


# Rubicon Organics Inc.

## Management's Discussion & Analysis

For the three and nine months ended September 30, 2026 and 2025

*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 three and nine months ended September 30, 2026. 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 November 13, 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 premium 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' fifth annual ESG Report, covering fiscal 2024, is available on its website. The Company continues to incorporate environmental, social and governance considerations into its operations and decision-making processes.

## Our Facilities

The Company's production platform is anchored by two complementary production facilities, Pacifica and Cascadia, each contributing to our ability to deliver consistent, high-quality cannabis at scale. Complementing these is Arbora, our dedicated genetics facility in Squamish, which supports the development and evaluation of proprietary genetics. Together, this integrated model is a meaningful strategic advantage, allowing the Company to optimize production across formats, manage biomass supply proactively, advance our genetics pipeline, and maintain consistent quality standards. The following table outlines the key attributes of each facility.

| Facility | Highlights |
|---|---|
| ***Pacifica –*** *Delta, British Columbia* | |
| Hybrid Greenhouse<br><br>125,000 sq. ft.<br><br>11,000 kgs of premium flower<br>*(current rated capacity)*<br><br>15,500 kgs of premium flower<br>*(mid-2027 rated capacity estimate)* | Nursery, cultivation, processing, solvent-less extraction, and packaging<br><br>5 growing compartments<br><br>Automated pre-roll manufacturing<br><br>Cold cure processing rooms<br><br>Certified for:<br>▪ CUMCS [a]<br>▪ IMC-G.A.P. [b]<br>▪ FVOPA [c]<br><br>Additional 7 acres of land for expansion |
| ***Cascadia*** *– Hope, British Columbia* | |
| Indoor<br><br>47,500 sq. ft<br><br>4,500 kgs of premium flower<br>*(current rated capacity)* | Purpose built for cannabis cultivation<br><br>13 growing compartments<br><br>Cold cure processing rooms<br><br>Certified for:<br>▪ CUMCS [a]<br>▪ IMC-G.A.P. [b] |
| ***Arbora*** *– Squamish, British Columbia* | |
| Indoor<br><br>2,500 sq. ft | Nursery, genetic selection, and breeding<br><br>5 growing compartments<br><br>Cold cure processing rooms |

| | 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 |
|---|---|---|---|
| SIMPLY bare ORGANIC™ | **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. | Super-premium | Dried Flower<br>Pre-Rolls<br>Infused Pre-Rolls<br>Concentrates<br>Capsules |
| 1964™ | **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. | Premium | Dried Flower<br>Pre-Rolls<br>Infused Pre-Rolls<br>Vapes<br>Concentrates<br>Gummies<br>Edibles |

| | | | |
|---|---|---|---|
| wildflower | **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. | Premium | Topicals<br>Edibles<br>Oils |
| HOMESTEAD CANNABIS SUPPLY | **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. | Mainstream | Dried Flower<br>Pre-Rolls |

## 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 is scaling 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, responding to evolving consumer preferences toward convenient consumption options, while maintaining premium flower as the foundation of its brand and the hallmark of its commitment to quality. Through genetic innovation and product development, the Company continues to meet the diverse needs of consumers without compromising on product excellence.

Deepening our position as the pinnacle of premium cannabis, we deliver quality and consistency at every touchpoint while strengthening trusted partnerships across our retail, provincial, and international 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 premium-quality cannabis has consistently exceeded our available supply and increasing quality saleable production from our existing cultivation platform remains an important driver of future growth. The ramp-up of Cascadia has progressed more slowly than originally anticipated, with the facility currently approximately six months behind the Company's initial production ramp expectations.

Management remains confident in Cascadia's production potential, supported by encouraging recent yield results, and continues to implement cultivation optimization initiatives, including improvements to genetics, lighting and growing practices, aimed at increasing yields toward targeted levels while maintaining premium product quality. Revenue contribution from Cascadia commenced late in Q2 2026 with Q3 representing the first full quarter of contribution and generating approximately $2,250, as the facility continues to scale production towards targeted levels.

At Pacifica, continued cultivation improvements and planned greenhouse upgrades are expected to further increase production from the facility. Year to date production at Pacifica has increased by approximately 16% year over year in 2026, with further growth expected as planned facility improvements are completed and annual production capacity increases to approximately 15,500 kg in 2027. Together with Cascadia, these investments are expected to increase the Company's combined annualized cultivation capacity to approximately 20,000 kg by mid-2027, enhancing our ability to address demand across our domestic and growing international sales channels.

Cascadia obtained CUMCS and IMC-G.A.P. certifications, further supporting the Company's ability to meet requirements of international medical cannabis markets and reinforcing its focus on quality and consistency across its cultivation platform. As we increase production across Pacifica and Cascadia, management remains focused on translating this additional supply into sustainable revenue growth and greater operating scale.

