



8/25/2025

# Rubicon Organics

Company Update: Overweight

Sales	CY23a	CY24e	CY25e	Prev	CY26e	Prev	CY27e	Prev
1Q	8.8	8.9	12.4 A	12.4	16.6	14.6	21.5	22.1
2Q	11.3	12.1	15.0 A	13.2	18.5	16.1	24.2	24.3
3Q	10.0	13.5	16.0 E	14.5	21.0	19.1	27.3	28.3
4Q	<u>10.0</u>	<u>14.2</u>	<u>16.4</u> E	<u>15.3</u>	<u>22.7</u>	<u>20.9</u>	<u>29.3</u>	<u>25.8</u>
FY	40.1	48.7	59.8 E	55.3	78.9	70.7	102.3	100.4
EBITDA	CY23a	CY24e	CY25e	Prev	CY26e	Prev	CY27e	Prev
1Q	0.2	-0.4	0.7 A	0.7	1.9	1.3	3.7	3.8
2Q	1.8	0.9	1.4 A	1.2	2.7	1.9	4.1	4.1
3Q	1.1	2.0	0.6 E	0.5	3.6	3.0	4.5	4.6
4Q	<u>1.3</u>	<u>1.6</u>	<u>0.7</u> E	<u>0.8</u>	<u>4.6</u>	<u>4.0</u>	<u>4.8</u>	<u>4.3</u>
FY	4.4	4.0	3.5 E	3.2	12.8	10.1	17.2	16.9

Share price (C\$)	C\$0.58	Performance	Rubicon	YOLO ETF	S&P500	Stance:	Overweight
Share count (mn)	73.5	30d	31%	55%	2%	no price target	
Market Cap (C\$Mn)	42.6	90d	45%	71%	11%	FY=Dec	
Ticker	ROMJF	1yr	23%	0%	15%		



\$Mn	FY25	FY26
Projected EV	42	35
EV/Sales	0.7x	0.5x
EV/EBITDA	12.1x	2.8x
	FY25	FY26
Net debt/Sales	na	na
Net debt/EBITDA	na	na
Free Cash Flow	-3.2	6.7
Net (debt) cash	0.6	7.3
Consensus	FY25	FY26
Sales	57.0	70.2
EBITDA	4.2	10.3
Guidance CY25:	Growth in sales and LFL EBITDA	

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## Updated Views and Estimates Post 2Q25

**We rate Rubicon Organics Overweight.** Rubicon delivered 21% qoq sales growth in 2Q25 and EBITDA doubled. At a time, others may be allocating product overseas, Rubicon is gaining share domestically (especially in regular pre-roll joints and live resin vapes), and should be able to tap the overseas markets next year once its recently acquired facility in Hope BC comes online (40% capacity expansion). On our projected EV estimates, the stock trades at only 0.5x sales and 2.8x EBITDA. For greater context, see our [6/2 initiation report](#). *Note: All \$ figures are in C\$ unless noted otherwise.*

### About 2Q25.

- Sales of \$15Mn Rubicon were ahead of our \$13.2Mn estimate, and up 24% yoy (\$12.1Mn base). Rubicon's 21% qoq sales growth was the best among the LPs we track, ex Decibel (+41%), and ahead of peers like Auxly (+19%). The yoy growth was consistent with the pace implied by Hifyre (+28%, per Hifyre), but well ahead in qoq terms (+12%, per Hifyre), with pre-rolls the main driver of qoq growth (per Hifyre), up 33% qoq vs. +2% for flower.
- Per Hifyre, for 2Q25 33% of Rubicon sales came from pre-rolls (vs. 31% in 2Q24); 29% from flower (41%), 12% from vape (3%), and 12% from concentrates (11%). Edibles were 7% of sales (8%) and topicals 5% (5%). The 1964 brand accounted for 67% of sales and Simply Bare for 24%. The bulk of pre-roll sales came from regular joints (79%), and only 10% from infused. In the case of vape, 100% of revenues came from live resin vape, a segment where Rubicon is #2 with 14% share (2Q25), only behind Cannara (25%).
- Operating efficiencies and the benefits of greater scale helped push gross margins to 34.2%, up from 30.6% in 1Q25. Cash opex, on the other hand, was up 20% qoq to \$5.2Mn. EBITDA margins of 7.2% were an improvement after the 1Q25 drop to 4.5% from 10% in 2H24.
- Operating cash flow of \$0.8Mn in 2Q25 was in line with the qtr average of CY24. On the other hand, capex ramped to \$5Mn in 2Q25 compared with \$1.9Mn for all of CY24.
- Rubicon ended June with \$2.2Mn in net debt (cash \$7.3Mn; debt \$9.5Mn), which is low at only 4% of annualized sales.

### Outlook.

- The recently acquired Hope BC indoor facility will only start generating revenues by 2026. For the time being, Rubicon will buy biomass externally (1-2 tons), in addition to the output from its existing Delta BC greenhouse facility (11-ton capacity, at optimal levels). The actual license transfer approval is expected sometime between now and end of the



year. Guidance calls for Hope to yield 4.5 tons of capacity, but this may be conservative (the prior owner had claimed as much as 7 tons...).

