



Rubicon Organics Inc.

Management's Discussion & Analysis

For the years ended December 31, 2025 and 2024

Expressed in thousands of Canadian dollars unless otherwise noted

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, 2025. All amounts in this MD&A are expressed in thousands of 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, 2025 (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 March 23, 2026.

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

Rubicon Organics Inc., headquartered in Vancouver, British Columbia, is incorporated under the Business Corporations Act (British Columbia). The Company's common shares trade on the TSX Venture Exchange under the symbol "ROMJ" and on the OTCQX under the symbol "ROMJF." Rubicon Organics has one wholly owned subsidiary, Rubicon Holdings Corp. ("RHC"), which is also incorporated in British Columbia.

Through RHC, Rubicon Organics is a licensed producer under the Cannabis Act, focused on the cultivation and sale of premium and certified-organic cannabis for both the Canadian recreational and medical markets, as well as select international medical markets. The Company operates two cultivation facilities and holds proprietary intellectual property in certified organic cultivation methods, alongside a robust genetics library and research and development program. These assets position Rubicon Organics as a leading scaled producer of high-quality cannabis in Canada.

Rubicon Organics markets its products through an established portfolio of premium brands, including its flagship super-premium organic brand Simply Bare™ Organic ("Simply Bare"), its premium legacy-inspired brand 1964 Supply Co™ ("1964"), and its cannabis wellness brand Wildflower™ ("Wildflower"). The Company also participates in the mainstream segment through Homestead Cannabis Supply™ ("Homestead").

Rubicon Organics was the first cannabis company globally to publish an Environmental, Social and Governance ("ESG") report and continues to demonstrate leadership in sustainability within the cannabis sector. The Company's fifth annual ESG Report, covering fiscal 2024, is available on its website.

As at December 31, 2025, 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 Facilities



The Company's production platform is anchored by two complementary facilities, each contributing to our ability to deliver consistent, high-quality cannabis at scale. This dual-facility model is a meaningful strategic advantage allowing the Company to optimize production across formats, manage biomass supply proactively, and maintain consistent quality standards. The following table outlines the key attributes of each facility.

Facility	Highlights
<i>Pacifica – Delta, British Columbia</i>	
Hybrid Greenhouse	Nursery, cultivation, processing, solvent-less extraction, and packaging
125,000 sq. ft.	5 growing compartments
11,000 kgs of premium flower <i>(current rated capacity)</i>	Automated pre-roll manufacturing
	Cold cure processing rooms
	Certified for: <ul style="list-style-type: none"> ▪ CUMCS ^a ▪ IMC-G.A.P. ^b ▪ FVOPA ^c
	Additional 7 acres of land for expansion
<i>Cascadia – Hope, British Columbia</i>	
Indoor	Purpose built for cannabis cultivation
47,500 sq. ft	13 growing compartments
4,500 kgs of premium flower <i>(current rated capacity)</i>	Cold cure processing rooms
	CUMCS equivalency (pending)

Abbreviation	Certification	Purpose
^a CUMCS	Control Union Medical Cannabis Standard	Ensures high quality and consistency in the cultivation and production of medical cannabis through globally recognized Good Agricultural & Collection Practices (GACP).
^b IMC-G.A.P.	Good Agricultural Practice Equivalency	Establishes compliance with the Israeli Medical Cannabis Good Agricultural Practices standard, enabling producers to meet required GACP guidelines for the cultivation and export of medical cannabis to Israel.
^c FVOPA	Fraser Valley Organic Producers Association	Provides accredited organic certification under the Canada Organic Regime (COR), ensuring products meet organic standards for domestic and international markets.

Brands and Products

At the core of our success is a portfolio of premium brands built on a foundation of consistent quality, innovation, and deep consumer understanding. The following table outlines each of our brands and their positioning within the market.

Brand	Story	Positioning	Products
	<p>Simply Bare™ is Rubicon Organics' flagship super-premium brand and one of Canada's few certified organic, living-soil cannabis producers. The brand focuses on cultivating unique and rare phenotypes that deliver terpene-rich flower with exceptional aroma, flavour, and potency. Grown in living organic soil and hand-tended using certified organic methods, Simply Bare provides a clean, high-quality cannabis experience.</p>	Super-premium	<ul style="list-style-type: none"> Dried Flower Pre-Rolls Infused Pre-Rolls Concentrates Gummies Capsules
	<p>1964 Supply Co™ is our largest brand by revenue, offering a portfolio centered on classic, legacy cannabis strains. The brand reflects the heritage of traditional cannabis, using time-tested cultivation inputs and sustainable growing practices to produce high-quality products with familiar, potent genetics. Positioned within the premium segment, 1964 appeals to consumers looking for authenticity and continuity with cannabis' legacy culture, delivering consistently strong performance in the market.</p>	Premium	<ul style="list-style-type: none"> Dried Flower Pre-Rolls Infused Pre-Rolls Vapes Concentrates Gummies Edibles

	<p>Wildflower™ is our wellness brand owned by Rubicon Organics in Canada. The brand was designed to meet the various needs of wellness consumers from pain management to anxiety relief and sleep aid. Wildflower™ focuses on the wellness segment of the cannabis industry, offering topical and ingestible cannabinoid-based products derived from clean, carefully cultivated sources. With an emphasis on CBD, natural, simple and plant-based ingredients, Wildflower™ bridges the gap between cannabis products and everyday wellness.</p>	<p>Premium</p>	<p>Topicals Edibles Oils</p>
	<p>Homestead Cannabis Supply™ is our mainstream offering, designed to provide consumers with competitively priced quality cannabis. The brand serves as a strategic channel for high-quality flower that does not meet the elevated specifications of Rubicon's premium portfolio, enabling us to optimize biomass utilization and cash generation.</p>	<p>Mainstream</p>	<p>Dried Flower Pre-Rolls</p>

Strategy and Outlook

Building on a Proven Foundation. Driving the Future of Premium Cannabis.