***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. In Q3 we launched Pink Drip under 1964 and BC Organic Velvet Octane and BC Organic Caviar-Z under Simply Bare. The launch of BC Organic Caviar-Z marks the launch of the Company's first in-house developed genetic coming to market, marking an important milestone and representing an exciting evolution of our genetics program. 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.

Subsequent to Q3 2026, the Company received a micro-cultivation license for Arbora, which serves as our dedicated genetics facility in Squamish, British Columbia. Arbora expands our in-house genetics capabilities and provides a dedicated platform to support the development and evaluation of proprietary genetics. The facility is expected to strengthen our innovation pipeline and support a consistent introduction of differentiated cultivars across our premium and super-premium brands.

***International***

Building on the Company's inaugural international shipments in 2025, we have continued to advance our international strategy throughout 2026. In April, the Company launched 1964 in international markets with its first branded shipment of products to the U.K., marking the international introduction of the brand in a key market. During the third quarter, we further expanded our international presence with the launch of 1964 vapes in the U.K. With four international revenue contracts now signed, the Company has expanded its pipeline of international sales opportunities and continues to build the presence of its premium brands in global markets.

***Margin Improvements***

During 2026, gross margins continue to reflect the transitional impact of scaling the Company's production platform and investing in initiatives intended to support longer-term growth and profitability. This includes the ongoing ramp-up of Cascadia as yields progress toward targeted levels, as well as product mix and commercial initiatives designed to drive consumer demand and expand the Company's market position.

Improving gross margin remains an important area of focus for management, supported by initiatives to increase cultivation yields, improve manufacturing efficiencies and ongoing optimization of the Company's product portfolio. At Pacifica, year-to-date production has increased approximately 16% year over year, and the Company continues to invest in cultivation lighting and related greenhouse upgrades to further increase yields and lower per-unit cultivation costs. Following successful lighting trials, two compartments are now growing under the upgraded lighting, with additional fixtures on site with installation expected to be completed by the end of 2026. These investments, together with the continued ramp-up of Cascadia, are expected to increase the Company's combined annualized cultivation capacity to approximately 20,000 kg by mid-2027, while lowering per-unit cultivation costs and improving gross margins as the benefits of increased scale are realized.

The Company is also investing in manufacturing efficiencies and bringing key processes in-house. During Q3 2026, the Company fully automated its pre-roll production with August representing the first month in which all pre-roll production was automated. Installation of the Company's in-house hydrocarbon extraction facility is underway, with ramp-up and optimization planned through early 2027 and commercial operations and related margin benefits expected in the second half of 2027. As production volumes increase, cultivation and manufacturing efficiencies are realized and additional capabilities are brought in-house, management expects the benefits of these initiatives to become increasingly meaningful in 2027.

***Financial Growth***

The Company expects continued revenue growth through the remainder of 2026 and for the full year 2027 to be supported by strong demand across its domestic and international sales channels and increasing production from its expanded cultivation platform. Cascadia continues to progress toward targeted yield levels, with recent results providing increased confidence in the facility's production potential, while investments at Pacifica are expected to expand the Company's available supply as their benefits are realized.

With demand expected to absorb additional production, management remains focused on translating increased supply and scale into improved financial performance. We expect the benefits of the investments made across our operating platform to become increasingly meaningful in 2027 and believe our expanded cultivation capacity and growing sales channels position the Company to continue the current growth trajectory.

## Recent Activities

### Key Developments in the three and nine months ended September 30, 2026 ("Q3 2026")

***($000s)***

***Financial and other highlights***

- Net revenue of $18,260 for Q3 2026 (17% increase year-over-year) and $50,400 for the nine months ended September 30, 2026 (17% increase year-over-year).
- Income from operations totaled $172 in Q3 2026 compared to $3,009 in the same prior-year quarter. For the nine months ended September 30, 2026, the Company reported an operating loss of $1,682 compared to operating income of $3,878 in the prior year period.

- Adjusted EBITDA[1] of $1,435 for Q3 2026 (17% decrease year-over-year) and $1,977 for the nine months ended September 30, 2026 (49% decrease year-over-year), as the costs of scaling up Cascadia prior to revenue recognition impacted the first half of 2026.
- Maintained our position as the #1 premium licensed producer in Canada during Q3 2026 and for the nine months ended September 30, 2026.[2]
- Continued to strengthen our position within the Canadian premium cannabis category, increasing market share to 7.2% for the nine months ended September 30, 2026, up from 6.3% for September 30, 2025. [2]
- Grew our market share of premium flower and pre-rolls to 9.7% and 4.9%, respectively, for the nine months ended September 30, 2026. [2]
- Maintained our position as the #2 topical producer in the market with over 30% market share for Q3 2026 and the nine months ended September 30, 2026, showing growth of 5.3% and 3.9%, respectively. [2]
- Achieved CUMCS certification and IMC-G.A.P. certification for the Cascadia facility.
- Pacifica 2026 year to date production increased approximately 16% compared to the prior year, with ongoing cultivation improvements and facility investments expected to support further growth.
- Launched our first in-house developed genetic, BC Organic Caviar-Z, under the Simply Bare brand.

