GBLT CORP. (FORMERLY CUP CAPITAL CORP.)

Interim condensed consolidated financial statements

For the Six Months Ended June 30, 2019 and 2018
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

GBLT CORP. (FORMERLY CUP CAPITAL CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2019 AND DECEMBER 31, 2018
(Expressed in Euros)(Unaudited)

		June 30, 2019		December 31, 2018
Assets				
Current assets:				
Cash (Note 16)	€	76,217	€	311,242
Prepaid expenses		79,166		64,012
Accounts receivable (Notes 3 and 16)		2,749,147		3,204,600
Employee loans receivable (Notes 4 and 16)		65,410		65,410
Related party loans receivable (Notes 5, 10 and 16)		206,548		206,548
Inventories		2,228,698		2,271,024
Taxes recoverable		517,714		67,448
Total current assets		5,922,901		6,190,284
Equipment (Note 6)		62,212		69,188
Investment in GBT Africa (Note 16)		110,413		110,413
Total Assets	**€**	**6,095,525**	**€**	**6,369,885**
Liabilities				
Current liabilities:				
Bank indebtedness (Notes 7 and 16)	€	949,535	€	958,743
Accounts payable and accrued liabilities (Notes 8 and 16)		3,431,242		4,251,634
Sales taxes payable		683,446		65,390
Deposits received		21,057		40,372
Loans payable - current (Notes 9 and 16)		83,557		29,581
Due to related parties (Notes 10 and 16)		172,405		74,631
Debentures (Notes 15 and 16)		387,428		350,880
Total current liabilities		5,728,670		5,771,231
Loans payable (Notes 9 and 16)		100,000		176,557
Derivative liability - warrants (Notes 15 and 16)		572		15,127
Due to related parties (Notes 10 and 16)		121,822		218,399
Total Liabilities	**€**	**5,951,064**	**€**	**6,181,314**
Shareholders' Equity				
Share capital (Note 11)		7,600,082		7,600,082
Share-based payment reserve (Note 12)		4,656,663		4,656,663
Accumulated other comprehensive income		33,558		32,402
Accumulated deficit		(12,145,842)		(12,100,577)
Total Shareholders' Equity		**144,461**		**188,570**
Total Liabilities and Shareholders' Equity	**€**	**6,095,525**	**€**	**6,369,885**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Going Concern (Note 1)
Commitments (Note 19)

Approved by the Directors:

(s) John Denham — John Denham, Director

(s) Joachim Thilo Senst — Joachim Thilo Senst, Director

GBLT CORP. (FORMERLY CUP CAPITAL CORP.)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Expressed in Euros)(Unaudited)

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Revenue	€ **5,043,389**	€ **5,699,149**	€ **8,265,596**	€ **8,299,675**
Cost of Sales	**4,643,742**	**5,242,204**	**7,442,901**	**7,645,629**
Gross Margin	**399,648**	**456,945**	**822,695**	**584,046**
Expenses				
Marketing and travel	65,725	107,614	136,747	251,855
Wages	143,023	150,651	292,312	293,454
Professional fees	18,951	36,348	24,571	62,160
Interest and bank charges	28,500	71,362	69,472	114,272
General and administrative	115,431	82,060	168,768	179,760
Bad debt expense and factoring fees	22,170	20,913	51,492	44,469
Rent expense	12,673	11,124	24,448	22,563
Consulting fees	4,926	40,037	5,273	40,037
Depreciation	4,132	7,919	8,264	7,919
Currency exchange gain (loss)	9,126	21,875	32,946	50,588
Listing and filing fees	5,203	-	15,384	-
Financing fees	20,716	-	52,838	-
Total expenses	450,576	549,903	882,515	1,067,077
Loss before Other Items	**(50,929)**	**(92,958)**	**(59,820)**	**(483,031)**
Other Items				
Change in FV of derivative	10,298	-	14,555	-
Income tax expenses	-	(122,341)	-	(122,341)
Gain on accounts payable settlement	-	88,694	-	88,694
Listing expense	-	(230,797)	-	(3,763,430)
Net loss	**(40,631)**	**(357,402)**	**(45,265)**	**(4,280,108)**
Other Comprehensive income				
Foreign exchange gain (loss)	(204)	14,680	1,156	43,037
Comprehensive loss	**(40,835)**	**(342,722)**	**(44,109)**	**(4,237,071)**
Basic and Diluted Loss Per Share	€ **(0.00)**	€ **(0.00)**	€ **(0.00)**	€ **(0.05)**
Weighted Average Number of Shares Outstanding	**112,525,619**	**112,189,109**	**112,525,619**	**86,249,134**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GBLT CORP. (FORMERLY CUP CAPITAL CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Euros)(Unaudited)

