



RUBICONTM
ORGANICS

Rubicon Organics Inc.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

Expressed in Canadian dollars

Preface

In this Management's Discussion & Analysis ("MD&A"), "Rubicon Organics", "Rubicon", the "Company", or the words "we", "us", and "our" refer to Rubicon Organics Inc. together with its subsidiaries.

This MD&A comments on our operations, financial performance, and financial condition for the fiscal year ended December 31, 2024. All amounts in this MD&A are in Canadian dollars, unless otherwise noted. It is supplemental to and should be read in conjunction with the Company's audited consolidated financial statements including the accompanying notes for the fiscal year ended December 31, 2024 (the "Financial Statements").

All financial information contained in this MD&A and in the Financial Statements is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, except for certain non-GAAP information as noted and where a reconciliation to IFRS is provided.

In preparing this MD&A, we have considered all information available to us up to April 1, 2025.

This MD&A contains forward-looking information within the meaning of Canadian securities laws. Refer to '*Cautionary Note Regarding Forward-Looking Statements*'.

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Additional information regarding the Company is available on our website at www.rubiconorganics.com or through the SEDAR+ website at www.sedarplus.ca.

About Us

Overview

Headquartered in Vancouver, British Columbia, Rubicon Organics Inc. exists under the laws of the Business Corporations Act (British Columbia) and its common shares are listed under the symbol "ROMJ" on the TSX Venture Exchange and under the symbol "ROMJF" on the OTCQX. Rubicon Organics has one wholly owned subsidiary, Rubicon Holdings Corp. ("RHC") which is incorporated in British Columbia, Canada.

Rubicon Organics, through RHC, is a licensed producer under the Cannabis Act focused on providing premium and organic certified cannabis for the recreational and medical-use markets in Canada. Rubicon Organics owns and operates a fully licensed 125,000 square foot high-tech greenhouse located on a 20-acre property in Delta, British Columbia (the "Delta Facility"). Out of our Delta Facility, the Company grows organic cannabis certified by the Fraser Valley Organic Producers Association ("FVOPA"), Canada's preeminent certification body for organic operators. In February 2025, our Delta Facility received the prestigious Control Union Medical Cannabis Standard ("CUMCS") Good Agricultural Practice Equivalency ("IMC-G.A.P.") certification, the leading standard for medical cannabis cultivation, harvest, and primary processing.

Rubicon Organics possesses distinctive intellectual property of certified organic cannabis cultivation and a comprehensive genetics' library and research and development program thus establishing us as a leading, scaled cultivator of high-quality cannabis.

Rubicon Organics was the first cannabis company in the world to release an Environmental, Social and Governance ("ESG") report ("ESG Report") and expects to continue to take an ESG leadership position in the cannabis sector. Our 4th annual ESG report, covering 2023, is available on the Company's website.

We have an established house of premium brands in the Canadian market, including three flagship brands: our super-premium brand Simply Bare™ Organic (“Simply Bare”), our premium brand 1964 Supply Co™ (“1964”), and our cannabis wellness brand Wildflower™ (“Wildflower”) in addition to our mainstream brand Homestead Cannabis Supply™.

We currently have over 329 unique SKUs available for sale across Canada, with over 98% coverage of the addressable market. The Company has direct supply agreements in place with the British Columbia Liquor Distribution Branch (“BCLDB”), the Alberta Gaming, Liquor and Cannabis Commission (“AGLC”), the Ontario Cannabis Stores (“OCS”), the Société Québécoise du cannabis (“SQDC”), Cannabis NB (“CNB”), the Yukon Liquor Corporation (“YLC”) and sells directly to Manitoba Liquor & Lotteries (“MBLL”), the Northwest Territories Liquor, Cannabis Commission (“NTLCC”), the Newfoundland Liquor Corporation (“NLC”), Nova Scotia Liquor Corporation (“NSLC”), and the PEI Cannabis Management Corporation (“PEICMC”). We have distribution agreements with distributors in Saskatchewan who distribute the Company’s products to certain provincial distributors and retailers. Additionally, we supply products to medical cannabis distributors.

As at December 31, 2024, Rubicon Organics has the following subsidiary:

Name	Place of Incorporation	Ownership Percentage
Rubicon Holdings Corp. (“RHC”) †	BC, Canada	100%

† Formerly Rubicon Organics Canada Corp.

Our Operations

Delta Facility

Our Delta Facility is a fully licensed 125,000 square foot state-of-the-art hybrid greenhouse owned and operated by Rubicon Organics located on a 20-acre property in Delta, British Columbia. The entire greenhouse facility is licensed for cultivation and processing and is certified by FVOPA for organic cannabis cultivation.

Our Delta Facility is made up of a processing area, a nursery, and a total of five cultivation compartments. Since March 2020, the facility has been in full scale operation. Our Delta Facility utilizes cold cure processing rooms and follows Good Production Practices (“GPP”) for processing dried flower, performing solvent-less extraction and packaging finished goods.

Rubicon Organics has invested in our Delta Facility to create year-round organic growing conditions. Since achieving full scale cultivation operations in early 2020, we have continued to adapt our infrastructure to refine and optimize our growing environment with a focus to drive high quality production. Our Delta Facility utilizes two different spectrums of supplemental LED light and advanced climate and humidity controls. Full spectrum LED lights mimic natural sunlight, resulting in healthier plants with higher yields than conventional greenhouses while reducing our energy use compared with other lighting methods. The Delta Facility is also outfitted with precision, sensor-based watering that reduces water consumption.

The Company’s Delta Facility employs FVOPA organic certified cannabis cultivation methods. Our soil is a proprietary blend of structural and nutritional components, locally sourced to naturally deliver nutrients to the crop, while minimizing the impact on our environment.

Hope Facility

Rubicon Organics entered into a purchase and sale agreement to acquire a purpose-built 47,500 square foot indoor cultivation facility located in Hope, British Columbia (the “Hope Facility”). The transaction is anticipated to close in the second quarter of 2025, and the Company plans to utilize the Hope Facility to

expand its annual production capacity by up to 4,500 kilograms. The Company is seeking additional indebtedness to fund the \$4.5 million purchase of the facility.

Brands and Products



Simply Bare™ Organic is Rubicon Organics' flagship super-premium brand launched in December 2019. Cannabis packaged and sold under the Simply Bare Organic brand is grown in a proprietary mix of 100% certified organic soil made in-house with ingredients from British Columbia's Sunshine Coast. Each plant is grown under sunlight and full-spectrum LED lights, harvested by hand and cold cured for two weeks to achieve a rich terpene profile. Buds are then selected and carefully trimmed by hand, to preserve quality, before being packaged. Simply Bare Organic flower is utilized to make a variety of dried flower based and cannabis 2.0 products for a true expression of each cultivar.

Product formats available as of April 1, 2025:

- 3.5 gram jar
- 7.0 gram jar
- 14 gram bag
- 28 gram bag
- 1 x 0.5 gram pre-roll
- 1 x 0.5 gram pre-roll (*rosin infused*)
- 3 x 0.33 gram pre-rolls (*hash only*)
- 3 x 0.5 gram pre-rolls
- 3 x 0.5 gram pre-rolls (*rosin infused*)
- 5 x 0.3 gram pre-rolls
- 10 x 0.3 gram pre-rolls
- 1 x 1 gram pre-roll
- 1 x 1 gram pre-roll (*rosin infused*)
- 1 x 1.5 gram pre-rolls (*rosin & hash infused*)
- 2.0 gram hash
- 30 x 10 milligram soft gels (*live rosin*)
- 4 x 2.5 gram gummies (*live rosin*)



1964 Supply Co™, initially launched in December 2020, is now available from coast to coast in eight provinces from British Columbia to Newfoundland and Labrador and two territories. 1964 is aimed at offering premium cannabis at legacy market prices. The brand is available in dried flower, pre-rolls, hash formats, edibles, and vapes.

Product formats available as of April 1, 2025:

- 1 gram bag
- 3.5 gram bag
- 7 gram bag
- 14 gram bag
- 15 gram bag
- 28 gram bag
- 1 x 1 gram pre-roll
- 1 x 1 gram pre-roll (*hash infused*)
- 1 x 1 gram blunt
- 1 x 1 gram blunt (*hash infused*)

- 1 x 0.7 gram pre-roll
- 3 x 0.7 gram pre-rolls
- 5 x 0.5 gram pre-rolls
- 5 x 0.7 gram pre-rolls
- 7 x 0.5 gram pre-rolls
- 1 x 0.7 gram pre-roll (*diamond infused*)
- 3 x 0.7 gram pre-roll (*diamond infused*)
- 1 x 0.7 gram pre-roll (*resin infused*)
- 1 x 0.5 gram pre-roll (*resin infused*)
- 1 x 1 gram pre-roll (*rosin infused*)
- 2 gram hash bag
- 2 x 5 milligram edibles (*live rosin infused*)
- 2 x 5 milligram poutine sauce mix (*hash rosin infused*)
- 1 x 10 milligram poutine sauce mix (*hash rosin infused*)
- 2 x 5 milligram pot brownies (*canna-butter infused*)
- 1 gram cured resin jar
- 1 gram diamonds jar
- 1 gram FSE Resin Vape
- 4 x 3.5gram Flower Variety Pack



Homestead Cannabis Supply™ launched in Western Canada in July 2021 and hit the Ontario and Quebec market in October 2021. Homestead Cannabis Supply™ is Rubicon Organics' first mainstream brand developed for the price conscious and avid cannabis consumer.

Product formats available as of April 1, 2025:

- 7 gram flower
- 7 gram milled flower
- 15 gram milled flower
- 28 gram flower
- 14 x 0.5 gram pre-rolls
- 60 x 0.5 gram pre-rolls
- 40 x 0.7 gram pre-rolls
- 30 x 1 gram pre-rolls
- 10 x 0.5 gram pre-rolls
- 2 gram pressed hash



Wildflower™ is a cannabis wellness product brand owned by Rubicon Organics in Canada. CBD Relief Sticks and CBD Cool Sticks launched in April 2021 to consumers nationally and on certain medical platforms, and the range was expanded in 2023 with the launch of new product formats.

Product formats available as of April 1, 2025:

- 2 x 15 gram Relief and 1:1 Relief Stick
- 30 gram and 73 gram CBD Relief Stick
- 30 gram and 73 gram CBD Cool Stick
- 30 gram 1:1 Relief Stick
- 60 gram CBD Extra Strength Relief Stick
- 60 gram CBD Extra Strength 1:1 Relief Stick
- 5 pack CBD + CBN + THC edibles (*live rosin infused*)
- 5 Pack CBD + CBC edibles
- 10 pack CBD + CBN + THC edibles (*live rosin infused*)
- 10 pack CBD + CBG edibles

- 30 pack CBD edibles
- 30 pack CBD + CBN + THC edibles (*live rosin infused*)
- 30 pack CBD + CBG edibles
- 30 milliliter CBD+THC+CBN Oil
- 30 pack CBD + CBN + THC soft gels
- 30 pack CBD + CBG soft gels

Strategy and Outlook

With Our House of Premium Brands, We Are Committed To Delivering Exceptional Quality And Value to Our Consumers and Investors in Canada and Beyond.

Rubicon Organics has a proven track record of success, having navigated the early challenges of the Canadian cannabis industry. The Company has grown and scaled its business on a solid strategic foundation, positioning itself for future growth. Rubicon has built a strong portfolio of premium brands including our three flagship brands: our super-premium brand Simply Bare, our premium brand 1964, and our cannabis wellness brand Wildflower. Furthermore, our brand, Homestead Cannabis Supply™, strives to offer high-quality cannabis products at affordable prices, catering to budget-conscious consumers. Leveraging our unique intellectual property, the Company is focused on premium and organic cannabis flower and flower-based products, with a strategy centered around launching new genetics and expanding into various product formats.

2025 Outlook

Securing Additional Premium Quality Supply

With growing demand for Canadian cannabis from the domestic and international markets, we see that controlling access to premium quality supply is critical to continue to grow our brands and gross revenue. Our Delta Facility is fully operational and has annual production capacity of 11,000 kg. We are continuously evaluating ways to improve both our yield and quality at the Delta Facility and are in the trial stage of evaluating additional lighting at site.

In order to increase our supply of premium flower, we plan to acquire the Hope Facility that will significantly expand our annual production capacity, adding an annual production capacity of 4,500 kg, representing an over 40% increase over our current annual production capacity from the Delta Facility, bringing total annual production capacity to 15,500 kg of premium cannabis. This acquisition is planned to close in Q2 2025 with certain incremental capital to meet our requirements completed by mid-summer. Pending licensing timing expected sometime in the summer, we expect to be running at full capacity by the end of the year but not contributing to our revenue until 2026. We expect to incur additional debt financing related to the Hope Facility.

Our 2024 net revenue growth has been driven through strategic partnerships with co-manufacturers and contract growers and these arrangements are expected to provide up to 2,000 kgs of incremental biomass to our business in 2025. We plan to continue to collaborate with our trusted partners and explore additional partnerships as we strive to meet the growing demand for our high-quality premium products.

