



RED LIGHT HOLLAND

RED LIGHT HOLLAND CORP.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2025 AND 2024**

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Red Light Holland Corp. (the "Company") have been prepared by, and are the responsibility of, the Company's management. The unaudited condensed interim consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada (these statements are prepared under IFRS[®] Accounting Standards and reflect management's best estimates and judgment based on information currently available).

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Red Light Holland Corp.
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(Expressed in Canadian Dollars)
As at June 30, 2025 and March 31, 2025

	June 30, 2025	March 31, 2025
	\$	\$
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	11,454,195	12,272,787
Restricted cash (Note 9)	-	565,378
Accounts receivable (Note 18)	473,563	404,030
Sales tax receivable	13,400	326
Marketable securities (Note 4)	217,000	-
Prepaid expenses and deposits	432,626	493,699
Inventories (Note 5)	1,015,788	1,000,785
Assets held for sale (Note 6)	2,255,251	-
Total Current Assets	15,861,823	14,737,005
Non-Current Assets		
Marketable securities (Note 4)	778,833	778,833
Property, plant and equipment (Note 7)	3,122,101	5,307,295
Intangible assets (Note 8)	13,932	22,074
Right-of-use asset (Note 10)	363,921	376,185
Total Non-Current Assets	4,278,787	6,484,387
Total Assets	20,140,610	21,221,392
<u>Liabilities</u>		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 18 and 19)	1,584,435	1,366,667
Convertible debentures (Note 9)	-	650,000
Lease liabilities (Note 11)	88,271	83,723
Loans and advances (Note 12)	1,132,784	1,127,884
Income tax payable	30,656	26,892
Total Current Liabilities	2,836,146	3,255,166
Non-Current Liabilities		
Lease liabilities (Note 11)	307,556	321,553
Deferred tax liability	268,197	295,086
Total Non-Current Liabilities	575,753	616,639
Total Liabilities	3,411,899	3,871,805
<u>Shareholders' Equity</u>		
Share capital (Note 14(a))	43,481,953	43,341,953
Shares to be issued	17,002	17,002
Warrants (Note 14(d))	11,017,314	11,017,314
Contributed surplus (Notes 14(b) and (c))	5,363,921	5,124,529
Non-controlling interest (Note 13)	(20,112)	(2,793)
Accumulated other comprehensive income	96,711	51,255
Accumulated deficit	(43,228,078)	(42,199,673)
Total Shareholders' Equity	16,728,711	17,349,587
Total Liabilities and Shareholders' Equity	20,140,610	21,221,392
Nature of operations (Note 1)		
Provisions, commitments and contingencies (Note 17)		
Subsequent events (Note 24)		

Approved on behalf of the Board of Directors:

"Brad Lamb"
Chairman & Director

"Todd Shapiro"
CEO & Director

Red Light Holland Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive loss (Unaudited)
(Expressed in Canadian Dollars)
For the Three Months ended June 30, 2025 and 2024

	2025	2024
	\$	\$
Revenue (Note 15)	1,301,165	1,558,779
Cost of Sales (Note 5)	853,954	934,106
Gross Profit	447,211	624,673
Operating Expenses		
General and administrative (Notes 19 and 20)	1,211,384	1,520,477
Share-based payments (Notes 14(a),(b) & (c) and 19)	379,392	536,587
Interest expense	18,884	35,872
Research	-	10,923
	1,609,660	2,103,859
Loss Before Other Items and Taxes	(1,162,449)	(1,479,186)
Other Items		
Unrealized gains in fair value of marketable securities (Note 4)	7,153	-
Realized loss on sale of property, plant and equipment	(819)	-
Gain on modification of convertible debentures	-	113,615
Contract termination cost (Note 18)	-	(9,959)
Foreign exchange loss	(2,345)	(6,572)
Interest income	91,709	136,672
Net Loss Before Taxes	(1,066,751)	(1,245,430)
Income tax recovery (expense) (Note 21)	21,027	(7,630)
Net Loss	(1,045,724)	(1,253,060)
Net Loss Attributable to:		
Shareholders of Red Light Holland Corp.	(1,028,405)	(1,225,957)
Non-controlling Interest (Note 13)	(17,319)	(27,103)
Net Loss	(1,045,724)	(1,253,060)
Foreign currency translation	45,456	-
Comprehensive Loss	(1,000,268)	(1,253,060)
Net Loss per Share – Basic and Diluted	\$ (0.00)	\$ (0.00)
Weighted Average Number of Outstanding Shares		
- Basic and Diluted	411,867,937	397,908,757

Red Light Holland Corp.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
(Expressed in Canadian Dollars)
For the Three Months ended June 30, 2025 and 2024