	For the Six Months Ended June 30, 2019	2018
Cash Flows used in Operating Activities		
Net loss for the period	€ (45,265)	€ (4,237,071)
Items not affecting cash from operations:		
Amortization of equipment	8,264	7,919
Debenture interest, accretion and foreign exchange	36,547	8,083
Change in fair value of derivative	(14,555)	-
Listing expense	-	1,754,666
Foreign exchange	1,156	-
Changes in non-cash working capital items:		
Prepaid expenses	(15,155)	(102,531)
Accounts receivable	455,453	(993,581)
Inventories	42,326	(30,062)
Sales tax payable	167,790	168,765
Accounts payable and accrued liabilities	(820,391)	1,068,501
Deposits	(19,315)	(40,367)
Net Cash used in Operating Activities	**(203,145)**	**(2,395,678)**
Cash Flows from (used in) Investing Activities		
Acquisition of equipment	(1,288)	(5,398)
Investment in GBLT SSD	-	(1,137)
Net Cash from Investing Activities	**(1,288)**	**(6,535)**
Cash Flows from Financing Activities		
Bank indebtedness	(9,208)	(23,656)
Loans payable	(22,581)	(14,224)
Due to related parties	1,197	26,826
Proceeds from the issuance of shares, net	-	2,125,601
Shares to be issued	-	9,327
Net Cash from Financing Activities	**(30,592)**	**2,123,874**
Change in cash for the year	(235,025)	(278,339)
Cash, beginning of year	311,242	580,285
Cash, End of Year	**€ 76,217**	**€ 301,946**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GBLT CORP. (FORMERLY CUP CAPITAL CORP.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Euros)(Unaudited)

	Capital Stock						
	Shares	**Amount**	**Share-based payment reserve**	**Shares to be issued**	**Accumulated other comprehensive income**	**Deficit**	**Total Equity**
Balance – December 31, 2017	**102,216,812**	**€ 3,478,504**	**€ 5,131,135**	**€ -**	**€ -**	**€ (7,953,597)**	**€ 656,042**
Private placements (Note 11)	525,250	444,213	-	-	-	-	444,213
Shares issued pursuant to RTO (Note 11)	50,949,195	714,215	-	-	-	-	714,215
RTO – finders	2,500,000	1,029,336	-	-	-	-	1,029,336
Private placement after RTO	4,700,000	1,895,758	-	-	-	-	1,895,758
Share issuance costs (Note 11)	-	(214,370)	63,170	-	-	-	(151,200)
Shares to be issued (Note 12)	-	-	-	9,327	-	-	9,327
Net loss for the period	-	-	-	-	-	(4,237,071)	(4,237,071)
Balance – June 30, 2018	**112,189,109**	**€ 7,347,656**	**€ 5,194,305**	**€ 9,327**	**€ -**	**€ (12,190,668)**	**€ 360,620**
Balance – December 31, 2018	**112,525,618**	**€ 7,600,082**	**€ 4,656,663**	**€ -**	**€ 32,402**	**€ (12,100,577)**	**€ 188,570**
Net and comprehensive loss for the year	-	-	-	-	1,156	(45,265)	(44,109)
Balance – June 30, 2019	**112,525,618**	**€ 7,600,082**	**€ 4,656,663**	**€ -**	**€ 33,558**	**€ (12,145,842)**	**€ 144,461**

* *the number of shares outstanding before the RTO have been restated to reflect the effects of issuing 1.91 RTO share for each share outstanding.*

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. Description of Business and Going Concern

GBLT Corp. (the “Company” or “GBLT”) (formerly Cup Capital Corp. (“CUP”)) was incorporated under the Business Corporation Act (Ontario) on December 19, 2014. The registered office is located at Suite 6000, 1 First Canadian Place, PO Box 367, 100 King St W, Toronto, Ontario, M5X 1E2, Canada. The Company’s common shares are traded on the TSX-V. The Company’s majority shareholder is GBT Asia Ltd. (“GBT Asia”) through its subsidiary SWT Beteiligungs AG (“SWT”).

GBLT, through its subsidiary German Battery Trading GMBH (“GBT”), is the official licensee for POLAROID light products, POLAROID residential energy storage system, LED Screens, KODAK mobile lithium based storage systems and solar panels, and AGFAPHOTO mobile energy products (batteries, etc.).

On March 22, 2018, the Company completed the reverse takeover with GBLT German Battery & Lighting Technologies PLC (“GBLT PLC”) and changed its name to GBLT Corp. The transaction provided for the acquisition of all of the outstanding equity interests of GBLT PLC by CUP in a transaction in which the shareholders of GBLT PLC received common shares of the resulting issuer and, in case of outstanding convertible securities of GBLT PLC, convertible securities of the resulting issuer (Notes 12, 13 and 15).

During the six months ended June 30, 2019, the Company incurred a net loss of €45,265 (2018 - €4,280,108) and as at June 30, 2019 had working capital of €194,230 (December 31, 2018 - €419,053). The Company's ability to continue as a going concern is dependent upon raising additional funds. Although the Company has been successful in raising funds in the past, there is no guarantee it will be able to do so in the future. These conditions raise significant doubt regarding the Company's ability to continue as a going concern.

These interim condensed consolidated financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements and the balance sheet classification have not been adjusted as would be required, if the going concern assumption was not appropriate.

2. Basis of Presentation

Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company, except as described under “Basis of Presentation”. These condensed consolidated interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s December 31, 2018, annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB. These consolidated financial statements were approved by the Board of Directors on May 16, 2019.