Building Trust with our Customers in Canada

We are committed to the growing Canadian cannabis market and to being a trusted partner for our customers—including provincial distributors, retailers, and consumers. As the Canadian customers face increasing competition from international demand, we have seen many mainstream and premium licensed producers shifting their sales abroad. We see this as a prime opportunity to strengthen our brand presence in Canada.

With SKU rationalization underway across several provinces, suppliers are being evaluated on reliability and sales performance. This shift is raising the bar for market entry, making it increasingly challenging for new brands and products to secure shelf space. At the same time, Canadian consumers are becoming more brand-loyal, prioritizing trust and value in their purchasing decisions. We believe our award-winning brands and diverse product portfolio will continue to resonate with them.

Looking ahead, we anticipate a more competitive retail landscape. However, Rubicon's strong brand recognition, consumer loyalty, high supplier ratings, and strategic positioning provide a solid foundation for long-term success in Canada.

Genetics

We possess valuable and unique intellectual property in cannabis genetics, which we consider a critical asset in maintaining our position as a leading innovator within the industry. Our extensive genetics library is central to our strategy of delivering consistent, high-quality genetics and new product offerings for the premium and super-premium markets. While we maintain confidentiality around our specific genetics strategy, we view this as a significant competitive advantage and anticipate introducing exciting new genetic launches in 2025.

International

Our strong reputation in Canada has attracted an increasing number of inquiries from international medical cannabis buyers. The international cannabis market has experienced significant growth in recent years, with continued expansion anticipated. While the market is still in the early stages of adopting premium cannabis products, we aim to meet small amounts of the international demand with a test and learn strategy in 2025 making sure to meet our Canadian customer needs as a priority. The Company holds the necessary certifications for international exports and made its inaugural international shipment in the first quarter of 2025.

Financial Growth

For 2025, we are forecasting growth in both net revenue and Adjusted EBITDA, excluding acquisition-related and start up operational costs associated with the Hope Facility (the "Hope Costs"), driven by our ongoing expansion and strategic initiatives. While we anticipate strong performance in 2025, we expect the Hope Costs will impact our overall financial results. Despite the potential short-term impact of the Hope Costs on profitability, we are confident that our continued growth in net revenue and improved like-for-like Adjusted EBITDA will position us for long-term success and value creation.

Reviewing 2024 Key Priorities

Brand and Product Development

Our strategy is built on a robust portfolio of premium brands, highly respected by both budtenders and consumers. Driven by consumer insights, we continuously innovate our products to stay ahead of market trends. Our commitment to quality and excellence is reflected in every aspect of our business, as we strive

to deliver products and services that consistently meet the highest standards. In 2024, our portfolio was further strengthened with the introduction of vapes and the expansion of other product lines and innovations. After winning KIND Magazine's "Cannabis Company of the Year" and "People's Choice for Best Weed" awards in 2023, the Company followed up with eleven awards at the 2024 event, including "Best New Product of the Year" for the 1964 Blue Dream FSE Resin Vape.

Launch into Vape Category

Rubicon launched into the vape category with our 1964 brand. The introduction of vapes strategically aligns with our market expansion strategy and offers substantial growth prospects. The vape market has demonstrated robust growth over recent years and trends in Canada and the US support the vape category's increasing prominence, rivaling or surpassing traditional flower products.

In line with our approach to the live rosin edibles we launched under the brand in 2023, we are focused on delivering products that maintain a competitive edge through superior quality, right price to value ratio leveraging our established and reputable brands.

Using genetics grown at our Delta facility and supplemented with partner-grown biomass, we introduced Comatose and Blue Dream Full Spectrum Extract ("FSE") resin vapes in Ontario, BC, and Alberta in May 2024. Due to strong demand, we expanded our offerings with new cultivars, launching GLTO #41 in July 2024, White Rainbow in October 2024, and LA Kush in January 2025. Our award-winning vapes have been highly successful and have made a significant contribution to our 2024 financial results, despite being available for a portion of the year.

Wildflower's Leadership in Cannabis Wellness

Wildflower's prominence in the cannabis wellness sector is driven by its notable topical products. The Company has expanded the brand to adjacent categories, including edibles, oils, and capsules designed to address specific wellness needs such as sleep, pain relief, and anxiety reduction. While we expect more competition to enter the topical and wellness category, we believe that we are well-positioned to drive steady growth and momentum behind the daily wellness consumer.

Launch of New Genetics

Rubicon continued to launch new and novel genetics under its Simply Bare and 1964 brands to maintain its leadership in the premium cannabis market. In 2024, the Company introduced BC Organic Zookies, BC Organic Power Mintz, BC Organic Fruit Loopz, and BC Organic Pineapple Sour under the Simply Bare brand. Additionally, Blue Dream, Stinky Pinky, LA Kush, and Sour Tangie were launched under the 1964 brand. Notably, Stinky Pinky was awarded the "Flower of the Year" award at the December 2024 KIND Awards after only launching in July 2024.

Growth from Solid Business Fundamentals

Consistent quality and reliable delivery to our customers, including provincial distributors, retailers, and consumers, is essential for success in the Canadian cannabis industry. In 2024, we invested in an Enterprise Resource Planning (ERP) system to support future growth and reduce reliance on key personnel within our internal processes. The total project cost is estimated at \$1 million, with \$0.9 million incurred in 2024 and the remaining balance expected in 2025. While this implementation is resource-intensive, it positions our business for sustained growth.

Financial

In 2024, we achieved a 21% year-over-year revenue growth, increased year-over-year Adjusted EBITDA (excluding one-off investment in ERP project), generated \$3.4 million in cash flow from operations, and strengthened our balance sheet by refinancing our debt through long-term mortgage facilities in November

2024. The mortgage facilities have a term of five years, with an amortization period of ten years, and bears interest at a rate of 6.75% per annum.

The first half of 2024 was affected by an adverse product mix, driven by lower-margin innovations, price compression, and a shift toward larger flower formats. In the second half, we refocused on promoting more profitable SKUs, resulting in a 34% Gross Profit before fair value adjustments/Net Revenue, up from 28% in the first half.

Our ERP project was a crucial investment to support future controlled growth. In 2024, we spent \$0.9 million to this initiative, with \$0.25 million incurred in the fourth quarter. These expenses are included in our Adjusted EBITDA for 2024. Excluding these one-time costs, our Adjusted EBITDA would have been \$4,889,424 for the year (a 12% increase year-over-year) and \$1,873,038 for Q4 2024 (a 45% increase compared to Q4 2023).

Despite making a significant one-time investment in our ERP project, which will support our future growth, we delivered strong results. We are confident that our commitment to cannabis quality, strategic brand positioning, diverse product portfolio, and dedicated team will continue to position us as one of the leading cannabis companies in Canada.

Recent Activities

Key Developments in the year ended December 31, 2024

- Record high net revenue of \$48.7 million (21% increase) for the year ended December 31, 2024
- Adjusted EBITDA¹ of \$4.0 million for the year ended December 31, 2024 (including \$0.9 million of one-time ERP costs)
- Operating cash flow of \$3.4 million for the year ended December 31, 2024
- Industry recognition winning 11 prestigious awards² including Budtender Choice and 1964 Brand of the Year
- Launch of full spectrum extract vapes leading to 56% distribution in the first 6 months since launch and earning #2 resin vape in market by end of year with 8.6% market share³
- Wildflower continues to be the #1⁴ topical brand in Canada with market share of 27.1%⁴ for the year ended December 31, 2024
- 2.0%⁵ national market share of flower and pre-rolls for the year ended December 31, 2024
- 26.5%⁶ national market share of premium edibles for year ended December 31, 2024
- Refinanced debt to long-term mortgage facility at competitive interest rate

Financial

For the year ended December 31, 2024, the Company reported net revenues of \$48,695,831, a 21% increase compared to the prior year. For the year ended December 31, 2024, Adjusted EBITDA¹ was a profit of \$4,028,581, but excluding the impact of \$860,843 in one-time ERP costs, increased by \$518,052

¹ Adjusted EBITDA is a non-GAAP measure that is calculated as earnings (losses) from operations before interest, tax, depreciation and amortization, share-based compensation expense, and fair value changes. See Selected Financial Information for details on the Adjusted EBITDA calculation.

² 2024 KIND Magazine's ("KIND") awards

³ Hifyre data for live resin vapes products covering six months ended December 31, 2024

⁴ Hifyre data for topical products covering twelve months ended December 31, 2024

⁵ Hifyre data for flower & pre-rolled products covering twelve months ending December 31, 2024

⁶ Hifyre data for premium edible products covering twelve months ending December 31, 2024

from \$4,371,372 in 2023. Operating cash flow for the year ended December 31, 2024 was \$3,399,184, decreasing by \$1,650,556 from \$5,049,740 in the year ended December 31, 2023.

The first half of 2024 was impacted by an adverse product mix, driven by innovation in lower-margin categories, price compression, and a shift in consumer preference toward larger formats within the flower portfolio. In the second half of 2024, the Company refocused efforts on promoting more profitable SKUs. These efforts proved successful, as evidenced by an improvement in Gross Profit before fair value adjustments/Net Revenue, which rose to 34% in the second half of 2024, compared to 28% in the first half.

Market Share

Rubicon's rate of net revenue growth has outpaced that of the total market according to Hifyre data for 2024 and 2023. The Company delivered overall market share of 1.9%⁷ (1.8%⁸ for the twelve months ended December 31, 2023). The Company's growth can be attributed to the Company's flagship brands Simply Bare and 1964.

Flower and pre-rolls

The Company's total market share in the Canadian flower and pre-rolls category amounted to 2.0%⁵ for the twelve months ended December 31, 2024, a slight decrease from 2.1%⁹ as compared to the prior period.

Resin vapes

The Company launched 1964 resin vapes in May 2024 with two SKUs, and captured 8.6%³ of the resin vape market share for the full year of 2024, and 13.4%¹⁰ of the market share in the last quarter of 2024. The resin vapes gained market share through increased distribution and rate of sale supported by a portfolio of five SKUs in market at the end of the year.

Topicals

The Company's wellness brand, Wildflower, continues to be the number one⁴ topical brand in Canada for the year ended December 31, 2024, with a market share of 27.1%⁴ increasing from 21.8%¹¹ from the comparative period in the prior year. Wildflower topicals ended the last quarter of 2024 with 26.2%¹² market share (26.9%¹³ in Q4 2023).

Edibles

The Company offers edibles under the Simply Bare, 1964, and Wildflower brands, which collectively captured a 24.7%¹⁴ market share in the premium edible segment for Q4 2024, increasing from 14.1%¹⁵ in Q4 2023, and a 26.5%¹⁶ share for the full year across all premium edible categories in Canada, increasing from 4.3%¹⁷ in prior year. The Company ranked fifth¹⁸ in the overall edibles category across all price tiers for the first time in Q4 2024.

⁷ Hifyre data for overall group covering twelve months ending December 31, 2024

⁸ Hifyre data for overall group covering twelve months ending December 31, 2023

⁹ Hifyre data for flower & pre-rolled products covering twelve months ending December 31, 2023

¹⁰ Hifyre data for resin vapes products covering three months ended December 31, 2024

¹¹ Hifyre data for topical products covering twelve months ended December 31, 2023

¹² Hifyre data for topical products covering three months ending December 31, 2024

¹³ Hifyre data for topical products covering three months ending December 31, 2023

¹⁴ Hifyre data for premium edible products covering three months ending December 31, 2024

¹⁵ Hifyre data for premium edible products covering three months ending December 31, 2023

¹⁶ Hifyre data for premium edible products covering twelve months ending December 31, 2024

¹⁷ Hifyre data for premium edible products covering twelve months ending December 31, 2023

¹⁸ Hifyre data for edible products covering three months ending December 31, 2024

Corporate

In 2023, the Company engaged an independent third party to benchmark management and director remuneration against peer group companies. Based on these findings, the cash compensation awarded and equity issued in 2024 and through 2025 to date are aligned with the established benchmarks.

In January 2024, the Company granted an aggregate of 420,000 deferred share units (“DSUs”) pursuant to the DSU plan to independent directors of the Company as compensation for their services in 2023. In accordance with the plan’s terms, these DSUs vested immediately and can only be exercised upon the director’s departure from the Company. In addition, the Company granted stock options for a total of 15,000 common shares to an employee.

In February 2024, the Company announced the appointment of Margaret Brodie as Chief Executive Officer and Janis Risbin as Chief Financial Officer. In addition, the Company granted an aggregate of 1,361,106 restricted share units (“RSUs”) to certain executives of the Company.

In March 2024, the Board invited Jesse McConnell, a consultant to the Company, to attend parts of its meetings as an observer. On July 30, 2024, the Company settled \$25,400 of director fees with an outgoing director of the Company, who did not stand for re-election, in consideration for the issuance of 59,764 fully paid common shares.