***Market Share***

*Data per Hifyre* [2]

The following tables summarize our market share performance for the Canadian adult use market by product segment.

*Three months ended September 30, 2026:*

| | Rubicon's Share (%) | | | Total Market ($000's) | | |
|---|---|---|---|---|---|---|
| **Product Segment** | **Q3 2026** | Q3 2025 | Variance | **Q3 2026** | Q3 2025 | Variance |
| *All Price Tiers* | | | | | | |
| Flower | **1.8%** | 1.8% | — | **460,029** | 497,351 | -7.5% |
| Pre-rolls | **3.2%** | 3.0% | +0.2% | **398,557** | 372,800 | +6.9% |
| Vapes | **1.3%** | 1.3% | — | **285,493** | 253,369 | +12.7% |
| Concentrates | **5.3%** | 5.6% | +0.3% | **71,520** | 71,038 | +0.7% |
| Topicals | **31.4%** | 26.1% | +5.3% | **4,764** | 5,423 | -12.2% |
| | | | | | | |
| *Premium Price Tier* | | | | | | |
| All Categories | **6.6%** | 6.7% | -0.1% | **201,959** | 200,685 | +0.6% |
| Flower | **9.0%** | 9.2% | -0.2% | **78,275** | 83,310 | -6.0% |
| Pre-rolls | **5.2%** | 3.2% | +2.0% | **65,366** | 55,040 | +18.8% |
| Vapes | **6.5%** | 7.8% | -1.3% | **17,112** | 21,001 | -18.5% |

[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.*

[2] *All retail market share data is sourced from Hifyre for the periods July 2026 to September 2026, July 2025 to September 2025, January 2026 to September 2026, and January 2025 to September 2025.*

*Nine months ended September 30, 2026:*

| | Rubicon's Share (%) | | | Total Market ($000's) | | |
|---|---|---|---|---|---|---|
| **Product Segment** | **Q3 2026** | Q3 2025 | Variance | **Q3 2026** | Q3 2025 | Variance |
| *All Price Tiers* | | | | | | |
| Flower | **1.9%** | 1.8% | +0.1% | **1,364,410** | 1,471,284 | -7.3% |
| Pre-rolls | **3.1%** | 2.8% | +0.3% | **1,055,068** | 970,640 | +8.7% |
| Vapes | **1.3%** | 1.4% | -0.1% | **826,284** | 733,695 | +12.6% |
| Concentrates | **5.4%** | 5.7% | -0.3% | **210,973** | 208,649 | +1.1% |
| Topicals | **30.4%** | 26.5% | +3.9% | **13,764** | 14,804 | -7.0% |
| *Premium Price Tier* | | | | | | |
| All Categories | **7.2%** | 6.3% | +0.9% | **575,602** | 608,363 | -5.4% |
| Flower | **9.7%** | 8.0% | +1.7% | **234,382** | 277,176 | -15.4% |
| Pre-rolls | **4.9%** | 2.5% | +2.4% | **171,576** | 164,629 | +4.2% |
| Vapes | **8.7%** | 9.5% | -0.8% | **51,586** | 49,551 | +4.1% |

***Key Updates***

***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.

On April 27, 2026, the Company entered into an amendment to its existing line of credit agreement with Community Savings Credit Union to temporarily increase the available credit from $1.0 million to $2.5 million, with the additional capacity intended to support working capital requirements during the ramp up of the Cascadia Facility and other investment initiatives. This increase was made permanent in October 2026.

On July 20, 2026, the Company announced that 686,786 performance share units ("PSUs") previously granted to certain executives had been forfeited and cancelled. On September 24, 2026, the Company granted 686,786 performance share units to such executives on substantially the same economic terms and vesting schedule as the forfeited performance share units.

***Commercial***

On April 7, 2026, the Company was recognized with three awards at the 2026 High Buds Club Awards, voted on by over 1,000 budtenders across Canada. Awards included Brand of the Year for 1964, Indica Flower of the Year for Stinky Pinky, and Topical of the Year for the Wildflower Extra Strength Relief Stick.

On April 12, 2026, the Company announced the launch of its 1964 brand in the U.K. medical cannabis market through a distribution partnership with 4C LABS (a cannabis-based pharmaceutical and telehealth company), representing the brand's first international route-to-market. On September 18, 2026, the Company announced the launch of 1964 full spectrum vapes in the U.K. through this same distribution partnership.

