148%)
Net Income/(Loss) Attributable to NCI	\$0	(\$4)	100%	\$0	(\$11)	100%
Net Income/(Loss) Attributable to GLG	(\$6,094)	\$28,196	(122%)	(\$11,613)	\$24,402	(148%)
Other Comprehensive Income/(Loss)	(\$62)	(\$74)	16%	(\$114)	(\$94)	(21%)
% of Revenue	(3%)	(3%)	(%)	(2%)	(2%)	(1%)
Other Comprehensive Income/(Loss) Attributable to NCI	\$0	\$2	(100%)	\$0	\$64	(100%)
Other Comprehensive Income/(Loss) Attributable to GLG	(\$62)	(\$76)	18%	(\$114)	(\$157)	27%
% of Revenue	(3%)	(3%)	(%)	(2%)	(3%)	0%
Comprehensive Income/(Loss)	(\$6,156)	\$28,118	(122%)	(\$11,727)	\$24,298	(148%)
% of Revenue	(264%)	982%	(1246%)	(251%)	403%	(654%)
Comprehensive Income/(Loss) Attributable to NCI	\$0	(\$2)	100%	\$0	\$53	100%
Comprehensive Income/(Loss) Attributable to GLG	(\$6,156)	\$28,120	(122%)	(\$11,727)	\$24,245	(148%)
% of Revenue	(264%)	982%	(1246%)	(251%)	402%	(653%)

The Company, on a consolidated continuing and discontinued operations basis, recorded total comprehensive loss of \$6.2 million for the three months ended June 30, 2026, comprising \$6.1 million of net loss and \$0.1 million of other comprehensive loss. For the three months ended June 30, 2025, the Company recorded total comprehensive income of \$28.1 million, comprising \$28.2 million of net income and \$0.1 million of other comprehensive loss attributable to the Company.

The Company, on a consolidated continuing and discontinued operations basis, recorded total comprehensive loss of \$11.7 million for the six months ended June 30, 2026, comprising \$11.6 million of net loss and \$0.1 million of other comprehensive loss. For the six months ended June 30, 2025, the Company recorded total comprehensive income of \$24.2 million, comprising \$24.4 million of net income and \$0.2 million of other comprehensive loss 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	2026	2026	2025	2025	2025	2025	2024	2024
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Quarterly Results from Continuing Operations								
Revenue	\$2,333	\$2,336	\$2,092	\$2,144	\$2,864	\$3,166	\$4,041	\$3,373
Gross Profit \$	\$506	\$298	\$266	\$316	\$431	\$452	\$614	\$612
Gross Profit %	22%	13%	13%	15%	15%	14%	15%	18%
Net Income/(Loss)	(\$6,094)	(\$5,519)	(\$22,842)	(\$5,166)	\$23,742	(\$3,215)	(\$5,068)	(\$3,521)
Net Income/(Loss) Attributable to GLG	(\$6,094)	(\$5,519)	(\$22,898)	(\$5,164)	\$23,798	(\$3,215)	(\$5,089)	(\$3,515)
Net Earnings/(Loss) Per Share Attributable to GLG *	(\$0.16)	(\$0.14)	(\$0.60)	(\$0.13)	\$0.62	(\$0.08)	(\$0.13)	(\$0.09)
* Basic and Diluted								
Consolidated Quarterly Results (Consolidating Continued and Discontinued Operations)								
Net Income/(Loss) - Consolidated	(\$6,094)	(\$5,519)	(\$7,350)	(\$5,032)	\$28,192	(\$3,801)	(\$6,785)	\$87,119
Net Income/(Loss) - Discontinued Operations	\$0	\$0	\$15,492	\$134	\$4,450	(\$586)	(\$1,717)	\$90,640
Net Income/(Loss) Attributable to GLG - Consolidated	(\$6,094)	(\$5,519)	(\$7,350)	(\$5,032)	\$28,196	(\$3,794)	(\$6,786)	\$86,083
Net Earnings/(Loss) Per Share Attributable to GLG - Consolidated *	(\$0.16)	(\$0.14)	(\$0.19)	(\$0.13)	\$0.73	(\$0.10)	(\$0.18)	\$2.24
* Basic and Diluted								