- The company believes consistent supplies in the domestic market (at a time some peers are allocating product overseas) will help solidify relationships with the boards; secure shelf space; and garner consumer loyalty. All this in a context of SKU rationalization by the trade. Also, innovation and the introduction of new premium genetics is helping drive share gains.
- For this year, the approach with International is to follow a test and learn approach, with a bigger push only by next year when the new capacity comes online. According to Rubicon global demand for premium flower exceeds current supplies.
- The company does not provide specific guidance, but we believe seq growth for 2Q25 will be modest, with the bigger step up once Hope comes online. We model >20% yoy growth for 2H25, and mid/high single digit qoq sales growth in 3Q and 4Q.
- Rubicon is rolling two SKUs of all-in-one live resin vapes, which will add to its current portfolio of seven 510 cartridges (it began with 2 SKUs in May 2024). It expects to have a total of four AIOs by YE25. Management notes live resin vapes are margin accretive.
- Pre-roll automation began in June, and this should help drive margins in that segment (the company's premium pre-rolls have been a key driver of total sales growth, together with vape). Flower per see has not been a key driver of top line growth for Rubicon, but its reputation for premium flower (with brands like 1964 and Simply Bare) also feeds into premium pre-roll growth. See our recent [report on premium flower](#).
- Start-up costs for Hope are estimated at \$1-2Mn (this will be excluded from adjusted EBITDA). Given various cost savings and productivity initiatives, plus mix benefits from vape, and pre-roll automation, management expects continued underlying profit margin expansion in 2H.

**Valuation (all numbers in C\$).** Rubicon shares are up 45% in the last 90 days (YOLO ETF +71%; S&P 500 +11%). At \$0.58, the EV is \$45Mn (market cap is \$43Mn; we take the share count at 67mn plus 6.3mn in RSU/PSU/DFUs). The stock trades at 0.5x current sales and 2.8x EBITDA, taking our CY26 estimates (on projected EV). With our projected EBITDA and free cash flow growth for 2026-2027, and with the valuation multiples moving closer to the peer group, upside could be significant. While we do not set price targets, the stock could move up by 2.8x to 5.2x by Dec'26, if taking at 1-2x on our projected sales. Key catalysts: ramp from Hope facility; launch of AIOs; QB province opening to vape. With investors getting better visibility of the sales and EBITDA ramp up expected for 2026 and 2027 (on the capacity expansion), and the Hope start-up costs being absorbed, we would expect the stock move closer to peer multiples.



Table 1: Companies mentioned in this report

Company name	Ticker	Ticker	Rating
<b>US MSOs</b>			
4Front Ventures		FFNTF	not rated
Ascend Wellness		AAWH	not rated
AYR Wellness		AYRWF	not rated
Cannabist		CCHWF	not rated
Cansortium		CNTMF	will cover
Cresco Labs		CRLBF	Overweight
Curaleaf Holdings		CURLF	will cover
GlassHouse Brands		GLASF	not rated
Green Thumb Industries		GTBIF	Overweight
Grown Rogue		GRUSF	not rated
Jushi Holdings		JUSHF	Overweight
MariMed		MRMD	Overweight
Planet 13 Holdings		PLNHF	Overweight
Schwazze		SHWZ	not rated
TerrAscend		TSNDF	not rated
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science		VEXTF	Overweight
Vireo Growth		VREOF	Overweight
<b>Finance (MJ) Companies</b>			
AFC Gamma		AFCG	Neutral
Chicago Atlantic BDC		LIEN	Overweight
Chicago Atlantic REAF		REFI	Overweight
Innovative Industrial Properties		IIPR	will cover
New Lake Capital Partners		NLCP	Overweight
SHF Holdings		SHFS	not rated

Source: Z&amp;A

Company name	Ticker	Rating
<b>Canada LPs</b>		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	XLY	will cover
Avant Brands	AVNT	not rated
Avicanna	AVCN	not rated
Ayurcann Holdings	AYURF	not rated
Cannara Biotech	LOVFF	not rated
Canopy Growth	CGC	Neutral
Cronos Group	CRON	will cover
Decibel Cannabis Co	DB	Overweight
Organigram Holdings	OGI	will cover
Rubicon Organics	RUBI	Overweight
SNDL Inc	SNDL	will cover
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
<b>Other</b>		
Cantourage AG	HIGH:FF	not rated
Charlotte's Web	CWBHF	will cover
Flora Growth	FLGC	not rated
Grow Generation	GRWG	not rated
IM Cannabis	IMCC	not rated
Intercure	INCR	not rated
Ispire Technology	ISPR	will cover
Leafly	LFLY	not rated
LFTD Partners Inc.	LIFD	Overweight
Smoores International	SMORF	will cover
Urban-gro	UGRO	not rated
WM Technology	MAPS	Neutral