On May 11, 2026, the Company announced that its Cascadia facility has achieved GACP certification. GACP certification confirms that Cascadia meets international requirements for product consistency, contamination control, traceability, and documentation, and applies specifically to the agricultural stage of production, supporting the cultivation of high-quality cannabis for regulated medical markets.

On June 4, 2026, the Company received multiple honours at the 2026 Grow Up Industry Awards including Brand of the year for 1964, and Best Dry Flower for Simply Bare BC Organic Fruit Loopz.

Revenues from Cascadia continued to increase during the third quarter of 2026, with approximately $2,250 recognized in the quarter and $2,700 recognized year to date. Production at Cascadia continues to ramp up as the Company works toward achieving its targeted production levels while maintaining its premium quality standards. The Company remains focused on further optimizing yields and scaling production at both facilities. Ongoing investments and enhancements to cultivation practices at the Pacifica facility have driven consistent yield increases over the past year, with per crop yield metrics increasing by approximately 16% year over year for the nine months ended September 30, 2026.

### Developments Subsequent to September 30, 2026

***Corporate***

On October 19, 2026, the Company has closed a non-brokered private placement with a strategic investor, Siwash Rock Investment Inc., pursuant to which the Company issued 6,666,667 common shares at a price of $0.45 per share for aggregate gross proceeds of approximately $3.0 million. The Company intends to use the net proceeds to upgrade cultivation lighting and related greenhouse infrastructure at its Pacifica facility, with the balance of the proceeds allocated to general working capital.

***Operations***

On November 9, 2026, the Company announced the launch of Arbora, a dedicated, Health Canada-licensed cannabis genetics facility located in Squamish, British Columbia. The facility will support the preservation, propagation and development of the Company's proprietary cannabis cultivar library, further strengthening its genetics strategy and supporting the continued development of its premium product pipeline.

## Results of Operations and Financial Review

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | Variance | **2026** | 2025 | Variance |
| Net revenue | **$ 18,260** | $ 15,628 | 17% | **$ 50,400** | $ 42,989 | 17% |
| Cost of sales | **13,242** | 10,367 | 28% | **37,201** | 28,808 | 29% |
| **Gross profit before fair value adjustments** | **5,018** | 5,261 | (5%) | **13,199** | 14,181 | (7%) |
| Fair value adjustments to cannabis plants, inventory sold, and other charges | **123** | 2,777 | (96%) | **3,025** | 3,963 | (24%) |
| **Gross profit** | **$ 5,141** | $ 8,038 | (36%) | $ **16,224** | $ 18,144 | (11%) |

### Net revenue

The Company delivered net revenue of $18,260 for the three months ended September 30, 2026, an increase of 17% over the same period in the prior year, and $50,400 for the nine months ended September 30, 2026, an increase of 17%, compared to the same period in 2025. This performance demonstrates continued consumer demand for our products with growth continuing to outpace the overall market.

This growth was primarily driven by the continued strength of the 1964 brand, sustaining strong sales through the third quarter of 2026 and delivering growth of over 20% year to date compared to the same period in the prior year. This growth was largely supported by higher production yields at the Pacifica facility, which enabled greater product availability across key categories. Growth was particularly strong in the pre-

roll and dried flower segments following the introduction of larger format offerings, while the brand also saw continuing growth in vapes and edibles.

Simply Bare delivered 9% growth year to date, compared to the same period in the prior year, most notably in the pre-roll segment, which benefitted from both new and larger format offerings. This increase was also supported by ongoing releases of new genetics, including BC Organic Velvet Octane and BC Organic Caviar-Z, which were launched in the three months ended September 30, 2026.

Wildflower maintained its position with the #1 SKU in the wellness category, with growth in overall sales across topicals, partially offset by a decline in edibles when compared to the prior year period.

Further supporting topline growth were wholesale international sales, which represented approximately 7.5% and 3.9% of sales for the three and nine months ended September 30, 2026, respectively, driven by sales to the UK, Germany and Australia through a mixture of branded and unbranded sales.

Finally, following the recognition of the first revenues from Cascadia-grown product in June, the contribution from Cascadia-grown product increased from 2.4% of revenues in Q2 2026 to 12.3% in Q3 2026.

## Cost of Sales

For the three and nine months ended September 30, 2026, total cost of sales increased by $2,875 and $8,393 compared to the prior year periods, respectively, reflecting the Company's continued revenue growth. Total cost of sales consists of production costs, inventory expensed to cost of sales, and inventory written off or provided for.

