Red Light Holland Announces Closing of $9.77 Million Bought Deal Financing

written by Raj Shah | January 28, 2021

January 28, 2021 (Source) – Red Light Holland Corp. (CSE: TRIP) ("**Red Light Holland**" or the "**Company**"), an Ontario-based corporation engaged in the production, growth and sale of a premium brand of magic truffles to the legal, recreational market within the Netherlands, is pleased to announce that it has closed its previously announced bought deal short form prospectus offering, including the exercise in full of the underwriter's over-allotment option (the "**Offering**"). In connection with the Offering, the Company issued 38,334,100 units of the Company (the "**Units**") at a price of $0.255 per Unit, for aggregate gross proceeds of $9,775,195. The Offering was conducted by Eight Capital (the "**Underwriter**").

"To have Red Light Holland – The People's Company, being supported by 'The Suits' alongside our new and existing shareholders truly strengthens our Psychedelic Movement and our growth. We are so grateful for all of our loyal supporters and we now have over $20 million[1] of capital available which is incredible! This funding will enable us to fully execute on our business plan and the Red Light Holland team will continue working hard towards our goal of developing a leading brand in this emerging industry. Our mission continues – providing legal and responsible adult access now," said Todd Shapiro, CEO and Director of Red Light Holland.

Each Unit is comprised of one common share in the capital of the Company (a "**Common Share**") and one Common Share purchase warrant

(a "**Warrant**"). Each Warrant entitles the holder to purchase one Common Share at an exercise price of $0.38, for a period of 42 months following the closing of the Offering. In the event that the volume weighted average trading price of the Common Shares exceeds $0.89 for 10 consecutive trading days, the Company may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice. The Warrants will be listed for trading on the facilities of the Canadian Securities Exchange (the "**CSE**") under the symbol TRIP.WRT3. The Company has received approval from the CSE to list the Warrants and the Warrants are expected to commence trading on the date hereof.

The Company intends to use the net proceeds from the Offering as disclosed in the final prospectus in relation to the Offering, which is available on the Company's SEDAR profile accessible at www.sedar.com.

In consideration for their services in connection with the Offering, the Company paid to the Underwriter a cash fee equal to $677,934 and issued to the Underwriter 2,661,762 compensation options (the "**Compensation Options**"). Each Compensation Option may be exercised to acquire one Unit at $0.255 for a period of 42 months following the closing of the Offering. Each Unit underlying the Compensation Options have the same terms as those issued under the Offering.

Garfinkle Biderman LLP acted as legal advisors to the Company.

The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended (the "**1933 Act**"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, and

applicable state securities laws. The Units may be offered in the United States to Qualified Institutional Buyers (as defined in Rule 144A under the 1933 Act) pursuant to exemptions from the registration requirements under rule 144A of the 1933 Act. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About Red Light Holland Corp.

The Company is an Ontario-based corporation positioning itself to engage in the production, growth and sale (through existing Smart Shops operators and an advanced e-commerce platform) of a premium brand of magic truffles to the legal, recreational market within the Netherlands, in accordance with the highest standards, in compliance with all applicable laws.

[1] Unaudited

For additional information on the Company:

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Forward-Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties, certain of which are beyond the control of the Company. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate",

“estimate”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur. These statements are only predictions and are based on the current expectations and views of future events of the management of the Company and are subject to risks and uncertainties. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Forward looking statements include, but are not limited to, the anticipated timing of the listing of the Warrants on the CSE, the use of proceeds of the Offering, the Company’s intended future business plans and operations, and the timing of such events. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the Company, including risks regarding the COVID-19 pandemic, market conditions, economic factors, management’s ability to manage and to operate the business and the equity markets generally. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and the Company assumes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise.

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