GBLT CORP.

Unaudited Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

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 interim financial statements of the Company have been prepared by and are the responsibility of the Company's management and approved by the Board of Directors of the Company.

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

GBLT CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2022 AND DECEMBER 31, 2021
(Expressed in Euros) (Unaudited)

		March 31, 2022		December 31, 2021
Assets				
Current assets:				
Cash (Note 10)	€	-	€	580,253
Prepaid expenses		3,994		3,994
Deposits on inventory		-		927,736
Accounts receivable (Notes 6 and 14)		2,886,536		2,728,790
Inventories		5,952,989		2,468,668
Loans receivable		-		12,500
Total current assets		8,927,337		6,721,941
Related party loans receivable (Notes 7 and14)		149,111		149,011
Intangible assets (note 3)		186,400		-
Equipment (Note 8)		78,197		25,039
Right of use assets (Note 9)		176,333		188,677
Investment in GBT Africa		44,770		44,770
Total Assets	**€**	**9,562,148**	**€**	**7,129,438**
Liabilities				
Current liabilities:				
Bank indebtedness (Notes 10)	€	1,116,307	€	959,290
Accounts payable and accrued liabilities (Notes 11)		5,520,752		4,463,799
Sales taxes payable		74,656		318,870
Deposits received		2,122		49,993
Loans payable – current (Notes 12)		2,605,035		1,096,535
Lease liability (Note 13)		37,291		49,369
Debentures (Notes 17 and 18)		181,510		177,188
Due to related parties (Notes 14)		374,766		355,482
Total current liabilities		9,912,439		7,470,526
Loans payable (Notes 12)		50,000		50,000
Lease liability (Note 13)		137,748		137,748
Due to related parties (Notes 14)		47,044		47,044
Total Liabilities		**10,147,231**		**7,705,318**
Shareholders' Equity				
Share capital (Note 15)		7,716,063		7,705,691
Share-based payment reserve (Note 15)		4,744,776		4,744,776
Accumulated other comprehensive income		(182,488)		(180,721)
Accumulated deficit		(12,863,434)		(12,845,626)
Total Shareholders' (Deficit)		**(585,083)**		**(575,880)**
Total Liabilities and Shareholders' Deficit	**€**	**9,562,148**	**€**	**7,129,438**

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

Going Concern (Note 1)
Commitments (Note 20)

Approved by the Directors:

(s) John Denham	*(s) Joachim Thilo Senst*
John Denham, Director	Joachim Thilo Senst, Director

GBLT CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in Euros) (Unaudited)

		March 31, 2022		**March 31, 2021**
Revenue (Notes 14 and 19)	€	8,038,678	€	8,815,525
Cost of Sales		7,391,174		7,956,565
Gross Margin		647,504		858,960
Expenses				
Marketing and travel		71,020		23,758
Wages (Note 14)		252,592		182,907
Professional fees (Note 14)		11,549		16,384
Interest and bank charges (Note 12,13,14 &17)		71,779		31,096
General and administrative		211,034		103,865
Bad debt expense and factoring fees (Note 14)		49,273		56,192
Rent expense		9,467		4,027
Consulting fees (Note 14)		25,290		22,949
Depreciation (Notes 8 and 9)		13,486		9,864
Foreign exchange (gain) loss		(50,178)		(3,352)
Listing and filing fees		-		6,046
Share based payments		-		3,493
Total expenses		665,312		457,229
Income (Loss) before Other Items		**(17,808)**		**401,731**
Other Items				
Loss on accounts payable settlement		-		-
Net Income (Loss)		**(17,808)**		**401,731**
Items that will not be reclassified to profit and loss				
Foreign exchange gain (loss)		(1,767)		(20,747)
Net and Comprehensive Income (Loss)	**€**	**(19,575)**	**€**	**380,984**
Basic and Diluted Income (Loss) Per Share	**€**	**(0.00)**	**€**	**0.00**
Weighted Average Number of Shares Outstanding		**113,162,319**		**113,047,838**

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

GBLT CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in Euros) (Unaudited)