Cost of sales increased 28% year over year, outpacing revenue growth of 17%, primarily reflecting higher production costs associated with the Company's continued growth and the ongoing ramp-up and optimization of the Cascadia Facility. For the three and nine months ended September 30, 2026, post-harvest activities included in production costs, including drying, processing, and packaging, accounted for the majority of this increase. The addition of Cascadia production costs accounted for approximately 34% and 39% of the year-over-year increase in production costs for Q3 2026 and the year-to-date period, respectively. Cost of inventory recognized in cost of sales also increased by 18% in Q3 and 22% year-to-date compared with the prior-year periods, reflecting the higher sales volumes.

Inventory written off or provided for remained stable period over period and represented 1.5% of net revenues compared to 4.0% for the three months ended September 30, 2026, and 2.2% compared to 3.3% for the nine months ended September 30, 2026. 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

Gross margins in 2026 reflect the ongoing ramp-up of the Cascadia facility, including cultivation costs incurred as production and related revenues continue to progress toward targeted levels. These Cascadia costs amounted to $1,271 and $3,607 for the three and nine months ended September 30, 2026, respectively.

Gross profit before fair value adjustments was $5,018 and $13,199 for the three and nine months ended September 30, 2026, respectively, compared to $5,261 and $14,181 in the respective prior-year periods. This represents a gross margin of 28% in Q3 2026 and 26% year-to-date, compared to 34% and 33% in the same periods in the prior year.

Product mix continued to evolve during the third quarter, with increased contributions from pre-rolls, vapes and international sales, partially offset by lower sales of certain traditional dried flower formats. Gross margin performance reflected not only the shift between product categories, but also changes in the mix of

products sold within those categories, which carry varying margin profiles. International sales currently generate lower margins than domestic sales, reflecting the developing scale of this channel, with margins expected to improve as international sales volumes increase. Increased vape sales also contributed at lower margins compared with the prior year, while margins across pre-roll offerings varied significantly depending on product and format. As a result, revenue growth from these categories did not translate proportionately into gross profit growth. The Company continues to focus on optimizing its product portfolio and sales mix to balance revenue growth with improved profitability.

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

The total fair value adjustments to cannabis plants, inventory sold, and other charges was $123 and $3,025 for the three and nine months ended September 30, 2026, respectively, compared to $2,777 and $3,963 for the same periods in the prior year. The total fair value adjustments consist of the accounting adjustments described below.

### *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 three and nine months ended September 30, 2026, unrealized gain on changes in fair value of cannabis plants was $5,595 and $17,854, respectively, compared to $5,962 and $13,602 for the same respective periods in the prior year. The higher gains recognized in 2026 are primarily attributable to an increase in quantity of growing plants, driven by additional biomass from the Cascadia Facility, as well as growth in average yields per plant.

### *Realized fair value of inventory sold*

For the three and nine months ended September 30, 2026, realized fair value of inventory sold was $4,730 and $13,322, respectively, compared to $3,094 and $9,197 for the same respective periods in the prior year. Realized fair value of inventory sold is the non-cash fair value released from inventory when cannabis is sold and represented 26% for both the three and nine months ended September 30, 2026, compared to 20% and 21% in respective the prior year periods. This increase is due to a higher proportion of sales from flower derived products, as non-flower formats do not include a fair value component, as well as a higher weighted average fair value per gram of the underlying biomass.

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

For the three and nine months ended September 30, 2026, the adjustment to net realizable value of inventory on hand at period end was $742 and $1,507, respectively, compared to $91 and $460 for the same respective periods in the prior year. This adjustment consists of the fair value component of inventory that was written off or provided for in the year.

## Operating Expenses

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | Variance | **2026** | 2025 | Variance |
| Consulting, salaries and wages‡ | **$ 2,009** | $ 2,348 | (14%) | **$ 8,499** | $ 6,970 | 22% |
| General and administrative‡ | **1,286** | 1,170 | 10% | **3,916** | 3,261 | 20% |
| Sales and marketing | **1,381** | 1,000 | 38% | **4,427** | 2,607 | 70% |
| Share-based compensation | **217** | 462 | (53%) | **847** | 1,284 | (34%) |
| Depreciation and amortization | **76** | 49 | 55% | **217** | 144 | 51% |
| **Total operating expenses** | **$ 4,969** | $ 5,029 | (1%) | **$ 17,906** | $ 14,266 | 26% |

‡ Contains research and development charge

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

***Consulting, salaries and wages***

Consulting, salaries and wages decreased by $339 for the three months ended September 30, 2026 and increased by $1,529 for the nine months ended September 30, 2026, compared to the same periods in 2025. The year-to-date increase primarily reflects planned investments in headcount to support the Cascadia facility and the Company's next phase of growth. In the three months ended September 30, 2026, the decrease is due to adjustments to estimates related to the Company's short-term incentive plan, partially offset by increases in headcount.