# Appendix I: Company Financials

## Exhibit 1: Financial Highlights

C\$ Mn	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
<b>Sales (\$ Mn)</b>	40.1	48.7	12.4	15.0	16.0	16.4	59.8	16.6	18.5	21.0	22.7	78.9	102.3
qoq ch %	na	na	-13%	21%	7%	2%	na	1%	12%	13%	8%	na	na
yoy ch %	13%	21%	39%	24%	19%	15%	23%	34%	24%	31%	39%	32%	30%
<i>guidance</i>													
<i>consensus</i>					15.0	15.5	57.0	na	na	na	na	70.2	na
<b>Profit margins</b>													
Gross profit before FV adj	14.1	15.3	3.8	5.1	5.0	5.1	19.0	5.9	6.8	7.8	8.9	29.3	39.9
as % of sales	35.1%	31.4%	30.6%	34.2%	31.0%	31.0%	31.7%	35.5%	36.5%	37.0%	39.0%	37.1%	39.0%
Gross profit after FV adj	13.1	15.4	4.2	5.9	5.0	5.1	20.2	5.9	6.8	7.8	8.9	29.3	39.9
as % of sales	32.8%	31.7%	34.2%	39.2%	31.0%	31.0%	33.7%	35.5%	36.5%	37.0%	39.0%	37.1%	39.0%
Op exp	14.2	16.6	4.3	4.9	5.3	5.3	19.8	5.0	5.1	5.2	5.3	20.4	26.8
as % of sales	35.5%	34.1%	35.0%	32.7%	32.9%	32.2%	33.1%	29.9%	27.2%	24.6%	23.2%	25.9%	26.2%
EBIT	-1.1	-1.2	-0.1	1.0	-0.3	-0.2	0.4	0.9	1.7	2.6	3.6	8.9	13.1
as % of sales	-2.7%	-2.4%	-0.9%	6.5%	-1.9%	-1.2%	0.6%	5.6%	9.3%	12.4%	15.8%	11.2%	12.8%
adj EBITDA	4.4	4.0	0.7	1.4	0.6	0.7	3.5	1.9	2.7	3.6	4.6	12.8	17.2
as % of sales	10.9%	8.3%	5.8%	9.2%	4.0%	4.6%	5.8%	11.4%	14.5%	17.1%	20.2%	16.2%	16.8%
<i>Consensus EBITDA</i>					1.1	1.2	4.2	na	na	na	na	10.3	na
as % of sales					7.0%	7.4%	7.4%	na	na	na	na	14.7%	na
<b>EPS</b>													
Pre tax income	-1.8	-2.6	-0.3	0.8	-0.3	-0.2	0.0	1.0	1.7	2.6	3.6	8.9	13.3
Tax rate assumption	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-1.8	-2.6	-0.3	0.8	-0.3	-0.2	0.0	1.0	1.7	2.6	3.6	8.9	13.3
Share count (FD) Mn	56.4	58.5	60.2	66.2	67.2	67.2	65.2	67.2	67.2	67.2	67.2	67.2	67.2
EPS	-0.03	-0.04	-0.01	0.01	0.00	0.00	0.00	0.01	0.03	0.04	0.05	0.13	0.20
<i>consensus</i>					na	na	na	na	na	na	na	na	na
<b>BS &amp; CF highlights</b>													
Operating cash flow	5.0	3.4	-1.0	0.8	2.5	1.9	4.3	-3.6	2.8	4.8	5.4	9.4	14.3
(-) Capex	-2.6	-1.5	-0.7	-5.1	-0.8	-0.9	-7.4	-0.7	-0.7	-0.6	-0.7	-2.7	-3.1
Free cash flow	2.5	1.9	-1.7	-4.3	1.8	1.1	-3.2	-4.2	2.1	4.2	4.7	6.7	11.2
Ending net cash (debt)	-0.9	0.0	-1.9	-2.2	-0.5	0.6	0.6	-3.6	-1.6	2.6	7.3	7.3	18.5
Net debt/Sales	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-0.1x	0.0x	0.0x	0.1x	0.0x	0.0x
Net debt/EBITDA	0.0x	0.0x	-0.7x	-0.4x	-0.2x	0.2x	0.0x	-0.5x	-0.1x	0.2x	0.4x	0.1x	0.3x
Equity	37.9	37.4	37.6	42.8	42.6	42.4	42.4	43.3	45.1	47.7	51.3	51.3	64.6

Source: Z&amp;A estimates, company reports

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## Rubicon Organics: Update Post 2Q25

### Exhibit 2: Sales Projections

	CY22	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
<b>C\$000s</b>														
<b>Total net sales</b>	<b>35,518</b>	<b>40,116</b>	<b>48,696</b>	<b>12,376</b>	<b>14,984</b>	<b>16,008</b>	<b>16,401</b>	<b>59,769</b>	<b>16,595</b>	<b>18,549</b>	<b>21,024</b>	<b>22,722</b>	<b>78,890</b>	<b>102,311</b>
domestic	35,518	40,116	48,696	12,376	14,984	16,008	16,401	59,769	16,254	17,977	20,170	21,526	75,927	92,051
international	0	0	0	0	0	0	0	0	340	572	854	1,196	2,963	10,260