		March 31, 2022		March 31, 2021
Cash Flows used in Operating Activities				
Net Income (loss) for the period	€	(17,808)	€	401,731
Items not affecting cash from operations:				
Share based payments		-		3,493
Depreciation		13,617		12,344
Debenture interest and accretion		6,500		6,949
Foreign exchange		(1,767)		(34,695)
Changes in non-cash working capital items:				
Prepaid expenses		843,918		(28,680)
Accounts receivable		273,235		392,022
Inventories		2,965,523		(605,168)
Sales tax payable		(244,214)		(142,676)
Accounts payable and accrued liabilities		(205,487)		191,943
Deposits		(47,871)		(234,551)
Net Cash from (used in) by Operating Activities		**(2,345,400)**		**(37,288)**
Cash Flows from (used in) Investing Activities				
Acquisition of equipment		(429)		-
Acquisition of Getec		95,131		-
Net Cash from (used in) Investing Activities		**(94,702)**		**-**
Cash Flows from Financing Activities				
Bank indebtedness		157,017		-
Loans payable (net)		1,508,500		-
Lease liability payments		(14,256)		(14,256)
Due to related parties		19,184		(114,919)
Net Cash from (used in) Financing Activities		**1,670,445**		**(129,175)**
Change in cash for the period		580,253		(166,463)
Cash, beginning of period		(580,253)		387,327
Cash, End of Period	**€**	**-**	**€**	**220,864**

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

GBLT CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in Euros) (Unaudited)

	Capital Stock		Share-based payment reserve	Accumulated other comprehensive income	Deficit	Total Equity
	Shares	Amount				
	#	€	€	€	€	€
Balance - December 31, 2020	**113,047,838**	**7,649,592**	**4,656,663**	**(36,000)**	**(12,671,851)**	**(401,596)**
Share based payments	-	-	3,493	-	-	3,493
Net and comprehensive income for the period	-	-	-	(20,747)	401,731	380,984
Balance – March 31, 2021	**113,047,838**	**7,649,592**	**4,660,156**	**(56,747)**	**(12,270,121)**	**(17,119)**
Balance - December 31, 2021	**113,328,090**	**7,705,691**	**4,744,776**	**(180,721)**	**(12,845,626)**	**(575,880)**
Shares issued to settle debt	150,000	10,372	-	-	-	10,372
Net and comprehensive income for the period	-	-	-	(1,767)	(17,808)	(19,575)
Balance – March 31, 2022	**113,608,342**	**7,716,063**	**4,744,776**	**(182,488)**	**(12,863,434)**	**(585,083)**

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

1. Description of Business and Going Concern

GBLT Corp. (the "Company" or "GBLT") 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 Toronto Venture Stock Exchange ("TSX-V").

The Company's majority shareholder is GBT Asia Ltd. ("GBT Asia") through its subsidiary SWT Beteiligungs AG ("SWT").

Through its subsidiaries, GBLT manufactures and distributes a wide range of proprietary mobile power products including batteries, mobile storage systems, digital displays and LED lighting products, as well as a line of medical supplies. GBLT has brought to market mobile storage solutions that use lithium battery technology through world class brand names such as Polaroid, Kodak, and legacy brands GBT and AGFAPHOTO.

On March 22, 2018, the Company completed the reverse takeover with GBLT German Battery & Lighting Technologies PLC ("GBLT PLC") and changed its name from Cup Capital Corp. ("CUP") 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 the case of outstanding convertible securities of GBLT PLC, convertible securities of the resulting issuer.

During the three months ended March 31, 2022, the Company incurred losses from operations of €17,808 (year ended December 31, 2021 – income of €173,775) and as at March, 31, 2022 had working capital deficiency of €(985,102) (December 31, 2021 –€748,585). The Company's ability to continue as a going concern is dependent upon raising additional funds and on achieving profitable operations. 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 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 consolidated financial statements and the balance sheet classification have not been adjusted as would be required, if the going concern assumption was not appropriate. Such adjustments could be material.

2. Basis of Preparation and 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 (see note 3 to the annual consolidated financial statements for the years ended December 31, 2021 and 2020), 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, 2020, 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 XX, 2022.

(Expressed in Euros) (Unaudited)

3. Acquisition of Getec

On January 1, 2022, the Company completed the acquisition of Gebäude Technologie Center GmbH ("Getec"), a corporation existing under the laws of Germany. Getec offers private installations of solar panels for residential homes, and is currently expanding into industrial and commercial projects. The acquisition was completed pursuant to a purchase agreement whereby the Company acquired 25,001 of the total 50,000 registered capital of Getec, at a cost of €25,001 resulting in the Company owing the controlling interest of Getec.