	Common Shares	Common Shares	Shares to be Issued	Equity Portion of Convertible Debenture	Warrants	Contributed Surplus	Non- controlling Interest	Accumulated Other Comprehensive Income	Accumulated Deficit	Shareholders' Equity
	#	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, March 31, 2024	393,785,080	42,439,190	32,694	113,614	10,697,260	4,927,822	192,107	17,086	(38,157,471)	20,262,302
Shares issued on exercise of RSUs (Note 14 (c))	251,258	21,359	(21,359)	-	-	-	-	-	-	-
Shares to be issued on vested RSUs	-	-	195,667	-	-	(195,667)	-	-	-	-
Shares issued on conversion of convertible debentures (Note 9)	1,666,666	100,000	-	-	-	-	-	-	-	100,000
Shares and warrants issued in connection with convertible debentures (Note 9)	2,375,000	92,472	-	33,913	320,054	-	-	-	-	446,439
Share-based payments (Notes 14 (a),(b) & (c))	957,853	52,682	-	-	-	483,905	-	-	-	536,587
Acquisition of non-controlling interest (Note 13)	-	-	-	-	-	-	70,684	-	-	70,684
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	7,069	-	7,069
Net loss and comprehensive loss	-	-	-	-	-	-	(27,103)	-	(1,225,957)	(1,253,060)
Balance, June 30, 2024	399,035,857	42,705,703	207,002	147,527	11,017,314	5,216,060	235,688	24,155	(39,383,428)	20,170,021
Balance, March 31, 2025	410,852,552	43,341,953	17,002	-	11,017,314	5,124,529	(2,793)	51,255	(42,199,673)	17,349,587
Shares issued on exercise of RSUs (Note 14 (c))	1,400,000	140,000	-	-	-	(140,000)	-	-	-	-
Share-based payments (Notes 14 (b) & (c))	-	-	-	-	-	379,392	-	-	-	379,392
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	45,456	-	45,456
Net loss and comprehensive loss	-	-	-	-	-	-	(17,319)	-	(1,028,405)	(1,045,724)
Balance, June 30, 2025	412,252,552	43,481,953	17,002	-	11,017,314	5,363,921	(20,112)	96,711	(43,228,078)	16,728,711

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Red Light Holland Corp.
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in Canadian Dollars)
For the Three Months ended June 30, 2025 and 2024

	2025	2024
	\$	\$
<u>Operating Activities</u>		
Net loss for the period	(1,045,724)	(1,253,060)
Items not affecting cash:		
Amortization and depreciation (Notes 7, 8 and 10)	95,424	207,772
Share-based payments (Notes 14(a),(b) & (c) and 19)	379,392	536,587
Unrealized gains in fair value of marketable securities (Note 4)	(7,153)	-
Loss on sale of property, plant and equipment	819	-
Gain on modification of convertible debentures	-	(113,615)
Gain on termination of contract (Note 18)	-	(161,924)
Interest and accretion	16,063	35,788
Deferred tax gains (Note 21)	(26,889)	(15,120)
	(588,068)	(763,572)
Movements in working capital:		
Accounts receivable	(69,533)	7,724
Sales tax receivable	(13,074)	(81,037)
Income tax receivable	3,764	40,259
Prepaid expenses and deposits	61,073	326,401
Inventories	(15,003)	(1,868)
Accounts payable and accrued liabilities	217,768	162,234
Cash Flows used in Operating Activities	(403,073)	(309,859)
<u>Investing Activities</u>		
Purchases of marketable securities (Note 4)	(209,847)	-
Acquisition of property, plant and equipment (Note 7)	(132,246)	(444,228)
Cash Flows used in Investing Activities	(342,093)	(444,228)
<u>Financing Activities</u>		
Proceeds from convertible debentures (Note 9)	-	358,826
Repayment of convertible debentures (Note 9)	(653,134)	-
Loan proceeds (Note 12)	4,900	200,000
Lease payments (Note 11)	(33,145)	(55,516)
Cash Flows provided by (used in) Financing Activities	(681,379)	503,310
Effect of changes in foreign currency rates on cash	42,575	6,344
Change in cash and cash equivalents and restricted cash	(1,383,970)	(244,433)
Cash and cash equivalents and restricted cash, beginning of period	12,838,165	14,372,324
Cash and cash equivalents and restricted cash, end of period	11,454,195	14,127,891
	\$	\$
<u>Supplemental Information</u>		
Shares issued on conversion of debentures (Note 9)	-	100,000
Shares issued as bonus to minority shareholders (Note 14(a)(i))	-	52,682

Red Light Holland Corp.
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
(Expressed in Canadian Dollars)
For the Three Months ended June 30, 2025 and 2024

1. Nature of Operations

Red Light Holland Corp. ("RLHC" or the "Company") is 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 in the legal, recreational market within the Netherlands. The Company is governed by the *Business Corporations Act* (Ontario). The address of the Company's registered office is 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9, Canada. The Company's common shares are listed on the Canadian Securities Exchange under the ticker symbol "TRIP", on the Frankfurt Stock Exchange under the symbol "4YX", and on the OTCQB Venture Market under the symbol "TRUFF".

2. Basis of Presentation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting. Certain information and note disclosures normally included in the Company's annual consolidated financial statements prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board, have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2025.

These condensed interim consolidated financial statements have been prepared on a going concern basis, under historical cost, except for certain financial instruments and equity instruments that are measured at fair value.

These condensed interim consolidated financial statements were reviewed, approved, and authorized for issuance by the Board of Directors (the "Board") of the Company on August 26, 2025.

Principles of Consolidation

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The condensed interim consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

These condensed interim consolidated financial statements include the accounts of the Company and the following list of subsidiaries:

Name of Subsidiaries	Country of Incorporation	Functional Currency	Percentage Ownership
Red Light Holland (Subco 1) Inc.	Canada	CAD	100%
Red Light Holland (Subco 2) Inc.	Canada	CAD	100%
4316747 Nova Scotia Limited ("Happy Caps") ¹	Canada	CAD	100%
Acadian Exotic Mushrooms Ltd. ("AEM")	Canada	CAD	51%
Red Light Acquisition Inc. ("Red Light Acquisition")	United States	USD	100%
Radix Motion Inc. ("Radix")	United States	USD	100%
RLH Netherlands B.V. ("RLH Netherlands")	Netherlands	EUR	100%
RLH Farms B.V. ("RLH Farms")	Netherlands	EUR	100%
SR Wholesale B.V. ("SR Wholesale")	Netherlands	EUR	100%
Wellness World Oss B.V. ²	Netherlands	EUR	100%
Wellness World Utrecht B.V. ("Wellness World")	Netherlands	EUR	100%
MiniChamp B.V. ("MiniChamp")	Netherlands	EUR	100%

Functional and Presentation Currency

These condensed interim consolidated financial statements are presented in Canadian dollars ("C\$" or "CAD"), except as otherwise noted, which is the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates.

