

**GLORIOUS CREATION LIMITED.**  
**Management Discussion and Analysis**  
**For the Six Months Ended June 30, 2023**

This management discussion and analysis of financial condition and results of operations (the “MD&A”) for Glorious Creation Limited (“Glorious”, “GCIT” or the “Company”) is prepared as of August 29, 2023 and is intended to assist in the understanding and assessment of trends and significant changes in the results of operations and financial condition of the Company. The information herein should be read in conjunction with the unaudited condensed interim financial statements for the six months ended June 30, 2023, and in conjunction with the audited financial statements for the years ended December 31, 2022 and related notes thereto which have been prepared under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

**Forward-Looking Statements**

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company’s future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to internet and social media industry (see section “Business Risks” herein). Forward-looking information is, in addition, based on various assumptions including, without limitation, the expectations and beliefs of management, that the Company can access financing, appropriate equipment and sufficient labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements.

**Description of Business**

The Company was incorporated under the Canada Business Corporations Act on December 24, 2015 and was registered as an extra-provincial company in British Columbia on January 28, 2016. On September 5, 2017, the Company completed its initial public offering (“IPO”) and trading of the Company’s common shares commenced on the Canadian Securities Exchange (“CSE” or the “Exchange”).

The Company is currently identifying and evaluating new potential assets or business acquisition.

The Company's head office and principal address is 401 - 750 West Pender Street, Vancouver, BC, Canada and the registered and records office of the Company is located at 900 – 885 West Georgia Street, Vancouver, BC, Canada.

On April 6, 2022, the Exchange has determined that Company has not met the continued listing requirements as set out in CSE Policy 2, Appendix A section 2.9. Pursuant to Policy 6 section 2.4, the Company may not rely on confidential price protection, nor may the Company complete any financing without prior Exchange approval. In accordance with Policy 3, section 5.1, the .X extension is added to the listed securities of Company that the Exchange has deemed to be inactive.

During the period ended June 30, 2023, the Company continued to work towards satisfaction of the conditions precedent as further described in the Proposed Acquisition of Aerobloom below.

Subsequent to the period ended June 30, 2023, on July 30, 2023, the Company ("Glorious") entered into a definitive business combination agreement (the "Agreement") with AeroBloom, to acquire all of the issued and outstanding common shares of AeroBloom in exchange for securities of the Company (the "Transaction").

The Agreement replaces and supersedes the definitive share exchange agreement dated May 3, 2022 and amending agreement dated September 13, 2022 announced in the Initial News Releases and is further described below and in Note 11 to the financial statements.

During the year ended December 31, 2022, on August 23, 2022, the Company closed a non-brokered private placement issuing 4,225,818 common shares of the Company at a price of \$0.25 per share for gross proceeds of \$1,056,455. The Company paid finder's fees totaling \$2,400 to certain arm's length finders who assisted with the offering and recorded share issuance costs of \$17,895. Shares issued under the Offering are subject to a statutory hold period in Canada expiring four months and one day from the date of issuance.

### **Proposed Acquisition of Aerobloom**

On May 3, 2022, the Company and Aeroponics Integrated Systems Inc. ("AeroBloom") and the holders of AeroBloom shares (the "AeroBloom Shareholders"), a company that is in the business of development and use of the proprietary aeroponics technology to harvest and cultivate various crops for distribution and retail, entered into a definitive share exchange agreement, which was amended on September 13, 2022.

Subsequent to the period ended June 30, 2023, on July 30, 2023, the Company ("Glorious") entered into a definitive business combination agreement (the "Agreement") with AeroBloom, to acquire all of the issued and outstanding common shares of AeroBloom in exchange for securities of the Company (the "Transaction").

The Agreement replaces and supersedes the definitive share exchange agreement dated May 3, 2022 and amending agreement dated September 13, 2022 announced in the Initial News Releases.

### **About AeroBloom**

AeroBloom is a private company incorporated under the laws of California. AeroBloom's core business is the development and use of proprietary aeroponics technology to harvest and cultivate various crops including tomatoes and bell peppers for distribution and retail. AeroBloom's technology, which includes hardware, software, and know-how (unique growing protocols) for the optimal cultivation of plant crops in controlled environments, provides advantages in terms of yield, water conservation, speed of growth, and quality of crops relative to other similar systems available for controlled environment agriculture. This, in turn, allows AeroBloom to produce food at a lower cost relative to other producers using similar systems. AeroBloom intends to construct a greenhouse capable of growing tomatoes and bell peppers using its proprietary aeroponics technology. Additional information regarding AeroBloom can be found on AeroBloom's website at aerobloom.com.