Source: Z&A estimates, company reports

### Exhibit 3: Domestic Sales Projections

	CY22	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
<b>Domestic Sales projections (C\$ Mn)</b>														
		14%												
<b>Canada rec market</b>	<b>4,518</b>	<b>5,163</b>	<b>5,375</b>	<b>1,290</b>	<b>1,381</b>	<b>1,455</b>	<b>1,464</b>	<b>5,590</b>	<b>1,355</b>	<b>1,450</b>	<b>1,528</b>	<b>1,538</b>	<b>5,870</b>	<b>6,163</b>
at wholesale (0.4x)	1,807	2,065	2,150	516	552	582	586	2,236	542	580	611	615	2,348	2,465
Rubicon net sales	35.5	40.1	48.7	12.4	15.0	16.0	16.4	59.8	16.3	18.0	20.2	21.5	75.9	92.1
implied market share	2.0%	1.9%	2.3%	2.4%	2.71%	2.75%	2.80%	2.7%	3.0%	3.1%	3.3%	3.5%	3.2%	3.7%
Gross sales	46	52.3	63.4	16.1	19.2	22.2	22.8	80.2	22.6	25.0	28.0	29.9	105.5	127.8
excise tax	-10.8	-12.2	-14.7	-3.7	-4.2	-6.2	-6.4	-20	-6.3	-7.0	-7.8	-8.4	-30	-36
as % of gross	-30.4%	-30.3%	-30.1%	-29.7%	-28.0%	-28.0%	-28.0%	-25.5%	-28.0%	-28.0%	-28.0%	-28.0%	-28.0%	-28.0%

Source: Z&A estimates, company reports

### Exhibit 4: International Projections

<b>C\$ 000s</b>	<b>CY23</b>	<b>CY24</b>	<b>1Q25</b>	<b>2Q25</b>	<b>3Q25e</b>	<b>4Q25e</b>	<b>CY25e</b>	<b>1Q26e</b>	<b>2Q26e</b>	<b>3Q26e</b>	<b>4Q26e</b>	<b>CY26e</b>	<b>CY27e</b>
<b>Canadian reported C\$ DF exports</b>	164,918	261,002	108,354	124,607	137,067	148,033	518,061	170,238	190,666	213,546	239,172	813,622	1,220,996
Rubicon share of exports	0.0%	0.0%					0.0%	0.2%	0.3%	0.4%	0.5%	0.4%	0.8%
<b>Rubicon International MMJ sales</b>			0	0	0	0	0	340	572	854	1,196	2,963	10,260
Avg price (C\$/gram)			C\$5.00	C\$5.00	C\$5.00	C\$5.00	C\$5.00	C\$5.00	C\$5.00	C\$5.00	C\$5.00	C\$5.00	C\$5.00
Volume (kgs)			0	0	0	0	0	68	114	171	239	593	2,052
% of capacity (annualized)			0%	0%	0%	0%	0%	2%	3%	4%	6%	4%	13%
Total annual capacity (tons)			11.0	11.0	11.0	11.0	11.0	15.5	15.5	15.5	15.5	15.5	15.5

Source: Z&A estimates, company reports

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## Rubicon Organics: Update Post 2Q25