¹ On April 2, 2024, the Company acquired the remaining 20% interest in Happy Caps (see Note 14). On May 21, 2025, Happy Caps was re-registered under the Canada Business Corporation Act (CBCA) and continues its operations under the name of Happy Caps Mushroom Farm Inc.

² On October 2, 2024, the Company completed the sale of certain inventories and assets of Wellness World Oss B.V., its retail store located in the Netherlands. The purchase price was €25,000 which included all lease obligations and inventories.

Red Light Holland Corp.
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
(Expressed in Canadian Dollars)
For the Three Months ended June 30, 2025 and 2024

3. Material Accounting Policies

(a) Critical Accounting Judgments, Estimates and Assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS® Accounting Standards requires management to make judgments, estimates based on assumptions about future events that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2025, unless otherwise noted.

(b) Material Accounting Policies

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the Company's audited consolidated financial statements for the year ended March 31, 2025, except for the adoption of new standards and interpretations effective April 1, 2025, and as otherwise disclosed below.

Assets Held for Sale

Assets are classified as held for sale, when they meet the criteria to be assets classified as held for sale in accordance to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5"). A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) is also considered as part of the assessment of whether the sale is highly probable.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell ("FVLCS"). Non-current assets classified as held for sale are not depreciated or amortized subsequent to classification.

4. Marketable Securities

	Number of Securities	Cost	Fair Value
	#	\$	\$
PharmaDrug Inc. - warrants (Level 2)	1,714,286	392,596	-
Elevate Farms Inc. – shares (Level 3)	45,976	299,996	1,023,141
Balance, June 30, 2024		692,592	1,023,141
	#	\$	\$
iShares Bitcoin ETF (Level 1)	5,000	209,847	217,000
Elevate Farms Inc. – shares (Level 3)	45,976	299,996	778,833
Balance, June 30, 2025		509,843	995,833

PharmaDrug Inc.

As at June 30, 2024, the fair value of the PharmaDrug Inc. ("PharmaDrug") warrants was estimated at \$nil (March 31, 2024 – \$nil). Subsequent to June 30, 2024, these PharmaDrug warrants expired out-of-the-money.

Red Light Holland Corp.
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
(Expressed in Canadian Dollars)
For the Three Months ended June 30, 2025 and 2024

4. Marketable Securities (continued)

Purchase of Bitcoin ETFs

On June 24, 2025, the Company purchased certain Bitcoin-related exchange-traded fund (“ETFs”) for \$209,847 as part of a strategic investment. As these ETFs are listed and have quoted prices in an active exchange, the Company classified this investment as Level 1 input under the fair value hierarchy as required by IFRS 9 – Financial Instruments (“IFRS 9”) (see Note 18). As at June 30, 2025, these ETFs were valued at \$217,000. They are classified as a current asset and are measured at fair value through profit or loss on the condensed interim consolidated statements of financial position.

Elevate Farms Inc.

As at June 30, 2025, the Company continued to hold its investment in Elevate Farms Inc. (“Elevate Farms” or the “Investee”). Based on management’s intention and ability, the investment in Elevate Farms has been classified as non-current. The Company had determined that the investment held in Elevate Farms did not have an active market and any observable inputs directly or indirectly from quoted prices of a similar asset in markets which are not active. As such, the Company classified this investment as Level 3 input under the fair value hierarchy as required by IFRS 9 (see Note 18). As at March 31, 2025, the fair value of Elevate Farms’ common shares was estimated based on the value at which a prior financing was closed by the Investee. As at June 30, 2025, there was no change in the estimated fair value of Elevate Farms.

The following summarizes the changes in the marketable securities for the three months ended June 30, 2025 and 2024:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at March 31, 2024	-	-	1,023,141	1,023,141
Revaluation to fair market value	-	-	-	-
As at June 30, 2024	-	-	1,023,141	1,023,141
	\$	\$	\$	\$
As at March 31, 2025	-	-	778,833	778,833
Purchases of new investments	209,847	-	-	209,847
Revaluation to fair market value	7,153	-	-	7,153
As at June 30, 2025	217,000	-	778,833	995,833

For the three months ended June 30, 2025, the unrealized change in the fair value of marketable securities amounted to a gain of \$7,153 (2024 – \$nil), which is recorded on the condensed interim consolidated statements of loss and comprehensive loss.

5. Inventories

	June 30, 2025	March 31, 2025
	\$	\$
Raw materials	11,413	17,280
Packaging materials	136,222	179,481
Finished Goods	868,153	804,024
	1,015,788	1,000,785

For the three months ended June 30, 2025, inventories recognized as sales-related expenses amounted to \$853,954 (2024 – \$934,106), which is included in cost of sales on the condensed interim consolidated statements of loss and comprehensive loss.

6. Assets Held For Sale

Land and buildings are transferred to assets classified as held for sale, from property, plant and equipment, when they meet the criteria to be assets classified as held for sale in accordance to IFRS 5.

