

Red Light Holland Reports First Quarter 2025 Results

Key Highlights:

- **Cash Balance:** \$14.13 million as at June 30, 2024, including restricted cash (similar to cash balance position of \$14.37 million as at March 31, 2024)
- **Revenue:** \$1.6 million (up 29.7% from \$1.2 million in 2023)
- **Gross Profit:** 40.1% (vs. 2023: 43.5%, with a 19.4% increase in gross profit dollars)
- **Cash Burn:** \$562k (vs. 2023: \$765k, down 26.5%)
- **Total Assets:** \$24.0 million

Toronto, Ontario--(Newsfile Corp. - August 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 its financial and operational results for the three months ended June 30, 2024, the highlights of which are included in this news release. All figures are reported in Canadian dollars.

Todd Shapiro, CEO and Director of Red Light Holland, commented: "Our financial performance in the first quarter of 2025 reflects our strategic commitment to growth while maintaining strong cash management. We've increased revenues by 29.7% year-over-year, a clear indicator of our market strength and operational efficiency. Unlike many companies in our sector facing severe financial challenges, Red Light Holland continues to move forward with positive momentum, driven by our diversified revenue streams and prudent cash use. We look forward to continued, patient growth and we are excited to discuss our updated strategy in mid-to-late September 2024, as we'll host a live Q&A for our loyal shareholders."

Key Achievements:

- **Strategic Revenue Growth:** Achieved approximately 30% revenue growth year-over-year, not including the latest impactful Costco Canada reorder/partnership with Happy Caps
- **Diversified Portfolio:** Continued focus on expanding our brand recognition and overall retail distribution channels across Europe and North America, with current sales surpassing \$12.5 million since going public in 2020
- **Prudent Cash Management:** Significantly reduced the Company's cash burn, reinforcing our focus on financial stability and long-term profitability

Forward Outlook: Red Light Holland remains committed to focusing on a strategic path aimed at profitability and continued advocacy for responsible adult access and the 'right to try' psilocybin to help those in need. As we expand our product offerings and distribution, we are positioned to capitalize on emerging market opportunities while building long-term shareholder value as an "everything" mushroom company.

Upcoming Event: Todd Shapiro, CEO, and Jon Szczur, CFO, will host a live Q&A session in mid-to-late September 2024 to update shareholders on the Company's progress, recent strategy updates, and future plans.

The Company's full set of unaudited condensed interim consolidated financial statements for the three months ended June 30, 2024 and accompanying management's discussion and analysis can be accessed by visiting the Company's profile page on SEDAR+ at www.sedarplus.ca.

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.

For additional information:

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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. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or its respective subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this news release. Examples of such information include statements with respect to: the Company's strategic commitment to growth while maintaining strong cash management; the Company discussing their updated strategy at a future Q&A on the timelines indicated herein; the Company focusing on expanding brand recognition and overall retail distribution channels; the Company focusing on financial stability and long-term profitability; the Company focusing on continued advocacy for the legalization of, and adult access to, psilocybin; and the Company capitalizing on emerging market opportunities while building long-term shareholder value as an "everything" mushroom company.

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 to maintain its prudent cash use; the Company ability to explore potential mergers and acquisitions; the Company's ability to advance its research and development efforts; the Company's ability to maintain its strategic commitment to growth while maintaining strong cash management; the Company discussing their updated strategy at a future Q&A on the timelines indicated herein; the Company's continued focus on expanding brand recognition and overall retail distribution channels; the Company's continued focus on financial stability and long-term profitability; the Company's continued focus on advocacy for the legalization of, and adult access to, psilocybin; and the Company capitalizing on emerging market opportunities while building long-term shareholder value as an "everything" mushroom company.

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, namely: 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 to continue advocating for the legalization of, and adult access to, psilocybin; the Company's inability to increase its brand recognition and overall retail distribution channels; the Company's inability to focus on creating long term value for shareholders, including its inability to execute

its overall strategy as an "everything" mushroom company; the Company's inability to capitalize on emerging market opportunities; the Company's inability to maintain its prudent cash use; the Company's inability to explore potential mergers and acquisitions; the Company's inability to advance its research and development; the Company's inability to maintain its strategic commitment to growth while maintaining strong cash management; the Company not holding future Q&A and/or discussing an updated strategy on the timelines indicated herein or at all; and the Company no longer focusing on financial stability and/or long-term profitability.

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.



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