

# Annual General Meeting

August 19, 2020

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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. An investment in the Company may have tax consequences to the investor. The Company assumes no responsibility for the tax consequences of any investment. Investors should confer with their own tax advisors regarding an investment in the Company.

The production, packaging, labelling, handling, distribution, importation, exportation, licensing, sale and storage of cannabis products are affected by extensive laws, governmental regulations, administrative determinations and similar constraints which are beyond the Company's control. There can be no assurance that the Company is or will be in compliance with all of these laws, regulations, determinations and other constraints. Failure to comply with these laws, regulations, determinations and other constraints or new laws, regulations, determinations or constraints could lead to the imposition of significant penalties or claims and could negatively impact the Company's business. In addition, the adoption of new laws, regulations, determinations other constraints or changes in the interpretations of such requirements may result in significant compliance costs. This may have a material adverse effect on the Company's business, results of operations, cash flows and financial condition.

Figures are presented in Canadian dollars, unless otherwise noted.

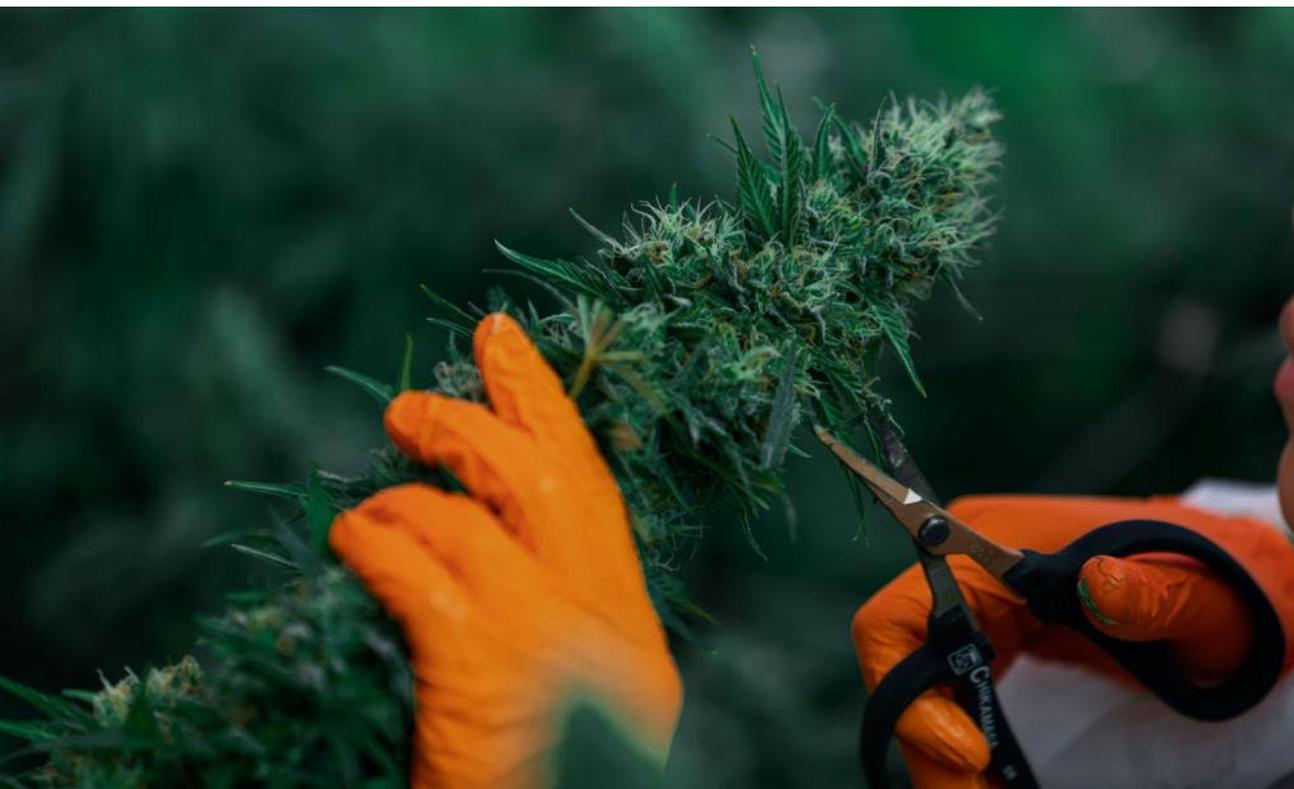
# RUBICON ORGANICS

## ANNUAL GENERAL MEETING

**Bryan Disher, Chairman**

### **Agenda:**

1. Approval of audited financial statements of the Company