For the three months ended June 30, 2026, the Company had net loss attributable to the Company from continuing operations of \$6.1 million, an increase in net loss of \$29.9 million over the comparable period in 2025 (net income of \$28.2 million). This \$29.9 million increase in net loss is attributable to (1) an increase in other expenses (\$29.9 million) offset by (2) an increase in gross profit (\$0.1 million). For the three months ended June 30, 2026, net loss attributable to the Company from consolidated (continuing) operations was \$6.1 million, an increase in net loss on this basis of \$34.2 million over the comparable period in 2025 (net income attributable to the Company from consolidated operations of \$28.2 million).

For the three months ended March 31, 2026, the Company had net loss attributable to the Company from continuing operations of \$5.5 million, an increase in net loss of \$2.3 million over the comparable period in 2025 (net loss of \$3.2 million). This \$2.3 million increase in net loss is attributable to (1) an increase in other expenses (\$2.1 million) and (2) a decrease in gross profit (\$0.2 million). For the three months ended March 31, 2026, net loss attributable to the Company from consolidated (continuing) operations was \$5.5 million, an increase in net loss on this basis of \$1.7 million over the comparable period in 2025 (net loss attributable to the Company from consolidated operations of \$3.8 million).

For the three months ended December 31, 2025, the Company had net loss attributable to the Company from continuing operations of \$22.9 million, an increase in net loss of \$17.8 million over the comparable period in 2024 (net loss of \$5.1 million). This \$17.8 million increase in net loss is attributable to that \$20.7 million was recorded as other income in Q2, and this was related to the disposal of Chinese entities. \$15.5 million was adjusted to gain from discontinued operation, and \$5.2 million was adjusted to equity in Q4. (2) a decrease in gross profit (\$0.3 million) and (3) an increase in SG&A expenses (\$0.3 million). For the three months ended December 31, 2025, net loss attributable to the Company from consolidated (continuing) operations was \$7.4 million, an increase in net loss on this basis of \$0.6 million over the comparable period in 2024 (net loss attributable to the Company from consolidated operations of \$6.8 million).

For the three months ended September 30, 2025, the Company had net loss attributable to the Company from continuing operations of \$5.2 million, an increase in net loss of \$1.6 million over the comparable period in 2024 (net loss of \$3.5 million). This \$1.6 million increase in net loss is attributable to (1) an increase in other expenses (\$1.4 million) and (2) a decrease in gross profit (\$0.3 million), which were offset by a decrease in SG&A expenses (\$0.1 million). For the three months ended September 30, 2025, net loss attributable to the Company from consolidated (continuing) operations was \$5.0 million, a decrease in net income on this basis of \$91.1 million over the comparable period in 2024 (net income attributable to the Company from consolidated operations of \$86.1 million).

For the three months ended June 30, 2025, the Company had net income attributable to the Company from continuing operations of \$23.8 million, an increase in net income of \$27.4 million over the comparable period in 2024 (net loss of \$3.6 million). This \$27.4 million increase in net income is attributable to (1) an increase in other income (\$27.5 million) and (2) a decrease in SG&A expenses (\$0.1 million), which were offset by (3) a decrease in gross profit (\$0.3 million). For the three months ended June 30, 2025, net income attributable to the Company from consolidated (continuing and discontinued) operations was \$28.2 million, an increase in net income on this basis of \$34.3 million over the comparable period in 2024 (net loss attributable to the Company from consolidated operations of \$6.1 million).