The acquisition was accounted for accordance with IFRS 3 Business Combinations. Accordingly, the acquisition is accounted at the fair value of the equity instruments issued. The excess of consideration over the net assets acquired has been recorded as unallocated intangible assets. The Company is in the process of determining the appropriate values of intangible assets received from the acquisition.

The fair value consideration is as follows:

Assets Acquired	**€**
Cash	82,631
Receivables	430,981
Inventory	518,799
Property and equipment	54,002
Accounts payable	(1,272,812)
Unallocated intangible assets	186,400
Net assets as at March 31, 2022	**25,001**

Consideration	**€**
Cash	25,001
	25,001

4. Significant Accounting Judgments and Estimates

The preparation of the Company's 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 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.

a) Allowances for Doubtful Accounts

The Company must make an assessment of whether trade receivables are collectible from customers. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

b) Valuation and Obsolescence of Inventory

The Company's inventory is valued at the lower of average cost or net realizable value and management makes an estimate for any item that cannot be sold. If realization of inventory values differ from estimates, future earnings would be affected.

c) Determination of Functional Currency

The functional currency of the Company and each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

d) Valuation of Share-Based Payments and Warrants

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and warrants. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect fair value estimates and the Company's net income or net loss and its equity reserves.

e) Recognition and Measurement of Deferred Tax Assets and Liabilities

Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of the consolidated financial statements. The final determination of actual amounts may not be completed for a number of years. Therefore, tax assets and liabilities and net income in subsequent periods will be affected by the amount that estimates differ from the final tax return.

f) 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.

(Expressed in Euros) (Unaudited)

5. Accounting Standards and Amendments Issued but Not Yet Effective

There are no other pending IFRSs or IFRIC interpretations that are expected to have a material impact on the Company's consolidated financial statements.

6. Accounts Receivable

Accounts receivable consist of the following:

		March 31, 2022		December 31, 2021
Trade receivables (i) (ii)	€	2,885,260	€	2,727,515
Other receivables		1,276		1,276
	€	**2,886,536**	**€**	**2,728,790**

(i) As at March 31, 2022, €852,428 (December 31, 2021 - €1,567,531) was due from GBT Asia (Note 14).

(ii) As at March 31, 2022, €820,354 (December 31, 2021 - €819,373) of trade receivables were past due (Note 18).

(iii) As at March 31, 2022, approximately 10% (December 31, 2021 - 10%) of accounts receivable is subject to factoring and is classified at FVTOCI. The remaining balance is classified at amortized cost.

7. Related Party Loans Receivable

		March 31, 2022		December 31, 2021
Due from GBT Asia (i)	€	149,111	€	149,011
	€	149,111	€	149,011

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

As the timing of repayment is not expected within the next year, the loans have been shown as a long-term asset.

(Expressed in Euros) (Unaudited)

8. Equipment

The changes in the Company's property and equipment for the three months ended March 31, 2022 and the year ended December 31, 2021 is as follows:

		Equipment		Furniture		Intangible		Total
Estimated useful life		4-13 years		3-5 years		Indefinite		
Cost:								
At December 31, 2020	€	69,959	€	9,763	€	1,555	€	81,277
Additions		11,362		3,521		-		14,883
At December 31, 2021	€	81,321	€	13,284	€	1,555	€	96,160
Additions		429		-		-		429
Acquired on acquisition of Getec		54,002		-		-		54,002
At March 31, 2022	€	135,752	€	13,284	€	1,555	€	150,591
Accumulated depreciation:								
At December 31, 2020	€	61,601	€	7,460	€	1,229	€	70,290
Depreciation		717		-		114		831
At December 31, 2021	€	62,318	€	7,460	€	1,343	€	71,121
Depreciation		966		291		16		1,273
At March 31, 2022	€	63,398	€	7,751	€	1,245	€	72,394
Net book value:								
At December 31, 2021	**€**	**19,003**	**€**	**5,824**	**€**	**212**	**€**	**25,039**
At March 31, 2022	**€**	**72,354**	**€**	**5,533**	**€**	**310**	**€**	**78,197**

9. Right-Of-Use Assets

The changes in the Company's right-of-use assets for three months ended March 31, 2022 and the year ended December 31, 2021 are as follows:

Balance at December 31, 2020	€	238,053
Depreciation for the year		(49,376)
Balance at December 31, 2021		188,677
Depreciation for the period		(12,344)
Balance at March 31, 2022	€	176,333