Rubicon Organics has a proven track record of success, having navigated the early challenges of the Canadian cannabis industry and cementing our position as a leader in the premium cannabis market. Built on a solid strategic foundation, the Company has grown and scaled its business while developing a strong portfolio of premium brands supported by consistent product excellence and continuous, purposeful innovation. Leveraging our unique intellectual property, Rubicon delivers premium cannabis products across a wide range of formats, with a strategy centered on genetic innovation and product development that meets the diverse and evolving needs of consumers.

Deepening our position as the pinnacle of premium cannabis, we deliver quality and consistency at every touchpoint while strengthening trusted partnerships across our retail and provincial network. Operational value is driven through our Pacifica and Cascadia facilities, a targeted portfolio of brands, and a relentless focus on innovation in genetics and product development. Our people and culture remain at the heart of everything we do, as we foster an inclusive, high-integrity environment where our team can grow and thrive. Scaling purposefully, Rubicon is building the systems, partnerships, and market access needed to solidify our position as the most trusted name in premium cannabis.

2026 Outlook

Leveraging Our New Scale

Demand for our flower products has consistently exceeded our available supply. We are building the teams, systems, and infrastructure needed to support the next phase of growth. With the Cascadia Facility now licensed and fully operational, 2026 marks a pivotal year for Rubicon to address these supply constraints. The combined annual production capacity of 15,500 kg across our two complementary facilities, the Pacifica greenhouse and the Cascadia indoor facility, positions us well to meet growing domestic and international demand for premium cannabis. Furthermore, this figure reflects current operational output. As operations

mature and yield improvements and efficiencies are realized, we expect production to increase meaningfully over the next several years, supporting our ability to serve a broader customer base and fulfill larger supply commitments.

The acquisition, licensing, and rapid operationalization of the Cascadia Facility is a direct demonstration of our commitment to capturing this opportunity and our ability to execute with speed and purpose. The facility is now fully planted and we have completed its first harvests. Additionally, an important near-term milestone is the anticipated Good Agricultural and Collection Practices (“GACP”) certification for Cascadia. Achieving this certification is expected to support our ability to meet international medical market requirements and enhance our credentials in maintaining quality and consistency throughout our portfolio.

Continued Emphasis on Genetics

Our deep genetics library remains a core strategic differentiator. In 2026, we are focused on demonstrating the depth and consistency of that library through a disciplined cadence of new genetic launches across our brand portfolio. Recent additions include BC Organic Lemolada, and BC Organic Mandarin Zktz, which were introduced into the market in early 2026. We believe a steady pipeline of sought-after cultivars is essential to maintain our leadership in the premium and super-premium segments of the Canadian market and drive long-term consumer loyalty.

International

Building on the success of our inaugural international shipments in 2025, we are moving forward on our international strategy in 2026. With an upcoming branded launch, this is expected to mark the international introduction of the 1964 brand to key markets. This launch is anticipated to represent a meaningful step in establishing Rubicon’s premium brands on the global stage.

Margin Improvements

Improving gross margin is a key financial priority for 2026 and we are actively pursuing several initiatives to achieve this. Central to our approach is leveraging the increased scale of our two-facility growing operations, through which we anticipate reducing our need to rely on third-party suppliers and allow us to more efficiently absorb our fixed production costs across the facilities. Additionally, we are committed to improving our yields as we continue to explore promising methods towards meaningful improvements in cultivation. Yield gains derived both from genetic selection and facility optimization are expected to be key contributors to margin expansion over the course of the year.

While we are well-positioned to meet the growing demand for our product, we do note that softness in the B.C. market, partly attributable to a strike that occurred towards the end of 2025, has created near-term headwinds that are expected to influence our early 2026 results. We continue to monitor this market closely and remain confident in its long-term recovery.

Financial Growth

For 2026, we are forecasting growth in both net revenue and Adjusted EBITDA¹, driven by our newly realized capacity increases and ongoing strategic initiatives. We anticipate gross margin and Adjusted EBITDA to be under pressure in the first half of 2026, reflecting continued investment in the ramp-up of the Cascadia Facility ahead of its first commercial harvest, and resulting in higher near-term cash outflows. As production from Cascadia comes online and revenues are realized, we expect a meaningful acceleration in gross margins, Adjusted EBITDA, and operating cash inflows through the second half of 2026. Based on

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, fair value changes, and pre-revenue startup costs. See Selected Financial Information for details on the Adjusted EBITDA calculation.*

our current view of demand for our products, we remain confident that the growth exhibited in 2025, which culminated in record revenues, is expected to continue into 2026.