For the three months ended March 31, 2025, the Company had net loss attributable to the Company from continuing operations of \$3.2 million, a decrease in net loss of \$1.2 million over the comparable period in 2024 (\$4.4 million). This \$1.2 million decrease is attributable to decreases in (1) foreign exchange loss (\$1.1 million) and (2) SG&A expenses (\$0.2 million), which were offset by (3) a decrease in gross profit (\$0.1 million). For the three months ended March 31, 2025, net loss attributable to the Company from consolidated (continuing and

discontinued) operations was \$3.8 million, a decrease in net loss on this basis of \$3.2 million over the comparable period in 2024 (net loss attributable to the Company from consolidated operations of \$7.0 million).

For the three months ended December 31, 2024, the Company had net loss attributable to the Company from continuing operations of \$5.1 million, an increase of \$5.1 million over the comparable period in 2023 (net income attributable to the Company from continuing operations of \$nil million). The \$5.1 million increase is attributable to an increase in other expenses (\$5.1 million); increases in gross profit (\$0.3 million) and SG&A expenses (\$0.3 million) offset each other. For the three months ended December 31, 2024, net loss attributable to the Company from consolidated (continuing and discontinued) operations was \$6.8 million, a decrease in net gain on this basis of \$23.7 million over the comparable period in 2023 (net gain attributable to the Company from consolidated operations of \$16.9 million).

For the three months ended September 30, 2024, net loss attributable to the Company from continuing operations was \$3.5 million, a decrease in net loss of \$0.7 million over the comparable period in 2023 (net loss attributable to the Company from continuing operations of \$4.2 million). This \$0.7 million decrease in net loss is attributable to (1) a decrease in SG&A expenses (\$0.3 million), (2) an increase in gross profit (\$0.2 million), and (3) a decrease in other expenses (\$0.2 million). For the three months ended September 30, 2024, net gain attributable to the Company from consolidated (continuing and discontinued) operations was \$86.1 million, an increase in net gain on this basis of \$92.6 million over the comparable period in 2023 (net loss attributable to the Company from consolidated operations of \$6.5 million).

Quarterly Basic and Diluted Income (Loss) per Share

Note: The prior section provides information on net loss/gain attributable to the Company. This section reports this net loss/gain information in terms of basic and diluted loss per share attributable to the Company.

The basic and diluted loss per share from continuing operations was \$0.16 for the three months ended June 30, 2026, compared with basic and diluted net income per share from continuing operations attributable to the Company of \$0.62 for the comparable period in 2025. The basic and diluted loss per share from consolidated (continuing) operations was \$0.16 for the three months ended June 30, 2026, compared with basic and diluted net income per share from consolidated operations of \$0.73 for the comparable period in 2025.

The basic and diluted loss per share from continuing operations was \$0.14 for the three months ended March 31, 2026, compared with basic and diluted net loss per share from continuing operations attributable to the Company of \$0.08 for the comparable period in 2025. The basic and diluted loss per share from consolidated (continuing) operations was \$0.14 for the three months ended March 31, 2026, compared with basic and diluted net loss per share from consolidated operations of \$0.10 for the comparable period in 2025.

The basic and diluted loss per share from continuing operations was \$0.60 for the three months ended December 31, 2025, compared with basic and diluted net loss per share from continuing operations attributable to the Company of \$0.13 for the comparable period in 2024. The basic and diluted loss per share from consolidated (continuing) operations was \$0.19 for the three months ended December 31, 2025, compared with basic and diluted net loss per share from consolidated operations of \$0.18 for the comparable period in 2024.

The basic and diluted loss per share from continuing operations was \$0.13 for the three months ended September 30, 2025, compared with basic and diluted net loss per share from continuing operations of \$0.09 for the comparable period in 2024. The basic and diluted loss per share from consolidated (continuing) operations was \$0.13 for the three months ended September 30, 2025, compared with basic and diluted net income per share from consolidated operations of \$2.24 for the comparable period in 2024.