In June 2025, management approved the sale of its AEM Project in Ontario (the “AEM Project”) and the proposed sale transaction is expected to close within the next 12 months. Upon management’s decision to divest of its interest in AEM Project, the investments in its land and buildings of \$2,255,251 were classified as held for sale on the condensed interim consolidated statements of financial position.

Red Light Holland Corp.
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
(Expressed in Canadian Dollars)
For the Three Months ended June 30, 2025 and 2024

6. Assets Held For Sale (continued)

In accordance with IFRS 5, these assets are measured at the lower of their carrying amount and FVLCS. These assets were previously classified as assets under construction and therefore were not subject to depreciation. The Company will continue to assess the FVLCS of the assets classified as held for sale at the end of each reporting period and adjust the carrying amounts accordingly. No impairment loss was recognised upon reclassification.

To determine the FVLCS, the Company will consider factors such as the best available market data, the estimated costs to sell and other company-specific information. The carrying amounts of the assets classified as held for sale are not necessarily indicative of their fair value, as it has been recorded at the lower of their carrying amounts and FVLCS in accordance with IFRS 5.

7. Property, Plant and Equipment

	Land	Buildings	Equipment	Vehicle	Total
	\$	\$	\$	\$	\$
<u>Cost</u>					
Balance, March 31, 2024	1,567,635	3,069,898	1,169,426	22,481	5,829,440
Additions	375,854	20,877	134,489	-	531,220
Disposal	-	-	(3,526)	-	(3,526)
Impairment loss	-	(251,844)	-	-	(251,844)
Foreign currency adjustment	-	-	18,517	1,460	19,977
Balance, March 31, 2025	1,943,489	2,838,931	1,318,906	23,941	6,125,267
Additions	-	-	132,246	-	132,246
Reclassification as AHFS (Note 6)	(1,903,489)	(351,762)	-	-	(2,255,251)
Disposal	-	-	(858)	-	(858)
Foreign currency adjustment	-	-	9,349	756	10,105
Balance, June 30, 2025	40,000	2,487,169	1,459,643	24,697	4,011,509
	\$	\$	\$	\$	\$
<u>Accumulated Depreciation</u>					
Balance, March 31, 2024	-	268,920	280,073	12,867	561,860
Disposal	-	-	(1,874)	-	(1,874)
Depreciation	-	98,437	143,903	4,242	246,582
Foreign currency adjustment	-	-	10,396	1,008	11,404
Balance, March 31, 2025	-	367,357	432,498	18,117	817,972
Disposal	-	-	(39)	-	(39)
Depreciation	-	24,564	39,675	1,111	65,350
Foreign currency adjustment	-	-	5,528	597	6,125
Balance, June 30, 2025	-	391,921	477,662	19,825	889,408
	\$	\$	\$	\$	\$
<u>Net Book Value</u>					
March 31, 2025	1,943,489	2,568,216	789,766	5,824	5,307,295
June 30, 2025	40,000	2,095,248	981,981	4,872	3,122,101

For the three months ended June 30, 2025, depreciation expense related to property, plant and equipment amounted to \$65,350 (2024 – \$59,375), which are included in general and administrative (“G&A”) expenses (see Note 20) on the condensed interim consolidated statements of loss and comprehensive loss.

Red Light Holland Corp.
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
(Expressed in Canadian Dollars)
For the Three Months ended June 30, 2025 and 2024

8. Intangible Assets

As at June 30, 2025, the Company's intangible assets comprised of its trade name which was carried at a net book value of \$13,932 (March 31, 2025 – \$22,074) on the condensed interim consolidated statements of financial position.

For the three months ended June 30, 2025, amortization expense related to intangible assets amounted to \$8,142 (2024 – \$8,142), which are included in G&A expenses (see Note 20) on the condensed interim consolidated statements of loss and comprehensive loss.

9. Convertible Debentures

On March 19, 2023, an unsecured convertible promissory note payable (the "March 2021 Note") due to the previous owner of SR Wholesale and in the amount of €300,000 became due. On March 31, 2023, this note was derecognized as a replacement debt instrument and was issued to a new debenture holder pursuant to an assignment agreement, terms as outlined below.

On March 31, 2023, the Company entered into a debt settlement agreement (the "March 2023 Debt Settlement Agreement") in connection with the unsecured convertible promissory note payable, resulting in the issuance of \$491,173 of secured debentures with a term of one year and due by March 31, 2024.

On April 8, 2024, the Company closed an extension of the convertible debentures that matured on March 31, 2024, per the March 2023 Debt Settlement Agreement, with the holder agreeing to increase their investment in the Company. The increased investment was for aggregate gross proceeds of \$750,000, at a price of \$1,000 per convertible debentures (each a "April 2024 Debenture Unit"). Each April 2024 Debenture Unit consisted of: (i) a \$1,000 principal secured convertible debenture; and (ii) 16,666.67 common share purchase warrants exercisable per April 2024 Debenture Unit. The principal of the debenture may be converted into common shares at a conversion price of \$0.06 per common share. A total of 12,500,000 warrants were issued. Each warrant entitles the holder thereof to acquire one additional common share at a price of \$0.10 per common share for a period of 24 months from the date of issuance. The debentures matured on April 8, 2025, and do not bear interest.

The Company also issued to the holder 2,375,000 April 2024 settlement units (each a "April 2024 Settlement Unit"). Each April 2024 Settlement Unit was comprised of: (i) one common share; and (ii) one warrant, at a deemed price of \$0.05 per April 2024 Settlement Unit, as an extension fee to the holder who had agreed to settle their March 2021 Note that matured on March 31, 2024 as part of their subscription in the April 2024 Offering, and for agreeing to reduce the interest rate on the debenture to zero. The Company used the net proceeds from the Offering, after settling the March 2021 Note, for the ongoing development of the Company's business model and for general working capital purposes.