Reviewing 2025 Key Priorities

Securing Additional Premium Quality Supply

Growing demand for Canadian cannabis across both domestic and international markets continued to reinforce the importance of securing reliable access to premium-quality supply in order to support the performance of our brands and gross revenue.

As the Canadian market strengthened, entering 2025, the Company acted decisively to capitalize on these improving conditions by deepening its presence in Canada and reinforcing its position as a leading licensed producer in the premium segment. To support this increased demand for premium flower, the Company acquired the Cascadia Facility. The acquisition added approximately 4,500 kg of annual production capacity, representing more than a 40% increase over the Pacifica Facility's existing capacity, and brought Rubicon's total annual production capacity to roughly 15,500 kg of premium cannabis. The pace at which the Company completed the acquisition, secured licensing, and delivered its first harvest demonstrated the operational capabilities and disciplined execution of the Rubicon team.

Throughout 2025, the Company supplemented its production by acquiring 2,410 kg incremental biomass and enhanced its manufacturing capacity through strategic partnerships with contract growers and the continued use of co-manufacturers who have supported the Company's growth in recent years.

Building Trust with our Customers in Canada

Throughout 2025, the Company remained committed to the Canadian cannabis market and to serving as a trusted partner to provincial distributors, retailers, and consumers. As Canadian customers faced increasing competition from growing international demand, many mainstream and premium licensed producers shifted a portion of their sales abroad. This created an opportunity for Rubicon Organics to further strengthen its brand presence within Canada.

Rubicon continued to differentiate itself from other licensed producers through its combination of certified organic cultivation methods, an expansive genetics library, and a portfolio of award-winning brands that resonated strongly with consumers and budtenders. While many competitors emphasized pricing strategies, Rubicon's market position remained grounded in product quality, trust, and innovation—attributes that became increasingly valued as the market matured and consumer brand loyalty deepened.

Genetics

The Company's proprietary cannabis genetics represent a core strategic asset and a key differentiator in maintaining our leadership in innovation within the premium and super-premium segments of the Canadian market. 2025 was a year in which we demonstrated its depth with a consistent cadence of new launches. Under the Simply Bare brand, we launched several new strains, including BC Organic Pink Drip, which took home two awards at the 2025 KIND Awards winning both Flower of the Year and Budtender's Choice. In 2025, we also launched Kush Mints, Gasolina, and Apples and Bananas under the 1964 brand.

These genetics are designed to enhance our product offering and strengthen our competitive position in the evolving premium cannabis market, which we anticipate to drive long term value and help shape the future of cannabis.

International

Our strong reputation in Canada has attracted a growing number of inquiries from international medical cannabis buyers in recent years. In 2025, we implemented a measured “test-and-learn” approach to international markets and successfully completed shipments to three separate international jurisdictions. These initial shipments provided valuable operational insight into export processes, logistics, and varying regulatory requirements across markets.

Following these learnings, we are planning to introduce our 1964 brand in a selected international market in 2026.

Financial Growth

In 2025, the Company achieved year-over-year revenue growth of 22% and increased Adjusted EBITDA by 25%. The Company incurred approximately \$1,060 in operational start-up costs associated with the Cascadia Facility, which had a short-term impact on IFRS profitability. These investments formed part of the Company’s broader strategy to expand production capacity and support the continued growth of net revenue and improvements in Adjusted EBITDA.

Recent Activities

Key Developments in the year ended December 31, 2025

(\$000s)

Financial and other highlights

- Record high net revenue of \$59,450 (22% increase) for the year ended December 31, 2025 and record revenues of \$16,461 (16% increase) for the three months ended December 31, 2025.
- Record high income from operations of \$1,825 for the year ended December 31, 2025, a 256% increase compared to a loss from operations of \$1,170 in the prior year.
- Adjusted EBITDA of \$5,022 (25% increase) for the year ended December 31, 2025 and \$1,179 (28% decrease) for the three months ended December 31, 2025.
- Industry recognition winning 7 prestigious KIND awards² including Budtender Choice, Brand of the Year, and Craft Brand of the Year.
- Raised additional proceeds of \$4,162 through a private placement and up to \$4,000 aggregate borrowing from securing a long-term capital loan and line of credit.

Financial Review

In the fourth quarter of 2025, the Company delivered net revenue of \$16,461, an increase of \$2,261 or 16% compared to the same period in the prior year. Gross profit before fair value adjustments was \$5,291, representing a gross margin of 32%, compared to \$5,080 and 36% in the prior year quarter, with the year-over-year decrease primarily attributable to \$808 in Cascadia start-up costs. Within this amount, \$643 represents cultivation costs that are expensed through cost of sales as incurred. When these costs are excluded, gross margin would have been 36%. Operating expenses of \$6,046 reflected a 25% increase over the prior year. Net loss for the quarter was \$2,229, compared to \$47 in the prior year, while Adjusted EBITDA amounted to \$1,179, compared to \$1,629 in the same period of 2024.