On July 31, 2024, the Company held its Annual General and Special Meeting (“AGSM”). At the AGSM, Doris Bitz, Len Boggio, Margaret Brodie, Michael Detlefsen, Ian Gordon, Jesse McConnell, John Pigott, and Karen Proud were elected as directors of the Company for the ensuing year until the next annual meeting of the Company. Jesse McConnell’s appointment was subject to being granted security clearance by Health Canada. David Donnan did not stand for re-election. At the AGSM, the shareholders approved the Company’s new Omnibus Equity Incentive Plan. This plan is a fixed plan which provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the plan is 4,846,192 Common Shares. The Omnibus Equity Incentive Plan replaces the Company’s legacy equity incentive plan and legacy DSU plan, and as such, no further grants of stock awards or DSUs will be made under the legacy equity incentive plan or legacy DSU plan.

Following the AGSM on July 31, 2024, the Company awarded a total of 1,316,233 DSUs to the independent directors as compensation for their services during the first half of 2024 and as prepayment for the upcoming 12 months. These DSUs will vest one year after the grant date upon continuous service and can only be exercised upon the director’s departure from the Company. The Company re-enlisted a third-party consultant and conducted comprehensive benchmarking to ensure that the compensation aligns with industry standards observed within its peer group.

On September 9, 2024, the Company announced that Jesse McConnell has been appointed to the Company’s Board of Directors (“Board”) after receipt of security clearance from Health Canada. On the same day, the Company awarded a total of 140,459 DSUs under its Omnibus Equity Incentive Plan to a director as compensation for their upcoming service. These DSUs will vest one year after the grant date upon continuous service and can only be exercised upon the director’s departure from the Company.

In October 2024, the Company announced the publication of its fourth annual Environmental, Social and Governance Report.

On November 27, 2024, the Company announced its extraordinary performance at the 2024 KIND Awards. Recognized in 11 categories, including Budtender Choice for its super premium brand Simply Bare and Brand of the Year with 1964.

On December 2, 2024, the Company announced it had entered into credit agreements where it has borrowed an aggregate of \$10,000,000. The borrowings were used to repay in full the US\$8,000,000 principal amount secured debenture owed by the Company which matured on December 31, 2024.

On December 23, 2024, the Company announced the promotion of Melanie Ramsey to Chief Operating Officer (“COO”) effective January 1, 2025.

Commercial

In January 2024, the Company’s brand, 1964 launched two additional flavours of live rosin gummies, Sour Cherry and Sour Grape, in Ontario. The Sour Cherry flavour was subsequently launched in BC in March 2024.

In January 2024, the Company’s brand, 1964 launched a 1-gram cured indica resin in Ontario.

In February 2024, the Company’s brand, 1964, launched infused poutine sauce. The infused poutine sauce launched initially in Quebec as a 1 x 10 milligram product. It became available in Ontario, BC, and Alberta in April 2024 in a 2 x 5 milligram format.

In March 2024, the Company’s brand Simply Bare launched Live Rosin Softgels, available in 30x10 milligram units, in Ontario, the first live rosin softgels with organic inputs to be sold on the legal market.

In March 2024, the Company’s brand Simply Bare launched two new genetics, BC Organic Hollywood Mac and BC Organic Mind Flayer, both in a 3.5 gram whole flower format in BC.

In March 2024, the Company’s brand, 1964, launched a new 1-gram cured sativa resin and a new 1-gram cured diamonds resin in Alberta and BC. In the same month, a 1-gram cured indica resin was available in Alberta.

In March 2024, the Company’s brand Wildflower launched for the first time into the Oils category. The Sweet Dreams Oil contains CBN, THC and CBD and also has hemp seed oil, launching in Alberta and British Columbia.

In March 2024, the Company’s brand, 1964 launched GG#4 - a classic legacy indica – exclusive to the Ontario market in 3.5 gram flower and pre-rolls.

In March 2024, the Company’s brand, 1964 launched Blue Dream in flower and pre-roll formats. This classic Rubicon cultivar was the first grown in our Delta facility and remains one of Canada’s top selling sativa’s.

In March 2024, the Company’s brand Wildflower launched new 30 pack edibles in Alberta and BC. These products consist of three flavors, including Grilled Pineapple, Lemon Ginger and Blood Orange. These contain minor cannabinoids CBN, CBG and CBG as well as full spectrum THC Live Rosin and are gluten free and vegan.

In April 2024, the Company's Simply Bare launched its flagship Sativa BC Organic Fruit Loopz available nationwide in a 1 x 0.5 gram pre-roll, 5 x 0.3 gram pre-rolls, and 3.5 gram jar.

In April 2024, the Company's 1964 brand launched its flagship vapes: Blue Dream FSE Resin Vape and Comatose FSE Resin Vape – both in a 1-gram format, in BC, and subsequently in Alberta and Ontario.

In April 2024, the Company's 1964 brand launched Infused Pot Brownies to the BC, Alberta, and Ontario Markets.

In June 2024, the Company's Simply Bare launched 3 new strain specific live rosin gummies. Featuring 2 flavours at 4 x 2.5 milligram THC, and 1 at 4x2.5 milligram THC:2.5 milligram CBD, launched in Ontario (3), BC (2), and Alberta (1 flavour).

In June 2024, the Company's Simply Bare launched a unique, hash only pre-roll in a 3x0.33 gram format. This is a limited time offer in Ontario.

In June 2024, the Company's brand Simply Bare launched BC Organic Kraken, available in 3.5 gram whole flower format in BC, AB, & ON.

In July 2024, the Company's brand Simply Bare launched BC Organic Cement Shoes, available in 3.5 gram whole flower format in BC & ON.

In July 2024, 1964, launched Stinky Pinky in 7 gram flower and 5 x 0.5 gram pre-rolls in BC, followed by Ontario the following month.

In July 2024, Wildflower expanded the Daily Bliss edible product line with Daily Bliss Cucumber Watermelon CBD + CBC Gummies exclusively in Ontario.

In August 2024, 1964 brand launched its third vape cart, GLTO #41 FSE Resin Cart, in BC and Ontario.

In August 2024, 1964, launched LA Kush Cake in 7 gram flower and 5 x 0.5 gram pre-rolls in BC and Ontario.

In September 2024, the Company's brand Simply Bare launched BC Organic Pineapple Sour, available in 3.5 gram whole flower format in BC.

In September 2024, the Company's brand Wildflower launched new Daily Bliss CBD+CBG soft gels, in a 30-pack format. These soft gels, containing 40 milligram CBD and 10 milligram CBG, launched in Ontario.

In September 2024, the Company's brand Wildflower launched new Sweet Dreams Passionfruit Chamomile Gummies in Ontario, in a 5-pack format. These gummies contain 2 milligram THC, 10 milligram CBD and 10 milligram CBN.

In October 2024, the Company's brand Simply Bare launched BC Organic Fire OG, available in 3.5 gram whole flower format in BC & AB.

In October 2024, the Company's 1964 brand launched its CBG:THC Blue Raspberry Gummies, followed by a launch in February for the Ontario market.

In October 2024, the Company's 1964 launched its first flower variety pack with the Mix 'n Match Variety pack in BC. Containing 4 bags of 3.5 gram flower consisting of some of the brands most popular strains.

In October 2024, the Company's 1964 brand launched its latest vapes: White Rainbow FSE Resin in a 1-gram format. Exclusive to BC as a limited time offer.

In October 2024, the Company's brand Homestead launched Bangtail 10x 0.5 gram pre-roll pack in BC, followed by Ontario in February of 2025.

In November 2024, the Company's brand Simply Bare launched BC Organic Fire OG & BC Organic Pineapple Sour, available in 3.5 gram whole flower format in ON.

In December 2024, the Company's brand Simply Bare launched BC Organic Strawberry Guava, available in 3.5 gram whole flower format in BC.

In December 2024, the Company's 1964 brand released Sour Tangie in 7 gram to the BC market followed by Ontario in February of 2025.

In December 2024, the Company's 1964 brand launched its beloved archive cultivar Romulan for a limited time in BC in a 3.5 gram Dried Flower Format.

Developments Subsequent to December 31, 2024

Corporate

In January 2025, the Company granted a total of 809,712 Restricted Share Units (“RSUs”) and 809,712 Performance Share Units (“PSUs”) under its Omnibus Equity Incentive Plan to certain executives and employees.¹⁹

In February 2025, the Company’s Delta Facility received its CUMCS Equivalency IMC-G.A.P. certification.

In March 2025, the Company entered into a purchase and sale agreement (“PSA”) with Medipharm Labs Inc. to acquire an operational, purpose-built indoor cultivation facility in Hope, British Columbia, spanning 47,500 square feet (the “Hope Facility”). Under the terms of the PSA, the purchase price for the Hope Facility is \$4,500,000, subject to certain conditions, including the Company’s satisfactory completion of due diligence, securing financing, and approval by the Company’s board of directors. The Company plans to use the Hope Facility to expand its production capacity. The transaction is expected to close in the second quarter of 2025.

In March 2025, the Company made its first international shipment of premium dried flower to Poland. This milestone marks the first time Rubicon’s high-quality products are available to international customers.

Commercial

In January 2025, the Company’s brand Wildflower launched a new 60 gram CBD Extra Strength 1:1 Relief Stick. This stick containing 500 milligram CBD and 500 milligram THC launched in Ontario.

In January 2025, the Company’s brand Simply Bare launched Hollywood MAC Live Rosin Gummies in a 4x2.5 milligram pack, in Ontario.

In January 2025, the Company’s brand Simply Bare launched BC Organic Grape Cream Cake, available in 3.5 gram whole flower format in BC.

In January 2025, the Company’s 1964 brand launched LA Kush FSE Resin Vape in a 1-gram format for BC and Ontario.

In February 2025, the Company’s brand Simply Bare launched BC Organic Strawberry Guava and BC Organic Grape Cream Cake, available in 3.5 gram whole flower format in Ontario.

In February 2025, the Company’s 1964 brand released the novel cannabinoid THC-V in a THC-V:THC Rkt Pop Live Rosin Gummies to British Columbia and Ontario.

In March 2025, the Company’s brand Simply Bare launched BC Organic Strawberry Guava, available in 3.5 gram whole flower format in Alberta.

In March 2025, the Company’s 1964 released Lemon Diesel in 7 gram and 5x0.5 gram formats in BC and Ontario.

¹⁹A press release issued on the same day contained an error, stating that the award was for 784,712 RSUs and 784,712 PSUs, reflecting a discrepancy of 50,000 units in the amount awarded to employees.

Fourth Quarter 2024 Highlights

- Record net revenue of \$14.2 million, an increase of 42.1% from the same period in the prior year
- Achieved Adjusted EBITDA¹ of \$1.6 million (including \$0.25 million of one-time ERP costs)
- Achieved positive operating cashflows of \$2.3 million
- 2.0%²⁰ national market share of flower and pre-rolls
- 13.4%¹⁰ national market share of resin vapes
- 24.7%¹⁴ national market share of premium edibles
- 26.2%¹² national market share of topicals
- Refinanced debt to long-term credit facilities borrowing an aggregate of \$10 million at competitive rates

Financial

In the fourth quarter of 2024, the Company earned \$14,200,435 of net revenue, an increase of \$4,207,438, or 42.1%, when compared to the same period in the prior year. The Company has driven revenue growth through continuous product innovation and the introduction of new genetic lines. Despite operating in a challenging environment, 1964 has achieved growth, notably through the successful launch and expansion of its vape products, which have made a significant contribution to overall performance, alongside gains in dried flower and pre-rolls. The growth in dried flower and pre-rolls was primarily fueled by the successful introduction of new products and strategic adjustments within existing categories. Specifically, the launch of vapes in Q2 2024 and the introduction of new genetics in the flower category were key factors in driving overall revenue growth.

Production costs in the fourth quarter 2024 increased by \$332,020, or 12.1%, when compared to the same period in the prior year (three months ended December 31, 2024: \$3,066,461 as compared to three months ended December 31, 2023: \$2,734,441). The increase in production costs is mainly driven by increased input costs due to a change in growing technique resulting in a higher yield.

Inventory expensed to cost of sales amounted to \$5,776,880 in the fourth quarter of 2024, which was an increase compared to same period in the prior year where cost of sales was \$3,774,785. Inventory expensed to cost of sales relative to net revenue was 40.7% in the fourth quarter of 2024 compared to 37.8% in the fourth quarter of 2023 which can be attributed to both year over year price compression, and an increased proportion of higher-cost goods produced internally and through partnerships.

The Company incurred operating expenses of \$4,841,455 in the fourth quarter of 2024 which is an increase of \$1,685,766 or 53.4% when compared to the fourth quarter of 2023 (December 31, 2023: \$3,155,689). The increase year-over-year is primarily driven by higher incentive-based compensation, recognized in alignment with our performance-based award structure. Other drivers of the increase, include the incremental costs associated with the ERP implementation and an increase in sales and marketing spend supporting the topline growth.

Net loss during the fourth quarter of 2024 was \$47,402, compared to net profit in the fourth quarter of 2023 amounting to \$509,216. The movement is primarily attributed to the increase in net revenue, offset by the increase in inventory expensed to cost of sales and operating expenses as discussed above.