***General and administrative expenses***

For the three and nine months ended September 30, 2026, general and administrative expenses increased by $116 and $655, respectively, compared to the same periods in 2025. General and administrative expenses consist of insurance, professional fees, investor relations costs, office expenses, research and development, and licensing fees. The increase was primarily driven by increased licensing fees that are directly correlated with growth in revenues, as well as higher costs incurred to support the ongoing expansion of the Company's operations.

***Sales and marketing***

For the three and nine months ended September 30, 2026, sales and marketing expenses increased by $381 and $1,820, respectively, compared to the same periods in 2025. These expenses are incurred to improve the Company's brand recognition, delivering targeted marketing campaigns, the development of new products, and the additional costs related to retail marketing programs that correlate to revenue growth. The Company remains focused on allocating sales and marketing resources to initiatives with direct and measurable return on investment.

***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 three months ended September 30, 2026, share-based compensation was $217; consisting of $118 of RSU expense, $38 of DSU expense related to awards to independent directors, and $61 of PSU expense related to awards granted in 2025 and 2026 to certain employees. Share-based compensation decreased by $245 compared to the same period in the prior year, primarily driven by lower RSU and DSU expense

as prior period grants have fully vested prior to the start of the current period. These decreases were partially offset by an increase in PSU expenses related to awards granted in the current year.

For the nine months ended September 30, 2026, share-based compensation was $847; consisting of $397 of RSU expense, $263 of DSU expense related to awards to independent directors, and $187 of PSU expense related to awards granted in 2025 and 2026 to certain employees. Share-based compensation decreased by $437 compared to the same period in the prior year. This decrease primarily driven by lower RSU and DSU expense as prior period grants have fully vested prior to the start of the current period, partially offset by an increase in PSU expenses related to awards granted in the current year.

## 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 and nine months ended September 30, 2026 and September 30, 2025:

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | Variance | **2026** | 2025 | Variance |
| Income (loss) from operations | **$ 172** | $ 3,009 | (94%) | **$ (1,682)** | $ 3,878 | (143%) |
| IFRS fair value accounting related to cannabis plants and inventory | **(123)** | (2,777) | (96%) | **(3,025)** | (3,963) | (24%) |
| Depreciation and amortization | **1,169** | 793 | 47% | **3,501** | 2,393 | 46% |
| Share-based compensation expense | **217** | 462 | (53%) | **847** | 1,284 | (34%) |
| Cascadia pre-revenue startup costs* | — | 252 | (100%) | **2,336** | 252 | 827% |
| Adjusted EBITDA | **$ 1,435** | $ 1,739 | (17%) | **$ 1,977** | $ 3,844 | (49%) |

*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. Beginning in Q3 2026, these costs are no longer excluded, as the facility began generating revenue in Q2 2026.

## Summary of Quarterly Results

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

| | **2026** | | | 2025 | | | | 2024 |
|---|---|---|---|---|---|---|---|---|
| (C$000's, unless otherwise noted) | **Q3** | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Net revenue | **18,260** | 18,452 | 13,689 | 16,461 | 15,628 | 14,984 | 12,376 | 14,200 |
| Cost of Sales | **(13,242)** | (13,010) | (10,949) | (11,170) | (10,367) | (9,854) | (8,589) | (9,120) |
| Gross profit before fair value adjustments | **5,018** | 5,442 | 2,740 | 5,291 | 5,261 | 5,130 | 3,787 | 5,080 |
| Gross profit % before fair value adjustments | **28%** | 30% | 20% | 32% | 34% | 34% | 31% | 36% |
| Operating expenses | **4,969** | 6,936 | 6,000 | 6,046 | 5,029 | 4,899 | 4,338 | 4,841 |
| Net income (loss) for the period | **(105)** | 411 | (2,752) | (2,229) | 2,826 | 773 | (322) | (47) |
| Adjusted EBITDA | **1,435** | 1,128 | (584) | 1,179 | 1,739 | 1,384 | 718 | 1,629 |
| Weighted average shares outstanding (000's), basic | **70,570** | 70,570 | 70,430 | 70,167 | 69,822 | 64,888 | 58,608 | 58,469 |
| Weighted average shares outstanding (000's), diluted | **72,168** | 71,751 | 72,059 | 71,196 | 70,851 | 66,152 | 60,172 | 59,450 |
| Net profit (loss) per share, basic | **0.00** | 0.01 | (0.04) | (0.03) | 0.04 | 0.01 | (0.01) | (0.00) |
| Net profit (loss) per share, diluted | **0.00** | 0.01 | (0.04) | (0.03) | 0.04 | 0.01 | (0.01) | (0.00) |

Net revenue has trended upward over the period, with the exception of the first quarter, which is typically seasonally lower due to industry buying patterns. Q1 2026 was further affected by the lingering impact of the B.C. labour strike at the end of 2025. Growth has been driven by continued brand and product innovation across key product categories in Canada, together with higher production yields and greater product availability. Net revenue in Q3 2026 was down sequentially from Q2 2026, as softer domestic sales were partially offset by higher international sales.

