



Shareholder Letter

Q2 2024



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Second Quarter 2024 Financial Highlights

- Revenue was \$163.1 million, a decrease of \$8.8 million or 5.1% compared to \$171.9 million in the second quarter of 2023.
- Gross Profit was \$4.5 million, a decrease of \$5.5 million or 54.6% compared to \$10.0 million in the second quarter of 2023.
- Adjusted Gross Profit was \$10.6 million, a decrease of \$5.6 million or 34.5% compared to \$16.2 million in the second quarter of 2023.
- Pro-forma Adjusted Gross Profit excluding operating expenses attributable to the Fleet Technology Business Unit was \$11.6 million, a decrease of \$4.6 million or 28.3% compared to \$16.2 million in the second quarter of 2023.
- Net Income was \$27.3 million, an increase of \$50.1 million or 219% compared to the net loss of \$(22.8) million in the second quarter of 2023.
- Adjusted EBITDA was \$(12.4) million, a decrease of \$2.7 million or 27.8% compared to \$(9.7) million in the second quarter of 2023.
- Pro-forma Adjusted EBITDA excluding operating expenses attributable to the Fleet Technology Business Unit was \$(9.9) million.

“We’re thrilled with our Q2 performance, where our team’s relentless focus on customer success and strategic account management has paid off,” said Osman Ahmed, Interim CEO of Rubicon. “By signing new customers and unlocking upsell opportunities within our existing base, we have demonstrated that when our partners win, we win. We look forward to building on this momentum and achieving even greater success going forward.”



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August 21, 2024

Dear Shareholders,

The second quarter marked a period of growth and optimization for Rubicon. Having completed the sale of our fleet SaaS business to Rodina Capital in May, Rubicon is now positioned to focus squarely on our core digital waste brokerage offering.

As our financial results show, our team leaned into this focus in Q2. While we signed new customers and identified upsell revenue opportunities within our existing customer base, our adjusted gross profit was negatively affected by \$4.5 million of emergency services cost due to throughput issues with our payment processor that have since been resolved. We also made significant progress in managing our operating burn and advancing our path to profitability. In fact, it is worth noting that our pro-forma adjusted EBITDA includes \$2.6 million in one-time transaction costs and executive severance expenses. Removing these expenses (including our emergency services cost) would imply a pro-forma adjusted EBITDA figure of \$(2.8) million.

When I became Rubicon's interim CEO at the beginning of July, I announced Partner-Centricity as a key tenet of the Rubicon strategy, and as one of our newly stated core values. Rubicon sits in the middle of two groups of partners. One group consists of our waste generator customers, which includes small businesses as well as large enterprises such as Starbucks, Whole Foods Market, Chipotle, and other household names that turn to Rubicon for material solid waste hauling, commodities diversion, and other sustainability initiatives. The other partner group consists of the haulers and vendors on the Rubicon platform that fulfill various services for our customers and grow their own businesses in the process.

We win when our partners win, and Q2 was no exception. Select new customers this quarter included The Army & Airforce Exchange Service, Fortune Brands, TK Elevators, and the Veterinary Emergency Group (VEG).

Our hands-on approach to account management has led to upsell opportunities with existing customers, including technical advisory services, organics, and grease and oil collection programs. Additionally, we successfully renewed one of our largest accounts—a leading big-box



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retailer—through 2027. When this account was first launched, we managed just over 100 sites; Rubicon now oversees more than 1,800 sites across multiple material streams.

At a time when many of our peers in the waste brokerage business are experiencing flat to declining market share, Rubicon continues to grow through adding new customers and upselling existing customers, all while driving margin expansion opportunities. This is made possible because of the tireless work of the dedicated Rubicon team and our partners who share Rubicon’s mission to end waste.

Onward!

Osman H. Ahmed
Interim CEO

Non-GAAP Financial Measures

This shareholder letter contains “non-GAAP financial measures,” including Adjusted Gross Profit and Adjusted EBITDA, which are supplemental financial measures that are not calculated or presented in accordance with generally accepted accounting principles (GAAP). Such non-GAAP financial measures should not be considered superior to, as a substitute for or alternative to, and should be considered in conjunction with, the GAAP financial measures presented in our financial statements. The non-GAAP financial measures in this shareholder letter may differ from similarly titled measures used by other companies. Definitions of these non-GAAP financial measures, including explanations of the ways in which Rubicon’s management uses these non-GAAP measures to evaluate its business, the substantive reasons why Rubicon’s management believes that these non-GAAP measures provide useful information to investors and limitations associated with the use of these non-GAAP measures, and reconciliations of these non-GAAP



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financial measures to the most directly comparable GAAP financial measures are included under “Key Metrics and Non-GAAP Financial Measures” in the Quarterly Reports filed on Form 10-Q filed on May 20, 2024 and November 21, 2022.

Forward-Looking Statements

This shareholder letter includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of present or historical fact included in this shareholder letter, are forward-looking statements. When used in this shareholder letter, the words “could,” “should,” “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements are based upon current expectations, estimates, projections, and assumptions that, while considered reasonable by Rubicon and its management, are inherently uncertain; factors that may cause actual results to differ materially from current expectations include, but are not limited to: 1) the outcome of any legal proceedings that may be instituted against Rubicon or others following the closing of the business combination; 2) changes in applicable laws or regulations; 3) the possibility that Rubicon may be adversely affected by other economic, business and/or competitive factors; 4) Rubicon’s execution of anticipated operational efficiency initiatives, cost reduction measures and financing arrangements; and 5) other risks and uncertainties set forth in the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 (filed March 28, 2024 with the Securities and Exchange Commission (the “SEC”)), Registration Statement on Form S-3, as amended, filed with the SEC, and other documents Rubicon has filed with the SEC. Although Rubicon believes the expectations reflected in the forward-looking statements are reasonable, nothing in this shareholder letter should be regarded as a representation by any person that the forward-looking statements set



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forth herein will be achieved or that any of the contemplated results of such forward looking statements will be achieved. There may be additional risks that Rubicon presently does not know of or that Rubicon currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements, many of which are beyond Rubicon's control. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Rubicon does not undertake, and expressly disclaims, any duty to update these forward-looking statements, except as otherwise required by applicable law.