2. Election of directors
3. Appointment of auditors
4. Approval of amendments to the Company's Equity Incentive Plan
5. Approval of amendments to the Company's Deferred Share Unit Plan
6. Other business



## Management Presentation

**Jesse McConnell,  
CEO**

# RUBICON ORGANICS

**MISSION** | grow the best cannabis on earth, for the earth

**VISION** | be the global brand leader in organic cannabis

**VALUES** | growth, sustainability, freedom, impact



# RUBICON ORGANICS

## AT A GLANCE



**1 of only 6**  
Organic Certified  
LPs in Canada<sup>1</sup>



**World Class**  
CPG Team



**125,000 ft<sup>2</sup>**  
Hybrid Greenhouse  
in Delta, BC



**11,000 kg**  
Annual Indoor  
Production  
Capacity



**11.1 Acres**  
Licensed Outdoor  
Cultivation Area



**~71%**  
Coverage of the  
Addressable  
Canadian Market<sup>2</sup>



1. Other organic certified producers include Whistler Medical (part of Aurora), TGOD, Emerald Health, Organigram and Good Buds; Certified by a CFIA accredited entity  
2. By population per Statistics Canada

# WHERE WE WILL PLAY

## FEDERALLY LEGAL RECREATIONAL AND MEDICAL MARKETS<sup>1</sup>

- **Primary focus:** Canada – First brand launched Jan 2020
- **Secondary Focus:** Europe – First launch planned in Germany H1 2021

*<sup>1</sup>Consequently we have exited from US, selling our Washington assets in H1 2020*

# OUR STRATEGY: VALUE THROUGH OBSESSION WITH QUALITY

## VALUE OVER VOLUME

Win industry leading margins for each gram produced by building platform brands at each market price tier

Focus our innovation where our quality gives us a meaningful competitive advantage and where consumers are willing to pay a premium