These unaudited condensed consolidated interim financial statements are expressed in European Euros and have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting on a going concern basis. The accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated interim financial statements as if the policies have always been in effect, other than those described below:

Change in Accounting Policies

a) IFRS 16 – Leases

IFRS 16 – Leases ("IFRS 16") has replaced IAS 17 – Leases ("IAS 17") and IFRIC 4 – Determining whether an arrangement contains a lease. The Company adopted IFRS 16 effective January 1, 2019, and the standard was applied using the modified retrospective method. The modified retrospective method does not require restatement of prior period financial information, as it recognizes the cumulative effect, if any, as an adjustment to opening retained earnings and applies the standard prospectively. Accordingly, comparative information in the these interim condensed consolidated financial statements are not restated, and continue to be reported under IAS 17.

(i) Transition

On adoption of IFRS 16, a right-of-use ("ROU") asset and a corresponding lease liability has to be recognized in relation to all lease arrangements, excluding commitments in relation to arrangements not containing leases (such as service agreements), measured at the present value of the remaining lease payments as at December 31, 2018. The Company reviewed all commitments at December 31, 2018, and determined that of the €1,335,750 committed over the next four years, all are in relation to service agreements.

(ii) Significant accounting policy

The Company assesses new contracts at inception to determine whether a lease is present. This assessment involves significant judgement about whether the asset is specified for the Company, whether the Company obtains substantially all the economic benefits from use of that asset, and whether the Company has the right to direct the use of the asset.

Leases are recognised as ROI assets with a corresponding liability at the date the leased asset becomes available for use by the Company. Each lease payment is allocated between the lease liability and finance expense. The finance expense is charged to the statement of comprehensive loss over the lease term to present a constant periodic rate of interest on the remaining balance of the liability for each reporting period. ROU assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from leases are initially measured at present value. Lease liabilities include the net present value of fixed payments less any lease incentives receivable, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. It is remeasured when there s a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, extension, or termination option that is within the control of the Company. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or at the Company's incremental borrowing rate.

ROU assets are measured at cost comprising of the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, or any initial direct costs and restoration costs.

2. Basis of Presentation (continued)

Change in Accounting Policies (continued)

a) IFRS 16 – Leases (continued)

(ii) Significant accounting policy (continued)

Payments associated with short-term leases (term of 12 months or less) of low-value assets are recognised on a straight -line basis as an expense in the statement of comprehensive loss. The Company applies a single discount rate to portfolios of leases with similar characteristics.

Lease modifications will be accounted for as a separate lease, if the modification increases the scope of the lease, and if the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope. For modifications that don’t justify a separate lease, or where the increase in consideration is not commensurate, at the effective date of the lease modification, the Company will remeasure the lease liability with a corresponding adjustment to the ROU asset using the rate implicit to the lease, if that rate can be determined, or the Company’s incremental borrowing rate. A modification that decreases the scope of the lease will be accounted for by decreasing the carrying amount of the ROU asset, and recognising a gain or loss in the net loss and comprehensive loss that reflects the proportionate decrease in scope.

Finance expense comprises interest expense on the bank indebtedness, accretion of the discount on the decommissioning liability, and interest on the lease liability.

(iii) Significant accounting judgements, estimates, and assumptions – Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs, which affects this assessment.

Basis of Consolidation

Subsidiaries are entities that the Company controls, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights that give the Company the ability to direct the activities that significantly affect the investee’s returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company’s share capital. All inter-company balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated upon consolidation. Where necessary, adjustments are made to the results of the subsidiaries and entities to align their accounting policies with those used by the Company.

The following subsidiaries have been consolidated for all dates presented within these financial statements:

	Country of incorporation	**Percentage owned**
German Battery Trading GMBH (“GBT”)	Germany	100%
SSD Stahlservice Deutschland UG – wholly-owned by GBT	Germany	100%
GBLT German Battery & Lighting Technologies PLC	England and Wales	100%

2. Basis of Presentation (continued)

Basis of Consolidation (continued)

The Company also owns a 25% interest in GBLT Africa (Pty) Ltd. (“GBT Africa”) which is accounted for at FVTOCI as the Company has no voting rights (Note 16).

Basis of Measurement

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value (Note 20). In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Significant Accounting Judgments and Estimates

The preparation of the Company’s interim condensed consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim condensed consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets and liabilities, inventory valuation and the ability to continue as a going concern. Actual results may differ from those estimates and judgments.

The critical judgments and estimates applied in the preparation of the Company’s unaudited condensed consolidated interim financial statements for the six months ended June 30, 2019, are consistent with those applied and disclosed in Note 2 to the Company’s audited consolidated financial statements for the year ended December 31, 2018.

Accounting Standards and Amendments Issued but Not Yet Effective

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures.

<u>IFRS 3 Business Combinations</u>
IFRS 3 has been amended to revise the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create outputs. The amendment to IFRS 3 is effective for the years beginning on or after January 1, 2020. The Company is currently assessing the impact of this amendment.

<u>IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting policies, changes in accounting estimates and errors</u>
IAS 1 and IAS 8 have been amended to (i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; (ii) clarify the explanation of the definition of material; and (iii) incorporate guidance in IAS 1 regarding immaterial information. The amendments to IAS 1 and IAS 8 are effective for the years beginning on or after January 1, 2020. The Company is currently assessing the impact of this amendment.