For the year ended December 31, 2025, the Company generated net revenue of \$59,450, an increase of \$10,754 or 22% compared to the prior year, reflecting the continued momentum of our brand portfolio and product innovation strategy. Gross profit before fair value adjustments was \$19,471, representing a gross margin of 33%, compared to \$15,303 and 31% in the prior year. Operating expenses totaled \$20,312, an

² 2025 KIND Magazine’s (“KIND”) awards

increase of 22% over the prior year driven by strategic investments to support continued top-line growth. The Company reported net income of \$1,051 for the full year, compared to a net loss of \$2,562 in 2024. Full year Adjusted EBITDA amounted to \$5,022, compared to \$4,029 in the prior year, representing a 25% increase.

Market Share

Data per Hifyre³

The following tables summarize our market share performance by product segment for the three months and years ended December 31, 2025 and 2024.

Twelve-months ended December 31, 2025 and 2024

Product Segment	December 31, 2025	December 31, 2024	Variance
<i>All Price Tiers</i>			
Flower	1.9%	2.0%	-0.1%
Pre-rolls	2.1%	1.8%	+0.3%
Concentrates	5.5%	4.3%	+1.2%
Topicals	25.9%	26.9%	-1.0%
<i>Premium Price Tier</i>			
All Categories	7.2%	6.9%	+0.3%
Flower	8.5%	7.0%	+1.5%
Pre-rolls	2.5%	4.0%	-1.5%
Vapes	18.3%	14.0%	+4.3%

Three-months ended December 31, 2025 and 2024

Product Segment	December 31, 2025	December 31, 2024	Variance
<i>All Price Tiers</i>			
Flower	2.0%	2.1%	-0.1%
Pre-rolls	2.2%	1.9%	+0.3%
Concentrates	4.8%	5.6%	-0.8%
Topicals	24.3%	25.8%	-1.5%
<i>Premium Price Tier</i>			
All Categories	8.0%	7.2%	+0.8%
Flower	10.4%	7.3%	+3.1%
Pre-rolls	3.1%	3.0%	+0.1%
Vapes	18.7%	24.7%	-6.0%

Corporate

In May 2025, the Company announced the closing of a non-brokered private placement offering (the "Offering") under the listed issuer financing exemption pursuant to Part 5A of National Instrument 45-106 – Prospectus Exemptions ("NI 45-106"), having issued 10,227,265 Units at a price of \$0.44 per Unit for aggregate gross proceeds of approximately \$4,500.

In May 2025, the Company announced the appointment of Glen Ibbott, a cannabis industry veteran and former Chief Financial Officer of Aurora Cannabis Inc. (TSX: ACB, Nasdaq: ACB) as its Interim Chief Financial Officer.

³ All retail market share data is sourced from Hifyre for the periods January 2025 to December 2025, October 2025 to December 2025, January 2024 to December 2024, October 2024 to December 2024

In October 2025, the Company engaged Atrium Research Corporation, an independent third-party, to provide research services.

In November 2025, the Company secured a \$3,000 capital loan and a \$1,000 line of credit, both of which are secured against the Cascadia Facility. The funds were received on December 2, 2025.

In November 2025, Glen Ibbott, previously Interim Chief Financial Officer, was appointed as Chief Financial Officer.

Commercial & Operations

In February 2025, the Company's Pacifica Facility achieved CUMCS Equivalency IMC-G.A.P. certification, demonstrating compliance with international cultivation and quality standards. Subsequently, in March 2025, the Company completed its inaugural international test shipment of premium dried flower to Poland. Upon success of the initial trial, the Company has continued to send out test shipments to evaluate the international market, receive patient feedback on premium products, and understand the regulatory and export mechanics.

In May 2025, the Company was awarded *Standard Producer of the Year* at the *2025 Grow Up Industry Awards*.

In June 2025, the Company completed the acquisition of our Cascadia Facility. In October 2025, the Facility obtained its license to cultivate, process, and store cannabis from Health Canada under the *Cannabis Act* allowing the facility to begin operations and support the increased demand for the Company's premium products. The purpose-built facility, equipped with advanced cultivation technologies, is expected to increase our annual production capacity by 4,500 kg – a more than 40% increase over our existing capacity from the Pacifica Facility. Operations at the Cascadia Facility are now underway and revenues are expected to be realized in the first half of 2026. The Company has invested \$1,700 in capital expenditures at the facility during the year ended December 31, 2025.

In October 2025, the Company sent its first one-time drop shipment to Australia under the 1964 brand.

In November 17, 2025, the Company announced its extraordinary performance at the 2025 KIND Awards, earning multiple awards, including Budtender Choice for its super premium brand Simply Bare and Brand of the Year for 1964.

Developments Subsequent to December 31, 2025

Corporate

On January 15, 2026, the Company granted a total of 1,002,773 restricted share units ("RSUs") and 1,002,773 performance share units ("PSUs") under its Omnibus Equity Incentive Plan to certain executives and employees.

Commercial

On February 19, 2026, the Company announced its first harvest at the Cascadia facility. The facility is now fully planted and these harvests are expected to be monetized in Q2 2026, with production quality projected to reach flagship-brand standards by mid-2026. The Company is also anticipating the results of a GACP audit and its related certification which we expect to receive in the coming months.