*Prioritize innovation with gross margin >50%*

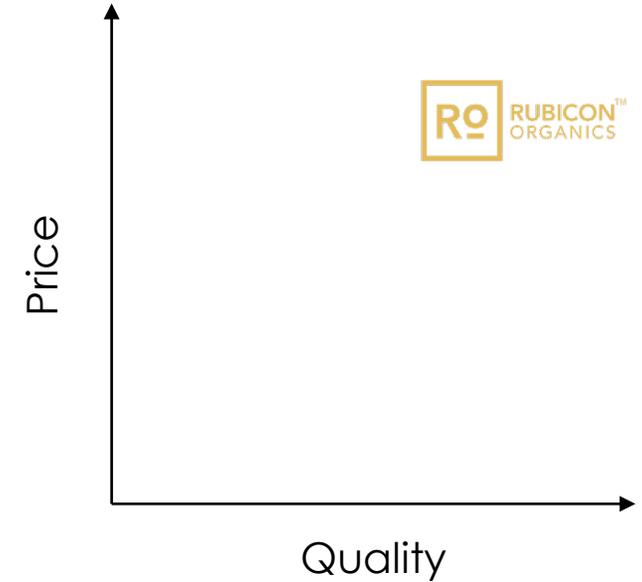
# THIS IS HOW WE INNOVATE



**Best**  
**SIMPLY BARE ORGANIC**

**Better**  
Value flower, pre-rolls,  
concentrates, vapes

**Good**  
Edibles, topicals



# FOCUS ON OUR CORE COMPETENCIES

## **WE FOCUS OUR RESOURCES ON WHAT WE ARE UNIQUELY GOOD AT:**

1. Leveraging our unique cultivation IP to grow superior quality organic, sustainable, terpene rich flower
2. CPG innovation expertise to design and bring high margin premium products and brands to market around the globe
3. CPG operational excellence: business leadership, supply chain, financial, sales and marketing management

## **WE OUTSOURCE WHAT WE ARE NOT UNIQUELY GOOD AT:**

- Extraction
- 2.0 finished product manufacturing

# KEY PROGRESS OVER LAST 12 MONTHS

- ✓ Launch of our first platform brand **SIMPLY BARE ORGANIC**
  - BC-grown organic flower, sustainably produced
  - Super premium category
- ✓ Early innovation wins in the first 6 months of 2020
  - Expansion from 2 to 4 strains in 3.5g organic flower
  - Launch of 4 new premium pre-roll SKUs
- ✓ Gained distribution in 70% of the Canadian addressable market (all provinces from British Columbia to Ontario)
- ✓ Route to market for Germany established
- ✓ Conditional approval for uplist to TSX Venture Exchange



BC Organic

# Creek Congo

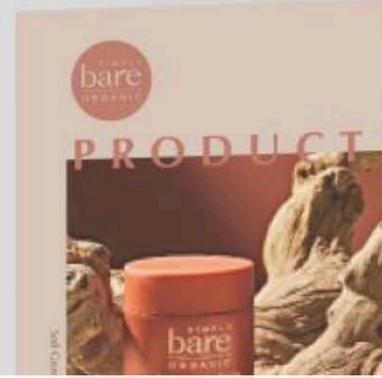
THC:	CBD:	TERPENES:
18.48%	0.13%	1.19%

TERPENE PROFILE:  
Myrcene, Caryophyllene, Terpinolene

FVOPA  
CERTIFIED  
ORGANIC

Organically grown in hand-crafted living soil in British Columbia then cold-cured for 14 days to bring out the full expression of peppery aromas. It has medium density flowers with an abundance of red pistils. This is all-natural, sustainably grown flower is packaged by hand in a recyclable glass jar, carefully sealed to ensure freshness.

- Hand Trimmed
- Cold Cured
- Hand Packed



# SIMPLY BARE ORGANIC

Launched in December 2019 to rave reviews

Rare combination of Organic Certified and Premium

Sold-out on the BC cannabis website within first week of delivery



# SIMPLY BARE ORGANIC – CONSUMER FEEDBACK



## The perfect blue dream

First of all the quality of the buds are exceptional. Lots of Pine and Blueberry. This for me hits it on the head for Blue Dream. An uplifting boost in the beginning and with the more you smile the hazy indica genetics really come through. I used to live in Northern California and this really took me back. **Will be buying this again for sure!**



## Best on the legal market!

**I've tried a lot of legal cannabis and this is by far the best I've had yet. Amazing sweet smell and a delicious smoke.**

Perfect moisture content and a nice, tight bud. Really nice glass packaging, especially compared to what else is out there in the legal market. Well worth the price; finally, legal cannabis that I would want to buy regularly! Ordered it online through BC Cannabis Stores and it got to me within 24 hours.



## Beautiful example of the strain

Upon opening the package I was greeted with an intense aroma of sandalwood, sweet cherries, and pine. Nicely manicured buds of a medium size, with an excellent humidity level. The smell remained in my grinder even after rolling. Strong flavor on both inhale and exhale with a sweet and lasting aftertaste. Burned perfectly even with pure white ash, very very smooth. An incredible example of a rare, sought-after strain. Felt almost entirely in the head - focused, energetic, creative, heavy eyes. None of the anxiety that for me sometimes comes with sativa strains. **The best sativa I've experience in the legal market.**

# SIMPLY BARE ORGANIC – RETAILER FEEDBACK

**Black Crow Cannabis:** “I would only sell Simply Bare if I could. One person bought 8 jars on the spot 4 of each strain. That client has never bought more than one at once!”