(Expressed in Euros)(Unaudited)

3. Accounts Receivable

Accounts receivable consist of the following:

		June 30, 2019		December 31, 2018
Trade receivables (i) (ii)	€	2,704,042	€	3,041,200
Receivable on shipping costs and duties		29,859		7,943
Other receivables		7,943		125,597
Lease receivable		7,303		29,859
	€	**2,749,147**	**€**	**3,204,600**

(i) As at June 30, 2018, €957,786 was due from GBT Asia (Note 10) (December 31, 2018 - €1,363,211).

(ii) As at June 30, 2019, €1,149,198 of trade receivables were past due (Note 16) (December 31, 2018 - €606,863).

4. Employee Loans Receivable

Issue Date		June 30, 2019		December 31, 2018
November 2, 2015 (i)	€	10,000	€	10,000
December 4, 2015 (ii)		40,000		40,000
June 30, 2016 (iii)		5,000		5,000
August 23, 2016 (iv)		5,800		5,800
Accrued interest		4,610		4,610
Total	**€**	**65,410**	**€**	**65,410**

(i) Employee loan due on April 12, 2018 bearing annual interest of 1.5%. This loan has been extended to April 12, 2019. This loan is outstanding and past due.
(ii) Employee loan due on December 4, 2018 bearing annual interest of 4.25%. This loan has been extended to December 4, 2019.
(iii) Employee loan due on December 4, 2018 bearing annual interest of 4.25%. This loan has been extended to December 4, 2019.
(iv) Employee loan due on August 23, 2018 bearing annual interest of 2%. This loan has been extended to August 23, 2019.

5. Related Party Loans Receivable

		June 30, 2019		December 31, 2018
Due from GBT Asia (i)	€	153,924	€	153,924
Due from Director (ii)		46,000		46,000
Due from Director (iii)		6,624		6,624
	€	**206,548**	**€**	**206,548**

(i) The loan is unsecured, non-interest bearing and due on demand with no set terms of repayment.

(ii) Loan granted on September 19, 2016 to a director of the Company, bearing an annual interest of 4%, payable on December 31, 2017 and unsecured. This loan has been extended to December 31, 2019.

(iii) The loan is unsecured, non-interest bearing and due on demand with no set terms of repayment.

(Expressed in Euros)(Unaudited)

6. Equipment

The changes in the Company's property and equipment for the six months ended June 30, 2019 and 2018 is as follows:

		Equipment		Furniture		Vehicle		Intangible		Total
Estimated Useful life		4-13 years		3-5 years		20 years		Indefinite		
Cost:										
At December 31, 2017	€	58,218	€	8,199	€	68,109	€	849	€	135,375
Additions		8,813		-		-		706		9,519
At December 31, 2018	€	67,031	€	8,199	€	68,109	€	1,555	€	144,894
Additions		-		1,288		-		-		1,288
At June 30, 2019	€	67,031	€	9,487	€	68,109	€	1,555	€	146,182
Accumulated depreciation:										
At December 31, 2017	€	41,421	€	7,296	€	11,015	€	58	€	59,790
Depreciation		6,246		82		9,020		568		15,916
At December 31, 2018	€	47,667	€	7,378	€	20,035	€	626	€	75,706
Depreciation		3,343		44		4,510		367		8,264
At June 30, 2019	€	51,010	€	7,422	€	24,545	€	993	€	83,970
Net book value:										
At December 31, 2018	**€**	**19,364**	**€**	**821**	**€**	**48,074**	**€**	**929**	**€**	**69,188**
At June 30, 2019	**€**	**16,021**	**€**	**2,065**	**€**	**43,564**	**€**	**562**	**€**	**62,212**

At June 30, 2019, the net book value of leased assets amounted to €43,564 (December 31, 2018 – €52,584).

7. Bank Indebtedness

As at June 30, 2019, bank indebtedness comprised amounts owed to Euram Bank of €949,535 (December 31, 2018 - €958,743). Interest for the Euram Bank line of credit is payable every three months based on the current 3-month Euribor plus 400 basis points. The Company's maximum facility under the Euram Bank was increased from €200,000 to €950,000 in September 2016. The Company had exceeded its maximum facility, and the overdrawn amount was repaid subsequent to year end. This facility is guaranteed by a director of the Company of €950,000 and a pledge of 38,000,000 shares of GBT.

8. Accounts Payables and Accrued Liabilities

		June 30, 2019		December 31, 2018
Trade payables	€	3,222,930	€	4,026,242
Accrued liabilities		202,655		217,266
Wages payable		5,657		8,126
	€	**3,431,242**	**€**	**4,251,634**

(Expressed in Euros)(Unaudited)

9. Loans Payable

		June 30, 2019		December 31, 2018
Loan payable to Dr. Flossdorf (i)	€	100,000	€	100,000
Loan payable to Dr. Flossdorf (ii)		50,000		50,000
Loan payable to ETL Leasing GmbH & Co. KG (iii)		-		17,581
Loan payable to BMW Financial Services (iv)		33,557		38,557
		183,557		206,138
Less: current portion		83,557		29,581
	€	**100,000**	**€**	**176,557**

(i) €100,000 loan due on November 12, 2022 and bearing annual interest of 4.8%.

(ii) €50,000 loan due on June 10, 2020 and bearing annual interest of 4.8%.