The basic and diluted income per share from continuing operations was \$0.62 for the three months ended June 30, 2025, compared with basic and diluted net loss per share from continuing operations of \$0.09 for the comparable period in 2024. The basic and diluted income per share from consolidated (continuing and discontinuing) operations was \$0.73 for the three months ended June 30, 2025, compared with basic and diluted net loss per share from consolidated operations of \$0.16 for the comparable period in 2024.

The basic and diluted loss per share from continuing operations was \$0.08 for the three months ended March 31, 2025, compared with basic and diluted net loss per share from continuing operations of \$0.11 for the comparable period in 2024. The basic and diluted loss per share from consolidated (continuing and discontinuing) operations was \$0.10 for the three months ended March 31, 2025, compared with basic and diluted net income per share from consolidated operations of \$0.18 for the comparable period in 2024.

The basic and diluted loss per share from continuing operations was \$0.13 for the three months ended December 31, 2024, compared with basic and diluted net loss per share from continuing operations of \$0.00 for the comparable period in 2023. The basic and diluted loss per share from consolidated (continuing and discontinuing) operations was \$0.18 for the three months ended December 31, 2024, compared with basic and diluted net income per share from consolidated operations of \$0.44 for the comparable period in 2023.

The basic and diluted loss per share from continuing operations was \$0.09 for the three months ended September 30, 2024, compared with basic and diluted net loss per share from continuing operations of \$0.11 for the comparable period in 2023. The basic and diluted income per share from consolidated operations was \$2.24 for the three months ended September 30, 2024, compared with basic and diluted net loss per share from consolidated operations of \$0.17 for the comparable period in 2023.

NON-IFRS Financial Measures

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

In thousands Canadian \$	3 Months Ended June 30		% Change	6 Months Ended June 30		% Change
	2026	2025		2026	2025	
Adjusted EBITDA - Consolidated (Continuing and Discontinued Operations)						
Income/(Loss) Before Income Taxes	(\$6,094)	\$28,192	(122%)	(\$11,613)	\$24,391	(148%)
Addback:						
Provisions for Inventory	\$1	\$0	0%	\$1	\$4	(75%)
Bad Debt Provision Recovery	\$0	\$23	(100%)	\$0	\$23	(100%)
Depreciation and Amortization	\$6	\$10	(40%)	\$12	\$21	(43%)
Net Interest Expense	\$3,068	\$1,867	64%	\$5,939	\$5,002	19%
Gain on subsidiary disposal	\$0	(\$20,855)	(100%)	\$0	(\$20,855)	(100%)
Foreign Exchange (Gain)/Loss	\$3,241	(\$4,667)	(169%)	\$5,886	(\$4,436)	(233%)
Net (Gain)/Loss from Discontinued Operations	\$0	(\$4,450)	(100%)	\$0	(\$3,864)	(100%)
Adj. EBITDA	\$222	\$120	85%	\$225	\$286	(21%)
Adj. EBITDA as a % of Revenue	10%	4%	5%	5%	5%	0%

Adjusted EBITDA for the three months ended June 30, 2026, was \$0.2 million or 10% of revenues, compared to \$0.1 million or 4% of revenues for the same period in 2025.

Adjusted EBITDA for the six months ended June 30, 2026, was \$0.2 million or 5% of revenues, compared to \$0.3 million or 5% of revenues for the same period in 2025.

Liquidity and Capital Resources

In thousands Canadian \$	30-Jun-26	31-Dec-25
Cash and Cash Equivalents	\$ 734	\$ 362
Working Capital	\$ (119,629)	\$ (107,920)
Total Assets	\$ 4,770	\$ 5,244
Total Liabilities	\$ 125,203	\$ 113,950
Loan Payable & Due to related parties (<1 year)	\$ 102,794	\$ 91,822
Loan Payable (>1 year)	\$ 838	\$ 809
Total Shareholder's Deficiency	\$ (120,433)	\$ (108,706)

The Company has several initiatives currently underway in order to manage cash flow, including carefully controlling operating expenditures including general and administrative expenses and procurement costs. The Company also continues to work to reduce accounts receivable, improve inventory turnover, participate in supplier financing programs, negotiate with creditors for extended payment terms, and arrange financing as necessary with private parties.

