

Red Light Holland Reports Second Quarter 2025 Results

Key Highlights:

- **Cash Balance:** \$12.79 million as of September 30, 2024, including restricted cash (\$14.37 million as at March 31, 2024)
- **Additional Cash:** Received sales tax refund and interest on November 19, 2024, of \$868,960 and Costco payment on receivables of \$468,668 on November 8, 2024, bringing the cash balance to approx. \$13.5 million as of today
- **Revenue for Three and Six Months:** \$1.4 million and \$2.9 million (up 39.1% and 33.9% from \$1.0 million and \$2.2 million in 2023)
- **Gross Profit for Three and Six Months:** 40.4% and 40.2% (45.2% and 44.3% in 2023), with a 24.1% and 21.6% increase in gross profit dollars
- **EBITDA Loss for Three and Six Months:** \$320k and \$1,528k (\$897k and \$2,570k in 2023, down 64.3% and 40.5%)
- **Adjusted EBITDA Loss for Three and Six Months:** \$249k and \$719k (\$999k and \$1,478k in 2023, down 65.3% and 32.4%)
- **Total Assets:** \$23.3 million (\$24.1 million as at March 31, 2024)

Toronto, Ontario--(Newsfile Corp. - November 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 and six months ended September 30, 2024, the highlights of which are included in this news release. All figures are reported in Canadian dollars. The Company's full set of unaudited condensed interim consolidated financial statements for the three and six months ended September 30, 2024, and accompanying management's discussion and analysis can be accessed by visiting the Company's website at www.RedLight.co and its profile page on SEDAR+ at www.sedarplus.ca.

Todd Shapiro, CEO and Director of Red Light Holland, commented:

"Our Q2 results reflect our unwavering commitment to sustainable growth, strategic partnerships, and strong financial discipline. With revenues growing by 33.9% year-over-year and a significant reduction in EBITDA¹ and adjusted EBITDA², we are clearly on the path to long-term profitability. Notably, nearly all our income-generating portfolio companies have seen growth, with every business over the last 12 months, except one (Mush Room & More), running in the black in terms of operating cash flow as a net positive company-excluding depreciation, corporate costs, and other non-operational expenses. This is a clear indication of how well we are managing our operations.

"Despite broader market challenges, tourism being down in the Netherlands, high interest rates leading to less spending plus inflationary pressures, Red Light Holland has proven the resilience of our business model. Our diversified portfolio, including our latest partnership with Costco Canada, positions us for continued success. We are excited for the new year and the renewed focus on healthy eating and alternatives to "Big Pharm", as conversations around psilocybin treatment - especially for our veterans - continue to evolve. With regulatory changes potentially on the horizon, we are well-positioned with our research and development, distribution, branding, and sales infrastructure to capitalize on these

emerging opportunities. We are confident that our strategy will pay off as we continue executing our vision of becoming the leading provider of functional mushrooms and psilocybin products in North America and Europe."

"Red Light Holland's motto is: '*Mind, Body, Gain - Grow your health, Build your wealth.*' We look forward to what the New Year can bring," added Shapiro.

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 \$14 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.
- **Operational Efficiency:** Nearly all of our portfolio-generating companies over the last four quarters have been operating in the black, with positive operating cash flow-excluding depreciation, corporate costs, and other non-operational expenses, demonstrating our effective management and execution.

Forward Outlook:

Red Light Holland remains committed to its strategic path of profitability and continued advocacy for the legalization of, and adult access to, psilocybin. As we expand our product offerings and distribution, we are positioned to capitalize on emerging market opportunities while building long-term shareholder value.

Board Update:

Red Light Holland would like to announce that Ann Barnes has departed from the Company's board of directors. We thank Ann for her valuable contributions and wish her all the best in her future endeavors. We look forward to naming a new board member in the coming weeks as we are currently in discussion with some significant and very successful entrepreneurs interested in the position.