(iii) On April 30, 2015, the Company entered into an agreement with ETL Leasing GmbH & Co. KG comprising the lease of computer equipment in the amount of €93,681. As per the agreement, the initial payment was €15,751 payable on June 1, 2015, subsequent payments of €1,699 are payable on the first day of every month until April 1, 2019, and a final payment of €11,067 is payable on May 1, 2019. A monthly interest of 0.52% is applied to the outstanding amount. During the six months ended June 30, 2019, the final payment on this lease has been made.

(iv) On April 11, 2017, the Company entered into an agreement with BMW Financial Services comprising the lease of vehicle in the amount of €1,000 per month with a final payment of €26,142 at the end of the agreement on March 30, 2020. The present value of minimum future lease payments is €33,557.

10. Related Party Transactions and Key Management Compensation

Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Due to Related Parties:

		June 30, 2019		December 31, 2018
Dr. Peter Wolfram Senst (i)	€	134,322	€	125,424
SWT (ii)		50,000		50,000
SWT (iii)		51,400		66,308
SWT (iv)		30,000		-
Accrued interest		28,505		51,298
		294,227		293,030
Less: current portion		172,405		74,631
	€	**121,822**	**€**	**218,399**

(i) Loan agreement with Dr. Peter Wolfram Senst, a former director of the Company, dated December 31, 2011 for €330,000. Of that amount, €320,000 bear an annual interest of 3.25% and and €10,000 bear no interest. The total amount is repayable in 132 monthly payments of €2,500 plus interest commencing October 2011.

(Expressed in Euros)(Unaudited)

10. Related Party Transactions and Key Management Compensation (continued)

(ii) Loan agreement with SWT dated May 3, 2016 for €50,000 bearing interest at 2% per annum. Principal and interest are repayable at the end of the two year term of the loan. This loan was extended by two years to May 3, 2020.

(iii) Loan agreement with SWT dated May 3, 2016 for €75,000 bearing interest at 2% per annum. Principal and interest are repayable at the end of the two year term of the loan. This loan was partially repaid, and the balance was extended by two years to May 3, 2020.

(iv) Loan agreement with SWT dated June 15, 2019 for €30,000 bearing interest at 5% per annum. Principal and interest are repayable at the end of the 2-year term of the loan.

During the six months ended June 30, 2019 and 2018, the Company entered into the following transactions with related parties and key management:

		2019		2018
Management fees included in wages	€	90,414	€	134,399
Additional management fees		21,009		-
Legal fees paid to a company where the corporate secretary is a partner		5,120		-
Interest		1,727		6,790
Sales to GBT Asia*		1,508,794		1,691,005
	€	**1,627,064**	**€**	**1,832,194**

*GBT Asia is used as a vehicle to place sales with end customers that are required by law to source products from Asia. As at June 30, 2019 the Company had trade receivables from GBT Asia of €957,786 (December 31, 2018 - €1,363,211) (Note 3).

During the six months ended June 30, 2019, the Company had revenue from GBT Africa in the amount of €189,060 (2018 - €533,191). Included in accounts receivable as at June 30, 2019 is an amount of €716,811 (December 31, 2018 - €767,737) (Note 16).

11. Share Capital

During the six months ended June 30, 2019, there was no change to the Company's share capital.

Between January and February 2018, the Company issued 1,037,646 shares for gross proceeds of €459,513.

Pursuant to the RTO, the Company issued an aggregate of 103,254,459 common shares based on the value ascribed to GBLT PLC as negotiated between CUP and GBLT PLC of approximately C$66,082,894, at an issue price of C$0.64, resulting in approximately 1.91 consideration shares for each one GBLT PLC share held. The resulting issuer also issued 2,500,000 common shares to an arm's-length finder as a finder's fee. As a result of the transaction, GBLT Corp. became the sole beneficial owner of all of the outstanding securities (other than non-convertible debt) of GBLT PLC, and GBT will remain a wholly owned subsidiary of GBLT PLC. GBLT Corp. continued the business of GBLT PLC.

In connection with the transaction, the Company completed a public offering of 4,700,000 units for gross proceeds of C$3,008,000. Each unit is composed of one common share of GBLT Corp. and one-half of one common share purchase warrant of GBLT Corp. at a price of C$0.64 per unit, for a total issuance of 4,700,000 common shares and 2,350,000 warrants. Each warrant is exercisable into one common share at C$1 per share until March 22, 2020.

(Expressed in Euros)(Unaudited)

11. Share Capital (continued)

Broker and agent fees were paid in connection with the offering as follows: (i) a 7.5% cash commission of C$225,600; (ii) a work fee of C$30,000; and (iii) 352,500 non-transferable broker warrants. Each broker warrant entitles the holder to one unit on the same terms as the units sold under the offering, exercisable at $0.64 per unit until March 22, 2020.

Pursuant to the terms of escrow agreements among the resulting issuer, TSX Trust Company and certain escrowed security holders, an aggregate of 81,406,006 common shares and incentive stock options to acquire 5,921,223 common shares have been placed in escrow, which will be released in tranches over 36 months.

In June 2018, the Company issued 286,510 common shares related to the exercise of 286,510 stock options at an exercise price of C$0.05 (€0.0325) per share.

In August 2018, the Company issued 50,000 common shares related to the exercise of 50,000 stock options at an exercise price of C$0.05 (€0.0325) per share.

Total share issuance costs during the year ended December 31, 2018 were €461,038.