Cost of sales has increased at a greater rate than net revenue over the period, with the increase becoming more pronounced in 2026 as sales volumes rose and the Cascadia Facility moved through ramp-up toward optimization. With a largely fixed cost base, delays in reaching target yields at the Cascadia Facility have resulted in an elevated cost base without the corresponding revenue needed to sustain higher margins. Growth in products that rely on third parties has also increased cost of sales as a proportion of revenue and ass a result cost of sales increased.

Gross profit before fair value adjustments is a function of net revenue and cost of sales. Although net revenue grew 17% year over year, cost of sales grew at a faster rate, resulting in gross profit before fair value adjustments of $5.0 million in Q3 2026, compared to $5.4 million in Q2 2026 and $5.3 million in Q3 2025. Gross margin before fair value adjustments was 28% in Q3 2026, compared with 30% in Q2 2026 and 34% in Q3 2025. The year-over-year margin pressure reflects the Company's continued investment in scaling its operating platform, including the ramp-up of Cascadia, where production continues to progress toward targeted levels. Management remains focused on increasing cultivation yields, improving manufacturing efficiencies and optimizing the product portfolio to support margin improvement with the benefits expected to become more meaningful in 2027.

Operating expenses were $5.0 million in Q3 2026, down from $6.9 million in Q2 2026 and relatively consistent with $5.0 million in Q3 2025. The sequential decrease is primarily impacted by expense reversals due to adjustments related to the Company's short-term incentive plan. Outside of this reversal, operating expenses have generally trended upward, and year-to-date operating expenses of $17.9 million are 26% higher than the comparative period as the Company continues to invest in additional headcount, brand and marketing initiatives, and other growth initiatives associated with Cascadia and the overall expansion of the Company.

The Company reported a net loss of $0.1 million in Q3 2026, compared with net income of $0.4 million in Q2 2026 and a net loss of $2.8 million in Q1 2026. While profitability remains below prior-year levels, the Company expects profitability to improve as Cascadia yields are optimized and benefits are realized from the Company's strategic investments with the benefits becoming more meaningful in 2027.

Adjusted EBITDA was $1.4 million in Q3 2026, up from $1.1 million in Q2 2026 and a loss of $0.6 million in Q1 2026. The sequential improvement was largely driven by lower operating expenses, including expense reversals due to adjustments to estimates related to the Company's short-term incentive plan, partially offset by lower gross profit. Prior period Adjusted EBITDA was also positively impacted by the adjustment of Cascadia pre-revenue startup costs which are no longer included in the current quarter. Adjusted EBITDA remains below the $1.7 million reported in Q3 2025 as the Company absorbs the costs of scaling Cascadia, with management expecting improvement as yields are optimized and margin initiatives take effect in 2027.

For a detailed review of the three and nine months ended September 30, 2026, 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 nine months ended | | |
|---|---|---|---|
| | **September 30, 2026** | September 30, 2025 | Variance |
| Net cash provided by (used in): | | | |
| Operating activities | **$ 4,179** | $ 265 | $ 3,914 |
| Investing activities | **(4,470)** | (6,474) | 2,004 |
| Financing activities | **555** | 3,062 | (2,507) |
| Effect of foreign exchange on cash | **(18)** | (25) | 7 |
| **Increase (decrease) in cash** | **$ 246** | $ (3,172) | $ 3,418 |
| Cash beginning of the period | **3,989** | 9,857 | |
| **Cash end of the period** | **$ 4,235** | $ 6,685 | |

***Operating Activities***

In the nine months ended September 30, 2026, net cash provided by operating activities was $4,179, compared to net cash provided of $265 in the prior year. Current year-to-date cash inflows were primarily driven by movements within non-cash working capital, mainly stemming from fluctuations in timing associated with collections and payments.

***Investing Activities***

In the nine months ended September 30, 2026, net cash used in investing activities decreased by $2,004 to $4,470. This decrease primarily reflects higher capital expenditures in the prior-year period related to the acquisition of the Cascadia Facility. In the current period, spending was limited to targeted projects associated with the ramp up and optimization of the Cascadia Facility, along with margin accretive projects and optimization of the Pacifica Facility.

***Financing Activities***

In the nine months ended September 30, 2026, net cash provided by financing activities was $555 compared to $3,062 in the prior year. The current year inflow is primarily driven by the draw down of the Company's line of credit, partially offset by debt and lease repayments. The inflow in the prior year period primarily reflects the impact of the May 2025 private placement which generated net proceeds raised of $4,162.

## 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 September 30, 2026, the Company had cash and cash equivalents of $4,235 and net working capital of $19,938.