The Company was required to post a 75% security deposit of \$562,500 which was held in trust. This amount, plus interest earned, was classified as restricted cash on the consolidated statements of financial position as at March 31, 2025.

On April 17, 2025, the Company repaid the outstanding convertible debentures of \$650,000 for total proceeds of \$653,134, including interest of \$3,134.

10. Right-of-Use Assets

	June 30, 2025	March 31, 2025
	\$	\$
Balance, beginning of period / year	376,185	394,405
Depreciation	(21,932)	(94,486)
Derecognition of lease decommission	-	(47,794)
Lease modifications	-	103,273
Foreign currency adjustment	9,668	20,787
Balance, end of period / year	363,921	376,185

For the three months ended June 30, 2025, depreciation expense related to right-of-use assets amounted to \$21,932 (2024 – \$46,343), which are included in G&A expenses (see Note 20) on the condensed interim consolidated statements of loss and comprehensive loss.

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11. Lease Liabilities

	June 30, 2025	March 31, 2025
	\$	\$
Balance, beginning of period / year	405,276	419,874
Interest expense	12,929	56,246
Lease payments	(33,145)	(136,482)
Leases decommission	-	(52,959)
Lease modifications	-	94,631
Foreign currency adjustment	10,767	23,966
Balance, end of period / year	395,827	405,276
	\$	\$
Current portion	88,271	83,723
Long-term portion	307,556	321,553
Balance, end of period / year	395,827	405,276

On August 1, 2020, the Company entered into a new lease for RLH Farms (the "RLH Farms Lease"), consisting of a warehouse facility with a lease term until July 31, 2025, with a renewal option based on lease payments of €1,630 per month. Effective February 1, 2024, the leased space was reduced, and the monthly lease payment as reduced to €548.15 per month, with an annual 2% increase beginning on January 1, 2025. As management has indicated that it has no intention to terminate the lease and expects to remain in the current location, the Company has adjusted its right-of-use assets and lease liability of the RLH Farms Lease to account for the lease modification resulting from the reduced payments and the expected renewal of the lease, using an interest rate of 17%, which is the Company's incremental borrowing rate in the Netherlands. As a result of the lease modification, increases of \$8,814 and \$6,320, were made to the right-of-use assets and lease liability balance, respectively, during the year ended March 31, 2025.

On October 1, 2021, the Company entered into a new lease for AEM (the "AEM Lease") consisting of an equipment with an associated lease liability fair value of \$123,842. The lease term is until September 30, 2027. The lease payments of \$1,879 per month are discounted using an interest rate of 2.99%, which is the Company's incremental borrowing rate in Canada.

On October 4, 2022, through the acquisition of MiniChamp, the Company assumed a leased premise consisting of an office, production facility and warehouse and an associated lease liability fair value of \$197,080 (the "MiniChamp Lease"). The lease term for the premise is until July 31, 2025, based on lease payments of €3,000 per month. Effective February 1, 2024, the monthly lease payments increased to €3,365 per month, with an annual increase of 2% beginning on January 1, 2025. As management has indicated that it has no intention to terminate the lease and expects to remain in the current location, the Company has adjusted its right-of-use assets and lease liability of the MiniChamp lease to account for the lease modification resulting from the reduced payments and the expected renewal of the lease, using an interest rate of 17%, which is the Company's incremental borrowing rate in the Netherlands. As a result of the lease modification, increases of \$94,460 and \$88,311, were made to the right-of-use assets and lease liability balance, respectively, during the year ended March 31, 2025.

For the three months ended June 30, 2025, interest and accretion expense related to lease liabilities amounted to \$12,929 (2024 – \$9,274), which are included in interest expense on the condensed interim consolidated statements of loss and comprehensive loss.

As at June 30, 2025, future minimum annual lease payments for premises and equipment are as follows:

	\$
2026	88,271
2027	99,472
2028	61,400
2029	63,567
2030	76,143
2031	6,974
Total Lease Payments	395,827

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12. Loans and Advances

As of June 30, 2025, the Company had total recorded loans in the amount of \$1,132,784 (March 31, 2025 – \$1,127,884), comprised of:

- A loan in the amount of \$932,784 which is unsecured, non-interest bearing with no specific terms of repayment. \$590,404 of the advances originated prior to the acquisition of AEM and the remaining balance of \$342,380 represent funds deposited by the minority interest holders post-acquisition for the procurement of capital expenditures. This advance is owed to the minority interest holders of AEM to Red Light Holland Corp.
- An additional loan in the amount of \$200,000 from RBC received on June 7, 2024, with a maturity date of June 7, 2025. This loan requires interest only payments, bears an interest rate of 7.2% and is secured by a guaranteed investment certificate of \$200,000.

13. Non-Controlling Interest

	Happy Caps	AEM	Total
	\$	\$	\$
Balance, March 31, 2024	(70,684)	262,791	192,107
Net loss attributable to non-controlling interest	-	(265,584)	(265,584)
Acquisition of non-controlling interest	70,684	-	70,684
Balance, March 31, 2025	-	(2,793)	(2,793)
Net loss attributable to non-controlling interest	-	(17,319)	(17,319)
Balance, June 30, 2025	-	(20,112)	(20,112)

On April 2, 2024, the Company acquired the remaining 20% interest in Happy Caps for consideration of \$1.

14. Capital Stock

(a) Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, and 2,000,000 voting, convertible, redeemable, preference shares.