The fourth quarter Adjusted EBITDA¹ amounted to \$1,629,038 which is an increase of \$336,175 when compared to the same period in the prior year of \$1,292,863. Excluding Q4 ERP costs of \$249,775, Adjusted EBITDA¹ increased by \$585,950 vs. the same period in the prior year. Gross profit growth outpaced the increase in operating expenses, excluding non-cash items, resulting in a positive impact on Adjusted EBITDA¹.

²⁰ Hifyre data for flower & pre-rolled products covering three months ending December 31, 2024

Market Share

The Company delivered overall market share of 2.1%²¹ for the three months ended December 31, 2024, demonstrating growth, compared to 1.9%²² for the same period in the prior year.

The Company holds the first¹⁴ position in premium edibles with a 24.7%¹⁴ market share and the Company's brand Wildflower continues to hold the number one¹² position in the topicals category with a market share of 26.2%¹².

Results of Operations and Financial Review

	Year ended	
	December 31, 2024	December 31, 2023
	\$	\$
Net revenue	48,695,831	40,116,476
Production costs	11,588,995	10,802,416
Inventory expensed to cost of sales	20,737,069	14,432,764
Inventory written off or provided for	1,066,315	794,117
Gross profit before fair value adjustments	15,303,452	14,087,179
Fair value adjustments to cannabis plants, inventory sold, and other charges	116,989	(946,409)
Gross profit	15,420,441	13,140,770

Net revenue

The Company delivered net revenue of \$48,695,831 for the twelve months ended December 31, 2024, a 21% increase from the prior year. Despite continued price competitiveness, the Company has achieved revenue growth through product innovation and new genetic launches under Simply Bare and 1964.

²¹ Hifyre data for overall group covering three months ending December 31, 2024

²² Hifyre data for overall group covering three months ending December 31, 2023

Simply Bare has grown across all product categories, largely driven by the pre-roll segment benefitting from the successful introduction of new and unique genetic launches. The introduction of capsules and edibles in 2024 also contributed to revenue growth, further expanding our product portfolio and meeting evolving consumer preferences.

1964 has experienced growth in the vape and flower segments despite the prevailing market conditions and pricing pressure. This performance was primarily driven by the successful introduction of new products and strategic adjustments within existing categories. The introduction of vapes in Q2 2024, as well as the launch of new genetics in the flower category, significantly contributed to the overall revenue growth. 1964 experienced a decline in pre-roll performance for the first half of 2024, however, the adjustment in format size introduced in Q3 2024 gained traction in Q4, delivering revenue growth for both the last three and twelve months.

Wildflower continues to perform strongly in the wellness category, with net revenue growth driven by the launch of Wildflower minor cannabinoid gummies, as well as the range extension with the new Wildflower Extra Strength Relief Stick and Wildflower 1:1 CBD:THC Relief Stick.

Production costs

For the twelve months ended December 31, 2024, production costs increased by \$786,579 (7%) compared to the prior year. These increases have been driven primarily by increased input costs including labour, testing, and materials.

Under the Company's accounting policy, production costs are expensed as incurred. Production costs consist of the direct and indirect costs incurred to grow cannabis plants to the point of harvest. They include labour related costs, cultivation materials and consumables, utilities, facility costs, certain overheads, and production related depreciation.

The Company has worked towards establishing uniformity in its cultivation methodologies. These methods, encompassing plant management and density, have remained consistent across both periods, with increasing costs driven by the roll-out of tables across the facility, as well as energy costs to optimize yield. Prioritizing quality, the Company consistently seeks to improve plant vitality and product excellence while actively exploring optimal techniques.

Inventory expensed to cost of sales

For the twelve months ended December 31, 2024, inventory expensed to cost of sales increased by \$6,304,305 (44%) compared to the prior year.

After cannabis is harvested, the remaining costs incurred in drying, processing, and packaging are capitalized to inventory and expensed once the finished good is sold. The ratio of inventory expensed to cost of sales was 43% of net revenue for the twelve months ended December 31, 2024 (December 31, 2023 of 36%).

As observed in the second half of 2023, this ratio continues to be negatively affected by the product mix, with consumers shifting towards larger product formats that carry smaller margins. Additionally, price pressure on Simply Bare and 1964 to stay competitive, along with an increased proportion of higher-cost products produced internally and through partnerships, has further impacted the overall cost structure. However, in the second half of 2024, the Company focused on promoting higher-margin products, and realised post launch cost savings on vapes, resulting in a positive trend compared to the first half of the year.

Inventory written off or provided for

For the twelve months ended December 31, 2024, inventory written off or provided for was \$1,066,315 compared to \$794,117 in the prior year. This represents 2.2% of net revenue for the twelve months ended December 31, 2024, compared to 2.0% in the prior year.

The Company continues to maintain the amount of inventory written off or provided for relative to sales through ongoing improvements in our supply and demand planning processes. This includes aligning the production of finished goods and bulk cannabis inventory with sales, as well as refining our approach to managing inventory levels to minimize obsolescence.

Gross profit before fair value adjustments

For the twelve months ended December 31, 2024, gross profit before fair value adjustments was \$15,303,452 compared to \$14,087,179 in the prior year. This represents a gross profit margin of 31% for the twelve months ended December 31, 2024, compared to 35% in the prior year.

As noted earlier, the decline in gross profit margin is primarily attributed to the adverse product mix, driven by innovation in lower-margin categories, price compression, and the shift to larger formats within the flower portfolio, as discussed above, when compared to the prior year. However, the focus on improving margins is evident in the quarterly trends, with the gross profit before fair value adjustments for Q1 2024 at 25%, Q2 2024 at 30%, Q3 2024 at 32%, and Q4 2024 reaching 36%, indicating a positive trend.

Fair value adjustments to cannabis plants, inventory sold and other charges

Unrealized gain on changes in fair value of cannabis plants

Unrealized gain on changes in fair value of cannabis plants is the gain resulting from management's estimate of the fair value less costs to sell of live cannabis plant inventory up to the point of harvest. IFRS requires management to estimate the fair value of cannabis through its growth phase, to the point of harvest. Once harvested, the fair value estimate of a plant at the harvest date becomes "crystallized" and forms the cost base of that plant as it is further processed, packaged, and sold.

For the twelve months ended December 31, 2024, unrealized gain on changes in fair value of cannabis plants was \$13,124,280 compared to \$11,295,836 in the prior year, an increase of \$1,828,444. The higher gain is as a result of a higher comparable selling price of wholesale dried cannabis, a higher fair value per gram used in the fair value calculation, offset by a decrease in number of plants.

Realized fair value of inventory sold

For the twelve months ended December 31, 2024, realized fair value of inventory sold was \$11,855,294 compared to \$11,380,889 in the prior year. Realized fair value of inventory sold is the non-cash fair value released from inventory when cannabis is sold. Refer to *Inventory expensed to cost of sales* discussion above.

Adjustment to net realizable value of inventory on hand at period end

For the twelve months ended December 31, 2024, the adjustment to net realizable value of inventory on hand at period end was \$1,151,997 compared to \$861,356 in the prior year. The adjustment consists of the fair value component of inventory that was written off or provided for in the year. Refer to *Inventory write off* discussion above.

Operating Expenses

	Year ended	
	December 31, 2024	December 31, 2023
	\$	\$
Consulting, salaries and wages ^{‡ †}	8,290,523	6,896,643
General and administrative ^{‡ †}	3,713,247	3,462,920
Sales and marketing	2,324,757	2,183,492
Share-based compensation	2,044,849	1,384,759
Depreciation and amortization	216,941	296,401
Total operating expenses	16,590,317	14,224,215

[‡] Contains research and development charges

[†] Contains a total of \$856,000 of costs associated with implementation of an ERP system across the two lines

Consulting, salaries and wages

For the twelve months ended December 31, 2024, consulting, salaries, and wages increased by \$1,393,880 compared to the prior year. The increase is primarily attributable to higher costs associated with the ongoing ERP implementation of \$680,663. Additionally, there was an increase in salaries compared to the prior year, reflecting changes in staffing and compensation levels, along with higher incentive-based compensation, recognized in alignment with our performance-based award structure.

General and administrative expenses

For the twelve months ended December 31, 2024, general and administrative expenses increased by \$250,327 compared to the prior year. General and administrative expenses consist of certain short-term leases, insurance, professional fees, investor relations fees, office expenses, research and development and other licensing costs. The increase compared to the prior year is primarily driven by year-over-year rates in leases, insurance, and licenses, as well as incremental costs associated with the ERP implementation of \$180,179, offset by general savings initiatives across functions. The Company continues to monitor its spend closely to remain fiscally prudent.

Sales and marketing

For the twelve months ended December 31, 2024, sales and marketing expenses increased by \$141,265 compared to the prior year. Sales and marketing expenses consist of the costs to maintain the Company's brands, carry out marketing initiatives, and develop new brands. While year-over-year spending has remained relatively consistent, the composition of expenditures has shifted. This shift reflects the company's efforts to prioritize high-impact activities, such as the launch of 1964 vapes as well as the overall support of increased sales across the portfolio, while optimizing spending across other areas to ensure efficient use of resources.

Share-based compensation

Non-cash share-based compensation reflects the estimated value of stock options, restricted share units ("RSU's"), restricted share awards and deferred share units ("DSU's") issued to employees and directors of the Company.

For the twelve months ended December 31, 2024, share-based compensation increased by \$660,090 compared to the same period in the prior year. The increase in expenses is mainly due to a higher RSU expense, driven by the reversal of RSU expense in 2023, with no comparable reversal in 2024. Additionally,

the larger expense in 2024 reflects new RSU grants, partially offset by a reduction in vesting expense as certain RSUs reached the end of their vesting period.

There was no DSU expense in 2023, as the grants for 2023 services were awarded in 2024. This, along with the grants for 2024 services, led to a higher DSU expense in 2024, with no comparable expense in 2023. The Company has also adjusted the timing of issuing DSUs, moving from year-end grants to aligning them with the Company's Annual General Meetings, in accordance with the new Omnibus Equity Incentive Plan approved by shareholders in July 2024.

The higher expenses in 2024 related to RSUs and DSUs were partially offset by a lower expense associated with options, due to the completion of their vesting terms. The Company issued its last options in January 2024. The \$2,044,849 expense for December 31, 2024 consists of \$1,396,041 of RSU expense, \$545,204 of DSU expense related to awards to independent directors for 2023 and 2024 services, and the remaining amount of \$103,604 relating to stock options expense.

Selected Financial Information

The following tables present selected financial information of the Company:

As at:	December 31, 2024 \$	December 31, 2023 \$	December 31, 2022 \$
Current assets	30,651,822	27,039,840	27,694,524
Non-current assets	25,959,499	27,851,202	28,412,176
Current liabilities	10,706,570	16,907,751	8,372,553
Non-current liabilities	8,502,590	88,973	9,401,052
Shareholders' equity	37,402,161	37,894,318	38,333,095

	December 31, 2024 \$	Year ended December 31, 2023 \$	December 31, 2022 \$
Net revenue	48,695,831	40,116,476	35,518,133
Loss from operations	(1,169,876)	(1,083,445)	(2,588,676)
Net loss for the year	(2,562,406)	(1,823,536)	(3,855,847)
Adjusted EBITDA*	4,028,581	4,371,372	1,907,698
Loss per share	(0.04)	(0.03)	(0.07)

*Adjusted EBITDA is a non-GAAP measure that is calculated as earnings (losses) from operations before interest, tax, depreciation and amortization, share-based compensation expense, and fair value changes as shown below. Management uses Adjusted EBITDA to assess the Company's performance. Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Included in Adjusted EBITDA in the year ended December 31, 2024 is \$0.9 million of one-time costs incurred for the ERP implementation project.

The following table presents the Company's Adjusted EBITDA for the three months and year ended December 31, 2024 and December 31, 2023.

	Three months ended		Year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	\$	\$	\$	\$
Profit / (Loss) from operations	292,368	889,166	(1,169,876)	(1,083,445)
IFRS fair value accounting related to cannabis plants and inventory	(54,271)	(829,800)	(116,989)	946,409
	238,097	59,366	(1,286,865)	(137,036)
Depreciation and amortization	852,366	793,006	3,270,597	3,123,649
Share-based compensation expense	538,575	440,491	2,044,849	1,384,759
Adjusted EBITDA	1,629,038	1,292,863	4,028,581	4,371,372

*Included in Adjusted EBITDA in the year ended December 31, 2024 is \$0.9 million of one-time costs incurred for the ERP implementation project

Free Cash Flow

Free Cash Flow is a non-GAAP measure used by management that is not defined by IFRS and may not be comparable to similar measures presented by other companies. Management believes that Free Cash Flow presents meaningful information regarding the amount of cash flow required to maintain and organically expand our business, and that the Free Cash flow measure provides meaningful information regarding our liquidity requirements.

Free Cash Flow is calculated as net cash provided by (used in) operating activities, less purchases of and deposits on property, plant and equipment.