Results of Operations and Financial Review

(\$000s)

	For the year ended		
	December 31, 2025	December 31, 2024	Variance
Net revenue	\$ 59,450	\$ 48,696	22%
Cost of sales	39,979	33,393	20%
Gross profit before fair value adjustments	19,471	15,303	27%
Fair value adjustments to cannabis plants, inventory sold, and other charges	2,666	117	2,179%
Gross profit	\$ 22,137	\$ 15,420	44%

Net revenue

The Company delivered net revenue of \$59,450 for the twelve months ended December 31, 2025, a 22% increase from the prior year. Despite a small upswing in overall pricing in the industry during early 2025, price competition increased in the latter half of the year due to overall supply expansion. Despite this price competitiveness, the Company has achieved revenue growth through product innovation and new genetic launches under Simply Bare and 1964.

Simply Bare saw the most growth within the pre-roll segment, which benefitted from the successful introduction of new and unique genetic launches.

1964 has experienced growth in the vape and pre-roll segments, primarily driven by the continued growth of vapes, which were introduced in Q2 2024, as well as the launch of new genetics. The adjustments in format sizes introduced in Q3 2024 saw sustained success in 2025.

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

Cost of Sales

For the twelve months ended December 31, 2025, total cost of sales, which encompasses production costs, inventory expensed to cost of sales, and inventory written off or provided for, increased by \$6,586 compared to the prior year, reflecting the Company's continued revenue growth.

Increases in production costs were driven primarily by start-up cultivation costs at the Cascadia Facility throughout the latter half of 2025, coupled with higher labour and electricity costs at the Pacifica Facility. Inventory expensed to cost of sales, which include post-harvest activities such as drying, processing, and packaging, grew alongside higher sales. Overall, gross margins were 33% in 2025, which remained relatively consistent compared to 32% in the prior year. This stability signals the Company's disciplined cost management and operational efficiency, which have enabled it to scale revenue without a significant corresponding increase in inventory-related costs. Finally, inventory written off or provided for saw a slight increase year-over-year, and represented 2.9% of net revenues compared to 2.2% in the prior year. The Company continues to manage inventory levels through ongoing improvements in supply and demand planning and aligning finished goods production with sales to minimize obsolescence.

Gross profit before fair value adjustments

For the twelve months ended December 31, 2025, gross profit before fair value adjustments was \$19,471 compared to \$15,303 in the prior year. This represents a gross profit margin of 33% for the twelve months ended December 31, 2025, compared to 31% in the prior year.

The ongoing improvement in gross margin reflects a favourable sales mix, driven by a higher proportion of higher-margin products. Additionally, increased sales volumes have been efficiently leveraged against relatively stable production costs, enhancing operating efficiency and enabling greater absorption of fixed overhead. During the second half of 2025, additional cost savings were realized from the Company's investment in pre-roll automation projects.

These improvements to margins are partially offset by operational costs relating to the Cascadia facility prior to its first harvests and related revenues. Costs relating to ramping up Cascadia's initial operations amounted to \$1,060, while increases to inventory provisions totalled \$313. Excluding Cascadia pre-revenue costs, gross profit before fair value adjustments would have been 35%.

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, 2025, unrealized gain on changes in fair value of cannabis plants was \$17,155 compared to \$13,124 in the prior year, an increase of \$4,031. The higher gain is a result of an increase in the number of growing plants at December 31, 2025, and a higher fair value per gram used in the fair value calculation, driven by yield improvements, partially offset by a lower comparable selling price of wholesale dried cannabis.

Realized fair value of inventory sold

For the twelve months ended December 31, 2025, realized fair value of inventory sold was \$12,999 compared to \$11,855 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 *Cost of Sales* discussion above for further details.

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

For the twelve months ended December 31, 2025, the adjustment to net realizable value of inventory on hand at period end was \$1,490 compared to \$1,152 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 *Cost of Sales* discussion above for further details.

Operating Expenses

	December 31, 2025	December 31, 2024	Variance
Consulting, salaries and wages ^{‡ †}	\$ 10,138	\$ 8,291	22%
General and administrative ^{‡ †}	4,488	3,712	21%
Sales and marketing	4,050	2,325	74%
Share-based compensation	1,443	2,045	(29%)
Depreciation and amortization	193	217	(11%)
Total operating expenses	\$ 20,312	\$ 16,590	22%

[‡] Contains research and development charges

[†] Contains a total of \$250 of costs associated with implementation of an ERP system across the two lines (December 31, 2024: \$861)

The increase in overall operating expenditure compared to the prior year reflects the Company's continued investment in growth. These increases primarily stem from additional headcount and broad-based growth initiatives across our operations.

Consulting, salaries and wages

For the twelve months ended December 31, 2025, consulting, salaries, and wages increased by \$1,847 compared to the prior year. The increase is primarily attributable to an overall increase in headcount to support business growth, 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, 2025, general and administrative expenses increased by \$776 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 is primarily attributable to higher licensing fees year-over-year, which is directly attributable to our growth in revenues. These increases are offset by general cost-discipline across the organization.

Sales and marketing

For the twelve months ended December 31, 2025, sales and marketing expenses increased by \$1,725 compared to the prior year. These expenses support the maintenance and expansion of Rubicon's brand recognition, execution of targeted marketing campaigns, and the development of new products.