Total loans payable (both short-term and long-term) is \$103.6 million as of June 30, 2026, an increase of \$11.0 million compared to the total loans payable as at December 31, 2025 (\$92.6 million). Until any final debt restructuring is completed, the terms of the original loans are represented in the financial statements.

The Company has executed on multiple strategies to address its Chinese bank debt over the past several years. In prior years, the Company worked with the Chinese banks to restructure its Chinese debt. The Company also successfully disposed of its idle Chinese subsidiaries and attendant bank liabilities.

Additionally, the Company successfully executed on its plans to further reduce or eliminate the Chinese bank debt. In early 2024, the Company entered into a contingent agreement to transfer its Runde facility, which upon final consummation has relieved the Company of Runde's bank debt load, while, through an operating agreement with HHY, enables production to continue at Runde's facility. As at August 13, 2024, the remaining contingency on the agreement was cleared; the Company reflected the effect of this transfer in its third quarter 2024 results. The Company also entered into a similar agreement to transfer its Runhai facility; consummation of this agreement, executed on November 6, 2024, was approved by a shareholder vote on May 22, 2025, and the second quarter 2025 interim financial statements reflected the transfer.

Cash Flows: Three Months Ended June 30, 2026 and 2025

Cash used in operating activities was \$0.1 million in the three-month period ended June 30, 2026, compared to \$0.4 million in cash generated by operating activities in the same period of 2025. Cash used in operating activities increased by \$0.5 million year-over-year. This was the result of (1) an increase in cash used in non-cash working capital of \$0.8 million offset by (2) an increase in cash generated by operating activities before the impact of non-cash working capital of \$0.4 million for the three months ended June 30, 2026, relative to the comparable 2025 period.

The \$0.8 million increase in cash used in non-cash working capital was due to (1) an increase in cash used in accounts payable and accruals (\$0.7 million) and (2) a decrease in cash generated by inventory (\$0.4 million), which were offset by (3) an increase in cash generated by accounts receivable (\$0.3 million).

Cash generated by investing activities was \$nil million during the second quarters of each of 2026 and 2025.

Cash used in financing activities was \$0.1 million for the second quarter of 2026 (loan repayment of \$0.1 million), compared to \$nil million for the second quarter of 2025.

Cash Flows: Six Months Ended June 30, 2026 and 2025

Cash generated by operating activities was \$0.6 million in the six-month period ended June 30, 2026, compared to \$0.2 million in cash generated by operating activities in the same period of 2025. Cash generated by operating activities increased by \$0.4 million year-over-year. This was the result of (1) an increase in cash generated by operating activities before the impact of non-cash working capital of \$0.4 million, while the change in cash used in non-cash working capital was \$nil million for the six months ended June 30, 2026, relative to the comparable 2025 period.

The \$nil million change in cash used in non-cash working capital was due to offsetting factors: (1) a decrease generated by accounts receivable (\$0.6 million) and (2) an increase in cash used in accounts payable and accruals (\$0.1 million), offset by (3) an increase in generated by inventory (\$0.6 million) and (4) an increase in cash generated by prepaid expenses and taxes recoverable (\$0.1 million).

Cash generated by investing activities was \$nil million during the first six months of each of 2026 and 2025.

Cash used in financing activities was \$0.2 million for the first six months of 2026 (including loan repayment of \$0.1 million), compared to \$nil million for the first six months of 2025.

Financial Resources

For the six months ended June 30, 2026, cash and cash equivalents increased by \$0.4 million relative to December 31, 2025. Working capital decreased by \$11.7 million from the year-end 2025 position (negative \$107.9 million) to negative \$119.6 million. The working capital decrease of \$11.7 million is attributable to an increase in current liabilities of \$11.2 million and a decrease in current assets of \$0.5 million.