Following completion of the proposed Transaction, the Company (the "Resulting Issuer") will hold all of the assets and continue the business of AeroBloom.

### The Transaction

The Company agreed to acquire all of the issued and outstanding common shares (collectively, the "AeroBloom Shares") of AeroBloom in consideration for the issuance of the Subordinate Voting Shares (as defined below) and the Multiple Voting Shares (as defined below).

Pursuant to the terms of the Agreement, the Company agreed to issue 1.25 Subordinate Voting Shares for each AeroBloom Share (after AeroBloom completes a reorganization of its share capital (the "AeroBloom Share Reorganization")) and, for certain shareholders of AeroBloom, issue 0.04166667 Multiple Voting Shares for each AeroBloom Share (after the AeroBloom Share Reorganization).

Pursuant to the terms of the Agreement, the Company will create a new class of multiple voting shares (the "Multiple Voting Shares") and redesignate and amend its current class of CSE-listed common shares (the "Glorious Common Shares") as subordinate voting shares (the "Subordinate Voting Shares").

The Multiple Voting Shares and the Subordinate Voting Shares will have the same rights, be equal in all respects and will be treated by Glorious as if they were shares of one class only. Multiple Voting Shares will at any time, at the option of the holder, and subject to certain conditions to ensure that the Company remains a "foreign private issuer" (as such term is defined in Rule 405 of Regulation C under the U.S. Securities Act of 1933 (the "SEC Rules")), be convertible into Subordinate Voting Shares at a ratio of 50 Subordinate Voting Shares for each Multiple Voting Share.

Prior to conversion, each Multiple Voting Share will carry 50 votes per share (compared to one vote per Subordinate Voting Share). The Multiple Voting Shares are being created in order for the Company to continue to meet the definition of a "foreign private issuer" under the SEC Rules.

### The Arrangement

The Transaction will be effected by way of a court-approved plan of arrangement (the "Arrangement") conducted pursuant to the provisions of the Business Corporations Act (British Columbia) (the "BCBCA") and will require the approval of at least: (a) two-thirds of the votes cast on the resolution in respect of the Arrangement (the "Arrangement Resolution") by shareholders of Glorious ("Glorious Shareholders") present in person or by proxy at a meeting of the Glorious Shareholders (the "Meeting"); (b) a simple majority of the votes cast on the Arrangement Resolution by Glorious Shareholders present in person or by proxy at the Meeting, excluding the Glorious Common Shares held directly or indirectly by "affiliates" and "control persons" of Glorious under National Instrument 41-101 – General Prospectus Requirements and Ontario Securities Commission Rule 56-501 – Restricted Shares; and (c) a simple majority of the votes cast on such resolution by Glorious Shareholders present in person or by proxy at the Meeting, excluding the Glorious Common Shares required to be excluded under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

In regards to the Meeting, a management information circular (the "Information Circular") setting out the terms of the Arrangement, as well as further information regarding the Arrangement and the Transaction, will be circulated to all Glorious Shareholders in connection with the Meeting as soon as possible. Further details regarding the dates and locations of the Meeting will be provided once determined.

### Previous Financing

AeroBloom previously announced that it had closed a crowdfunding regulation financing of common shares of AeroBloom Shares at a price of US\$0.37 per AeroBloom Share for gross proceeds of approximately US\$4.6 million,

of which US\$1,400,000 of the gross proceeds have been deposited into escrow until the earlier of the closing of the Transaction or termination of the Agreement.

#### Conditions to the Transaction

Completion of the Transaction is subject to certain conditions including, but not limited to, receipt of all applicable shareholder, court and regulatory approvals, including approval of the CSE as well as such other closing conditions customary of transactions of this nature.

#### Trading Halt

The Glorious Common Shares are currently halted from trading, and the trading of the Glorious Common Shares is expected to remain halted pending completion of the Transaction.

#### **Selected Annual Financial Information**

The following selected financial information is derived from the audited financial statements and notes thereto.