Share-based compensation

Non-cash share-based compensation reflects the estimated value of stock options, RSUs, PSUs, and deferred share units ("DSUs") issued to employees and directors of the Company.

For the twelve months ended December 31, 2025, share-based compensation decreased by \$602 compared to the same period in the prior year. The decrease in expense is primarily driven by lower RSU expense, stemming from employee departures and RSUs granted in past periods that have fully vested prior to the end of 2025. Lower expenses related to options also contributed to this decrease as the Company's last issuance of stock options were granted in January 2024. These decreases were partially offset by an increase in PSUs related to awards granted in 2025, with no comparable grants in 2024.

The \$1,443 expense for December 31, 2025 consists of \$797 of RSU expense, \$539 of DSU expense related to awards to independent directors for 2024 and 2025 services, \$87 of PSU expense related to awards granted in 2025 to certain employees, and the remaining \$20 relating to stock options expense.

Selected Financial Information

The following tables present selected financial information of the Company:

As at:	December 31, 2025		December 31, 2024		December 31, 2023	
Current assets	\$	35,831	\$	30,651	\$	27,040
Non-current assets		31,064		25,960		27,851
Current liabilities		12,188		10,708		16,908
Non-current liabilities		10,650		8,502		89
Shareholders' equity		44,057		37,401		37,894

	December 31, 2025		Year ended December 31, 2024		December 31, 2023	
Net revenue	\$	59,450	\$	48,696	\$	40,116
Income (loss) from operations		1,825		(1,170)		(1,083)
Net income (loss) for the year		1,051		(2,562)		(1,824)
Adjusted EBITDA*		5,022		4,029		4,371
Income (loss) per share		0.02		(0.04)		(0.03)

*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, 2025 is \$250 of one-time costs incurred for the ERP implementation project (December 31, 2024: \$861).

Non-GAAP Measures

Adjusted EBITDA

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, fair value changes, and pre-revenue startup costs 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. The following table presents the Company's Adjusted EBITDA for the three months and years ended December 31, 2025 and December 31, 2024:

	Three months ended December 31, 2025		December 31, 2024		Year ended December 31, 2025		December 31, 2024	
(Loss) income from operations	\$	(2,052)	\$	292	\$	1,825	\$	(1,170)
IFRS fair value accounting related to cannabis plants and inventory		1,297		(54)		(2,666)		(117)
Depreciation and amortization		967		852		3,360		3,271
Share-based compensation expense		159		539		1,443		2,045
Cascadia pre-revenue startup costs**		808		—		1,060		—
Adjusted EBITDA*	\$	1,179	\$	1,629	\$	5,022	\$	4,029

*Included in Adjusted EBITDA in the year ended December 31, 2025 is \$250 of one-time costs incurred for the ERP implementation project (December 31, 2024: \$861)

**Consistent with industry practice, beginning in Q3 2025 the Company has adjusted Cascadia Facility pre-revenue startup costs from Adjusted EBITDA to show a comparable and consistent operating performance measure

Summary of Quarterly Results

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

	2025				2024			
(C\$000's, unless otherwise noted)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net revenue	16,461	15,629	14,984	12,376	14,200	13,499	12,106	8,891
Cost of Sales	(11,170)	(10,366)	(9,854)	(8,589)	(9,120)	(9,121)	(8,454)	(6,698)
Gross profit before fair value adjustments	5,291	5,263	5,130	3,787	5,080	4,378	3,652	2,193
Gross profit % before fair value adjustments	32%	34%	34%	31%	36%	32%	30%	25%
Operating expenses	6,046	5,029	4,899	4,338	4,841	3,720	3,932	4,097
Net profit (loss) for the period	(2,229)	2,828	773	(321)	(47)	(168)	(454)	(1,893)
Adjusted EBITDA	1,179	1,741	1,384	718	1,629	1,964	859	(423)
Weighted average shares outstanding (000's), basic	70,167	69,822	64,888	58,608	58,469	57,734	56,466	56,662
Weighted average shares outstanding (000's), diluted	71,196	70,851	66,152	60,172	59,450	58,765	56,833	57,710
Net profit (loss) per share, basic	(0.03)	0.04	0.01	(0.01)	(0.00)	0.00	(0.01)	(0.03)
Net profit (loss) per share, diluted	(0.03)	0.04	0.01	(0.01)	(0.00)	0.00	(0.01)	(0.03)

The Company has demonstrated consistent year-over-year quarterly net revenue growth from Q4 2024 through Q4 2025, driven by increased consumer demand, product innovation, and expanded market presence. Net revenues declined sequentially in Q1 2025, due to seasonal purchasing patterns typical of the cannabis industry. Despite this, the Company achieved a 39% year-over-year increase compared to Q1 2024. This positive momentum continued into the remainder of 2025, culminating in record quarterly net revenues of \$16,461 in Q4 2025, representing a 16% year-over-year increase which was driven by continuous product innovation, the introduction of new genetic lines, and strong growth in both the vape and pre-rolls segments.