### Exhibit 5: Cash Flow

C\$000s														
SUMMARY CASHFLOW STATEMENT	CY22	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
Net earnings	-3,856	-1,824	-2,562	-322	773	-277	-175	-1	955	1,733	2,625	3,634	8,948	13,254
(+) D&A	3,050	3,124	3,271	764	835	933	946	3,479	961	972	984	995	3,912	4,099
<b>Cash earnings</b>	<b>-806</b>	<b>1,300</b>	<b>708</b>	<b>442</b>	<b>1,609</b>	<b>656</b>	<b>771</b>	<b>3,478</b>	<b>1,916</b>	<b>2,705</b>	<b>3,610</b>	<b>4,629</b>	<b>12,860</b>	<b>17,352</b>
(-) Working capital changes	84	551	-578	-1,646	-580	1,855	1,159	789	-5,501	100	1,186	738	-3,477	-3,043
(-) Other operating flows	2,674	3,198	3,269	242	-253	0	0	-11	0	0	0	0	0	0
<b>Net cash used in operating activities</b>	<b>1,952</b>	<b>5,050</b>	<b>3,399</b>	<b>-962</b>	<b>776</b>	<b>2,511</b>	<b>1,931</b>	<b>4,256</b>	<b>-3,585</b>	<b>2,806</b>	<b>4,796</b>	<b>5,366</b>	<b>9,383</b>	<b>14,310</b>
(-) net capex	-4,101	-2,583	-1,545	-731	-5,078	-750	-850	-7,409	-664	-742	-631	-682	-2,718	-3,069
<b>Free cash flow</b>	<b>-2,149</b>	<b>2,467</b>	<b>1,854</b>	<b>-1,693</b>	<b>-4,302</b>	<b>1,761</b>	<b>1,081</b>	<b>-3,153</b>	<b>-4,249</b>	<b>2,064</b>	<b>4,165</b>	<b>4,685</b>	<b>6,665</b>	<b>11,241</b>
(-) acquisitions	-350	-150	0	0	0	0	0	0	0	0	0	0	0	0
(-) divestitures	0	0	0	0	0			0					0	0
(+) other	-1,365	-960	-992	-202	-192	0	0	-394	0	0	0	0	0	0
(+) share issuance (net)	0	0	0	0	4,162	0	0	4,162	0	0	0	0	0	0
(-) stock options/warrants	0	0	0	0	0			0					0	0
<b>Change in net</b>	<b>-3,864</b>	<b>1,357</b>	<b>861</b>	<b>-1,895</b>	<b>-332</b>	<b>1,761</b>	<b>1,081</b>	<b>615</b>	<b>-4,249</b>	<b>2,064</b>	<b>4,165</b>	<b>4,685</b>	<b>6,665</b>	<b>11,241</b>
<b>Ending net (debt)</b>	<b>-2,218</b>	<b>-861</b>	<b>0</b>	<b>-1,895</b>	<b>-2,227</b>	<b>-466</b>	<b>615</b>	<b>615</b>	<b>-3,634</b>	<b>-1,570</b>	<b>2,595</b>	<b>7,280</b>	<b>7,280</b>	<b>18,520</b>
Cash/inv/sec	8,294	9,784	9,857	7,781	7,278	8,714	9,794	9,794	5,545	7,609	11,774	16,459	16,459	27,700
Gross debts/loans/bonds	10,512	10,645	9,857	9,676	9,505	9,179	9,179	9,179	9,179	9,179	9,179	9,179	9,179	9,179

Source: Z&A estimates, company reports



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## Rubicon Organics: Update Post 2Q25

### Exhibit 6: Projected EV (not the same as pot EV) and share price scenarios

C\$Mn	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e	
EV calculation (C\$Mn)	44	43	45	45	43	42	42	46	44	40	35	35	24	
Market cap (C\$Mn)	43	43	43	43	43	43	43	43	43	43	43	43	43	
Share price (C\$)	C\$0.58	C\$0.58	C\$0.58	C\$0.58	C\$0.58	C\$0.58	C\$0.58	C\$0.58	C\$0.58	C\$0.58	C\$0.58	C\$0.58	C\$0.58	
Share price (US\$)	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	
FD proforma share count	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	
common shares	67.2	67.2	67.2	67.2	67.2	67.2	67.2	67.2	67.2	67.2	67.2	67.2	67.2	
RSUs	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	
Broadly defined net debt	-1	0	-2	-2	-1	1	1	-4	-2	2	7	7	18	
net financial debt	-1	0	-2	-2	0	1	1	-4	-2	3	7	7	19	
leases	0	0	0	0	0	0	0	0	0	0	0	0	0	
other debt/deferred tax	0	0	0	0	0	0	0	0	0	0	0	0	0	
warrant/option/convert inflow														
Note: our comp tables use a static definition of EV (i.e. the current one); but in this table we used projected EV														
Forward Valuation Multiples														
EV/Sales		0.9	0.9	0.7	0.7	0.6	0.7	0.7	0.6	0.5	0.4	0.5	0.2	
EV/EBITDA		10.6	15.5	8.1	16.9	14.0	12.1	6.1	4.1	2.8	1.9	2.8	1.4	
Share price scenarios												by Dec'25	by Dec'26	upside
at EV/Sales of	0.5x											C\$0.63	C\$0.95	63%
at EV/Sales of	1.0x											C\$1.17	C\$1.64	184%
at EV/Sales of	1.5x											C\$1.71	C\$2.34	304%
at EV/Sales of	2.0x											C\$2.25	C\$3.04	424%
at EV/Sales of	3.0x											C\$3.32	C\$4.43	664%
at EV/Sales of	5.0x											C\$5.47	C\$7.21	1145%

Source: Z&A estimates, company reports



# Appendix II: Valuation Comps

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## Rubicon Organics: Update Post 2Q25