	As at December 31,		
	2022 -\$-	2021 -\$-	2020 -\$-
Current assets	795,594	291,284	509,229
Non-current assets	-	-	-
Total assets	795,594	291,284	509,229
Current liabilities	29,534	29,052	26,437
Long term liabilities	-	-	-
Shareholders' equity	766,060	262,232	482,792
Total liabilities and equity	795,594	291,284	509,229
Working capital	766,060	262,232	482,792

	Years ended December 31,		
	2022 -\$-	2021 -\$-	2020 -\$-
Revenue	-	-	-
Gross profit (loss)	-	-	-
Expenses and other items	(532,331)	(220,560)	(135,849)
Net loss and Comprehensive loss	(532,331)	(220,560)	(135,849)
Basic and diluted net loss per share	(0.02)	(0.01)	(0.01)
Dividends per share	-	-	-

### Summary of Quarterly Results

The following is a summary of selected financial information compiled from the quarterly unaudited financial statements for the eight quarters ended June 30, 2023:

	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Total assets	\$ 508,590	\$ 673,316	\$ 795,594	\$ 901,262
Working capital	454,088	631,286	766,060	888,766
Long-term liabilities	-	-	-	-
Shareholders' equity	454,088	631,286	766,060	888,766
Net loss and comprehensive loss for the period	(177,199)	(134,774)	(76,263)	(226,355)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.00)	(0.01)
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Total assets	\$ 162,834	\$ 195,845	\$ 291,284	\$ 392,338
Working Capital	32,520	190,591	262,232	379,850
Long-term liabilities	-	-	-	-
Shareholders' equity	32,520	190,591	262,232	379,850
Net loss and comprehensive loss for the period	(158,072)	(71,641)	(117,618)	(21,980)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.00)

The operating results of junior companies are capable of demonstrating wide variations from period to period. Other than the factors leading to certain costs discussed below in the section "Results of Operations", management of the Company does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations.

The main factors contributing to variance in net loss in the eight quarters ending June 30, 2023, were incurred in connection to the Company's efforts in pursuit of identifying and evaluating new potential assets or a business acquisition, which has resulted in the announcement of the Proposed Acquisition of Aerobloom as further described above and in the Note 11 to the Financial Statements. In connection to these activities, the Company has incurred increases in professional fees including legal, consulting, and accounting/audit fees which are the main components of the variances reported in the periods ended September 30, 2022, June 30, 2022, March 31, 2022, and December 31, 2021. In addition, during the periods ended June 30, 2023 March 31, 2023 and December 31, 2022, management and directors' fees have increased commensurate with the level of services required in pursuit of the Proposed Transaction.

### Results of Operations

#### Six months ended June 30, 2023 and 2022

During the six months ended June 30, 2023, the Company recorded a loss of \$311,972 (2022 - \$229,712). The main categories of variance are comprised of the following items:

- Travel and related \$23,223 (2022 - \$nil)
- Director fees of \$63,000 (2022 - \$6,300)
- Management fees \$85,050 (2022 - \$28,350)
- Accounting and auditing \$18,000 (2022 - \$31,622)

The increases in travel and related during the period were due to travel in connection to the proposed acquisition of AeroBloom. Increases in director and management fees during the comparative period were due to the increased efforts of directors and management in connection to the Proposed Transaction. Accounting and auditing fees decreased due commensurate with the usage of the services in the comparative periods; in the comparative period, the Company incurred costs associated with the audit requirements of the transaction.

### **Three months ended June 30, 2023 and 2022**

During the three months ended June 30, 2023, the Company recorded a loss of \$177,199 (2022 - \$158,072). The main categories of variance are comprised of the following items:

- Accounting and auditing fees of \$4,000 (2022 - \$26,000)
- Director fees of \$31,500 (2022 - \$3,150)
- Management fees \$42,525 (2022 - \$14,175)
- Legal fees \$60,645 (2022 - \$117,380)
- Travel and related \$17,748 (2022 - \$nil)

Accounting and auditing fees decreased due commensurate with the usage of the services in the comparative periods; in the comparative period, the Company incurred costs associated with the audit requirements of the transaction. The increases in director and management fees in the current period were due to the increased efforts of directors and management in connection to the Proposed Transaction. The increases in travel and related during the period were due to travel in connection to the proposed acquisition of AeroBloom.

### **Liquidity and Capital Resources**

As at June 30, 2023, the Company has working capital of \$454,088 (December 31, 2022 - \$766,060) and cash of \$361,307 (December 31, 2022 - \$648,401).

Net cash used in operating activities for the current period was \$287,094 (2022 - \$102,607). The net cash used in operating activities for the period consisted of the operating loss and a change in non-cash working capital items.

There can be no assurance of successful pursuit of identifying and evaluating new potential assets or business acquisition, and/or completion of the Proposed Transaction. The Company may need to raise further capital to continue operations and complete its Proposed Transaction.