12. Stock Options

The Company may award share options from time to time, exercisable into common shares on terms determined by the directors at the time of each award.

The changes in options during the six months ended June 30, 2019 and the year ended December 31, 2018 are as follows:

	Number of Options		Weighted Average Exercise Price
Balance, December 31, 2017	**5,921,223**		**0.0165**
Options exercised	(336,510)		0.0165
Balance, December 31, 2018 and June 30, 2019	**5,584,713**	**€**	**0.0165**

The following table summarizes the options outstanding at June 30, 2019 and December 31, 2018:

Number of options		Exercise price	Expiry date
5,584,713	€	0.0320	March 22, 2023
5,584,713	**€**	**0.0320**	

The remaining contractual life of the outstanding options at June 30, 2019 is 3.73 years.

Share-based payment reserve:

The share-based payment reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(Expressed in Euros)(Unaudited)

13. Warrants

In connection to the May 2017, debenture financing (Notes 19 and 20), the Company issued 830,881 warrants to the subscriber. Each warrant has an exercise price of C$0.60 (€0.397) and is exercisable for two years after the Company's shares become publicly traded (transpired subsequently). In addition, the Company issued 66,436 non-transferable broker warrants. Each warrant has an exercise price of C$0.60 (€0.397) and is exercisable until May 19, 2019.

During the year ended December 31, 2018, the Company completed a public offering of 4,700,000 units for gross proceeds of C$3,008,000 (€1,895,758) and issued 2,350,000 warrants. Each warrant is exercisable into one common share at C$1.00 (€0.64) per warrant share until March 22, 2020.

During the year ended December 31, 2018, the Company issued 352,500 non-transferable broker warrants. Each broker warrant entitles the holder to one unit on the same terms as the units sold under the offering, exercisable at C$0.64 (€0.41) per unit until March 22, 2020.

During the six months ended June 30, 2019, 66,436 warrants expired unexercised.

The following table summarizes the warrants outstanding at June 30, 2019:

Number of warrants		Exercise price	Expiry date
830,881		0.397	March 22, 2020
2,350,000		0.640	March 22, 2020
352,500		0.410	March 22, 2020
3,533,381	€	0.560	

The remaining contractual life of the outstanding warrants at June 30, 2019 is 0.73 years.

14. Basic and Diluted Earnings (Loss) per Share

The calculation of basic earnings (loss) per share is based on the income (loss) for the period divided by the weighted average number of shares outstanding during the period. In calculating the diluted earnings (loss) per share, dilutive potential ordinary shares such as warrants and share options have not been included as they would have the effect of decreasing the loss per share.

15. Debentures

In May 2017, GBLT PLC, the UK subsidiary of the Company issued €329,750 (C$500,000) through the issuance of a non-convertible, subordinated debenture bearing interest at 10% per annum and 435,000 warrants. A total of €26,380 (C$40,000) was withheld from the proceeds as a finder's fee. The debenture was valued at €230,074, net of its share of issue costs, resulting in an effective interest rate of 18%. The debentures are due on May 19, 2019, or an earlier date as the principal amount may become due and payable with such terms, conditions and provisions laid out as per agreement.

As a result of the RTO transaction, the warrants were converted to 830,880 warrants of the Company. Each warrant has an exercise price of €0.397 (C$0.60) and is exercisable within two years after issuance until March 22, 2020. Because the exercise price is denominated in a foreign currency, the warrants are classified as a derivative liability and are remeasured at the end of each reporting period.

On initial recognition, the warrants were valued at €79,670 using the Black-Scholes valuation model with the following assumptions: share price of C$1.289, exercise price of C$1.15, expected volatility of 25%, expected dividend yield of 0%, risk free return of 0.61%, and an expected remaining life of 2.5 years. The warrants were revalued to €75,442 at December 31, 2017 using the Black-Scholes

(Expressed in Euros)(Unaudited)

15. Debentures (continued)

Valuation Model with the following assumptions: share price of C$1.279, exercise price of C$1.15, expected volatility of 25%, expected dividend yield of 0%, risk free return of 0.61%, and an expected remaining life of 2.25 years.

The warrants were revalued again to €15,127 at December 31, 2018 using the Black-Scholes Valuation Model with the following assumptions: share price of C$0.145, exercise price of C$0.60, expected volatility of 25%, expected dividend yield of 0%, risk free return of 0.61%, and an expected remaining life of 1.23 years.

At June 30, 2019, the warrants were revalued again to €572 using the Black-Scholes Valuation Model with the following assumptions: share price of C$0.06, exercise price of C$0.60, expected volatility of 125%, expected dividend yield of 0%, risk free return of 1.52%, and an expected remaining life of 0.73 years.

As of June 30, 2019, the Company recognized financing and accretion costs of €36,216, of which €16,437 was paid during the six months ended June 30, 2019.