### Exhibit 7: Canada LPs - Valuation Multiples (consolidated multiples), based on spot EV

Multiples 24-Aug-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Stock Performance		
	Current	2025	2026	Current	2025	2026	to Sales		to EBITDA		30-day	90-day	1-year
							Current	CY25	Current	CY25			
Aurora Cannabis	0.9x	0.9x	0.9x	8.2x	7.1x	5.8x	na	na	na	na	-1%	-9%	-22%
Auxly Cannabis Group	1.9x	na	na	6.5x	na	na	-0.4x	na	-1.3x	na	7%	86%	263%
Avant Brands	0.8x	na	na	3.6x	na	na	-0.2x	na	-0.8x	na	26%	5%	-40%
Cannara Biotech	1.4x	na	na	5.0x	na	na	-0.4x	na	-1.4x	na	-34%	-5%	57%
Canopy Growth	2.2x	2.1x	1.9x	-19.8x	-40.2x	na	-0.5x	-0.5x	4.8x	9.7x	2%	-31%	-80%
Cronos Group	-1.1x	-1.0x	na	-21.3x	-8.7x	na	na	na	na	na	21%	28%	9%
Decibel Cannabis	0.9x	0.9x	0.8x	4.3x	4.5x	3.6x	-0.3x	-0.3x	-1.2x	-1.3x	26%	96%	59%
Organigram Holdings	1.0x	1.1x	1.0x	24.1x	15.0x	8.9x	na	na	na	na	3%	17%	-21%
Rubicon Organics	0.7x	0.7x	0.6x	8.1x	11.6x	3.5x	0.0x	na	-0.4x	na	31%	45%	23%
SNDL	0.7x	0.7x	0.7x	8.5x	na	na	na	na	na	na	37%	74%	7%
Tilray Brands	1.6x	1.6x	1.5x	13.6x	20.6x	16.4x	0.0x	0.0x	0.0x	0.0x	46%	160%	-39%
Village Farms International	1.4x	1.4x	1.3x	6.2x	9.9x	7.1x	na	na	na	na	113%	139%	172%

1) We take FactSet consensus estimates for CY25e and CY26e (or our estimates if there is no consensus); 2) By "current", we mean the latest reported qtr annualized; 3) several LPs have net cash

2) The GCG multiples should be adjusted for the market value of the equity stake in TerrAscend (on the EV) and for the revenues of C-USA (denominator). For example, the adj current: 1.0x

Source: FactSet and company reports

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## Rubicon Organics: Update Post 2Q25

### Exhibit 8: Canada LPs – Spot EV Calculations

C\$Mn 24-Aug-25	Z&A Spot EV	C\$ price	mn shares	mn deriv	Total Mkt Cap	Financial net debt	Net leases	ST income tax liab.	Conting Cons.	ITM deriv inflow	Total BDND	Pref Stock Min Int	Equity Stakes
Aurora Cannabis	355	6.91	56.5	1.8	403	126	-42	0	0	0	84	37	
Auxly Cannabis Group	301	0.16	1,285.7	133.4	226	-59	-14	0	-2	0	-75		
Avant Brands	26	0.92	10.6	0.2	10	-6	-10	0	0	0	-16		
Cannara Biotech	153	1.21	90.0	0.0	109	-43	0	-1	0	0	-44		
Canopy Growth	628	1.76	266.1	4.4	476	-152	0	0	0	0	-152		
Cronos Group	-199	3.60	275.9	0.0	994	1,194	-2	0	0	0	1,192		
Decibel Cannabis	108	0.13	576.9	7.7	77	-31	0	0	0	0	-31		
Organigram Holdings	291	2.22	133.8	19.3	339	83	0	0	0	0	83	35	
Rubicon Organics	45	0.58	67.2	6.3	43	-2	0	0	0	0	-2		
SNDL	645	3.12	257.4	13.2	843	232	-34	0	0	0	199		
Tilray Brands	1,851	1.59	1,100.5	27.9	1,798	-1	-62	0	-21	0	-83	-30	
Village Farms International	457	4.10	112.6	2.7	473	26	-6	0	0	0	19	10	6

Source: FactSet and company reports

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## Rubicon Organics: Update Post 2Q25