The \$0.5 million decrease in current assets was driven by decreases in (1) inventory (\$0.4 million) and (2) accounts receivable (\$0.4 million), which were offset by (3) an increase in cash (\$0.4 million).

The \$11.2 million increase in current liabilities was driven by increases in (1) other loans payable – current portion (\$10.3 million), (2) due to related parties (\$0.7 million) and (3) accounts payable and accruals (\$0.3 million).

The Company has been working on improving its working capital deficiency situation, which was driven by controlling inventory, accounts receivable, sales taxes recoverable and prepaid expenses, reducing loan and interest, accounts payable and accruals, and related parties' debt over the years 2011 - 2025. See above section on Liquidity and Capital Resources for additional details on the Company's debt restructuring progress.

The Company's working capital and working capital requirements fluctuate from quarter to quarter depending on, among other factors, the amount of sales conducted during the period, and payment terms negotiated with customers. The Company's principal working capital needs include accounts receivable, taxes receivable, inventory, prepaid expenses, other current assets, loans and interest payable, accounts payable and accruals, and related parties' debt.

Balance Sheet

As at June 30, 2026, in comparison to December 31, 2025, the total assets decreased by \$0.5 million. Total liabilities increased by \$11.3 million as at June 30, 2026, in comparison to December 31, 2025. The decrease in total assets and increase in total liabilities are comprised almost entirely of the corresponding changes in current assets and current liabilities, respectively (see the prior section on Financial Resources for analyses of the decreases in current assets and current liabilities).

Shareholders' deficiency as of June 30, 2026, increased by \$11.7 million to \$120.4 million, compared to \$108.7 million as of December 31, 2025, due primarily to an increase in accumulated deficit (\$11.6 million).

Discontinued Operations

Runhai and Bengbu

On November 6, 2024, the Company entered into an ownership transfer agreement to sell 100% of the ownership of Runhai including its subsidiary of Bengbu to a third party: Xiaogang for aggregate consideration of \$0.2 (RMB 1). Under the terms of the agreement, all of Runhai's assets and liabilities will be transferred to Xiaogang. The transaction was completed on May 22, 2025. The Company then lost the control of Runhai and Bengbu. As a result, the assets and liabilities of Runhai and Bengbu were derecognized in accordance with IFRS 10 resulting in a gain of \$19,489,023 was recognized for the year ended December 31, 2025. As of the date the consolidated financial statements are issued, the registration of equity interest in Runhai and Bengbu has not been completed in the local government agency.

As a result of the disposal effective May 22, 2025, the major classes of assets and liabilities from discontinued operations were nil as of June 30, 2026, and December 31, 2025.

The results of discontinued operations for the six months ended June 30, 2026 and 2025, were as follows:

DISCONTINUED OPERATIONS	Six months ended June 30	
	2026	2025
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	-	(105,854)
OTHER INCOME (EXPENSES)		
Interest expense	-	(718,580)
Interest income	-	7
Other expenses	-	(93,426)
OPERATION RESULT OF THE DISCONTINUED OPERATION	-	(917,853)
Gain from write off of assets and liabilities	-	4,781,527
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	\$ -	\$ 3,863,674
NET INCOME (LOSS) ATTRIBUTABLE TO		
Shareholders of GLG	-	3,874,229
Non-controlling interest	-	(10,555)
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	\$ -	\$ 3,863,674

During the six months ended June 30, 2026, the discontinued operations net income was nil (2025 net income – \$3,863,674), cash generated from operating activities of nil (2025 - nil), cash generated from investing activities of \$nil (2025 – nil) and cash generated from financing activities of nil (2025 – nil).

Property, plant and equipment

As at June 30, 2026 and December 31, 2025, the carrying amount of property, plant and equipment was nil following the disposal completed on May 22, 2025.

Prepaid expenses and other receivables

As at June 30, 2026 and December 31, 2025, prepaid expenses and other receivables were nil following the disposal completed on May 22, 2025.