	Three months ended		Year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	\$	\$	\$	\$
Cash from operating activities	2,263,639	1,098,123	3,399,184	5,049,740
Purchases of and deposits on property, plant and equipment	(430,704)	(524,046)	(1,545,470)	(2,582,825)
Free Cash Flow	1,832,935	574,077	1,853,714	2,466,915

Summary of Quarterly Results

The following table summarizes quarterly financial results for Rubicon Organics for the last eight quarters:

(C\$000's)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net revenue	14,200	13,499	12,106	8,890	9,993	10,042	11,282	8,800
Inventory written off or provided for	(278)	(210)	(313)	(266)	(269)	(195)	(173)	(157)
Gross profit before fair value adjustments	5,080	4,378	3,652	2,194	3,215	3,243	4,600	3,030
Net profit (loss) for the period	(292)	(168)	(454)	(1,892)	509	(1,644)	(114)	(575)
Weighted average shares outstanding (000's), basic	58,469	57,734	57,732	56,662	56,466	56,442	56,439	56,425
Weighted average shares outstanding (000's), diluted	59,450	58,765	57,713	57,710	56,833	56,858	56,855	56,858
Net profit (loss) per share, basic	(0.00)	0.00	(0.01)	(0.03)	0.01	(0.03)	(0.00)	(0.01)
Net profit (loss) per share, diluted	(0.00)	0.00	(0.01)	(0.03)	0.01	(0.03)	(0.00)	(0.01)

In 2024, the Company experienced a steady upward trend in net revenue, driven by increased demand in key provinces. After a decline in the second half of 2023, which was attributed to softer demand in major markets such as Alberta, Ontario, and Quebec due to price compression across all cannabis product categories and the broader Canadian recessionary environment the Company rebounded and returned to growth. In the first half of 2024, growth was driven by recent innovations in lower-margin categories. In the second half, the company shifted its focus to prioritizing the growth of products from higher-margin categories. While net revenue in Q1 2024 decreased compared to Q4 2023, reflecting typical seasonality in cannabis sales, the Company achieved a modest year-over-year revenue increase over Q1 2023, supported by the ongoing success of recent product innovations. Q2 2024 marked a return to both quarter-over-quarter and year-over-year growth, and by Q4 2024, the Company reached its highest-ever quarterly revenue. This achievement was driven by successful product innovations, notably the launch of vapes under the 1964 brand, the introduction of new genetic strains, and strategic adjustments within its Simply Bare and 1964 product offerings.

Inventory written off or provided for is minimized through quality flower and continuous supply and demand planning, and has ranged between 1.5%-3.0% of net revenue in the previous eight quarters. The modest increase across 2024 relative to 2023 is driven by our overall portfolio having a higher proportion of higher cost products relative to prior year, impacting write-off value.

Gross profit before fair value adjustments is influenced by (i) net revenue for the quarter (as detailed above), (ii) production costs, which are expensed as incurred during the quarter, and (iii) inventory expensed to cost of sales. Despite a return to net revenue growth in Q1 2024, the ratio of inventory expensed to cost of sales relative to net revenue increased. This was primarily due to the seasonally lower Q1 net revenue relative to the largely fixed production costs, as well as ongoing trends from the second half of 2023, including changes in product mix and price compression. The mix included a higher proportion of lower-margin large formats and higher-cost products, such as infused pre-rolls and items supplied by co-manufacturers. This increase in the ratio of inventory expensed to cost of sales relative to net revenue continued throughout the remainder of 2024. Gross profit before fair value adjustments relative to net revenue started to see an improvement in the second half of 2024 driven by an increase in sales relative to fixed growing costs, as well as post launch cost savings on vapes.

Net profit (loss) for the period is affected by the above factors in addition to \$0.9m of ERP implementation costs incurred in the year of 2024, share based compensation, and variations due to the fair value adjustments relating to cannabis plants as prescribed by the accounting standards.

For a detailed review of the year ended December 31, 2024, refer to the results analysis under 'Results of Operations and Financial Review'.

Liquidity and Capital Resources

Liquidity

Our objectives when managing our liquidity and capital structure are to maintain sufficient cash to fund our working capital needs, capital asset development and contractual obligations.

	Year ended		Change
	December 31, 2024	December 31, 2023	
	\$	\$	\$
Net cash provided (used in):			
Operating activities	3,399,184	5,049,740	(1,650,556)
Investing activities	(1,545,470)	(2,732,825)	1,187,355
Financing activities	(1,774,086)	(804,006)	(970,080)
Effect of foreign exchange on cash	(6,554)	(22,836)	16,282
Increase (decrease) in cash	73,074	1,490,073	(1,416,999)
Cash beginning of the period	9,784,190	8,294,117	
Cash end of the period	9,857,264	9,784,190	

Operating Activities

In the twelve months ended December 31, 2024, net cash provided in operating activities was \$3,399,184 decreasing from \$5,049,740 in the prior year.

During the year ended December 31, 2024, there was one-off cash outlays including ERP costs of \$0.9 million and working capital investments for future new product innovation launches including the launch of vape products. These one-off costs, a higher receivable balance, combined with changes in product mix, resulted in a net decrease of \$(1,650,556) compared to December 31, 2023.

As at December 31, 2024 the Company was current with its excise obligations.

Investing Activities

In the twelve months ended December 31, 2024, net cash used in investing activities decreased by \$1,187,355 to \$(1,545,470). Projects identified are smaller in scale than in the past and focused on those which deliver a less than one year return on investment or maintenance or risk mitigation for the Delta Facility.

Financing Activities

In the twelve months ended December 31, 2024, net cash used by financing activities was \$1,774,086 compared to \$804,006 in the prior year.

During the twelve months ended December 31, 2024, the Company entered into credit facilities for an aggregate borrowing of \$10,000,000. The funds from the credit facilities were used to fully repay the Debenture principal amount of US\$8,000,000 owed by the Company, which matured on December 31, 2024. The Company's other financing activity related to interest payments on the debt, lease payments, and gains from derivative settlements.

Capital Resources

The Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2024, the Company had cash and cash equivalents of \$9,857,264 and net working capital of \$19,945,252. The Company entered into the Credit Facilities for an aggregate borrowing of \$10,000,000 in November 2024. The Credit Facilities are secured loans with a term of five years and an amortization period of ten years, bearing interest at an annual rate of 6.75%.

Contractual Obligations

The Company has the following contractual obligations as at December 31, 2024:

	Less than one year \$	One to three years \$	Over three years \$	Total \$
Lease liabilities	73,875	24,911	—	98,786
Debt - Interest	646,925	1,627,262	1,467,317	3,741,504
Debt - Principal	731,591	2,508,288	6,756,335	9,996,214
Total commitments	1,452,391	4,160,461	8,223,652	13,836,504

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at April 1, 2025, the Company has the following securities outstanding:

	Number of units
Common Shares	56,754,943
Stock Options	2,152,700
Warrants	882,000
Restricted Share Units	3,903,966
Performance Share Units	809,712
Deferred Share Units	1,966,692
Fully Diluted Shares Outstanding	66,470,013

Proposed Transactions

There are no undisclosed proposed transactions that will materially affect the Company.

Off-balance Sheet Arrangements

The Company does not have any material off-balance sheet arrangements.

Related Party Transactions

Accounts payable and accrued liabilities at December 31, 2024, included \$27,500 (December 31, 2023: \$35,041) owed to executives and directors of the Company for expenses paid on behalf of the Company and accrued payroll.

The Company obtained a consulting agreement with its largest shareholder, Jesse McConnell, a related party (the "Related Party") which was terminated in September 2024 upon his appointment to the Board of Directors. During the year ended December 31, 2024, the Company incurred an expense of \$36,000 for consulting services (December 31, 2023: \$48,000), and \$6,750 in related expenses payable to the Related Party services (December 31, 2023: \$6,000).

Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Key management compensation for the year ended December 31, 2024, and December 31, 2023, was comprised of:

	December 31, 2024 \$	December 31, 2023 \$
Salaries and accrued salaries	996,666	982,345
Bonuses in accrued liabilities	313,644	127,870
Share based compensation	1,200,042	643,075
Total compensation of key management personnel	2,510,352	1,753,290

Critical Accounting Estimates and Judgments

The preparation of the Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Management considers the areas described in Note 4 of the Financial Statements to be the most critical in understanding the judgments and estimates that are involved in the preparation of the Company's Financial Statements and the uncertainties that could impact its results of operations, financial condition, and cash flows.

Changes in Accounting Policies Including Initial Adoption

New accounting standards, amendments and interpretations adopted

IAS 1 - Presentation of Financial Statements – Classification of debt with covenants as current or non-current

In October 2022, the IASB published amendments to IAS 1 - Presentation of Financial Statements. The amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance covenants within 12 months after the reporting period. These amendments override and incorporate the previous amendments, Classification of liabilities as current or non-current, issued in January 2020, which clarified that liabilities should be classified as non-current where entities have a substantive right to defer settlement for at least 12 months after the reporting period. The amendments were effective for annual periods beginning on or after January 1, 2024. As a result of the adoption of the amendment, the Company provided new disclosures for covenants in note 21.

New accounting standards, amendments and interpretations not yet adopted

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard aims to improve the quality of financial reporting by: (i) requiring defined subtotals in the statement of profit or loss; (ii) requiring disclosure about management defined performance measures; and (iii) adding new principles for aggregation and disaggregation of information. The new standard will be effective for annual periods beginning on or after January 1, 2027. Early adoption is permitted. The Company is in the process of assessing the impact of the standard on the consolidated financial statements.

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 in response to practical implementation issues and to introduce new requirements applicable to both financial institutions and corporate entities. These amendments aim to enhance the clarity and consistency of financial reporting for various types of financial instruments and their related disclosures by (i) clarifying the date of recognition and derecognition for certain financial assets and liabilities, including a new exception for financial liabilities settled through an electronic cash transfer system (ii) providing help to determine whether a financial asset meets the Solely Payments of Principal and Interest (SPPI) criterion (iii) introducing new disclosures for instruments with contractual terms that may alter cash flows, such as financial instruments linked to the achievement of environmental, social, and governance (ESG) targets, and (iiii) updating the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVOCI). The new standard will be effective for annual periods beginning on or after January 1, 2026. The Company is in the process of assessing the impact of the standard on the consolidated financial statements.

There are no other IFRS standards or interpretations that are not yet effective that would be expected to have a material impact on the consolidated financial statements of the Company.

Financial Instruments

The Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics, and management intent as outlined below:

Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Derivatives	Fair value through profit or loss
Security deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Interest payable	Amortized cost
Loans and borrowings	Amortized cost

The fair values of cash and cash equivalents, accounts receivable, security deposits, accounts payable and accrued liabilities and interest payable approximate their carrying amounts due to the short-term maturity of those instruments.

The Company used Derivatives to offset the foreign exchange impact of the principal and interest payments on the US\$8.0 million Debenture. Refer to Note 14 in the Financial Statements for more information on the Derivatives.

Loans and borrowings were incurred to fund upgrades of the Delta Facility and general operations. Refer to Note 13 in the Financial Statements for more information on loans and borrowings.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The main types of risk are credit risk, liquidity risk, interest rate risk and foreign exchange risk. These risks arise throughout the normal course of operations and all transactions are undertaken as a going concern. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk on its cash and cash equivalents, accounts receivable, and security deposits. The carrying amount of these assets represent the maximum credit exposure.

The Company limits exposure to credit risk by maintaining its cash and cash equivalents and security deposits with institutions of high credit worthiness.

The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk is mitigated by entering into arrangements with reputable and stable counterparties and frequent reviews of exposure to individual entities. With regards to receivables, as the majority of the Company's sales and trade receivables are with government bodies and crown corporations, and accordingly, the Company does not anticipate significant loss for non-performance.

An impairment analysis of receivables is performed at each reporting date and the balances are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan and a change in the commercial terms associated with the balance held.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows, capital expenditures and cash holdings. The Company believes that these sources should be sufficient to cover the likely short-term requirements. In

the long term, the Company may have to issue debt or additional common shares to ensure that there is cash available for its programs.

Current liabilities, being accounts payable and accrued liabilities, deferred revenue, interest payable, the current portion of lease liabilities and the current portion of loans and borrowings are payable within one year and are to be funded from cash. Long term liabilities consist of the non-current portion of lease liabilities and the non-current portion of loans and borrowings.

Interest rate risk

Interest rate risk is the risk the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's debt is held at a fixed interest rate and no significant interest rate risk applies.

Foreign exchange risk

The Company and its subsidiaries conduct certain transactions denominated in currencies other than the functional currency of the Company (United States dollars and Euros). Foreign currency transactions are exposed to currency risk due to fluctuations in foreign exchange rates.

In 2024 the Company's main risk was associated with the impact of fluctuations in US\$ exchange rates on the Debenture. The Company entered several foreign exchange swap and forward contracts (referred to as the Derivatives) to offset the future exchange impact of the principal and interest payments on the Debenture. The derivatives and Debenture have been settled as of December 31, 2024.

For the year ended December 31, 2024, the Company was exposed to currency risk through the following assets and liabilities denominated in US\$:

	December 31, 2024	December 31, 2023
Cash	490,107	531,133
Accounts payable and accrued liabilities	(124,561)	(130,189)
Interest payable	—	(300,000)
	US\$ 365,546	US\$ 100,944

A 10% change of the US\$ against the CAD\$ would have increased net loss by \$52,598 (December 31, 2023: \$13,351).