	Debenture	Warrants
Balance, December 31, 2017	279,997	75,442
Interest and accretion for the year	82,920	-
Change in fair value	-	(60,315)
Foreign exchange	(12,037)	-
Balance, December 31, 2018	**€ 350,880**	**€ 15,127**
Interest and accretion for the period	19,436	-
Change in fair value	-	(14,555)
Foreign exchange	17,112	-
Balance, June 30, 2019	**€ 387,428**	**€ 572**

(Expressed in Euros)(Unaudited)

16. Financial Instruments

Financial Assets and Liabilities

		June 30, 2019		December 31, 2018
Financial Assets				
Fair value through other comprehensive income				
Investment in GBT Africa	€	110,413	€	110,413
Amortized cost				
Cash		76,003		311,242
Accounts receivable		2,749,147		3,204,600
Employee loans receivable		65,410		65,410
Related party loan receivable		206,548		206,548
Total Financial Assets	**€**	**3,207,521**	**€**	**3,898,213**
Financial Liabilities				
Fair value through profit and loss				
Derivative liability – warrants	€	572	€	15,127
Amortized cost				
Bank indebtedness		949,535		958,743
Accounts payable		3,431,242		4,251,634
Loans payable		183,557		206,138
Debentures		387,428		350,880
Due to related parties		294,227		293,030
Total Financial Liabilities	**€**	**5,246,561**	**€**	**6,075,552**

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company’s financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.

- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

(Expressed in Euros)(Unaudited)

16. Financial Instruments (continued)

Financial Assets and Liabilities (continued)
The carrying values of cash, employee and related party accounts and loans receivable, accounts and loans payable, warrant liability, bank indebtedness, loans payable, due to related parties and debentures approximated their fair values because of the short-term nature of these financial instruments. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

The Company acquired 25% of the common shares of GBT Africa for €110,413; the remaining 75% interest is held equally by two other investors to whom the Company has yielded all voting rights (Note 14). Accordingly, the Company does not hold significant influence over this entity and accounts for it as a FVTOCI financial instrument. Because GBT Africa is privately owned, the Company will adjust the fair value when events or circumstances indicate that this value has changed.

Financial instruments at fair value		**June 30, 2019**		**December 31, 2018**
Level 2				
Derivatives – warrant liability	€	(572)	€	(15,127)
Level 3				
Investment in GBT Africa	€	110,413	€	110,413

There were no reclassifications between levels 1, 2, and 3 during the six months ended June 30, 2019 and 2018.

The Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support the Company's ability to continue as a going concern. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in cooperation with the Company's operating units. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance, in the context of its general capital management objectives as further described in Note 17.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts, accounts receivable and loans receivable. This risk related to cash is managed through the use of a major financial institution which has high credit quality as determined by the rating agencies. Accounts receivable mainly consists of receivables from its customers.

In order to reduce its credit risk related to accounts receivable, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits. In some cases, the Company requires bank letters of credit or subscribes to credit insurance.

As at June 30, 2019, 42% of the Company's trade receivable balance is over 90 days past due (December 31, 2018 - 20%). The carrying amount of accounts receivable and loans receivable as at June 30, 2019 is €3,293,064 (December 31, 2018 - €3,476,558).

As at June 30, 2019, one of the Company's customers individually constituted more than 10% of the total trade receivable balance (December 31, 2018 - two customers).

Credit risk associated with accounts receivable is considered medium.

(Expressed in Euros)(Unaudited)

16. Financial Instruments (continued)

Financial Instrument Risk Exposure

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flows, as well as future equity and debt financing.

The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 17. The Company's financial liabilities are comprised of its trade payables, loans payable and amounts due to related parties.

Liquidity risk is assessed as high.

The following table presents the Company's contractual obligations at June 30, 2019:

Contractual obligations	**1 Year**	**1-2 Years**	**2-3 Years**	**3-4 Years**	**4-5 Years**
	€	€	€	€	€
Loans payable:					
Loan payable to Dr. Flossdorf	-	-	-	100,000	-
Loan payable to Dr. Flossdorf	50,000	-	-	-	-
Loan payable to ETL Leasing GmbH & Co. KG	-	-	-	-	-
Loan payable to BMW Leasing GmbH	33,557	-	-	-	-
Sub-total	**83,557**	**-**	**-**	**100,000**	**-**
Bank indebtedness:					
Euram Bank	949,535	-	-	-	-
Account payable and other liabilities	3,431,242	-	-	-	-
Debentures (i)	387,428	-	-	-	-
Related party note payable:					
Dr. Peter Wolfram Senst	42,500	30,000	30,000	31,822	-
SWT	50,000	-	-	-	-
SWT	51,400	-	-	-	-
SWT	-	30,000	-	-	-
Accrued interest	28,505	-	-	-	-
Total	**5,024,167**	**60,000**	**30,000**	**131,822**	**-**

(i) Face value of the debentures is C$500,000 recorded at fair value and translated to Euros at the reporting date.

16. Financial Instruments (continued)

Financial Instrument Risk Exposure (continued)

Liquidity Risk (continued)

The following table presents the Company's contractual obligations at December 31, 2018:

Contractual obligations	1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years
	€	€	€	€	€
Loans payable:					
Loan payable to Dr. Flossdorf	-	-	-	100,000	-
Loan payable to Dr. Flossdorf	-	50,000	-	-	-
Loan payable to ETL Leasing GmbH & Co. KG	17,581	-	-	-	-
Loan payable to BMW Leasing GmbH	2,000	36,557	-	-	-
Sub-total	**19,581**	**86,557**	**-**	**100,000**	**-**
Bank indebtedness:					
Euram Bank	958,743	-	-	-	-
Account payable and other liabilities	4,251,634	-	-	-	-
Debentures (i)	350,880	-	-	-	-
Related party note payable:					
Dr. Peter Wolfram Senst	30,000	30,000	30,000	35,424	-
SWT	-	50,000	-	-	-
SWT	-	66,308	-	-	-
Accrued interest	44,631	6,667	-	-	-
Total	**5,655,469**	**239,532**	**30,000**	**135,424**	**-**

Interest Rate Risk

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

Although the Company has bank indebtedness subject to a variable interest rate (Note 7) the Company has no significant exposure at December 31, 2018 or 2017 to interest rate risk through its financial instruments.

