

Red Light Holland Reports 2024 Audited Year End Results

- Cash balance of \$14.1 million as at March 31, 2024
- Annual revenue of \$4.7 million (vs 2023: \$3.9 million, an increase of 20.3%)
- Gross profit of 42.5% (vs 2023: 43.1%, an increase in gross profit dollars of 18.8%)
- Cash burn of \$3.3 million (vs 2023: \$3.8 million, a decrease of 11.7%)
- Property, plant and equipment value of \$5.3 million
- Total assets of \$24.1 million

Toronto, Ontario--(Newsfile Corp. - July 29, 2024) - Red Light Holland Corp. (CSE: TRIP) (FSE: 4YX) (OTCQB: TRUFF) ("**Red Light Holland**" or the "**Company**"), an Ontario-based corporation engaged in the production, growth, and sale of functional mushrooms and mushroom home grow kits in North America and Europe, and a premium brand of psilocybin truffles to the legal, recreational market within the Netherlands, in compliance with all applicable laws, announces that it has completed the process of filing its Audited Annual Financial Statements and Management Discussion & Analysis for the years ended March 31, 2024 and 2023.

"The entire team at Red Light Holland is proud of our 2024 audited year end results, as we continue to grow our revenues. We remain strategically focused on the long game, while other companies in our space continue to burn cash at a frightening rate, have small runways, or march towards the eve of insolvency as the overall sector, to be frank, has been unimpressive," said Todd Shapiro, Red Light Holland CEO and Director. "In our opinion, the harsh reality is that governments are uncertain, even despite recent groundbreaking emerging psilocybin developments, on their direct path forward - hence they are slower to introduce this much needed therapeutic approach to patients in need. Red Light Holland had anticipated this slower path, which is why we are pleased with our pivot a few years ago creating our 'everything mushroom' vision. Our core focus remains on profitability while we continue to advocate for the 'right to try' and push for adult access to psilocybin for those in need - and our hard work, goals, and strategy continue to show positive momentum."

Red Light Holland CEO, Todd Shapiro added these key highlights:

Financial Growth:

- "We grew our revenues by over 20% last year, not including our recent impressive Costco Canada partnership.

Strategic Focus:

- We continue to focus on our path to profitability and our road to increase near term and long term revenues through multiple streams as an 'everything mushroom' company.

Diversified Portfolio and Increased Distribution:

- Since going public with zero sales in May 2020, we have now achieved over \$11.0 million in sales (as at March 31, 2024) via:
 - *The Horst Facility*, our wholly owned farm in the Netherlands successfully growing and supplying magic truffles through 3 brands across 200+ SmartShops.
 - *SR Wholesale*, our wholly owned subsidiary, which is one of the leading distributors to SmartShops in the Netherlands.
 - *MiniChamp BV*, our wholly owned subsidiary, with its sales expansion of home grow mushroom kits across the EU, including a large Minichamp kit order now in Germany.
 - *AEM Farms*, where we own a majority stake in a shiitake mushroom farm in New Brunswick, Canada, supplying major retailers including Farm Boy, Costco Canada, Loblaws, and Whole

Foods through distributors.

- *Happy Caps*, another wholly owned company, supplying mushroom home grow kits in over 330 total locations in Canada, including Costco Canada, Longo's Markets, Canadian Tire, and Real Canadian Superstores.
- *Mush Room & More*, wellness shops in Oss and Utrecht, The Netherlands. The Company's renovations and rebrand of its retail stores in Oss and Utrecht were completed. We continue to increase the number of products sold through these locations to align the brand to the holistic view of mind and body health while executing on customer experience initiatives.

Research and Development:

- Published reports on Psilocybin's benefits.
- Achieved certifications for Psilocybin Microdosing Capsules.
- Successfully tested and extracted Psilocybin truffles.
- The Company's innovative iMicroapp, that collects vital real-world data from consensual users of psilocybin, aimed for advocacy and learned information to share with governments, peers and those involved in the mission for the 'right to try' responsibly.

Partnerships and Achievements:

- We've partnered with CCrest Laboratories (with Health Canada approved psilocybin import permits) and PharmAla for psilocybin testing and extraction.
- We have collaborated with Professor David Nutt's Drug Science for microdosing research which harnessed real-world data from 929 individuals engaging with psilocybin in the Netherlands' regulated market, from Red Light Holland's microdosing app.
- We also have an incredibly gifted and talented Advisory Board providing Management with tremendous knowledge and support.

Government Access:

- Government uncertainty in emerging psilocybin markets has slowed therapeutic introductions, which, again, is why we are confident in our overall strategy as an 'everything mushroom' company focused on increasing both near term and long term revenues, as we await hopeful changes in legalities for adult access to psilocybin.