During the period ended June 30, 2023, there were no share capital issuances.

During the year ended December 31, 2022, on August 23, 2022, the Company closed a non-brokered private placement issuing 4,225,818 common shares of the Company at a price of \$0.25 per share for gross proceeds of \$1,056,455. The Company paid finder's fees totaling \$2,400 to certain arm's length finders who assisted with the offering and recorded share issuance costs of \$17,895. Shares issued under the Offering are subject to a statutory hold period in Canada expiring four months and one day from the date of issuance.

### **Related Party Transactions**

- a) During the six months ended June 30, 2023, the Company paid or accrued management fees of \$63,000 (2022 - \$15,750) to a company controlled by the CEO of the Company. As of June 30, 2023, the Company prepaid \$12,587 (December 31, 2022 - \$12,497 prepaid) to a company controlled by the CEO management fees and office rent reimbursement for July 2023.

- b) During the six ended June 30, 2023, the Company paid or accrued management fees of \$nil (2022 - \$12,600) to a company controlled by the former CFO of the Company. As of March 31, 2023, \$nil (December 31, 2022 - \$nil) was owed to a company controlled by the former CFO.
- c) During the six ended June 30, 2023, the Company paid or accrued management fees of \$22,050 (2022 - \$nil) to a company controlled by the CFO of the Company. As of June 30, 2023, the Company prepaid \$3,675 (December 31, 2022 - \$3,675 prepaid) to a company controlled by the CFO for July 2023 management fees.
- d) During the six ended June 30, 2023, the Company paid or accrued directors' fees of \$63,000 (2022 - \$6,300) to a company controlled by a director. As of June 30, 2023, the Company prepaid \$10,500 (December 31, 2022 - \$10,500 prepaid) to a company controlled by the director for July 2023 directors' fees.

### **Off Balance Sheet Arrangements**

The Company has no off balance sheet arrangements.

### **Investor Relations**

N/A

### **Commitments**

The Company has no commitments.

### **Subsequent Events**

Subsequent to the period ended June 30, 2023, on July 30, 2023, the Company ("Glorious") entered into a definitive business combination agreement (the "Agreement") with AeroBloom, to acquire all of the issued and outstanding common shares of AeroBloom in exchange for securities of the Company (the "Transaction").

The Agreement replaces and supersedes the definitive share exchange agreement dated May 3, 2022 and amending agreement dated September 13, 2022 announced in the Initial News Releases.

See Note 11 to the financial statements for further information on the definitive business combination agreement.

### **Financial and Capital Risk Management**

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company measured its cash, note receivable, accounts payable and accrued liabilities, and due to related parties at amortized cost. The carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

***Credit risk***

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables.

The Company's cash is held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash and receivables on its statement of financial position.

***Currency risk***

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no significant assets or liabilities and has no revenue or expenses denominated in a foreign currency; accordingly, it is not exposed to foreign currency risk.

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at June 30, 2023, the Company had a cash balance of \$361,307 (December 31, 2022 - \$648,401) to settle current liabilities of \$54,502 (December 31, 2022 - \$29,534). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

***Capital management***

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities. The Company relies mainly on equity issuances and loans from related parties to raise new capital. In the management of capital, the Company includes the components of shareholders' equity (deficiency). The Company prepares annual estimates of operating expenditures and monitors actual expenditures compared to the estimates in an effort to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to negotiate premium interest rates on savings accounts or to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated at any time without interest penalty. The Company will require additional financing in order to provide working capital to fund costs for the current year. These financing activities may include issuances of additional debt or equity securities.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

**Significant Accounting Policies, Critical Judgments and Estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and



the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Notes 3 and 4 of its unaudited financial statements for the period ended June 30, 2023 and the annual audited financial statements for the year ended December 31, 2022.

### **Outstanding Share Data**

The following table summarizes the Company's outstanding share data as at the period ended June 30, 2023, and as at the date of this MD&A:

	Number of shares Issued or issuable
Common shares	25,209,207
Stock options	Nil
Warrants	18,181,818

### **Risks and Uncertainties**

The Company currently has no active business, significant assets, or source of recurring income.

The Company is currently evaluating other potential assets or business to acquire. The Company has only limited funds available to identify and evaluate potential projects and thereby cannot provide assurance the Company will be able to identify or complete a suitable transaction.

There can be no assurances that the Company will continue to be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The Company's success depends to a certain degree upon key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

### **Corporate Governance**

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval.

The Audit Committee, comprised of three directors, all of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.