Currency Risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities.

The Company's manages its foreign currency risk by holding a portion of its cash and cash equivalents in US dollars and by entering into forward exchange contracts to purchase US dollars with Euros in regular intervals (Note 3).

As at June 30, 2019, the Company held US$8,100 (December 31, 2018 - US$53,010).

(Expressed in Euros)(Unaudited)

16. Financial Instruments (continued)

Financial Instrument Risk Exposure (continued)

Currency Risk (continued)

The following is an analysis of the Euro equivalent of financial assets and liabilities that are denominated in US and CAD dollars as at June 30, 2019 and December 31, 2018:

		June 30, 2019		December 31, 2018
Cash	€	8,628	€	53,010
Accounts receivable		2,138,760		2,709,698
Accounts payable		(2,856,486)		(3,331,546)
Debentures		(335,864)		(320,246)
	€	**(1,044,961)**	**€**	**(889,084)**

Based on the above net exposure at June 30, 2019, a 10% depreciation or appreciation of the US and Canadian dollar against the Euro would result in approximately a €104,491, decrease or increase respectively in both net and comprehensive loss (December 31, 2018 – €88,908).

17. Management of Capital

The capital managed by the Company includes the components of shareholders' equity as described in the consolidated statements of shareholders' equity. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize its resources to fund the growth and development of its business, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets by seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. In order to maintain or adjust its capital structure, the Company considers all sources of financing reasonably available to it, including but not limited to the issuance of new capital, the issuance of new debt and the sale of assets in whole or in part.

18. Segmented Information

The Company operates in several segments in which it develops, markets, and sells Polaroid, Kodak, and Agfa products. The information is evaluated regularly by the Company's President and Chief Executive Officer, being the chief operating decision makers of the Company. The following is a breakdown of revenue by geographic area based on the customers' location:

	For the three months ended June 30,			
		2019		2018
Revenue				
Germany	€	5,985,950	€	4,231,922
European Union (excl. Germany)		880,378		3,604,524
Worldwide		1,399,268		393,229
	€	**8,265,596**	**€**	**8,229,675**

All non-current assets are held in Germany.

(Expressed in Euros)(Unaudited)

18. Segmented Information (continued)

During the six months ended June 30, 2019, the Company's four (2018 – three) largest customers represented 24%, 19%, 12%, and 12% of the Company's total sales (2018 – 40%, 14%, and 11%).

19. Commitments and Contingencies

As at June 30, 2019, the Company is required to make future minimum royalty payments, excluding any optional renewal periods, as follows:

		June 30, 2019		December 31, 2018
2019	€	620,571	€	793,179
2020		193,675		189,312
2021		202,466		197,779
2022		160,652		155,480
Total	**€**	**1,177,364**	**€**	**1,335,750**

20. Share Exchange Agreement (the "RTO")

Pursuant to a securities exchange agreement (the "Securities Exchange Agreement") entered into on December 14, 2016, as amended on March 6, 2017, July 6, 2017, September 11, 2017 and November 22, 2017, among the Company, CUP, GBLT PLC and SWT, CUP acquired all of the issued and outstanding shares of GBLT PLC in exchange for 103,254,459 common shares of CUP. The Securities Exchange Agreement completed in March, 2018 and the shares of the Company commenced trading on the TSX Venture Exchange on March 27, 2018, under the trading symbol GBLT.

CUP did not meet the definition of a business, therefore the transaction is outside of the scope of IFRS 3 Business Combinations. Instead, the Transaction was accounted for under IFRS 2 Share-based Payment. Under this basis of accounting, the consolidated entity is considered to be a continuation of GBLT PLC, with the net identifiable assets of CUP deemed to have been acquired by GBLT.

The purchase consideration below was determined based on the fair value attributed to the common shares that GBLT PLC would have had to issue to shareholders of CUP to acquire the same percentage equity interest in the combined entity that results from the RTO. The book value of GBLT PLC's and CUP's assets and liabilities as at the RTO date were assumed to approximate their fair values as at that date. The difference between the purchase consideration and the fair value of net assets acquired was recorded as a cost of public listing.

(Expressed in Euros)(Unaudited)

20. Share Exchange Agreement (the "RTO") (continued)

Consideration paid		
103,254,459 common shares	€	714,215
Less: Identified fair value of net assets:		
Cash	€	107,750
Trade and other payables		(46,302)
Net assets acquired		61,448
Fair value of consideration paid in excess of net assets acquired	**€**	**652,767**
Other listing expenses:		
Finders' shares		945,358
Consulting fees		945,358
Filing fees		26,013
Legal expenses		88,323
Stamp duty		205,931
		2,210,931
Total Listing Expense	**€**	**2,863,750**