10. Bank Indebtedness

As at March 31, 2022, bank indebtedness is comprised of amounts owed to Euram Bank of €949,203 (December 31, 2021 - €959,290). 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 up to €950,000 and a pledge of 38,000,000 shares of GBT. The Company also has a bank overdraft of $167,104 (2021 – €nil)

(Expressed in Euros) (Unaudited)

11. Accounts Payables and Accrued Liabilities

		March 31, 2022		December 31, 2021
Trade payables	€	5,425,989	€	4,379,165
Accrued liabilities		83,205		75,359
Wages payable		11,558		9,275
	€	**5,520,752**	**€**	**4,463,799**

12. Loans Payable

		March 31, 2022		December 31, 2021
Loan payable to Dr. Flossdorf (i)	€	86,672	€	86,672
Loan payable to Dr. Flossdorf (ii)		50,000		50,000
Loan payable (iii)		1,009,863		1,009,863
Loan payable (iv)		1,000,000		-
Loan payable (v)		508,500		-
		2,655,035		1,146,535
Less: current portion		2,605,035		1,096,535
	€	**50,000**	**€**	**50,000**

(i) Loan due on November 12, 2022 and bearing annual interest of 4.8%.

(ii) Loan due on June 10, 2025 and bearing annual interest of 4.8%. During the year ended December 31, 2020, the Company paid off an amount of €4,760 from this loan.

(iii) The loan was used in order to finance a large inventory purchase. The loan principal and interest are due on December 6, 2022, bearing an interest rate of 15%.

(iv) The loan was used in order to finance a large inventory purchase. The loan principal and interest are due on June 30, 2022, bearing an interest rate of 5%. The loan is secured by 10,000,000 shares of GBLT, held by SWT AG, a Company controlled by a director of the Company.

(v) Loan of €508,500 bears interest of 6.5%, maturing March 2025. Interest and principal payments made payments,

13. Lease Liability

The Company identified its office rental agreement as right-of-use asset, and has recognized a corresponding lease liability.

The changes in the Company's lease liability for the three months ended March 31, 2022 and the year ended December 31, 2021 are as follows:

Balance at December 31, 2020	€	233,732
Lease payments		(57,022)
Finance charges		10,407
Balance at December 31, 2021		187,117
Lease payments		(14,257)
Finance charges		2,179
Balance at March 31, 2022		175,039
Less: current portion		(37,291)
	€	137,748

(Expressed in Euros) (Unaudited)

14. 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:

		March 31, 2022		December 31, 2021
Dr. Peter Wolfram Senst (i)	€	101,928	€	111,143
SWT (ii)		95,796		102,296
Dr. Thilo Senst (iii)		159,057		124,058
Accrued interest and other		65,029		65,029
		421,810		402,526
Less: current portion		374,766		355,482
	€	**47,044**	**€**	**47,044**

(i) Loan agreement with Dr. Peter Wolfram Senst, a former director of the Company and a relative of a current director, originally dated December 31, 2011 for €330,000. Of that amount, €320,000 bears annual interest at 3.25% and €10,000 bears no interest. The total amount is repayable in 132 monthly payments of €2,500 plus interest commencing October 2011. During the year an additional €100,000 was advanced.

(ii) Loan agreements with SWT dated April 6, 2016 for €50,000, May 3, 2016 for €75,000, and July 12, 2019 for €62,000 bearing interest at 2% per annum. Principal and interest are repayable at the end of the two-year term of the loan. During the year ended December 31, 2020, these loans were all extended to December 31, 2025.

(iii) During the period €35,000 was advanced.

During the three months ended March 31, 2022 and 2021, the Company entered into the following transactions with related parties and key management:

		2021		2021
Management fees included in wages	€	49,641	€	48,312
Director fees included in consulting		5,058		9,835
Professional fees		6,859		6,668
Sales to GBT Asia*		2,688,806		2,672,998
	€	**2,750,364**	**€**	**5,513,497**

*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 March 31, 2022 the Company had trade receivables from GBT Asia of €852,428 (December 31, 2022 - €1,567,531) (Note 6).

Included in accounts receivable as at March 31, 2022 and December 31, 2021 is a net amount after a provision of €200,000 (Note 18). As at December 31, 2021, the Company had recorded and impairment of €389,495 on these receivables, an increase in the provision of €79,907 over the prior year.

(Expressed in Euros) (Unaudited)

15. Share Capital

Authorized: Unlimited number of shares

Issued: 113,328,090

(i) On April 23, 2021, 150,000 options were exercised for proceeds of €5,243. The fair value related to these options exercised was transferred from stock-based compensation reserve to share capital of €30,457.

