

## Largest Licensed Footprint for Organic Cannabis in Canada<sup>(1)</sup>

### Investment Highlights



#### Two Licensed Facilities Capable of Producing 15,500 kg/year

- **Licensed Producer (“LP”)** with a 125,000 sq. ft. facility in Delta, BC and 40,000 sq. ft. facility in Ferndale, Washington
  - Combined Phased 1 capacity of **15,500 kg/year**



#### High-Yield Cultivation System at C\$0.50/gram

- Rubicon Organics holds proprietary intellectual property (“IP”) to produce **super-premium certified organic cannabis**
  - High-yield production system estimated at **~C\$0.50/gram**
- Rubicon Organics' CSO **wrote the certified organic cannabis standard in Canada**
- Soon to be **1 of only 4** certified organic cannabis producers in Canada<sup>(1)</sup>



#### Proven Market Demand for Organic Cannabis

- Certified organic cannabis commands over **80% price premium** in Canada
- January 2019, Aurora announced the **C\$175 million acquisition of Whistler Medical Marijuana Corp. (“WMMC”)**, Canada's first certified organic cannabis producer
  - WMMC was co-founded by **Jesse McConnell**, CEO & Co-Founder of Rubicon Organics



#### Strong Cash Flows with M&A Upside

- Expected to generate **over C\$40M of EBITDA** in 2020<sup>(2)</sup>
- Significant synergies in applying Rubicon Organics' cultivation IP to other large-scale greenhouse facilities

<sup>1</sup> (1) FVOPA organic certification expected in Q2 2019

<sup>(2)</sup> 2020E EBITDA based on producing 11,000 kg in BC with wholesale pricing of C\$5.50/gram and C\$7M of EBITDA from Washington

## Market Problem #1:

- Many Canadian LPs have **struggled to produce high-quality cannabis at commercial scale**
  - Even major LPs have suffered from crop failures and product recalls

## Market Problem #2:

- High market valuations require significant future earnings to support the share price
  - Top 5 Canadian LPs are currently trading at 55x 2020E EBITDA<sup>(1)</sup>
  - Large LPs will need to “acquire earnings” to backfill their valuations and seek opportunities to improve profit margins

## SOLUTION

### Potential M&A / Partnership Opportunities

*Significant synergies in applying Rubicon Organics' cultivation IP to other large-scale greenhouse facilities*



**Under cultivation in 125,000 sq. ft. facility in Delta, BC and 40,000 sq. ft. facility in Ferndale, Washington**



**Produce super-premium certified organic cannabis at commercial scale by Q3 2019**



**Expected to generate over C\$40M of EBITDA in 2020<sup>(1)</sup>**

# Market Validation of Super-Premium Organic Cannabis

## Rubicon Organics is Whistler Medical Marijuana Corp. 'Version 2.0'

- In January 2019, Aurora announced the **C\$175 million acquisition of Whistler Medical Marijuana Corp. ("WMMC")**, Canada's first certified organic cannabis producer
  - **Jesse McConnell (Rubicon's CEO & Co-Founder)**, Co-Founded WMMC in 2013 before starting Rubicon Organics in 2015
  - **Peter Doig (Rubicon's CSO & Co-Founder)**, wrote the Certified Organic Cannabis Standard in Canada and led WMMC through the organic certification process

	 WHISTLER MEDICAL MARIJUANA CORPORATION	 RUBICON™ ORGANICS
<b>Market Value (C\$M)</b>	\$175M (Private)	\$114M <sup>(1)</sup> (CSE: ROMJ   OTCQX: ROMJF)
<b>Facility Locations</b>	Whistler, BC	Delta, BC   Washington
<b>Production Capacity (kg/ year)</b>	5,000 kg	11,000 kg   4,500 kg
<b>Founders</b>	Jesse McConnell & Christopher Pelz	Jesse McConnell & Peter Doig
<b>Year Founded</b>	2013	2015

## Overview

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Ticker	CSE: ROMJ OTCQX: ROMJF
Share Price (as of Mar 1, 2019)	C\$3.10 / share
Market Capitalization	C\$114 million
52-Week Low / High	C\$1.60 - C\$5.25 / share

## Capital Structure

	# of Shares	%
Founders & Management	21,857,185	59%
Public Float	14,954,240	41%
<b>Total Shares Outstanding</b>	<b>36,811,425</b>	<b>100%</b>
Options	5,178,500	
Warrants (@ C\$4.20)	2,221,440	
<b>Fully Diluted Shares</b>	<b>44,211,365</b>	

- Founders & Management hold ~60% of common shares outstanding
  - Majority of these shares are subject to a 36-month escrow from IPO date (Oct 10, 2018)
- July 2018, completed C\$13.3M financing of 4.1M shares at C\$3.25/share

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The focus of Rubicon Organics' business is the cannabis industry. The production, distribution, sale and use of marijuana and its derivatives are still restricted by law in some of the jurisdictions in which Rubicon Organics intends to operate, including under federal law of the United States despite being legalized under some state law. These laws and their enforcement are in flux and vary dramatically from jurisdiction to jurisdiction. The enforcement of these laws and its affect on Rubicon Organics and its business, employees, directors and shareholders are uncertain and accordingly involve considerable risk. This presentation contains information obtained by the Company from third parties, including but not limited to market data. The Company believes such information to be accurate but has not independently verified such information. To the extent such information is obtained from third party sources, there is a risk that the assumptions made and conclusions drawn by the Company based on such representations are not accurate.

Cannabis-Related Practices or Activities are Illegal Under U.S. Federal Laws. The concepts of "medical cannabis" and "recreational cannabis" do not exist under U.S. federal law. The U.S. Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Accordingly, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

An investment in the Company is speculative and involves substantial risk and is only suitable for investors that understand the potential consequences and are able to bear the risk of losing their entire investment.

The Company is in the early stage of development and has a limited operational history, making it difficult to accurately predict business operations. The Company has limited resources and may run out of capital prior to becoming profitable. The Company may fail and investors may lose their entire investment.

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Figures are presented in Canadian dollars, unless otherwise noted.