### Exhibit 9: US MSOs - Valuation Multiples (consolidated multiples), based on spot EV

US\$m	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			NET DEBT RATIOS				BROADER DEFINITION OF NET DEBT			
							Net Debt/Sales		Net Debt/EBITDA		BDND/Sales		BDND/EBITDA	
24-Aug-25	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	Current	CY25	Current	CY25
<b>Tier 1 MSOs</b>	<b>2.4x</b>	<b>2.4x</b>	<b>2.1x</b>	<b>10.5x</b>	<b>11.2x</b>	<b>8.4x</b>								
Cresco Labs	1.7x	1.8x	1.7x	7.1x	7.9x	7.2x	-0.5x	-0.5x	-2.0x	-2.2x	-0.9x	-0.9x	-3.7x	-4.1x
Curaleaf	2.8x	2.8x	2.6x	13.3x	13.0x	11.1x	-0.5x	-0.5x	-2.6x	-2.5x	-1.0x	-1.0x	-4.7x	-4.6x
Glass House	4.5x	4.3x	3.2x	24.2x	32.9x	17.8x	-0.2x	-0.1x	-0.8x	-1.1x	-0.2x	-0.2x	-0.9x	-1.2x
Green Thumb	1.8x	1.9x	1.8x	6.5x	6.5x	6.0x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.4x	-0.4x
TerrAscend	2.3x	2.5x	2.4x	13.6x	10.1x	9.1x	-0.6x	-0.6x	-3.5x	-2.6x	-1.1x	-1.2x	-6.3x	-4.7x
Trulieve	2.0x	2.0x	2.0x	5.4x	5.7x	5.8x	-0.2x	-0.2x	-0.5x	-0.5x	-0.7x	-0.7x	-1.8x	-1.9x
Verano	1.5x	1.5x	1.4x	5.7x	5.1x	4.9x	-0.4x	-0.4x	-1.5x	-1.4x	-0.8x	-0.8x	-3.1x	-2.8x
Vireo Growth	2.2x	2.1x	1.6x	7.8x	8.2x	5.2x	0.0x	na	-0.1x	na	-0.2x	na	-0.7x	na
<b>Tier 2 MSOs</b>	<b>1.4x</b>	<b>1.3x</b>	<b>1.2x</b>	<b>7.1x</b>	<b>4.1x</b>	<b>7.4x</b>								
Ascend Wellness	1.4x	1.4x	1.3x	6.1x	6.3x	5.7x	-0.5x	-0.5x	-2.0x	-2.1x	-1.1x	-1.1x	-4.7x	-4.9x
Cannabist Co	1.4x	1.4x	1.3x	13.8x	12.7x	9.5x	-0.8x	-0.8x	-8.4x	-7.7x	-1.2x	-1.2x	-11.8x	-10.8x
Cansortium	1.3x	na	na	4.7x	na	na	-0.4x	na	-1.3x	na	-0.9x	na	-3.3x	na
Grown Rogue	2.0x	na	na	2.9x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
Jushi	1.8x	1.8x	1.6x	8.7x	9.7x	8.2x	-0.7x	-0.7x	-3.2x	-3.6x	-1.3x	-1.3x	-6.3x	-7.0x
MariMed	1.0x	0.9x	0.8x	7.8x	7.7x	5.0x	-0.4x	-0.4x	-3.4x	-3.4x	-0.6x	-0.6x	-4.7x	-4.7x
Planet 13	1.1x	1.1x	1.0x	na	-16.4x	13.8x	0.1x	0.1x	na	-1.1x	-0.2x	-0.2x	na	3.2x
Vext	1.4x	1.4x	1.0x	5.7x	4.4x	2.0x	-0.5x	-0.5x	-2.2x	-1.7x	-0.5x	-0.5x	-2.2x	-1.7x
<b>Other MSOs</b>														
Ayr Wellness	6.7x	na	na	25.6x	na	na	-5.1x	na	-19.6x	na	-6.6x	na	-25.4x	na
4Front Ventures	1.8x	na	na	11.7x	na	na	-1.0x	na	-6.8x	na	-1.8x	na	-11.7x	na
iAnthus	1.2x	na	na	na	na	na	-1.0x	na	na	na	-1.0x	na	na	na
Schwazze	na	1.0x	na	5.2x	na	na	na	na	-4.2x	na	na	na	-5.1x	na
TILT	8.1x	na	na	27.8x	na	na	-4.7x	na	-16.1x	na	-7.9x	na	-27.2x	na

1) Current is based on the latest reported qtr annualized (Sales and EBITDA); 2) We take FactSet consensus estimates for CY25e and CY26e multiples, if available.

3) The 'tiering' above is based on \$ market cap

Source: FactSet and company reports

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## Rubicon Organics: Update Post 2Q25

### Exhibit 10: US MSOs – Spot EV Calculations

US\$Mn	Z&A	US\$	mn	mn	= Total	Financial	Net	Income	Conting	ITM deriv	= Total	Preferred	Minority
24-Aug-25	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Stock	Interest
<b>Tier 1 MSOs</b>													
Cresco Labs	1,177	\$1.24	444	13	565	-324	-54	-225	-9	0	-612	0	
Curaleaf	3,495	\$2.82	764	12	2,189	-672	-46	-491	-33	0	-1,242	64	
Glass House	830	\$7.98	82	7	710	-28	0	-2	0	0	-31	89	
Green Thumb	2,159	\$8.30	232	11	2,014	-73	-32	-40	0	0	-145	0	
TerrAscend	664	\$1.00	356	2	358	-171	-6	-126	-3	0	-306	0	
Trulieve	2,398	\$7.98	191	8	1,585	-222	-27	-560	-4	0	-813	0	
Verano	1,245	\$1.55	362	5	569	-335	-9	-332	0	0	-676	0	
Vireo Growth	749	\$0.71	949	13	683	-8	0	-60	0	2	-66	0	
<b>Tier 2 MSOs</b>													
Ascend Wellness	696	\$0.71	205	13	155	-233	-133	-174	0	0	-541	0	
Cannabist Co	467	\$0.14	473	8	68	-284	-26	-89	0	0	-399	0	
Cansortium	140	\$0.07	627	3	41	-39	-11	-49	0	0	-99	0	
Grown Rogue	61	\$0.44	143	0	62	5	-2	-2	0	0	1	0	
Jushi	478	\$0.67	197	0	133	-177	-4	-165	0	0	-346	0	
MariMed	152	\$0.11	389	11	45	-67	-1	-25	0	0	-93	15	
Planet 13	118	\$0.29	325	0	94	8	-10	-21	0	0	-23	0	
Vext	77	\$0.19	248	0	47	-29	0	0	0	0	-29	0	
<b>Other MSOs</b>													
Ayr Wellness	703	\$0.03	116	3	4	-541	-20	-139	0	0	-699	0	
4Front Ventures	139	\$0.00	915	4	0	-81	-11	-42	-5	0	-139	0	
iAnthus	196	\$0.01	6,746	0	34	-158	-4	0	0	0	-162	0	
Schwazze	186	\$0.00	80	0	0	-151	-2	-33	0	0	-186	0	
TILT	126	\$0.01	391	1	3	-73	-47	-3	0	0	-123	0	