Fair value

The Company classifies its fair value measurements with a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13 – Financial Instruments; Fair Value Measurement ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

There were no transfers within the fair value hierarchy during the three and twelve months ended December 31, 2024.

The fair value of the Derivatives was determined using prices obtained from the Company's foreign exchange broker on the measurement date. These fair value measurements have been categorized as Level 2 on the fair value hierarchy.

Capital Management

It is management's objective to safeguard its capital in order that it will be able to continue as a going concern in the best interests of all stakeholders. Through the ongoing management of its capital, the Company will modify the structure of its capital based on changing market conditions. In doing so, the Company may issue new shares or refinance existing long-term debt. Annual budgeting is the primary tool used to manage the Company's capital. Updates are made as necessary to both capital expenditure and operational budgets in order to adapt to changes in risk factors, proposed expenditure programs and market conditions.

Under the terms of the Credit Facilities, which has a carrying amount of \$9,800,117, the Company is required to comply with the following financial covenants at the end of each annual reporting period:

- i. The Fixed Charge Coverage Ratio calculated for the Company on an annual basis, at its fiscal year-end will not be less than 1.25:1.00.
- ii. Debt to Equity ratio calculated for the Company on a consolidated basis, at its fiscal year-end will not exceed 2.00:1.00.
- iii. No further indebtedness, except for Permitted Indebtedness up to \$10,000,000 relating to the Credit Facilities.

The Company has complied with these covenants as at December 31, 2024. The Company is in active discussions with its lenders regarding the potential impact of an acquisition, as detailed in Note 23 Subsequent Events, to obtain necessary waivers or amendments to ensure covenant compliance for the upcoming year

Risks and Uncertainties

The Company is exposed to risks and uncertainties relating to the business of the Company that should be considered by both existing and potential investors. The risks and uncertainties appearing in the Company's Management, Discussion and Analysis for the three and twelve months ended December 31, 2024 are qualified in their entirety by reference to, and must be read in conjunction with, the Company's Annual Information Filing dated April 1, 2025. These risks and uncertainties are intended to serve as an overview and should not be considered comprehensive. Investing in the Company's common shares involves significant risks. The Company may face additional risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner. Many factors could cause the Company's results of operations, performance and financial condition to differ materially from those expressed or implied by the forward-looking statements and forward-looking information contained in this MD&A.

Risks Generally Related to the Company

Tariffs and Trade Regulations

The Company faces risks associated with the potential imposition of tariffs, which could affect its cost structure and operational efficiency. While the cannabis industry in Canada is regulated domestically, the

Company may still be impacted by international trade policies and tariff changes, particularly in relation to the importation of raw materials, packaging, and equipment used in the production and distribution of cannabis products.

Tariffs on imported goods could result in higher costs for these inputs, which may lead to increased production expenses. If tariffs are imposed on cannabis products in international markets, the Company's ability to expand into or maintain operations in those markets could be adversely affected. Additionally, any shifts in the global trade environment, including changes to bilateral or multilateral trade agreements, could impact the Company's ability to source materials efficiently or hinder access to key markets for its products.

The Company continues to monitor trade developments and potential tariff changes closely. However, there is no certainty that we can mitigate the impact of tariffs through alternative sourcing strategies or pricing adjustments. Any unforeseen changes to the tariff landscape could materially affect the Company's profitability, operational flexibility, and growth prospects.

Acquisition and Integration of The Hope Facility

The Company has entered into a purchase and sale agreement to acquire a new facility ("the Hope Facility"), a purpose-built indoor cultivation facility located in Hope, British Columbia. The Company anticipates closing the transaction in the second quarter of 2025, although completion is subject to several conditions, including the satisfactory conclusion of due diligence, securing necessary financing, and approval from the Board of Directors. Any failure to meet these conditions or delays in the transaction could negatively impact the Company's growth strategy.

Following the acquisition, the Company plans to integrate the Hope Facility into its existing operations. This process may present challenges, including the need to align operational processes, systems, and staffing. Any disruptions or inefficiencies during the integration could hinder production and delay the anticipated increase in production capacity. The Hope Facility is expected to increase the Company's production capacity, with an estimated annual output of up to 4,500 kgs. However, achieving these production targets will depend on various factors, including the performance of cultivation systems, staffing, and the reliability of the supply chain. Any operational issues or unexpected obstacles could limit the Company's ability to meet production goals, which may, in turn, affect its ability to fulfill market demand.

Although the Company has an experienced team, there is no guarantee of successful economic harvests from the new facility, and there are risks of going over budget. Any operational issues or unexpected obstacles could limit the Company's ability to meet production goals, which may, in turn, affect its ability to fulfill market demand.

Additionally, the Company faces risks related to the licensing and certification of the Hope Facility, which could affect its ability to operate and generate revenue. While the Company expects its first harvest from the Hope Facility in 2025, any delays in regulatory approvals or operational readiness could push back production timelines, potentially impacting the Company's ability to meet market demand and achieve the expected revenue from the new facility.

International Shipment Risks

The Company faces risks associated with the international shipment of its cannabis products, which may be subject to varying legal, regulatory, and customs requirements across different jurisdictions. Changes in international laws, trade policies, or import and export restrictions could disrupt shipments, cause delays, or lead to non-compliance with local regulations. Additionally, international shipments are vulnerable to logistical challenges such as transportation delays, damage to products, and security risks. These factors could impact the Company's ability to meet delivery timelines, affect product quality, and result in financial losses or reputational damage.

Challenging Global Financial Conditions

In recent years, global financial conditions have become increasingly volatile due to events like the COVID-19 pandemic, the conflict in Ukraine, the Israel-Hamas war, recession, the rising economic impact of tariffs, and high inflationary environment which have had an impact on global capital markets. Future crises could stem from a variety of causes, including natural disasters, geopolitical instability, pandemics, new infectious diseases or viruses, energy price changes, or supply chain disruptions. Any sudden or rapid destabilization of the global economic conditions could have negative consequences for the Company, making it difficult to access credit and capital markets. It could also affect the Company's ability to fulfill obligations to counterparts, including interest and other debt payments, ultimately having a negative impact on its financial position, cash flow, and operating results. If volatility levels continue to rise, or if global economic conditions experience a general decline, it could impact consumption patterns, financial markets, and the value and liquidity of a company's common shares, significantly affecting the company's well-being. These events may damage the Company's properties, deny the Company access to an adequate workforce, increase the cost of energy and other raw materials, temporarily or permanently close the Company's facilities, disrupt the production, supply and distribution of the Company's products, and disrupt the Company's information systems.

The Company has a limited operating history, a history of losses and the Company cannot assure profitability

Up until Q2 2022, the Company had been incurring operating losses and cash flow deficits from the inception of such operations, as it attempted to create an infrastructure to capitalize on the opportunity for value creation that is emerging from the legalization of recreational cannabis in Canada. The Company's lack of operating history makes it difficult for investors to evaluate the Company's prospects for success. Prospective investors should consider the risks and difficulties the Company might encounter, especially given the Company's lack of an operating history, there is no assurance that the Company will be successful, and the likelihood of success must be considered in light of its relatively early stage of operations.

The Company's ability to continue as a going concern

For the year ended December 31, 2024, the Company recorded a net loss of \$2,562,406, bringing its total accumulated deficit to \$94,085,514. During the same period, the Company generated cash flows of \$3,399,184 from operations and reported net current assets of \$19,945,252 as of December 31, 2024. In November 2024, the Company successfully secured debt financing for a five-year term.

The Company's ability to continue as a going concern is reliant on its ongoing ability to generate positive cash flows and achieve profitability. The Company is actively pursuing additional funding to acquire the Hope Facility and may seek further external financing, through the issuance of equity and debt, to support its operations. However, there is no assurance that such financing will be available on terms acceptable to the Company, or at all.

Price Compression in the Cannabis Industry

The cannabis industry has recently experienced, and certain segments continue to experience, price compression, which may adversely impact the Company's profitability. In addition, such price compression, as well as, or together with, the oversupply of certain types of inventories in the industry, may result in the Company incurring additional impairment losses on inventory in the event the cost of our inventory exceeds its net realizable value. The continuing evolution of these market conditions represent ongoing uncertainties that may affect the Company's future financial results.

The adult-use recreational cannabis market in Canada may become oversupplied

The Company and other cannabis producers in Canada may produce more cannabis than is needed to satisfy the collective demand of the Canadian market, and the Company may be unable to export that oversupply into other jurisdictions where cannabis use is fully legal under all applicable laws of such jurisdictions. As a result, the available supply of cannabis could exceed demand, resulting in a significant decline in the market price for cannabis. If this were to occur, there is no assurance that the Company would be able to generate sufficient revenue from the sale of adult-use recreational cannabis to result in profitability.

There is no assurance that the Company will turn profits or pay dividends

There is no assurance as to whether the Company will be sustain profitability or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business and if additional capacity is identified, this would likely require the use of cash generated from its Delta Facility to support any capital or operating expenditures required prior to a new business unit or facility becoming profitable and cashflow positive.

The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

In the event that any of the Company's historical investments or operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such historical investments or operations in the U.S. were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, effect other distributions, or subsequently repatriate such funds back to Canada.

There are no assurances the Company's sales channels will remain accessible or that distributors will keep the Company's product listings, which if lost will impact the Company's ability to generate revenue

The Company maintains supply agreement with each province in which it sells cannabis as well as with private distributors to deliver its products to retailers and consumers. These provincial entities and private distributors review and list the products they wish to sell in their market. While the Company maintains agreements in all major markets across Canada there are no guarantees these contracts are renewed or that these entities maintain or grow the number of product listings they currently have with the Company. Should any contract be cancelled, or any product be de-listed, there may be negative impacts on the Company's ability to sell and monetize its inventory.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company has experienced some changes in its operating plans and certain delays in the timing of its plans. As a result, the Company's revenue, net income, and cash flow may differ materially from the Company's projected revenue, net income, and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

The Company may incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance, and operations

The Company may incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition, and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's efforts to grow its business may be more costly than expected, and the Company may not be able to increase its revenue enough to offset its higher operating expenses. The Company may incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease.

Facility Optimization and Expansion

The optimization of the Delta Facility is subject to various potential problems and uncertainties and such optimization may be delayed or adversely affected by a number of factors beyond Rubicon Organics' control. These uncertainties include the failure to obtain regulatory approvals, permits, delays in the delivery or installation of equipment by suppliers, difficulties in integrating new equipment with existing facilities, shortages in materials or labor, defects in design, diversion of management resources, and insufficient funding or other resource constraints. The actual cost of the optimization may exceed the amount budgeted. As the result of delays, cost overruns, changes in market circumstances or other factors, Rubicon Organics may not be able to achieve the intended economic benefits from the optimization of the Delta Facility, which in turn may affect Rubicon Organics' business, prospects, financial condition, and results of operations. Any future expansion of the Delta Facility is subject to Health Canada regulatory approvals. The delay or denial of such approvals may have a material adverse impact on the business of Rubicon Organics and may result in Rubicon Organics not meeting anticipated or future demand when it arises.

There are factors which may prevent the Company from the realization of growth targets

The Company is currently in the stage of expansion from early development. There is a risk that business objectives will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these "*Risk Factors*" and the following:

- price compression
- reliance on the Delta Facility as the sole facility for its Canadian operations;
- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- the ability to launch new brands and products into new provinces and associated revenue;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- operational inefficiencies;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities;
- major incidents and/or catastrophic events such as fires, explosions, pandemics, or storms; and
- labour shortages and supply chain disruptions caused by global geopolitical events or pandemics.

Reliance on Licenses

The viability of Rubicon Organics' business of growing, storing, and distributing medical and recreational cannabis is dependent on the good standing of all licenses required to engage in such activities and upon adhering to all regulatory requirements related to such activities. The two main category of licenses that the company relies upon are the Health Canada licenses and the Canada Revenue Agency ("CRA") Excise license. Effective January 26, 2022, the Company renewed its Health Canada licenses. The Health Canada licenses are valid until January 26, 2027, at which point, RHC must apply to Health Canada for renewal. Effective September 1, 2024 the Company renewed its CRA license. The CRA license is valid until January 26, 2027.

Failure to comply with the requirements of the licenses or any failure to maintain the licenses would have a material adverse impact on the business, financial condition, and operating results of Rubicon Organics. Although Rubicon Organics believes it will meet the requirements of the Cannabis Act and the Excise Act for future extensions or renewal of the licenses, there can be no guarantee that Health Canada or the CRA will extend or renew the licenses or that, if extended or renewed, the licenses will be extended or renewed on the same or similar terms. Should Health Canada or the CRA not extend or renew the licenses, or should it renew the licenses on different terms, the business, financial condition, and results of operations of Rubicon Organics could be materially and adversely affected.

The Company is subject to changes in Canadian laws, regulations and guidelines which could adversely affect the Company's future business, financial condition, and results of operations

The Cannabis Act, and related ancillary amendments to other legislation, came into effect October 17, 2018. As a result, the Company's operations are subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage, and disposal of cannabis but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations, and guidelines due to matters beyond the control of the Company may cause adverse effects to its operations. The Company endeavours to comply with all relevant laws, regulations, and guidelines.