**Spirit Leaf Vernon:** “We have had and sold out in 2 days both strains. We had a handful of people come in prior to receiving your product to request it and to reserve jars. Only other time multiple people have requested the same product was the Hash Rosin.”

**Spirit Leaf Maple Ridge:** “We have had two people come in and buy your product that said they have never bought legal weed until yours hit the market. The clients heard about us on reddit. One of them even returned to rebuy but they had already sold out.”



# SIMPLY BARE ORGANIC – PRODUCT LINE-UP SPRING 2020

## BC ORGANIC BLUE DREAM

**Sativa Dominant**

Best-selling NA strain



18-24% THC

3.5g

Pre-Roll  
3 x  
0.5g

IN MARKET | NEW PRE-ROLLS

## BC ORGANIC CREEK CONGO

**Sativa Dominant**

Rare, landrace-derived genetics



16-22% THC

3.5g

Pre-Roll  
3 x  
0.5g

IN MARKET | NEW PRE-ROLLS

## BC ORGANIC SOUR CKS

**Sativa Dominant**

High potency, sweet & sour



18-24% THC

3.5g

Pre-Roll  
3 x  
0.5g

NEW TO MARKET | NEW PRE-ROLLS

## BC ORGANIC SFV OG KUSH

**Indica Dominant**

Classic Cali OG Kush



17-23% THC

3.5g

Pre-Roll  
3 x  
0.5g

# RAPID GEOGRAPHIC EXPANSION

**SIMPLY BARE ORGANIC** is currently available in **Ontario, British Columbia, Alberta, Saskatchewan** and **Manitoba**

Supply agreement for **Quebec** expected in Q4 2020



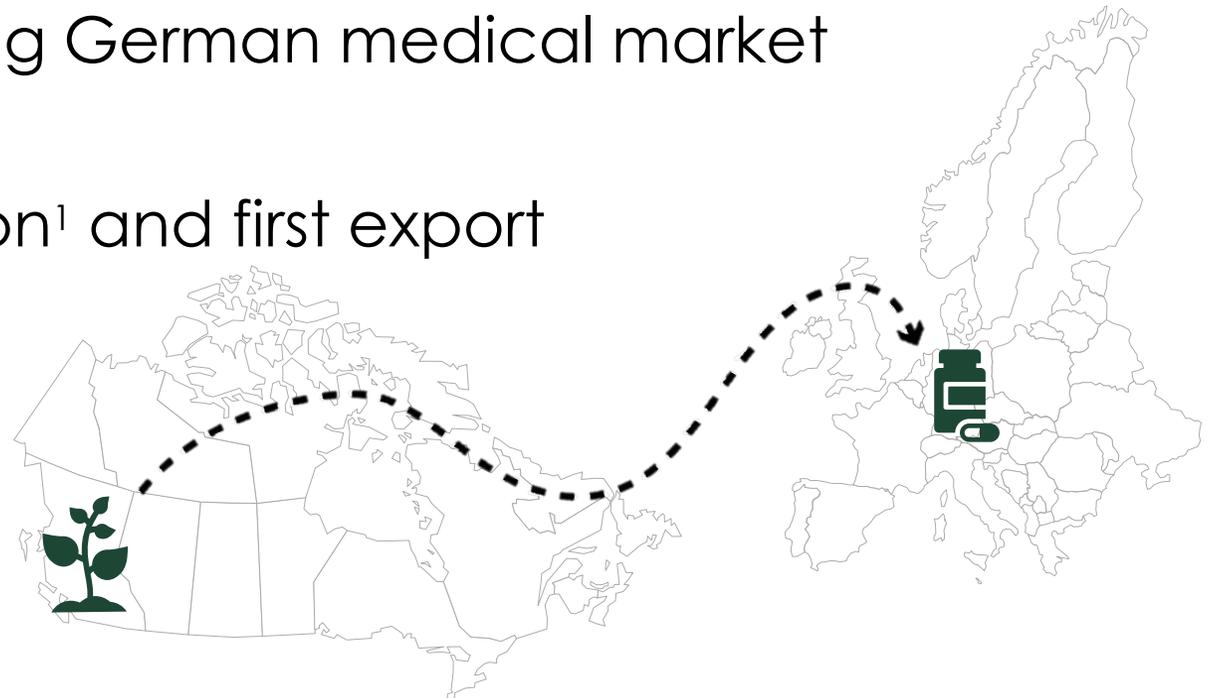
- Existing Product Sales
- Product Sales in Q4 2020