Details of shares issued and outstanding for the three months ended June 30, 2025 and 2024 are as follows:

	Common shares	Amount
	#	\$
Balance, March 31, 2024	393,785,080	42,439,190
Shares issued on conversion of debentures (Note 9)	1,666,666	100,000
Shares issued as financing costs (Note 9)	2,375,000	92,472
Shares issued on exercise of RSUs (Note 14(c))	251,258	21,359
Shares issued for compensation ⁽ⁱ⁾	957,853	52,682
Balance, June 30, 2024	399,035,857	42,705,703
	#	\$
Balance, March 31, 2025	410,852,552	43,341,953
Shares issued on exercise of RSUs (Note 14(c))	1,400,000	140,000
Balance, June 30, 2025	412,252,552	43,481,953

- (i) On May 17, 2024, the Company issued 957,853 common shares to the Minority Shareholders of AEM as a bonus. These common shares were valued at \$52,682, based on the Company's closing share price on the date of issuance, and the amount was recorded as share-based payments on the condensed interim consolidated statements of loss and comprehensive loss for the three months ended June 30, 2024.

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14. Capital Stock (continued)

(b) Stock Options

The following summarizes the options activities for the three months ended June 30, 2025 and 2024:

	2025		2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	#	\$	#	\$
Outstanding, beginning of period	27,651,667	0.11	28,551,667	0.11
Cancelled	-	-	(1,500,000)	0.16
Expired	(300,000)	0.09	-	-
Expired	(1,666,667)	0.06	-	-
Outstanding, end of period	25,685,000	0.08	27,051,667	0.10

The following table summarizes information of stock options outstanding and exercisable as at June 30, 2025:

Date of Expiry	Number of Options Outstanding	Number of Options Exercisable	Exercise Price
	#	#	\$
June 29, 2027	400,000	400,000	0.075
April 24, 2028	13,035,000	13,035,000	0.10
October 30, 2028	2,050,000	2,050,000	0.055
January 21, 2030	9,200,000	3,066,667	0.05
March 18, 2030	1,000,000	333,333	0.05
	25,685,000	18,885,000	0.08

As at June 30, 2025, the weighted average remaining life of the outstanding stock options was 3.6 years (March 31, 2025 – 3.5 years). Of the outstanding options, 18,885,000 (March 31, 2025 – 16,535,000) were fully vested, exercisable, and had a weighted average remaining useful life of 3.2 years (March 31, 2025 – 3.1 years).

For the three months ended June 30, 2025, an amount of \$239,392 has been recorded as share-based payments (2024 – \$483,905) upon vesting of the stock options on the condensed interim consolidated statements of loss and comprehensive loss.

(c) Restricted Share Units ("RSUs")

The following summarizes the RSUs activities for the three months ended June 30, 2025 and 2024:

	Number of RSUs	Amount
	#	\$
Balance, March 31, 2024	3,866,667	360,123
Vested	(1,966,667)	(16,983)
Balance, June 30, 2024	1,900,000	143,140
	#	\$
Balance, March 31, 2025	5,233,333	286,956
Share-based payments	-	140,000
Vested	(1,400,000)	(140,000)
Balance, June 30, 2025	3,833,333	286,956

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14. Capital Stock (continued)

(d) Warrants

The following summarizes the warrants activities for the three months ended June 30, 2025 and 2024:

	2025		2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
	#	\$	#	\$
Outstanding, beginning of period	14,875,000	0.10	48,704,031	0.35
Issued (Note 9)	-	-	14,875,000	0.02
Expired	-	-	(2,852,073)	-
Outstanding, end of period	14,875,000	0.10	60,726,958	0.29

The following table summarizes information of warrants outstanding as at June 30, 2025:

Date of expiry	Number of Warrants Outstanding	Exercise Price	Weighted-Average Remaining Life
	#	\$	Years
April 8, 2026	14,875,000	0.10	0.77
	14,875,000		0.77

(e) Loss per Share Data

The effect of outstanding common share purchase options, RSUs, warrants and convertible debentures on the net loss for the three months ended June 30, 2025 and 2024 presented is not reflected as to do so would be anti-dilutive.

15. Revenue

Revenue recorded during the three months ended June 30, 2025 and 2024 were as follows:

	2025	2024
	\$	\$
Wholesale product sales	748,138	867,866
Wholesale mushroom sales	203,052	160,956
Mushroom grow kit sales	318,410	455,201
Retail sales	31,506	74,756
Others	59	-
	1,301,165	1,558,779

16. Capital Management

The Company considers share capital and equity reserves as capital. The Company requires capital to fund existing and future operations and meet regulatory capital requirements. The Company's policy is to maintain adequate levels of capital at all times. The Company considers its capital to be shareholders' equity, which is comprised of share capital, reserves, accumulated other comprehensive income, and accumulated deficit. The Company's objectives when managing capital are to: (i) provide financial capacity and flexibility in order to preserve its ability to meet its strategic objectives and financial obligations, and continue as a going concern; (ii) maintain a capital structure which allows the Company to respond to changes in economic and marketplace conditions and affords it the ability to participate in new investments; (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders equal with the level of risk; and (iv) maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by: (i) raising capital through the issuance of securities, and (ii) financing capital expenditures through leases.

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17. Provisions, Commitments and Contingencies

The Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties, and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its consolidated financial statements, where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded. It is possible that the final resolution of these matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's financial position, future expectations, and cash flows.

18. Financial Instruments and Risk Management

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring, and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rates, currency or credit risks arising from its financial instruments.