Source: FactSet and company reports

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## Rubicon Organics: Update Post 2Q25

### Exhibit 11: Stock Performance

24-Aug-25	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
<b>US MSOs</b>			
Ascend	80%	139%	-37%
Ayr	-84%	-86%	-98%
Cannabist	82%	149%	-48%
Cansortium	-6%	26%	-58%
Cresco	98%	86%	-32%
Curaleaf	141%	229%	-13%
4Front	-100%	-100%	-100%
GlassHouse	51%	37%	-17%
Gold Flora	na	na	-53%
Grown Rogue	5%	17%	-26%
Green Thumb	41%	53%	-23%
iAnthus	0%	-9%	-63%
Jushi	55%	118%	15%
MariMed	5%	52%	-46%
Planet13	46%	22%	-52%
Schwazze	na	na	-98%
StateHouse	na	na	-63%
Trulieve	81%	90%	-19%
TerrAscend	173%	150%	-33%
Verano	155%	125%	-61%
Vext	51%	129%	12%
Vireo Growth	58%	97%	33%
<b>International</b>			
InterCure	7%	58%	-20%
PharmaCielo	-5%	35%	150%

Source: FactSet

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
<b>Canadian LPs</b>			
Aurora	-1%	-9%	-22%
Avant	26%	5%	-40%
Auxly	7%	86%	263%
Ayurcann	-15%	0%	-56%
Cannara	-34%	-5%	57%
Canopy Growth	2%	-31%	-80%
Cronos	21%	28%	9%
Decibel	26%	96%	59%
Entourage	na	na	na
High Tide	49%	57%	79%
OGI	3%	17%	-21%
Rubicon	31%	45%	23%
SNDL	37%	74%	7%
Tilray	46%	160%	-39%
VFF	113%	139%	172%
<b>Tech</b>			
LFLY	29%	24%	-88%
SBIG	-27%	-57%	-62%
MAPS	13%	11%	4%
<b>Vape parts</b>			
GNLN	-18%	-27%	-100%
ISPR	2%	13%	-59%
SMORF	0%	0%	2%
TLLTF	-14%	20%	-66%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
<b>MJ Fincos</b>			
AFCG	-15%	-13%	-59%
IIPR	1%	-1%	-55%
NLCP	1%	-2%	-31%
SHFS	-11%	21%	-78%
LIEN	2%	7%	-5%
REFI	6%	-1%	-8%
<b>Pix &amp; Shovel</b>			
AGFY	3%	20%	686%
GRWG	59%	62%	-21%
HYFM	0%	37%	-21%
SMG	-8%	7%	-11%
UGRO	-15%	11%	-73%
<b>CBD</b>			
CVSI	0%	58%	-20%
CWEB	0%	-1%	-36%
LFID	1%	-17%	-46%
<b>Index</b>			
S&P 500	2%	11%	15%
S&P 477	1%	0%	3%
Nasdaq	7%	16%	35%
MSOS ETF	80%	96%	-31%
YOLO ETF	55%	71%	0%
<b>Simple Group Averages</b>			
Large Canada LPs	37%	63%	4%
Tier 1 MSOs	103%	117%	-29%



# Appendix III: Bio and Disclaimers





## Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past five years he launched coverage of over 40 companies in the US, Canada, and overseas (MSOs, LPs, CBD, ancillary, psychedelics), kept close track of sectoral trends, and followed the reform process in the US, Canada, Germany, Australia, and elsewhere. His firm Zuanic & Associates publishes equity research on the cannabis and psychedelics sectors, both from a macro/sectoral level in a thematic manner, as well as on listed stocks. The research service is aimed at institutional investors and corporations. The firm is also available for short-term consulting and research advisory projects. Now, more than a year since its inception, the firm has collaborated with over 25 companies (in North America and overseas; plant touching and service providers; public and private), both on an on-going basis as well for specific projects. At various points in his career, Pablo Zuanic was II ranked and called as expert witness in industry investigations. He has a deep global background having covered stocks over the past 20 years in the US, Europe, Latin America, and Asia, across consumer sub sectors. Prior employers include JP Morgan, Barings, and Cantor Fitzgerald. An MBA graduate of Harvard Business School, he started his career as a management consultant, which brings a strategic mindset to his approach to equity research. *Pablo Zuanic can be contacted via the company's portal [www.zuanicassociates.com](http://www.zuanicassociates.com); via email at [pablo.zuanic@zuanicgroup.com](mailto:pablo.zuanic@zuanicgroup.com); or via X @420Odysseus.*



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