# INTERNATIONAL ROUTE-TO-MARKET ESTABLISHED

## SUPPLY AGREEMENT IN PLACE WITH GERMAN CANNABIS DISTRIBUTOR

Provides access to the fast-growing German medical market at attractive gross margins

Completion of EU-GMP certification<sup>1</sup> and first export expected in H1 2021



1. COVID-19 travel restrictions could impact timing of receipt of EU-GMP Certification

# OUR PLANS FOR THE NEXT 12 MONTHS

- Launch of three new platform brands at different price points to **SIMPLY BARE ORGANIC**
- Accelerate innovation into new 4 categories (vapes, concentrates, topicals, edibles) and 10 new genetics
- Extend distribution to +90% of the Canadian addressable market (launch in Quebec)
- Launch our first product into Europe (Germany)
- Complete upgrades to our hybrid greenhouse facility to continue to push the boundaries of quality
- Expand biomass availability by expanding operations at our outdoor grow facility

# INNOVATION PIPELINE

6 New Strains

3-4 New Strains  
Large Format Flower  
Vapes & Edibles

H2 2020

H1 2021

Q4 2020

Q1 2021

New Pre-Roll Format  
2 New Brands

Concentrates & Topicals  
1 New Brand

# THE VALUE THAT WE CREATE

## KEY FINANCIAL MILESTONES

- ❑ Positive monthly EBITDA before YE 2020
- ❑ Free cash flow H1 2021
- ❑ Gross profit as % of net sales > 50%

# DELIVERING ON OUR COMMITMENTS

Key Milestones			
Ramp-Up Phase	✓	Receive license to cultivate from Health Canada	Feb 2019
	✓	Complete organic certification with FVOPA	Jul 2019
	✓	First commercial harvest at Delta Greenhouse	Oct 2019
	✓	Launch Simply Bare™ organic brand in Canada	Dec 2019
	✓	Product sales in Saskatchewan and BC	Jan 2020
	✓	125,000 sq. ft. Delta Greenhouse fully planted	Mar 2020
Optimization & Steady-State	✓	Product sales in Ontario	Apr 2020
	✓	Receive sales amendment from Health Canada	May 2020
	✓	Product sales in Alberta	June 2020
	✓	Launch pilot scale medical sales in Canada	June 2020
	✓	Launch pre-rolls in Canada	July 2020
	☐	Pilot scale harvest from outdoor grow in Delta	Q3 2020
	☐	Uplist to TSX Venture Exchange	Q3 2020
	☐	Product sales in Quebec	Q4 2020
	☐	Launch 2.0 products	Q4 2020
	☐	Attain positive monthly EBITDA	Q4 2020
	☐	Complete EU-GMP certification and export to German partner	Q1 2021
	☐	Attain positive cash flow from operations	H1 2021



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**THANK YOU!**



**RUBICON™  
ORGANICS**

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