Term loans and interest payable

As at June 30, 2026 and December 31, 2025, term loan and interest payable were nil following the disposal completed on May 22, 2025.

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

	Runhai-Cinda (i)	Runhai-Bank (ii)	TOTAL
Balance, December 31, 2024	\$ 3,449,250	\$ 648,459	\$ 4,097,709
FX impact	(80,500)	(15,134)	(95,634)
Runhai loans derecognized	(3,368,750)	(633,325)	(4,002,075)
Balance, December 31, 2025	\$ -	\$ -	\$ -
Balance, June 30, 2026	\$ -	\$ -	\$ -

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

	Runhai-Cinda (i)	Runhai-Bank (ii)	TOTAL
Balance, December 31, 2024	\$ 10,475,390	\$ 69,142	\$ 10,544,532
Interest expense	606,486	14,750	621,236
FX impact	(95,666)	(631)	(96,297)
Runhai loans derecognized	(10,986,210)	(83,261)	(11,069,471)
Balance, December 31, 2025	\$ -	\$ -	\$ -
Balance, June 30, 2026	\$ -	\$ -	\$ -

Accounts payable and accrual

As at June 30, 2026 and December 31, 2025, accounts payable and accrual were nil following the disposal completed on May 22, 2025.

An amount of \$981,961 (December 31, 2025 - \$919,123) included in accounts payable and accrual is secured by the Company. This amount was from a customer for the purchase of raw materials previously used in the products manufacturing in China.

Other loans payable

The Company obtained loans under numerous credit facility agreements from different private lenders. As at June 30, 2026, and December 31, 2025, other loans payable were nil following the disposal completed on May 22, 2025.

The following table presents the other loans payable related to discontinued operations.

	Ms. Yuen		Others		TOTAL
Balance, December 31, 2024	\$	1,411,315	\$	1,469,476	\$ 2,880,791
Interest expense		56,985		43,686	100,671
FX impact		(33,755)		(24,918)	(58,673)
Runhai loans derecognized		(1,434,545)		(1,488,244)	(2,922,789)
Balance, December 31, 2025	\$	-	\$	-	\$ -
Balance, June 30, 2026	\$	-	\$	-	\$ -

As of June 30, 2026, the Company had outstanding trade payables of \$18,360,164 (December 31, 2025 – \$17,708,965) due to entities that were disposed. These balances arose from the purchase of goods in prior years and remained unpaid as of the reporting date.

Other Loans Payable

The following table presents the other loans payable.

	Ms. Yuen		Others		TOTAL
Balance, December 31, 2024	\$	57,259,576	\$	7,205,638	\$ 64,465,214
Interest expense		9,332,073		1,151,436	10,483,509
Interest repayment		-		(656,366)	(656,366)
FX impact		(888,478)		(197,122)	(1,085,600)
Balance, December 31, 2025	\$	65,703,171	\$	7,503,586	\$ 73,206,757
Interest expense		5,344,584		541,515	5,886,099
Repayment		(130,813)		(147,671)	(278,484)
Transfer		2,791,314		(2,791,314)	-
FX impact		4,347,069		334,405	4,681,474
Balance, June 30, 2026	\$	78,055,325	\$	5,440,521	\$ 83,495,846
Current	\$	78,055,325	\$	4,602,131	\$ 82,657,456
Non-current		-		838,390	838,390

In April 2026, one of the Company's private lenders notified the Company that the overdue loan balance of \$2,780,020 as at March 31, 2026 (December 31, 2025 - \$2,784,724) had been assigned to a private lender – Ms. Yuen – with the assignment effective in April 2026.

As of June 30, 2026, the Company had outstanding loans from Ms. Yuen related to its continued operations totaling \$78,055,325 (December 31, 2025 - \$65,703,171). These loans bear interest at rates ranging from 11.5% to 20% per annum. The loans are overdue, generally unsecured and repayable on demand.