Future Plans:

- AEM Ontario: Building an 80,000 square feet farm in Peterborough, Ontario, with continued work underway.
- Increasing sales from both of our wholesale divisions in Europe and North America.
- Increasing points of sales for all of our brands in Europe and North America.
- Exploring potential mergers and acquisitions, at a time where many established CPG companies are running out of cash and are looking for support from companies, such as Red Light Holland, who are well capitalized.
- Advancing our R&D from our recent accomplishments, which highlight the capabilities of Red Light Holland and its partnerships, setting a robust foundation for subsequent phases with the goal of commercialization of therapeutic/medical psilocybin sales in emerging markets, while we continue to advocate for broader legal psilocybin access.

Challenges Acknowledged:

- While we've made mistakes along the way, we continue to learn and grow from them. Pivots, challenges, and changes in all businesses and all sectors happen. Management must adapt to market trends and tougher economic times and be flexible to adopt new strategies and plans. I love the phrase 'fail forward'. We acknowledge delayed timelines and unsatisfactory partnerships - but overall we remain confident in our strategic path. We are proud of our accomplishments. Our

continued efforts remain focused on creating long term value for our loyal shareholders.

Financial Strength:

- As of March 31, 2024:
 - \$14.1 million in cash.
 - \$24.1 million in total assets.
- Investing strategically in Canadian Guaranteed Investment Certificates to earn interest while retaining principal protection."

The Audited Financial Statements and Management's Discussion and Analysis for the year ended March 31, 2024 are now available on SEDAR+.

About Red Light Holland

The Company is an Ontario-based corporation engaged in the production, growth and sale of functional mushrooms and mushroom home grow kits in North America and Europe, and a premium brand of psilocybin truffles to the legal, recreational market within the Netherlands, in compliance with all applicable laws.

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Cautionary Statement Regarding Forward-Looking Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements include, the Company continuing advocating and pushing for the right to try and adult access to psilocybin; its focus on profitability and increasing near term and long term revenues through multiple product streams, including the overall strategy as an 'everything mushroom' company with respect to increasing near term revenues; the Company's focus on creating long term value for our loyal shareholders; the Company exploring potential mergers and acquisitions; the Company advancing its R&D; and the Company's advocacy for broader psilocybin access.

Forward-Looking information in this news release are based on certain assumptions and expected future events, namely: continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the Company's ability in continuing advocating and pushing for the right to try and adult access to psilocybin; the Company's ability to focus on profitability and increasing near term and long term revenues through multiple product streams; the Company's ability to focus on creating long term value for our loyal shareholders; the Company ability to explore potential mergers and acquisitions; the Company's ability to advance its R&D; and the Company's ability to advocate for broader psilocybin access.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, the Company's inability to obtain continued approval of the

Company's activities by the relevant governmental and/or regulatory authorities; the Company's inability in continuing advocating and pushing for the right to try and adult access to psilocybin; the Company's inability to focus on profitability and increasing near term and long term revenues through multiple product streams; the Company's inability to focus on creating long term value for our loyal shareholders; the Company's inability to explore potential mergers and acquisitions; the Company's inability to advance its R&D; and the Company's inability to advocate for broader psilocybin access.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements.

The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws.

CAUTIONARY NOTE REGARDING FUTURE ORIENTED FINANCIAL INFORMATION

This press release may contain future oriented financial information ("FOFI") within the meaning of Canadian securities legislation, about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action, which FOFI is not presented in the format of a historical balance sheet, income statement or cash flow statement.

The FOFI has been prepared by management to provide an outlook of the Company's activities and results and has been prepared based on a number of assumptions including the assumptions discussed under the heading above entitled "Cautionary Note Regarding Future Oriented Financial Information" and assumptions with respect to the costs and expenditures to be incurred by the Company, capital expenditures and operating costs, taxation rates for the Company and general and administrative expenses. Management does not have, or may not have had at the relevant date, firm commitments for all of the costs, expenditures, prices or other financial assumptions which may have been used to prepare the FOFI or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not, or may not have been at the relevant date of the FOFI, objectively determinable.

Importantly, the FOFI contained in this press release and the documents incorporated by reference herein, are, or may be, based upon certain additional assumptions that management believes to be reasonable based on the information currently available to management, including, but not limited to, assumptions about: (i) the future pricing for the Company's products, (ii) the future market demand and trends within the jurisdictions in which the Company may from time to time conduct the Company's business, and (iii) the Company continued ability to maintain its capital to fund its ongoing business development and future growth.

The FOFI or financial outlook contained in this press release do not purport to present the Company's financial condition in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and there can be no assurance that the assumptions made in preparing the FOFI will prove accurate. The actual results of operations of the Company and the resulting financial results will likely vary from the amounts set forth in the analysis presented in any such document, and such variation may be material (including due to the occurrence of unforeseen events occurring subsequent to the preparation of the FOFI). The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments as at the applicable date. However, because this information is highly subjective and subject to numerous risks including the risks discussed under the heading above entitled "Cautionary Note Regarding Future Oriented Financial Information", FOFI or financial outlook within this in this press release should not be relied on as necessarily indicative of future results.

Readers are cautioned not to place undue reliance on the FOFI, or financial outlook contained in this in this press release. Except as required by Canadian securities laws, the Company does not intend, and does not assume any obligation, to update such FOFI.



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