Cost of sales has increased alongside revenue growth from Q1 2024 through Q4 2025, reflecting the Company's expanding production activity and sales volumes. Aside from the noted seasonal sales decrease in Q1 2025, cost of sales continued to build for the remainder of 2025. As revenue continues to grow, cost of sales is expected to increase correspondingly, reflective of the direct relationship between production activity and sales volumes.

Gross profit before fair value adjustments is a function of revenue and cost of sales. Margins in Q1 2024 and Q1 2025 reflect typical cannabis industry seasonality, where lower net revenues are measured against largely fixed production costs at the beginning of the year. From Q2 2024 onwards, margins improved steadily, supported by increased sales volumes, a favorable shift towards higher-margin products, post-launch cost savings on vapes, and efficient scaling against relatively stable production costs. This positive trend continued through 2025, with further efficiencies realized from recent investments in pre-roll automation. Margins in Q4 2025 were impacted by incremental costs attributable to the Cascadia Facility, where initial cultivation costs have been incurred ahead of the first harvest and corresponding revenues, which are expected in the first half of 2026.

Operating expenses have generally trended upwards as the Company grows, steadily increasing in 2025. This reflects deliberative investments in head count, as well as brand and marketing activities to support the Company's next phase of growth. These increases were partially offset by lower share-based compensation expenses, driven by a reduction in RSU expense as grants from prior periods were fully vested by Q4 2025.

Net loss for Q4 2025 was \$2,229, compared to \$47 in Q4 2024. In addition to the above factors, this increase is primarily driven by variations in fair value adjustments pertaining to cannabis plants and strategic investments in talent and commercial activities as the business scales up.

Adjusted EBITDA remained positive for the seventh consecutive quarter, reaching \$1,179 in Q4 2025 and \$5,022 year-to-date, reflecting continued progress toward sustainable profitability.

For a detailed review of the year ended December 31, 2025, 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.

	For the years ended		
	December 31, 2025	December 31, 2024	Change
Net cash provided by (used in):			
Operating activities	\$ (3,039)	\$ 3,399	\$ (6,438)
Investing activities	(8,416)	(1,545)	(6,871)
Financing activities	5,667	(1,774)	7,441
Effect of foreign exchange on cash	(80)	(7)	(73)
Increase (decrease) in cash	(5,868)	73	\$ (5,941)
Cash beginning of the period	9,857	9,784	
Cash end of the period	\$ 3,989	\$ 9,857	

Operating Activities

In the twelve months ended December 31, 2025, net cash used in operating activities was \$3,039, compared to net cash provided by of \$3,399 in the prior year. Although the Company saw improved profitability in 2025, this was offset by greater working capital investments, primarily in inventory, compared to the prior year. When coupled with a higher receivable balance and changes in product mix, these changes resulted in a net decrease of \$6,438 compared to December 31, 2024.

As at December 31, 2025 the Company remains current with its excise obligations, with the next quarterly excise payment due in April 2026.

Investing Activities

In the twelve months ended December 31, 2025, net cash used in investing activities increased by \$6,871 to \$8,416. This was primarily driven by the acquisition of the Cascadia Facility. During the year ended December 31, 2025, the Company has spent \$6,224 on the acquisition and other capital additions related to the Cascadia Facility. The remaining increase is attributable to capital additions at the Pacifica Facility, most notably, \$996 invested in pre-roll automation, a margin accretive project.

Financing Activities

In the twelve months ended December 31, 2025, net cash provided by financing activities was \$5,667 compared to net cash used in financing activities of \$1,774 in the prior year. This was primarily driven by net proceeds raised of \$4,162 through the May 2025 private placement coupled with additional proceeds of \$3,000 secured through a long-term capital loan. These proceeds were partially offset by cash outflows stemming from principal and interest payments on the Company's credit facilities, capital loan, and finance leases. Further, prior year saw a \$853 gain upon settlement of a foreign exchange swap relating to a debenture that matured and was fully repaid by December 31, 2024, with no comparable transaction in 2025.

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, 2025, the Company had cash and cash equivalents of \$3,989 and net working capital of \$23,643.

In 2024, the Company entered into credit facilities totaling \$10,000. In 2025, it secured an additional \$4,000 of borrowing through a \$3,000 capital loan and a \$1,000 line of credit. The facilities are secured, have five-year terms with ten-year amortization periods, and bear annual interest rates of 6.75% and 6.79%, respectively with the line of credit at a rate of Community Savings Credit Union Basic Lending Rate plus 5.50%.

During 2025, the Company undertook investment to acquire and commence operations of the Cascadia Facility to advance its long-term growth strategy. In May 2025, the Company completed a private placement raising gross proceeds of \$4,500 (\$4,162 net). The Company continues to seek additional financing alternatives to support future revenue growth and margin-accretive initiatives.