Price Risk

The Company is exposed to price risk through its investments in publicly-traded and private marketable securities. A 10% change in the fair value of these securities would impact the Company's net loss for the three months ended June 30, 2025 by approximately \$99,600 (2024 – approximately \$102,300).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company's convertible debentures have fixed interest rates and are carried at amortized costs. As at June 30, 2025, the Company had no hedging agreements in place with respect to floating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign Exchange Risk

Foreign exchange risk is the risk that the market value of financial instruments and the associated revenues will fluctuate due to changes in exchange rates. The Company does not use derivatives to modify the foreign exchange risk. The Company holds minimal financial instruments in foreign currencies. The Company's functional and reporting currency is the CAD. Foreign exchange risk arises from transactions denominated in currencies other than the CAD. The Company's primary foreign exchange exposure is the Euro, being the local currency in the Netherlands where the Company's subsidiaries RLH Netherlands, RLH Farms, SR Wholesale, MiniChamp and Wellness World operate.

The Company is exposed to currency risk through the assets and liabilities denominated in currencies other than the Canadian dollar. As at June 30, 2025, the Company has \$1,588,049 (March 31, 2025 – \$2,065,436) of net assets and liabilities that are denominated in currencies other than CAD. A 10% change in the value of net assets and liabilities that are denominated in currencies other than CAD as a result in changes in foreign exchange rates would change the Company's net loss by approximately \$158,800 (2024 – approximately \$197,000).

Liquidity Risk

Liquidity risk is the risk that results from the Company's potential inability to meet its financial obligations as they come due. The Company manages liquidity risk by reviewing the amount of cash available to ensure that it meets its current obligations. The following table summarizes the Company's liabilities and potential due dates related to liquidity risk as at June 30, 2025:

	Total Contractual Payments	Payments Due by Period		
		< 1 Year	1-3 Years	4-5 Years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,584,435	1,584,435	-	-
Loans and advances	1,132,784	1,132,784	-	-
Lease liabilities	534,887	135,564	226,273	173,050
	3,252,106	2,852,783	226,273	173,050

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18. Financial Instruments and Risk Management (continued)

Liquidity Risk (continued)

The following table shows the breakdown of the Company's accounts payable and accrued liabilities as at June 30, 2025:

	June 30, 2025	March 31, 2025
	\$	\$
Accounts payable	879,754	626,045
Professional fee accruals	272,669	301,372
Consulting and payroll accruals	112,767	145,502
Other accruals	319,245	293,748
	1,584,435	1,366,667

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, marketable securities, and accounts receivable.

The Company has trade accounts receivable from customers. The Company's credit risk arises from the possibility that a counterpart which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. These specific customers may be affected by economic factors and government and legal factors which may impact accounts receivable. Credit risk for accounts receivable is assessed on a case-by-case basis and a provision is recorded where required. As of June 30, 2025, the Company estimated the expected credit losses to be \$50,245 (March 31, 2025 – \$25,303).

Accounts receivable aging are as follows:

	June 30, 2025	March 31, 2025
	\$	\$
Current	396,958	344,103
30 to 60 Days Overdue	32,511	22,142
60 to 90 Days Overdue	20,117	1,622
Over 90 Days Overdue	74,222	61,466
Less: Allowance for credit losses	(50,245)	(25,303)
	473,563	404,030

The Company's credit risk is primarily attributable to accounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents, and marketable securities are held with reputable financial institutions and additional cash held in trust with the Company's legal counsel, from which management believes the risk of loss to be remote.

MISTERCAP Amendment

On April 17, 2024, the Company and MISTERCAP'S entered into the Amended MISTERCAP IP Agreement, pursuant to which the parties agreed to pivot the direction for its line of MISTERCAP'S mushroom grow kits towards retail and distribution channels.

The Amended MISTERCAP IP Agreement removed all guaranteed payments payable to MISTERCAP's, including monthly marketing fees, such that the consideration from the Company to MISTERCAP'S would be in the sole form of royalty payments, being 15% for all sales under MISTERCAP'S, except for sales that originate from the MISTERCAP'S website which would be subject to a 20% royalty fee. Other terms in the Amended MISTERCAP IP Agreement included: (i) the extension of the original MISTERCAP IP Agreement to a term of 5 years, (ii) the Company paying MISTERCAP'S a one-time catch-up payment in the amount of US \$125,000 owed by the Company, of which US \$87,500 had been paid and with the balance due within 45 days from April 17, 2024, (iii) the forgiveness of any net amounts outstanding due to MISTERCAP'S, (iv) the removal of a marketing account; and (v) the removal of the issuance of Common Shares as part of any consideration payable by the Company. With the Amended MISTERCAP IP Agreement in place, the Company would be able to allocate its resources more efficiently, focusing on the development of retail and distribution channels for MISTERCAP'S.

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18. Financial Instruments and Risk Management (continued)

MISTERCAP Amendment (continued)

During the three months ended June 30, 2024, the Company recognized a net contract termination cost of \$9,959 under the Amended MISTERCAP IP Agreement as follows:

	\$
Derecognition of accounts payable	186,984
Derecognition of accounts receivable	(25,060)
Gain on termination of contract	161,924
Contract termination fee	(171,883)
Net Contract Termination Cost	(9,959)

Fair Value of Financial Assets and Financial Liabilities

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts due to their imminent or short-term maturity.

