

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Red Light Holland Corp. (the "**Company**")
1 Adelaide Street East, Suite 801
Toronto, Ontario M5C 2V9

Item 2 Date of Material Change

November 11, 2025

Item 3 News Release

The news release dated November 11, 2025 was filed on SEDAR+ and disseminated via Newsfile.

Item 4 Summary of Material Change

The Company announced that its wholly owned subsidiary Happy Caps is expanding its Safeway partnership to 123 stores across the U.S. Pacific Northwest. The Company also announced the grant of stock options and restricted stock units and the issuance of common shares to directors and consultants in settlement of debt.

Item 5 Full Description of Material Change

Safeway Expansion

On November 11, 2025, the Company announced a major U.S. retail expansion milestone for its wholly owned subsidiary, 4316747 Nova Scotia Limited o/a Happy Caps Mushroom Farm ("**Happy Caps**") with Albertsons Companies and its Safeway banner.

Following its successful initial launch in 66 Safeway stores earlier this year, Happy Caps is thrilled to announce an expanded partnership with Albertsons Companies, increasing distribution by 86% to 123 Safeway locations across Oregon and Washington State.

This expanded program will roll out the week of November 17, 2025, perfectly timed for American Thanksgiving, with a replenishment order scheduled for the week of December 5 to support the holiday season.

Happy Caps' premium home grow kits, including Shiitake, Lion's Mane, and Oyster mushrooms will be featured prominently across Safeway's Northwest Region locations. Each kit is Made in Oregon in partnership with Trailbridge Mushroom Farm, ensuring local freshness, improved sustainability, and enhanced margins.

Key Highlights of the Safeway Expansion:

- 123 Safeway stores across Oregon and Washington (up from 66 stores)
- Available the week of November 17 to support Thanksgiving celebrations
- Replenishment order the week of December 5 for the holiday season
- 4,428 total units, up from 2,376 units in the spring program
- Locally produced in Oregon with Trailbridge Mushroom Farm
- Part of Albertsons Companies, which operates over 2,200 stores across the U.S.

This milestone underscores Happy Caps' growing U.S. momentum and the Company's continued commitment to expanding its premium mushroom product offerings across North America.

Grant of Stock Options and RSUs

Pursuant to the Company's equity incentive plan (the "**Plan**") approved at the Company's annual, general and special meeting held on October 31, 2024, the Company granted 100,000 options (the "**Stock Options**") to acquire common shares of the Company ("**Shares**") to an incoming employee of the Company. The Stock Options are exercisable at a price of \$0.05 per share until November 11, 2030, vesting over the next two years. In addition, the Company granted 4,250,000 restricted stock units (the "**RSUs**") to certain officers, employees, and consultants of the Company, vesting over the next two years.

The Shares underlying the Stock Options and RSUs are subject to a statutory four month and one day hold period, and such further restrictions as may apply under foreign securities laws.

A director of the Company received 3,500,000 RSUs and 1/3 of these RSUs vest and are settled on the date of issuance into Shares representing a related-party transaction under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The participation of the related party of the Company is exempt from the formal valuation and minority shareholder approval requirements provided under MI 61-101 in accordance with sections 5.5(a) and 5.7(1)(1) of MI 61-101, as neither the fair market value of the subject matter of the transaction, nor the consideration, exceed 25% of the Company's market capitalization. The Company did not file a material change report related to the RSU grant more than 21 days before the grant as required by MI 61- 101 but believes that this shorter period is reasonable and necessary in the circumstances as the Company wishes to incentivize the retaining of key personnel as soon as possible.

Issuance of Shares for Debt Settlement

The Company also announced that its board of directors has approved the issuance of 5,611,250 Shares to directors and consultants at the deemed price of \$0.035 per share in consideration for these parties agreeing to reduce their cash compensation they are entitled to, allowing the Company to preserve their cash balance (the "**Shares for Debt**").

As directors of the Company received 4,659,750 Shares representing a related-party transaction under MI 61-101. The participation of the related party of the Company is exempt from the formal valuation and minority shareholder approval requirements provided under MI 61-101 in accordance with sections 5.5(a) and 5.7(1)(1) of MI 61-101, as neither the fair market value of the subject matter of the transaction, nor the consideration, exceed 25% of the Company's market capitalization. The Company did not file a material change report related to the Shares for Debt more than 21 days before the settlement as required by MI 61- 101 but believes that this shorter period is reasonable and necessary in the circumstances as the Company wishes to remove the cash obligation as soon as possible.

Furthermore, the Company's board of directors has approved the settlement of amounts owing to arm's length creditors through the issuance of Shares in the capital of the Company at the deemed price per share to be determined at time of settlement.

The related party participation is as follows:

Name of Insider	Position with the Company	Number of Securities	Value	Number and percentage of common shares held before Closing ⁽¹⁾	Number and percentage of common shares held after Closing ⁽¹⁾
Brad Lamb	Director	2,600,000 Shares	\$91,000	4,020,000 (0.98%)	6,620,000 (1.58%)
Michael Galloro	Director	1,108,250 Shares	\$38,788.75	Nil (0%)	1,108,250 (0.25%)
Binyomin Posen	Director	951,500 Shares	\$33,302.50	1,344,667 (0.33%)	2,296,167 (0.55%)
Todd Shapiro	Director and CEO	1,166,667 Shares	Nil	13,664,999 (3.31%)	14,831,666 (3.54%)

Note:

(1) Calculated on a non-diluted basis, inclusive of common shares beneficially owned, controlled or directed, directly or indirectly, and based on 412,252,552 common shares issued and outstanding prior to the grant of Stock Options and RSUs and the closing of Shares for Debt and 419,280,468 common shares issued and outstanding immediately following the grant of Stock Options and RSUs and the closing of Shares for Debt.

Each of the aforementioned director abstained from the approval of the grant of Stock Options, RSUs, and the Shares for Debt as directors of the Company. The directors of the Company approved the transactions by written resolution. In accordance with the *Business Corporations Act* (Ontario), all of the directors were required to sign the authorizing resolution in order for the grant of Stock Options and RSUs and issuance of Shares for Debt to be valid as if passed at a meeting of the directors of the Company, however, the signatures of each of the aforementioned insiders do not constitute a vote by the insider as a director to approve the grant of Stock Options and RSUs and issuance of Shares for Debt. The grant of Stock Options and RSUs and issuance of Shares for Debt were unanimously approved by the directors of the Company entitled to vote thereon.

Other than the dilution resulting from the issuance of the Shares underlying the RSUs and the Shares for Debt, the Company does not expect the above mentioned transactions to have any material impact on its financial condition, business, or affairs.

The Company is not aware of any prior valuation relevant to the subject matter of these transactions made within the past 24 months.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Todd Shapiro
Chief Executive Officer and Director
Tel: 647-204-7129
Email: todd@redlight.co

Item 9 Date of Report

November 17, 2025