As of June 30, 2026, the Company had outstanding loans from other private lenders related to its continued operations totaling \$5,440,521 (December 31, 2025 - \$7,503,586). These loans bear interest at rates ranging from 15% to 20% per annum. The loans are overdue, generally unsecured and repayable on demand, except for

the loan amount of \$838,390; the underlying loans were obtained during the year ended December 31, 2024, and mature in 2027.

These loans provide a repayment option to the lenders in either RMB or USD using a foreign exchange rate specified in each credit facility.

During the six months ended June 30, 2026, the Company made principal and interest repayments to private lenders totaling \$278,484 (2025 - \$331,313).

During the six months ended June 30, 2026, the Company recorded a total of \$5,886,099 (2025 - \$5,002,329) interest expenses related to loans from private lenders in its consolidated statements of loss and comprehensive loss.

Lease Liabilities

	Office		Total	
As at December 31, 2024	\$	29,071	\$	29,071
Recognized in 2025		74,519		74,519
Lease payments made		(37,595)		(37,595)
Interest expense on lease liabilities		4,555		4,555
As at December 31, 2025	\$	70,550	\$	70,550
Lease payments made		(10,008)		(10,008)
Interest expense on lease liabilities		5,141		5,141
As at June 30, 2026	\$	65,683	\$	65,683
Less: current portion		(16,022)		(16,022)
Non-current portion as at June 30, 2026	\$	49,661	\$	49,661
	June 30, 2026		December 31, 2025	
Current	\$	16,022	\$	11,227
Non-Current		49,661		59,323
	\$	65,683	\$	70,550

Capital Structure

Outstanding share data as at the date of this MD&A:

	30-Jun-26	31-Dec-25
Common Shares Issued	38,394,223	38,394,223
Stock Options	-	-
Total Reserved For Issuance	-	-
Fully Diluted Shares	38,394,223	38,394,223

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

Non-Controlling Interests

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

	June 30, 2026	December 31, 2025
Balance at beginning of period	\$ -	\$ 22,054
Non-controlling interest's share of loss	-	(10,604)
Non-controlling interest's share of other comprehensive gain	-	1,269
Derecognition of non-controlling interests due to loss of control	-	(12,719)
Balance at end of period	\$ -	\$ -

Related Parties Transactions and Balances

a) Amount due to related parties

Amounts due to related parties are summarized as follows:

	Loan from CEO (i)	Consulting fee payable to CEO (iii)	Total
Balance, December 31, 2024	\$ 16,387,219	\$ 4,007,956	\$ 20,395,175
Reductions	-	(3,594)	(3,594)
FX impact	(777,849)	(190,175)	(968,024)
Balance, December 31, 2025	\$ 15,609,370	\$ 3,814,187	\$ 19,423,557
Reductions	-	(936)	(936)
FX impact	573,991	140,227	714,218
Balance, June 30, 2026	\$ 16,183,361	\$ 3,953,478	\$ 20,136,839

- i. The Company obtained loans under numerous credit facility agreements from the Company's Chairman and CEO in USD. In July 2025, the Company and CEO re-negotiated the loan agreement, the new interest rate is zero effective from January 1, 2025.

As of June 30, 2026, the outstanding principal of these loans was \$3,197,321 (US \$2,250,050) (December 31, 2025 - \$3,083,919 (US \$2,250,050)).

- ii. In July 2025, the Company and CEO re-negotiated and terminated the original consulting agreement, replacing it with a standard employer/employee agreement, and the interest rate related to unpaid consulting fees and related interest is zero effective from January 1, 2025.

As of June 30, 2026, the consulting fee payable balance to the Company's Chairman and CEO was \$3,953,479 (December 31, 2025 - \$3,814,187).

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, and any external directors of the Company.

During the six months ended June 30, 2026, the Company incurred \$187,745 (2025 - \$189,713) in remuneration to its Key Management Personnel.

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 June 30, 2026, 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 June 30, 2026. 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 June 30, 2026, 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).