Contractual Obligations

The Company has the following contractual obligations as at December 31, 2025:

	Less than one year	One to three years	Over three years	Total
Lease liabilities	\$ 100	\$ 311	\$ —	\$ 411
Debt - Interest	794	1,950	1,492	4,236
Debt - Principal	999	3,427	7,839	12,265
Total commitments	\$ 1,893	\$ 5,688	\$ 9,331	\$ 16,912

Use of Proceeds

On May 7, 2025, the Company completed a non-brokered private placement for gross proceeds of \$4,500 (the "Offering"). The intended and actual use of proceeds as of December 31, 2025, and any variances are summarized below. The Company confirms that, except as set out in the table below, the use of proceeds from the offering has been consistent with the disclosure in the amended and restated offering document dated April 30, 2025. Variations in the intended versus actual use of proceeds reflect operational adjustments deemed necessary by management of the Company. The remaining start-up costs pertaining to the Cascadia facility are expected to be incurred in 2026 as the Company phases capital deployment in line with operational priorities. These reallocations are not expected to materially impact the achievement of the Company's disclosed business objectives or milestones.

Description of intended funds	Planned	Actual as of December 31, 2025	Variance Explanation
Hope Facility ^[1] acquisition start-up costs	\$2,700	\$1,060	Facility was granted key license to begin operations in October 2025. Costs anticipated to continue to be incurred into 2026.
Pre-roll automation and other capital investments	\$1,000	\$996	Fully incurred as planned.
Hope Facility acquisition costs	\$550	\$550 ^[2]	Fully incurred as planned.
General working capital purposes	\$250	\$250	Applied toward supplier payments and operational expenses.
Total	\$4,500^[3]	\$2,856^[4]	

[1] Cascadia Facility is referred to as the Hope Facility per the Offering document and its related disclosures.

[2] A total of \$4,671 includes all transaction costs and directly attributable costs for the acquisition of the Cascadia Facility, of which \$550 was funded by the Offering and \$4,121 was funded from cash on hand.

[3] Of the Offering gross proceeds of \$4,500, net proceeds totalled \$4,162 after transaction costs of \$338.

[4] A balance of \$1,644 remains from Offering proceeds, which will be used in accordance with the amended and restated offering document dated April 30, 2025.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at March 23, 2026, the Company has the following securities outstanding:

	Number of units
Common Shares	67,578,916
Stock Options	1,520,200
Warrants	5,341,963
Restricted Share Units	3,140,172
Performance Share Units	1,670,543
Deferred Share Units	2,991,268
Fully Diluted Shares Outstanding	82,243,062

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, 2025, included \$26 (December 31, 2024: \$28) 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, 2025, the Company incurred an expense of \$nil for

consulting services (December 31, 2024: \$36), and \$nil in related expenses payable to the Related Party for consulting services (December 31, 2024: \$7).

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, 2025, and December 31, 2024, was comprised of:

	December 31, 2025	December 31, 2024
Salaries and accrued salaries	\$ 986	\$ 997
Bonuses in accrued liabilities	357	313
Share based compensation	1,144	1,200
Total compensation of key management personnel	\$ 2,487	\$ 2,510

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 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. 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 (iv) 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. With respect

to financial liabilities settled in cash using an electronic payment system, the Company expects to apply the election to deem these financial liabilities to be discharged before the settlement date. The Company will continue to assess the impact of the standard on the consolidated financial statements during its quarterly reporting.

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.

In 2024, the Company used Derivatives to offset the foreign exchange impact of the principal and interest payments on the US\$8,000 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 Pacifica 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.

As at December 31, 2025, the Company had cash and cash equivalents of \$3,989 (December 31, 2024: \$9,857) and net working capital of \$23,643 (December 31, 2024: \$19,943). For the year ended December 31, 2025, the Company used cash in operating activities of \$3,039 (December 31, 2024: cash provided by operating activities of \$3,399).

During the year ended December 31, 2025, the Company undertook investment to acquire and commence operations of the Cascadia Facility to advance its long-term growth strategy. In May 2025, the Company completed a private placement in raising gross proceeds of \$4,500 (\$4,162 net) and secured an additional \$4,000 of borrowing through a \$3,000 capital loan and a \$1,000 line of credit. The Company continues to seek additional financing alternatives to support future revenue growth and margin-accretive initiatives.

Management projects that the Company will be able to meet its obligations as they fall due for at least twelve months from December 31, 2025.

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, 2025, the Company was exposed to currency risk through the following assets and liabilities denominated in US\$:

	December 31, 2025	December 31, 2024
Cash	181	490
Accounts payable and accrued liabilities	(49)	(125)
Interest payable	—	—
	US\$ 132	US\$ 365

A 10% increase/decrease of the US\$ against the CAD\$ would have increased/decreased net income by \$18 (December 31, 2024: \$53).

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, 2025.

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 \$9,103, as well as the Capital Loan, which has a carrying amount of \$2,967, 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 relating to the Credit Facilities.

The Company has complied with these covenants as at December 31, 2025 and December 31, 2024.

Risks and Uncertainties

The Board of Directors, directly and through its committees, oversees the Company’s enterprise risk management process framework, which is designed to identify, assess, and manage risks that could have a material adverse effect on the Company’s business, financial condition, results of operation or future performance. The risks described in this MD&A are primarily financial and market-related risks and are not exhaustive. Other risk factors, including operational, economic, regulatory, and governance, are described

under the heading “Risks Related to the Business” in the Company’s Annual Information Form dated March 23, 2026, a copy of which is available on the Company’s profile on SEDAR+ at www.sedarplus.ca.

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”, “anticipates” 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 the Company has 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. Rubicon disclaims any intention and assumes 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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