

# Rubicon Cannabis Secures CA\$10M Credit Facility Loan

## Rubicon Organics Secures \$7.1 Million Credit Facility to Repay Debt

British Columbia-based Rubicon Organics has secured a 10 million Canadian dollar (approximately \$7.1 million) credit facility to address debt obligations and strengthen its financial position, the company announced on Monday.

This strategic move is designed to provide liquidity for the company as it repays the \$8 million owed to Green Island Investments for a secured debenture that is due for maturity on December 31. The credit facility is expected to improve Rubicon's financial flexibility, enabling the company to invest in projects that could drive long-term value for its shareholders.

### Key Details of the Credit Facility Agreement

The new credit facility consists of a term of five years with an interest rate of 6.75%, which is a slight improvement over the 7.5% interest rate attached to the previous secured debenture with Green Island Investments. This shift reflects Rubicon's efforts to lower its borrowing costs while securing the necessary capital to fulfill its financial obligations.

The credit facility is backed by Community Savings Credit Union, along with another unnamed lender, demonstrating strong support from financial institutions as Rubicon Organics navigates its debt repayment strategy.

Community Savings Credit Union's commitment to the cannabis industry is highlighted by the credit facility deal, with the financial institution expressing its long-term support for Rubicon's success. Mike Schilling, President and CEO of Community Savings Credit Union, described the deal as a "milestone" for Rubicon Organics, further underscoring the importance of collaboration between financial entities and cannabis businesses.

### A Boost to Liquidity and Long-Term Growth

Janis Risbin, Rubicon Organics' Chief Financial Officer, emphasized that the new credit facilities would not only provide immediate relief for the company's debt obligations but also enhance the company's liquidity moving forward. "Our new Credit Facilities enhance our liquidity and provide us with the flexibility to invest in key projects that will drive long-term value for our shareholders," Risbin noted in the company's statement. This shift aligns with Rubicon's broader strategy of reinforcing its financial position to facilitate future growth and operational expansion.

### Rubicon's Operations in British Columbia

Rubicon Organics' cultivation and manufacturing operations are based in Delta, British Columbia, a region known for its thriving cannabis industry. The company is focused on producing high-quality organic cannabis products, with its operations playing a key role in the Canadian cannabis market.

Despite the challenges posed by the competitive landscape, Rubicon has maintained a strong commitment to organic cultivation, positioning itself as a premium brand within the market. The infusion of capital through the new credit facilities is expected to provide additional opportunities for the company to expand its product offerings and strengthen its position in the market.

### **Financial Performance and Outlook for Rubicon Organics**

In March of this year, Rubicon reported a loss of CAD \$1.1 million for its fiscal year 2023, which was despite a modest profit of CAD \$889,166 in the fourth quarter ending December 31, 2023. While the company's financial results for the year were mixed, the positive quarter highlights the potential for growth moving forward.

The new credit facilities provide a much-needed financial cushion for Rubicon as it continues to navigate the challenges of a rapidly evolving cannabis market. The company will likely use the additional liquidity to fund expansion projects, refine its cultivation practices, and possibly explore new markets to increase its market share.

### **Industry Support and Growing Cannabis Sector**

As Rubicon Organics continues to grow, the role of financial institutions like Community Savings Credit Union becomes increasingly vital. Cannabis companies across Canada and the U.S. are facing challenges in securing traditional financing due to the still-evolving legal and regulatory landscape. However, this deal highlights a shift towards greater acceptance of cannabis businesses within the mainstream financial sector, particularly as more financial institutions seek to capitalize on the growth potential of the cannabis industry.

Mike Schilling of Community Savings Credit Union emphasized this shift, stating that the deal is a "milestone" that reflects the credit union's dedication to supporting businesses in the cannabis industry. This partnership underscores the importance of collaboration in helping cannabis companies like Rubicon achieve sustainable success.

### **Looking Ahead: What's Next for Rubicon Organics?**

With the infusion of capital from the new credit facilities, Rubicon Organics is well-positioned to continue its operations and seek new avenues for growth. The company's leadership is optimistic about the future, with a focus on long-term value creation for shareholders. By leveraging the additional liquidity, Rubicon can continue to refine its cultivation practices, expand its market reach, and develop innovative cannabis products for its customer base.

The new agreement will also help Rubicon manage the ongoing challenges of operating in a dynamic and competitive industry. By securing favorable financing terms and maintaining a focus on sustainability and quality, Rubicon Organics aims to strengthen its position as a leader in the organic cannabis market.

### **A Critical Move for Rubicon's Future**

In conclusion, Rubicon Organics' decision to secure a \$7.1 million credit facility represents a critical step in the company's efforts to manage its debt obligations and enhance its liquidity. With a focus on long-term growth and operational expansion, Rubicon is positioning itself to thrive in the competitive Canadian

cannabis market. The backing from Community Savings Credit Union and other lenders highlights a growing trend of financial support for the cannabis industry, which will be crucial as companies like Rubicon continue to navigate the evolving landscape.

As Rubicon Organics works to execute its strategy, the company's investors and stakeholders will be watching closely, hopeful that the financial flexibility gained through this credit facility will drive success in the years to come.

Email: [info@cannabisriskmanager.com](mailto:info@cannabisriskmanager.com) | Phone: +415-226-4060

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