The Cannabis Act may also materially and adversely affect the future business, financial condition, and results of operations of the Company, as, among other things, the legislation permits home cultivation, and implements restrictions on advertising and branding. It is possible that such developments could significantly adversely affect the future business, financial condition, and results of operations of the Company.

Valuation of cannabis plants

Pursuant to IFRS, the Company measures the value of its cannabis plants using the income approach at fair value less costs to sell up to the point of harvest. As market prices are generally not available for cannabis plants while they are growing, the Company is required to make assumptions and estimates relating to, among other things, future plant yields, cannabis prices and production costs. The assumptions and estimates used to determine the fair value of the cannabis plants, and any changes to such prior estimates, directly affect the Company's reported results of operations. If actual yields, prices, costs, market conditions or other results differ from the Company's estimates and assumptions, there could be material adjustments to the Company's results of operations.

The Company may not be able to develop its products, which could prevent it from ever becoming profitable

If the Company cannot successfully develop, manufacture, and distribute its products, or if the Company experiences difficulties in the development process, such as capacity constraints, quality control problems

or other disruptions, the Company may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Company's ability to effectively enter the market. A failure by the Company to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Company's commercialization plans and the Company's business, prospects, results of operations and financial condition.

Organic Certification and Products

The Company believes that organic products will command a higher price in the marketplace and has completed an organic certification process with FVOPA, a leading organization in organic certification in Canada. FVOPA provides inspection and certification for sustainable development and maintains organic standards on products, systems, and services. The certification process generally includes validation of inputs, production methods and preparation procedures in accordance with Canadian organic product regulation. Organic certification aims to guarantee the organic integrity of products throughout the entire production chain. Failure to maintain the organic standards may have an adverse effect on the market price of the Company's products.

The Company may not be able to maintain its TSX-V listing requirements

The Company must maintain the listing requirements of the TSX-V to continue being listed. The inability to meet or maintain these listing requirements could adversely affect the results of the Company's operations or its financial condition.

The Company may be unable to adequately protect its proprietary and intellectual property rights

The Company's ability to compete may depend on the superiority, uniqueness, and value of any intellectual property and technology that it may develop. To the extent the Company is able to do so, to protect any proprietary rights of the Company, the Company intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Company's intellectual property:

- the market for the Company's products and services may depend to a significant extent upon the goodwill associated with its trademarks and trade names;
- patents in the cannabis industry involve complex legal and scientific questions and patent protection may not be available for some or any products;
- the Company's applications for trademarks and copyrights relating to its business may not be granted and, if granted, may be challenged or invalidated;
- issued patents, trademarks and registered copyrights may not provide the Company with competitive advantages;
- the Company's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of any of its products or intellectual property;
- the Company's efforts may not prevent the development and design by others of products similar to or competitive with, or superior to those the Company develops;
- another party may obtain a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or
- the expiration of patent or other intellectual property protections for any assets owned by the Company could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on the Company and its financial results will depend, among other things, upon the nature of the market and the position of the Company's products in the market from time to time, the growth of the market, the complexities, and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights

The Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence and/or outcome of any such litigation could harm the Company's business. Further, because the content of much of the Company's intellectual property concerns cannabis and other activities that may not be legal in some foreign jurisdictions and the specifics of which may be unfamiliar to or misunderstood by courts, the Company may face additional difficulties in defending its intellectual property rights.

The Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition

The Company may be named as a defendant in a lawsuit or regulatory action. The Company may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition.

Further, the production of substances for use or consumption by humans can result in product liability claims by consumers. Product liability claims can be expensive, difficult to defend and may result in large judgments or settlements against the Company. The Company may not be able to obtain or maintain adequate insurance or other protection against potential liabilities arising from product sales. Product liability claims could also result in negative perception of the Company's products or other reputational damage which could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition.

The Company's operations are subject to environmental regulation in the jurisdictions in which it operates

These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage, and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require more strict standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government environmental approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed business activities or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage due to its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The Company faces competition from other companies where it will conduct business that have higher capitalization, and may have more experienced management or be more mature as a business

An increase in the companies competing in this industry could limit the ability of the Company to expand its operations. Current and new competitors may be better capitalized, have a longer operating history, have more expertise and may be able to develop higher quality equipment or products, at the same or a lower cost. The Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Company could have a material adverse effect on its business, operating results, and financial condition. In addition, despite Canadian federal legalization of marijuana, illicit or “black-market” operations remain abundant and present substantial competition to the Company. In particular, illicit operations, despite being largely clandestine, are not required to comply with the extensive regulations that the Company must comply with to conduct business, and accordingly may have significantly lower costs of operation.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market

The Company’s success has depended and continues to depend upon its ability to attract and retain key management, technical experts, and sales personnel. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company’s inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company’s business, results of operations, sales, cash flow or financial condition.

Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business and could limit the Company’s ability to develop and market its cannabis-related products. The loss of any of the Company’s senior management or key employees could materially adversely affect the Company’s ability to execute its business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of our employees.

The size of the Company’s target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data

Because the cannabis industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company’s estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

The Company’s industry is experiencing growth and consolidation that may cause the Company to lose key relationships and intensify competition

The cannabis industry is undergoing growth and substantial change, which has resulted in an increase in competitors, consolidation, and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company’s operating results. As competitors enter the market and become

increasingly sophisticated, competition in the Company's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

The Company may continue to sell securities for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders

The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of holders of Common Shares. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of options under the Company's stock option plan and upon the exercise of outstanding warrants. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

The Company is exposed to credit risk on its cash and cash equivalents and accounts receivable

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk on its cash and cash equivalents and accounts receivable. The carrying amount of these assets represent the maximum credit exposure. The Company limits exposure to credit risk by maintaining its cash and cash equivalents and security deposits with institutions of high credit worthiness. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk is mitigated by entering into arrangements with reputable and stable counterparties and frequent reviews of exposure to individual entities.

The Company's operations are subject to risks and opportunities related to climate change

These risks include, but are not limited to, chronic and acute physical risks such as the increasing frequency and severity of weather conditions. These events could damage or destroy the Company's operating facilities, adversely affect the Company's facility, or result in reduced transportation availability. These events could have a similar effect on the facilities of the Company's suppliers and customers. Any of the damage caused by these events could increase costs and decrease production capacity at the Company's operations having an adverse effect on the Company's financial results. The Company believes there are reasonable internal processes and insurance arrangements in place to mitigate or cover certain outcomes of such incidents; however, there is no guarantee that these arrangements will fully protect the Company against such losses.

There are also transition risks associated with climate change. These include changes in laws, regulations and industry standards associated with greenhouse gas emissions management, as well as non-regulatory pressure to reduce greenhouse gas emissions, and changing consumer preferences for sustainable products. The Company monitors regulatory changes including any climate-related regulations, to assess

their impacts on operations. The Company publishes an annual Environment, Social, and Governance (“ESG”) report and is committed to integrating ESG considerations into its operations.

The Company currently has insurance coverage; however, because the Company operates within the cannabis industry, there are additional difficulties, complexities, and costs associated with such insurance coverage

The Company believes that it and its subsidiaries currently have insurance coverage with respect to workers’ compensation, general liability, directors’ and officers’ insurance, fire and other similar policies customarily obtained for businesses to the extent commercially appropriate; however, because the Company is engaged in and operates within the cannabis industry, there are exclusions and additional difficulties and complexities associated with such insurance coverage that could cause the Company to suffer uninsured losses, which could adversely affect the Company’s business, results of operations, and profitability. There is no assurance that the Company will be able to obtain insurance coverage at a reasonable cost or fully utilize such insurance coverage, if necessary. Additionally, the Company may experience losses that our insurance policies have specific exclusions for or events that the Company is unable obtain insurance at reasonable pricing, such as flood insurance for the Delta Facility, for resulting in losses having material adverse effects.

Obtaining new strains and developing new product offerings may not be successful or aligned to consumer demands

While the Company has proven to be successful at acquiring and growing new strains, there is no guarantee the Company will continue to be able to acquire and cultivate new strains in the future. The prevailing challenges in obtaining new strains are compounded by the intricate legal processes involved. These regulatory constraints not only present hurdles for legitimate enterprises like ours but also inadvertently confer a competitive advantage to the illicit market, which operates outside the bounds of such restrictions. Furthermore, there is no certainty that the selected strains and new products offerings will have sufficient consumer demand to be sold for a profit, if at all. An inability to access new strains or innovate new products, which delight consumers may result in depressed sales, product returns, inventory write-offs, and other adverse impacts on the Company’s operations.

The cultivation of cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others

The Company’s future business involves the growing of cannabis, an agricultural product. Such business will be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Company expects that any such growing will be completed indoors under climate-controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on any such future production. There is also no guarantee that natural elements will not impact the health, yield, consistency, or consumer appeal of product.

The cultivation of cannabis involves a reliance on third party transportation which could result in supply delays, reliability of delivery and other related risks

In order for customers of the Company to receive their product, the Company relies on third party transportation services. This can cause logistical problems and delays in customers obtaining their orders and cannot be directly controlled by the Company. Any delay by third party transportation services may adversely affect the Company’s reputation and financial performance.

Moreover, security of the product during transportation to and from the Company’s facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on the Company’s business, financials, and prospects. Any such breach could impact the Company’s future ability to continue operating under its licenses or the prospect of renewing its licenses.

The Company may be subject to product recalls for product defects self-imposed or imposed by regulators

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant number of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing its products, there can be no assurance that any quality, potency, or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action, or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

The Company is reliant on key inputs, such as water and utilities, and any interruption of these services could have a material adverse effect on the Company's finances and operational results

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, and operating results of the Company. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, and operating results of the Company.

The expansion of the medical cannabis industry may require new clinical research into effective medical therapies, when such research is new to Canada and has been restricted in some international jurisdictions

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in its early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although the Company believes that the articles, reports, and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, investors should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could have a material adverse effect on the demand for the Company's products with the potential to lead to a material adverse effect on the Company's business, financial condition, and results of operations.

Under Canadian regulations, a licensed producer of cannabis has restrictions on the type and form of marketing it can undertake which could materially impact sales performance

The development of the Company's future business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by Health Canada. The regulatory environment in Canada limits the Company's ability to compete for market share in a manner similar to other highly

regulated industries, including significant limitations on promotion. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete, and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company will be reliant on information technology systems and may be subject to damaging cyber-attacks

The Company has entered into agreements with third parties for hardware, software, telecommunications, and other information technology ("IT") services in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, pandemics, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company may be subject to breaches of security at its facilities, or in respect of electronic documents and data storage and may face risks related to breaches of applicable privacy laws

Given the nature of the Company's product and its lack of legal availability outside of appropriately licensed channels, as well as the concentration of inventory in its facilities, despite meeting or exceeding Health Canada's security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of the Company's facilities could expose the Company to additional liability and to potentially costly

litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing the Company's products.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

We may expand our business and operations into jurisdictions outside of Canada, and there are risks associated with doing so

We may expand our operations and business into jurisdictions outside of Canada, but there can be no assurance that any market for our products will develop in any such foreign jurisdiction. The expansion of our operations internationally will depend on our ability to renew or secure the necessary permits, licenses, or other approvals in those jurisdictions. An agency's denial of or delay in issuing or renewing a permit, license, or other approval, or revocation or substantial modification of an existing permit or approval, could prevent us from continuing our operations in or exports to other countries.

Operations in non-Canadian markets may expose us to new or unexpected risks or significantly increase our exposure to one or more existing risk factors. In addition, we are subject to a wide variety of laws and regulations domestically and internationally with respect to the flow of funds and product across international borders and the amount of medical cannabis we export may be limited by the various drug control conventions to which Canada is a signatory.

While we continue to monitor developments and policies in the emerging markets in which we operate and assess the impact thereof to our operations, such developments cannot be accurately predicted and could have an adverse effect on the Corporation's business, operations, or profitability.

Changes in the public's perception of medical and/or adult-use cannabis could increase future regulation

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, or elsewhere. A negative shift in the public's perception of cannabis in any applicable jurisdiction could affect future legislation or regulation. Any inability to fully implement the Company's expansion and sales strategies may have a material adverse effect on the Company's business, financial condition, and results of operations.

In certain circumstances, the Company's reputation could be damaged

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish, and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

The Company targets, among other segments, the premium adult-use cannabis market, which may not materialize, or in which the Company may not be able to develop or maintain a brand that attracts or retains customers

The Company targets users of cannabis in the Canadian adult-use cannabis market who are looking for premium products; however, such a market may not materialize or be sustainable. If this premium market does materialize, the Company may not be successful in creating and maintaining consumer perceptions of the value of premium products. The promotion of cannabis is strictly regulated in Canada. For example, promotion is largely restricted to the place of sale and subject to prescribed conditions set out in the Cannabis Act, the Cannabis Regulations and Further Regulations. Among other restrictions, the Cannabis Act prohibits testimonials and endorsements, lifestyle branding and promotion that is appealing to young persons. Such restrictions on advertising, marketing and the use of logos and brand names, and other restrictions on advertising imposed by Canadian federal or provincial laws or regulations, or similar regulations imposed in other jurisdictions, may prevent the Company from creating and maintaining consumer perceptions in the value of its premium products and establishing itself as a premium producer. If the Company cannot successfully compete in the premium market, the Company may face significant challenges in gaining or maintaining a market share in Canada or in other cannabis markets in which it operates, or it may be forced to sell products at a lower price, which may materially adversely affect results of operations.