(ii) On May 13, 2021, 58,824 common shares were issued to settle debt (directors fees). On the date of issuance, the shares had a fair market value of €10,227. On October 18, 2021, 71,428 common shares were issued to settle debt (directors fees). On the date of issuance, the shares had a fair market value of €10,172.

(iii) On February 22, 2022, the Company entered into debt conversion agreements with its four directors in respect of director sitting fees for the three months ended September 30, 2021 and the three months ended December 31, 2021. Pursuant to the agreements each director has agreed to accept 37,500 common shares at a price of $0.10 per share in satisfaction of $3,750 of indebtedness owed to each director. On the date of issuance, the shares had a fair market value of €10,372.

Pursuant to the terms of escrow agreements among the Company, TSX Trust Company and certain escrowed security holders, an aggregate of 81,406,006 common shares and incentive stock options to acquire 5,584,713 common shares were placed in escrow, which were released in tranches over 36 months commencing March 22, 2018 (all released as at December 31, 2021).

Stock Options

The Company may award stock 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 three months ended March 31, 2022 and the year ended December 31, 2021 are as follows:

	Number of Options		Weighted Average Exercise Price
Balance, December 31, 2020	**6,184,713**	**€**	**0.0340**
Options exercised	(150,000)		0.0325
Balance, December 31, 2021	**6,034,713**	**€**	**0.0340**
Options exercised	-		-
Balance, March 31, 2022	**6,034,713**	**€**	**0.0340**

The following table summarizes the options outstanding at March 31, 2022 and December 31, 2021:

Outstanding	Exercisable	Exercise price	Expiry date
5,584,713	5,584,713	€ 0.0343	March 22, 2023
450,000	450,000	0.0325	August 7, 2025
6,034,713	**6,034,713**	**€ 0.0340**	

The remaining contractual life of the outstanding options at March 31, 2022 is 1.20 years.

15. Share Capital (continued)

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.

16. 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, potentially dilutive potential ordinary shares such as warrants and stock options have not been included as they would have the effect of decreasing the loss per share.

17. 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 were 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 expired unexercised on March 22, 2020 and accordingly the derivative liability was derecognized.

(Expressed in Euros) (Unaudited)

17. Debentures (continued)

On September 14, 2020, the Company entered into an agreement with the debenture holder whereby the Company repaid €160,175 (C$250,000) of the Debenture plus accrued interest, and the remaining €160,175 (C$250,000) was rolled over into a new debenture bearing interest at 10% per annum (paid quarterly) and with the principal due on September 22, 2022.

		Debenture
Balance, December 31, 2020	€	***160,173***
Foreign currency adjustment		15.296
Interest for the year		16,860
Interest paid in the year		(15,141)
Balance, December 31, 2021		**177,188**
Interest accrued in the period		(4,322)
Balance, March 31, 2022	**€**	**181,510**

Principal	€	172,868
Accrued interest		8,642
	€	181,510

18. 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.

19. Segmented Information

The Company operates in several segments in which it develops, markets, and sells batteries, solar products and health care 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 March 31,		**2022**		**2021**
Revenue				
Germany	€	7,076,216	€	7,884,383
European Union (excl. Germany)		954,967		913,446
Worldwide		7,495		17,696
	€	**8,038,678**	**€**	**8,815,525**

All non-current assets are held in Germany.

During the three months ended March 31, 2022, the Company's three (2021 – three) largest customers represented 37%, 27%, and 8% of the Company's total sales (2021 – 40%, 17%, and 8%).

(Expressed in Euros) (Unaudited)

20. Commitments and Contingencies

As at March 31, 2021, the Company is required to make future minimum royalty payments, excluding any optional renewal periods, as follows:

		March 31, 2022
2022	€	20,000
Total	**€**	**20,000**

Due to the nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. Where the Company is subject to legal claims, management intends to vigorously defend itself against any such claims that may be outstanding.

While the outcomes of these matters are uncertain, based upon the information currently available, the Company does not believe that these matters in aggregate will have a material adverse effect on its financial statements. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of these changes in its consolidated financial statements in the period in which such changes occur.

21. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on they Company's financial results.

As a result of COVID-19, the Company redeveloped its Dr. Senst brand expanding the product range, to include masks along with its original products (Dr. Senst one-way gloves and hearing aid batteries), which has had a positive impact on the Company's financial results.