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%. In April 2026, the Company entered into an agreement to increase its existing $1,000 line of credit to $2,500 with the same lender.

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).

Subsequent to September 30, 2026, the Company completed a private placement for aggregate gross proceeds of approximately $3.0 million. The net proceeds are expected to support cultivation lighting and related greenhouse infrastructure upgrades at Pacifica, with the balance allocated to general working capital. The additional capital is expected to support the Company's planned production capacity expansion and near-term working capital requirements.

## Contractual Obligations

The Company has the following contractual obligations as at September 30, 2026:

| | Less than one year | One to three years | Over three years | Total |
|---|---|---|---|---|
| Lease liabilities | $ 259 | $ 208 | $ 107 | $ 574 |
| Debt - Interest | 763 | 1,266 | 1,625 | 3,654 |
| Debt - Principal | 3,523 | 2,319 | 8,153 | 13,995 |
| **Total commitments** | **$ 4,545** | **$ 3,793** | **$ 9,885** | **$ 18,223** |

## 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 September 30, 2026, 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.

| Description of intended funds | Planned | Actual as of September 30, 2026 | Variance Explanation |
|---|---|---|---|
| Hope Facility[1] acquisition start-up costs | $2,700 | $2,700 | Fully incurred as planned |
| Pre-roll automation and other capital investments | $1,000 | $1,000 | 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] | **$4,500** | |

[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.

## Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at November 13, 2026, the Company has the following securities outstanding:

| | Number of units |
|---|---|
| Common Shares | 75,569,567 |
| Stock Options | 1,520,200 |
| Warrants | 5,341,963 |
| Restricted Share Units | 2,249,908 |
| Performance Share Units | 1,630,279 |
| Deferred Share Units | 1,680,705 |
| **Fully Diluted Shares Outstanding** | **87,992,622** |

## 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 September 30, 2026, included $26 (December 31, 2025: $26) owed to executives and directors of the Company for expenses paid on behalf of the Company and accrued payroll.

### 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 nine months ended September 30, 2026, and September 30, 2025, was comprised of:

| | For the nine months ended | |
|---|---|---|
| | **September 30, 2026** | September 30, 2025 |
| Salaries and accrued salaries | **$ 865** | $ 821 |
| Bonuses in accrued liabilities | **—** | 207 |
| Share based compensation | **777** | 901 |
| **Total compensation of key management personnel** | **$ 1,642** | $ 1,929 |

## 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

The Company has not identified any new accounting standards that would be applicable and are not yet effective that would have a material impact on the Company, except as described in the Company's financial statements and MD&A for the year ended December 31, 2025.

## 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 |
| 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.

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. The Company believes that its sources of cash 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 sufficient cash available for its programs.

Current liabilities, consisting of 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 long-term debt bears interest at fixed rates, while its line of credit bears interest at a variable rate. Accordingly, the Company is exposed to interest rate risk on amounts drawn under the line of credit; however, this exposure is not considered significant.

### Foreign exchange risk

The Company conducts 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.

For the nine months ended September 30, 2026, the Company was exposed to currency risk through the following assets and liabilities denominated in US$:

| | | **September 30, 2026** | | September 30, 2025 |
|---|---|---|---|---|
| Cash | **US$** | **99** | US$ | 164 |
| Accounts payable and accrued liabilities | | **(115)** | | (155) |
| | **US$** | **(16)** | US$ | 9 |

A 10% increase/decrease of the US$ against the CAD$ would have increased/decreased net loss by $2 (September 30, 2025: $1).

### 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 nine months ended September 30, 2026.

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 $8,556, as well as the Capital Loan, which has a carrying amount of $2,813, 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.

## 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 though 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.

**RUBICON ORGANICS INC.**

| | |
|---|---|
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| Directors | Doris Bitz<br>Margaret Brodie<br>Michael Detlefsen<br>Jesse McConnell<br>John Pigott |
| Officers | Margaret Brodie – Chief Executive Officer<br>Melanie Ramsey – Chief Operating Officer<br>Glen Ibbott – Chief Financial Officer |
| Registrar and Transfer Agent | Odyssey Trust Company<br>1310 – 1140 West Pender Street<br>Vancouver, BC, Canada, V6E 4G1 |
| Auditor | PricewaterhouseCoopers LLP<br>250 Howe St Suite 1400<br>Vancouver, BC, Canada, V6C 3S7 |
| Solicitors | Borden Ladner Gervais LLP<br>1200 Waterfront Centre, PO Box 48600, 200 Burrard Street<br>Vancouver, BC, Canada, V7X 1T2 |
| Shares Listed | TSX Venture Exchange<br>Trading symbol: ROMJ<br><br>OTCQX Best Market<br>Trading symbol: ROMJF |
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