Fair Value Hierarchy

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Of the Company's investments reported on the consolidated statements of financial position as at June 30, 2025, Level 1 financial instruments are measured at fair value based on quoted prices from an active market, and Level 3 financial instruments are measured at fair value utilizing non-observable market inputs based on specific company information and general market conditions. Net changes in unrealized gains (loss) are recognized in profit and loss. Investments which are in Level 3 and become public issuers during the period are transferred to Level 1 or 2.

Significant unobservable inputs used in the fair value measurement of Level 3 investments as at June 30, 2025 were:

Description	Fair value	Valuation-technique / unobservable input	% of Investments	Sensitivity to changes in significant unobservable inputs
Unlisted private equities	778,833	Qualitative and quantitative information provided by Elevate Farms	100%	Additional recent financing activity

For Level 3 investments valued based on recent financing activity, general market conditions and specific company information, the inputs used can be highly judgmental. A +/- 25% change on the fair value of this investment will result in an approximate change of \$194,700 change in the total fair value of the investments as of June 30, 2025 (March 31, 2025 – change of approximately \$194,700). While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of this investment. Furthermore, the analysis does not indicate the probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of this investment. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

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19. Related Party Transactions and Balances

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board.

During the three months ended June 30, 2025 and 2024, compensation, paid or payable, to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

	2025	2024
	\$	\$
Salaries	125,000	189,506
Consulting fees	86,770	93,279
Car allowances	4,800	3,300
Others	-	6,000
	216,570	292,085

During the three months ended June 30, 2025, compensation of \$125,000 (2024 – \$189,506) comprised of salaries for certain officers and directors of the Company, is as follows:

- Chief Executive Officer: \$82,500 (2024 – \$82,500);
- Former Chief Financial Officer (“CFO”): \$nil (2024 – \$55,916) ³;
- VP of Sales: \$37,500 (2024 – \$37,500);
- Former VP of Sales: \$nil (2024 – \$8,590); and
- No-executive director: \$5,000 (2024 – \$5,000).

During the three months ended June 30, 2025, compensation of \$86,770 (2024 – \$93,279) comprised of consulting fees for certain officers and directors, for services provided to the Company, is as follows:

- Current CFO: \$15,000 (2024 – \$nil); and
- Other officers and directors: \$71,770 (2024 – \$93,279).

As at June 30, 2025, \$133,009 (March 31, 2025 – \$122,616) was due to related parties and included in accounts payable and accrued liabilities.

20. General and Administrative Expenses

The Company's G&A expenses for the three months ended June 30, 2025 and 2024 were comprised of the following:

	2025	2024
	\$	\$
Advertising and promotions	56,332	50,469
Amortization and depreciation	95,424	207,667
Consulting and management fees	155,291	170,698
Insurance	49,330	52,472
Investor and public relations	2,800	4,475
Legal, audit and other professional fees	194,453	359,566
Office and general	174,772	170,171
Payroll (Note 19)	423,906	419,784
Regulatory	10,647	12,934
Selling	48,429	72,241
	1,211,384	1,520,477

³ The Company's former CFO resigned on June 21, 2024.

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21. Income Taxes

Income taxes for the three months ended June 30, 2025 and 2024 were comprised of the following:

	2025	2024
	\$	\$
Current tax expense	5,862	22,750
Deferred tax recovery	(26,889)	(15,120)
Income tax recovery (expense)	(21,027)	7,630

22. Segment Information

The Company's results are reported by geographical business units that operate in different countries. The Company has identified its operating segment based on the financial information that is reviewed and used by executive management (collectively, the Chief Operating Decision Maker, or "CODM") in assessing performance and in determining the allocation of resources. These segments reflect how the Company manages its business and how management classifies operations for planning and measuring performance. The CODM considered RLH Netherlands, SR Wholesale, RLH Farms, MiniChamp and Wellness World as one operating segment (all reside in Netherlands), Red Light Holland (Subco 1) Inc., Red Light Holland (Subco 2) Inc., AEM and Happy Caps as one operating segment (all reside in Canada), Radix and Red Light Acquisition as one operating segment (both reside in the United States).

The following tables present the total revenue and comprehensive loss by segment for the three months ended June 30, 2025 and 2024:

<i>Revenue</i>	2025	2024
	\$	\$
Netherlands	799,889	1,046,137
Canada	501,217	512,642
United States	59	-
	1,301,165	1,558,779

<i>Comprehensive loss (income)</i>	2025	2024
	\$	\$
Canada	(886,723)	(1,314,144)
United States	(394)	(19,440)
Netherlands	(113,151)	80,524
	(1,000,268)	(1,253,060)

The following tables present the assets and liabilities by segment as at June 30, 2025 and March 31, 2025:

<i>Total assets as at</i>	June 30, 2025	March 31, 2025
	\$	\$
Canada	17,965,213	18,666,943
Netherlands	2,122,015	2,498,121
United States	53,382	56,328
	20,140,610	21,221,392

<i>Total liabilities as at</i>	June 30, 2025	March 31, 2025
	\$	\$
Canada	2,824,551	3,234,320
Netherlands	587,348	637,485
	3,411,899	3,871,805

23. Reclassification of Comparative Figures

For comparison purposes, the Company had reclassified and adjusted certain items on the condensed interim consolidated statements of loss and comprehensive loss and the condensed interim consolidated statements of cash flows to conform with certain audit adjustments recorded for the year ended March 31, 2025.

24. Subsequent Events

Purchase of Bitcoin ETFs

Subsequent to June 30, 2025, the Company purchased additional ETFs for \$262,913.

Grant of RSUs

On July 15, 2025, the Company granted 3,333,333 RSUs to a consultant. The RSUs will vest in four equal tranches over 12 months.