Necessary security clearances take time to obtain and may impact the Company's ability to attract and retain board members and officers

The Cannabis Act and Cannabis Regulations require several individuals to obtain and maintain a valid security clearance, including directors, officers, and large shareholders of the Company. A security clearance cannot be valid for more than five years and must be renewed before the expiry of a current security clearance. There is no assurance that any of the Company's existing directors and officers who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. Prospective qualified directors or officers may be deterred from accepting appointments to positions in the cannabis industry that require security clearances due to the onus of the lengthy application process and uncertainty that a security clearance will be granted at all. Inability to attract and retain such qualified directors and officers may result in a material adverse effect on the Company's business, operating results, financial condition, or prospects.

There is no certainty the Company will be able to achieve its Environmental, Social and Governance ("ESG") targets

While the Company has incorporated certain ESG objectives into its strategic plan it may not be economically feasible to execute the desired changes to the business. The Company's inability to achieve

its ESG objects may have effects on its social license to operate, brand equity, and corporate identity, which could have knock on impacts to operations, hiring, and the sale of product.

The cost of compliance and ability to working with unsophisticated individuals and entities may adversely impact the Company

The market for cannabis products is highly volatile. Many entities and persons operating in the industry were formerly involved in the illegal market. Some still are, and many operate in unconventional ways. Some of these unconventional ways, which represent challenges to the Company, include not keeping appropriate financial records, inexperience with business contracts, not having access to customary business banking relationships, not having quality manufacturing relationships, and not having customary distribution arrangements. They may not be accustomed to entering into written agreements or keeping financial records according to Generally Accepted Accounting Principles. These entities and persons may not pay attention to obligations to which they have agreed in written contracts. Therefore, it may become challenging for the Company to enter into more complex commercial transactions, which could limit the Company's growth or otherwise adversely affect the Company. Any one of these challenges, if not managed, could adversely impact the Company. These challenges may also increase the cost of the Company's operations in the near-term.

Risks regarding vaping products

Between 2021 and 2022, the Company sold Simply Bare branded PAX® pods for distribution in Canada. In 2024, the Company began selling 1964 510-thread vapes for distribution in Canada. The Company may also launch other vaping related products in the future. In Canada there have been public warnings to stop using certain vaping liquids containing cannabis derivatives and ingredients, such as CBD and THC, in light of a potential but unconfirmed link to lung injuries such as severe pulmonary illness. Reported lung injuries associated with the use of cannabis derivative containing vaping liquids have resulting in certain provinces either banning or delaying the sale of vaping liquids and vaping products to consumers. In response, Health Canada issued an information update advising Canadians who use cannabis derivative containing vaping liquids to monitor themselves for symptoms of pulmonary illness. There may be further governmental and private sector actions aimed at reducing the sale of or prohibiting cannabis containing vaping liquids and/or seeking to hold manufacturers of cannabis containing vaping liquids responsible for the adverse health effects associated with the use of these vaping products. These actions, combined with potential deterioration in the public's perception of cannabis containing vaping liquids, may result in a reduced market for the Company's vaporizer products. Federal, provincial, and local regulations or actions that prohibit or restrict the sale of the Company's vaporizer products including cannabis derivative vaping liquids, or that decrease consumer demand for the Company's products by prohibiting their use, raising the minimum age for their purchase, raising the purchase prices to unattractive levels via taxation, or banning their sale, could adversely impact the Company's business, financial condition, results of operations and prospects.

Reliance on business partners to supply products to the Company's quality standards

The Company has entered into, and will enter, third-party agreements to launch new innovation and supply our customers given capacity constraints and to produce products not capable of being produce from the Delta Facility. Despite rigorous due-diligence, there are inherent risks including quality control risk issues, and delay in responding to quality issues, where the third-party supplier may not consistently meet the quality standards expected by the Company resulting in defective products being delivered to the customers, leading to dissatisfaction and potential damage to the Company's reputation. Also dependency risk: Depending heavily on third-party suppliers can create a dependency risk. If a supplier encounters difficulties or goes out of business, it could disrupt the supply chain and impact the business's operations. Finally, compliance and regulatory risks: If the third-party supplier fails to comply with relevant regulations or standards, it could result in legal and regulatory consequences for the business. This includes issues related to product safety and environmental regulations.

The Company has engaged in, and will continue to pursue, strategic partnerships with third-party entities to drive innovation and fulfill customer demand, particularly in light of capacity limitations and the need to

manufacture products beyond the capabilities of the Delta Facility. Despite thorough due diligence, there are inherent risks. These encompass potential challenges in maintaining quality control standards, as well as delays in addressing quality issues, wherein third-party suppliers may not consistently align with the Company's stringent quality expectations. Such discrepancies could lead to the delivery of defective products, resulting in customer dissatisfaction and possible harm to the Company's reputation.

Furthermore, heavy reliance on third-party suppliers introduces dependency risks. Should a supplier encounter difficulties or cease operations, it could disrupt the supply chain, impacting the Company's operational continuity. Additionally, compliance and regulatory risks due to failure on the part of third-party suppliers to adhere to pertinent regulations or standards may expose the Company to legal and regulatory ramifications, particularly concerning product safety and environmental compliance.

Supplier Risk and Industry Disruptions

The Company is dependent on a variety of suppliers for critical materials, equipment, and services necessary to operate its facilities and meet production goals. The ability of these suppliers to fulfill their obligations may be impacted by factors outside the Company's control, including disruptions in their operations, financial difficulties, or insolvency proceedings such as those under the Companies' Creditors Arrangement Act (CCAA). Should key suppliers experience operational failures, supply chain issues, or financial instability, it could result in delays, increased costs, or interruptions to the Company's production timelines. These disruptions could hinder the Company's ability to maintain consistent product supply, meet market demand, and achieve revenue targets.

As the cannabis industry is subject to specific regulatory requirements, any supplier non-compliance with applicable regulations could further complicate the Company's ability to operate and could expose the Company to legal and financial risks. The Company is proactively managing its supplier relationships, however, there is no assurance that the Company will be able to fully mitigate these risks, and any supplier failure could have a material adverse effect on the Company's operations, financial results, and ability to satisfy customer demand.

Environmental and employee health and safety regulations

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Failure to develop and maintain an effective system of internal controls increases the risk that we may not be able to accurately and reliably report our financial results or prevent fraud, which may harm our business, the trading price of our Common Shares and market value of other securities

The Company maintains a system of internal controls over financial reporting ("ICFR") to ensure the Company's financial reporting is reliable and that its financial statements have been prepared in accordance with IFRS. Regardless of how well controls are designed, internal controls have inherent limitations and can only provide reasonable assurance that the controls are meeting the Company's objectives in providing reliable financial reporting information in accordance with IFRS. Effective internal controls are required for us to provide reasonable assurance that our financial results and other financial information are accurate and reliable. Any failure to design, develop or maintain effective controls, or difficulties encountered in implementing, improving or remediation lapses in internal controls may affect our ability to prevent fraud,

detect material misstatements, and fulfill our reporting obligations. As a result, investors may lose confidence in our ability to report timely, accurate and reliable financial and other information, which may expose us to certain legal or regulatory actions, thus negatively impacting our business, the trading process of our Common Shares and market value of other securities.

Participants in the cannabis industry may have difficulty accessing the service of banks and financial institutions, which may make it difficult for us to operate

Because cannabis remains illegal federally in the United States, Canadian banks and financial institutions with U.S. affiliations remain wary of providing services to businesses in the cannabis industry, as the associated funds may technically be considered proceeds of crime in the U.S. Consequently, businesses involved in the cannabis industry continue to have trouble establishing banking infrastructure and relationships. The inability or limitation on our ability to open or maintain a bank account, obtain other banking services, or obtain business services may make it difficult to operate and conduct business.

Transition to Enterprise Resource Planning (“ERP”) system

The Company began implementing an ERP system in January 2024, marking the start of a multi-year transition from its previous stand-alone systems. This strategic initiative is expected to drive long-term efficiencies and is viewed as a critical step toward supporting future growth by establishing a unified operational platform. However, this transition has led to short-term, non-recurring costs, the majority of which were incurred in 2024, as well as associated risks. These risks include the possibility of exceeding the budget for implementation, which covers software, hardware, infrastructure, training, and consultancy fees. Additionally, a temporary dip in productivity is anticipated as staff undergo training to develop the necessary skills to effectively use the new system. The data migration process from existing systems to the new ERP platform also presents potential challenges, including time constraints and the risk of errors.

Risks Related to the Company’s Securities

The Company’s securities have not been registered under the U.S. Securities Act

The Common Shares have not been, and may never be, registered under the U.S. Securities Act or under applicable state or foreign securities laws. In addition, subscribers may be unable to deposit Rubicon Organics securities with a U.S. brokerage house.

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company’s control

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company’s control, including the following:

- actual or anticipated fluctuations in the Company’s quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company’s executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by, or involving, U.S. entities or the Company’s competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies;

- impacts from pandemics or other major global events;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets; and
- regulatory changes in the industry.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies, in particular Canadian cannabis companies, and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely affected and the trading price of the Common Shares might be materially adversely affected.

The Company does not anticipate paying dividends

The Company's current policy is to retain earnings to finance the development and enhancement of the Company's products and to otherwise reinvest in the Company. Therefore, the Company does not anticipate paying dividends on the Common Shares in the foreseeable future. The Company's dividend policy will be reviewed from time to time by the Board in the context of the Company's earnings, financial condition, and other relevant factors. Until the time that the Company does pay dividends, which the Company may never do, the Company's shareholders will not be able to receive a return on their Common Shares unless they sell them.

Dilution to Common Shares

The increase in the number of Common Shares issued and outstanding as a result of public offerings, may have a depressive effect on the price of the Common Shares. In addition, as a result of such additional Common Shares, the ownership of the business and voting power of the Company's existing shareholders will be diluted.

Loss on Dissolution or Termination of the Company

Upon the dissolution and termination of the Company, the proceeds realized from the liquidation of assets, if any, will be distributed to the shareholders only after the claims of all creditors have been satisfied. Accordingly, the ability of a shareholder to recover all or any portion of its investment under such circumstances will depend on the amount of funds so realized and the claims to be satisfied from such funds.

Concentrated Ownership of the Company

At the date of this document, Insiders and Management collectively hold 44% of the Company's issued and outstanding Common Shares resulting in a concentrated ownership structure. Such concentrated ownership may present challenges for shareholders due to potential impacts on stock liquidity and market dynamics. Consequently, shareholders might encounter difficulties in buying or selling shares without experiencing considerable price fluctuations or delays.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential material conflicts of interest among us and our directors, officers or other members of Management as a result of their outside business

interests except that certain of our directors and officers serve as directors, officers or advisors of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director, officer or advisor of such other companies.

Cautionary Note Regarding Forward-Looking Statements

Some of the statements contained in this MD&A are forward-looking statements, such as estimates and statements that describe the Company's plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur.

Forward-looking statements may be identified by such terms as "believes", "if", "expects", "estimates", "may", "could", "should", "will", "intends" and similar expressions. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Although the Company believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking statements are based on certain assumptions and analyses made by the Company considering the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to (i) information or statements concerning the Company's expectations of financial resources availability to fund operations; (ii) obtaining the necessary regulatory approvals; (iii) that regulatory requirements will be maintained; (iv) general business and economic conditions; (v) the Company's ability to successfully execute its plans and intentions; (vi) the Company's ability to obtain financing at reasonable terms through the sale of equity and/or debt commitments; (vii) the Company's ability to attract and retain skilled staff; (viii) market competition; (ix) the products and technology offered by the Company's competitors; and (x) that our current good relationships with our suppliers, service providers and other third parties will be maintained.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors including: the legal status of cannabis cultivation, distribution and sales in Canada; changes in general economic conditions and conditions in the financial markets; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; uncertainty about the Company's ability to continue as a going concern; risk that the Company will not obtain or retain any relevant licenses; technological and operational difficulties encountered in connection with the Company's activities; changing foreign exchange rates and other matters discussed in this MD&A.

Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performances, achievements or events to not be as anticipated, estimated or intended. Many of the factors are beyond our control. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. We disclaim any intention and assume no obligation to update any forward-looking statements even if new information becomes available, as a result of future events, new information, or for any other reason except as required by law. These forward-looking statements are made as of the date hereof. Additional information related to us is available by accessing the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR+") website at www.sedarplus.ca.

Additional Information

Additional information related to the Company is available on the Company's website at www.rubiconorganics.com and through its public filings on www.sedarplus.ca.

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