*Selected financial information for the second quarter ended September 30, 2024:
(Expressed in Canadian Dollars)*

CONSOLIDATED STATEMENTS OF NET LOSS

(Unaudited)	Three months ended		Six months ended	
	Sep 30		Sep 30	
	2024	2023	2024	2023
Revenue	1,367,739	983,324	2,926,518	2,185,002
Cost of sales	815,808	538,656	1,749,914	1,217,237
Gross profit	551,931	444,668	1,176,604	967,765
<i>Gross profit as a % of sales</i>	40.4%	45.2%	40.2%	44.3%
General and administrative	1,434,309	1,450,068	2,954,786	3,005,505
Share based payments	-	154,370	733,905	1,066,309
Interest expense	46,246	60,329	82,118	106,804
Research	13,989	16,062	24,912	46,086
Loss before other items and taxes	(942,613)	(1,236,161)	(2,619,117)	(3,256,939)
Reversal of provision for sales taxes	163,249	-	163,249	-
Change in fair value of marketable securities	-	(1,534)	-	(37,026)
Gain on termination of contract	-	-	161,924	-
Contract termination fee	-	-	(171,883)	-
Realized gain on sale of property, plant and equipment	-	-	-	13,138

Change in fair value of convertible debenture	-	(35,955)	113,615	-
Change in fair value of derivative liability	-	13,641	-	27,368
Change in fair value of call option	-	-	-	(28,110)
Foreign exchange (loss) gain	(2,432)	(3,693)	(9,004)	1,973
Interest income	179,731	136,551	316,403	264,242
Loss before taxes	(602,065)	(1,127,151)	(2,044,813)	(3,015,354)
Recovery of income taxes	11,610	18,933	3,980	29,768
Net loss	(590,455)	(1,108,218)	(2,040,833)	(2,985,586)
Net loss attributable to:				
Shareholders of Red Light Holland Corp.	(566,195)	(1,066,946)	(1,989,470)	(2,942,976)
Non-controlling interests	(24,260)	(41,272)	(51,363)	(42,610)
Net loss	(590,455)	(1,108,218)	(2,040,833)	(2,985,586)
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average Common Shares outstanding	399,766,656	395,166,917	398,838,789	394,060,705

RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA

(Unaudited)	Three months ended		Six months ended	
	Sep 30		Sep 30	
	2024	2023	2024	2023
Net loss for the period	(590,455)	(1,108,218)	(2,040,833)	(2,985,586)
Income taxes (recovery)	(11,610)	(18,933)	(3,980)	(29,768)
Amortization and depreciation	231,899	169,745	439,207	339,440
Interest and accretion	50,263	60,306	77,135	106,157
EBITDA(i)	(319,903)	(897,100)	(1,528,471)	(2,569,757)
Adjusted for non-operating or unusual items:				
Reversal of provision for sales taxes	(163,249)	-	(163,249)	-
Share based payments	-	154,370	733,905	1,066,309
Unrealized loss on revaluation of marketable securities	-	1,534	-	37,026
Foreign exchange (loss) gain	2,432	3,693	9,004	(1,973)
Loss on revaluation of derivative liability	-	(13,641)	-	(27,368)
Gain on revaluation of the equity portion of convertible debenture	-	35,955	-	-
Loss on revaluation of convertible debenture	-	-	(113,614)	-
Gain on revaluation of call option	-	-	-	28,110
Contract termination fee	-	-	171,883	-
Gain on termination of contract	-	-	(161,924)	-
Gain on sale of property, plant and equipment	-	-	-	(13,138)
Adjusted EBITDA(ii)	(480,720)	(715,189)	(1,052,466)	(1,480,791)

(i) EBITDA - is a non-IFRS financial measure

(ii) Adjusted EBITDA - is a non-IFRS financial measure

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 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; the Company being well-positioned with its research and development, distribution, branding, and sales infrastructure strategies to capitalize on emerging market opportunities while building long-term shareholder value; the Company naming a new board member in the coming weeks; and the Company becoming the leading provider of functional mushrooms and psilocybin products in North American and Europe.

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 management; 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'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; the Company being well-positioned with its research and development, distribution, branding, and sales infrastructure strategies to capitalize on emerging market opportunities while building long-term shareholder value; the Company's ability to name a new board member in the coming weeks; and the Company becoming the leading provider of functional mushrooms and psilocybin products in North American and Europe.

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 maintain its prudent cash use; the Company inability to explore potential mergers and acquisitions; the Company's inability to maintain its strategic commitment to growth while maintaining strong cash management; the Company not being well-positioned with its research and development, distribution, branding, and sales infrastructure strategies to capitalize on emerging market opportunities while building long-term shareholder value; the Company not naming new board member in the coming weeks; and the Company not becoming the leading provider of functional mushrooms and psilocybin products in North American and Europe.

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.

¹ Earnings before interest, taxes, depreciation and amortization.

² Adjusted EBITDA is a non-International Financial Reporting Standards financial measure.



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