CubicFarms Announces Financial Results for the Transition Year for the Three and Six Months Ended December 31, 2020

VANCOUVER, B.C., April 30, 2021 – CubicFarm® Systems Corp. (**TSXV:CUB**) ("CubicFarms" or the "Company"), a local chain agricultural technology company, today announced its financial results for the transition year[1] for the three and six months ended December 31, 2020.

"CubicFarms is well-positioned for scalable growth in 2021 with the addition of several key members in our sales, technology, engineering, and operations teams," said Dave Dinesen, CEO of CubicFarms. "CubicFarms is a research-driven technology company that recently formed a Scientific Advisory Board with some of the world's best minds working on our technology to feed a changing world. With the SAB's expertise, our R&D spending has increased by 197% and are continuously improving our CubicFarms and HydroGreen growing systems, resulting in new customers within Canada, the U.S., and internationally. We're attracting top talent like Edo De Martin, formerly of Microsoft, as our Chief Technology Officer. CubicFarms has a clear ESG strategy, solidifying our status as a significant player in the Controlled Environment Agriculture industry and a leader in local chain ag-tech."

"The Company made significant operational progress in the second half of calendar 2020 and afterwards," said Tim Fernback, Chief Financial Officer at CubicFarms. "As we look ahead in 2021, we have a solid financial footing with a great balance sheet and 157 CubicFarms modules under contract, valued at an estimated USD$21 million to the Company. Another significant advancement is the contract signing of the beta test of our commercial scale HydroGreen Vertical Pastures™ fresh livestock feed growing technology at a beef and dairy cattle farm in Wyoming with a herd size of 17,000. Research and data collection from the HydroGreen Vertical Pastures™ will be ongoing on farm and will contribute to our plant and animal science understanding as well as how the HydroGreen technology reduces greenhouse gas emissions[2]."

Six Month Fiscal 2020 Financial Results

- During the six months ended December 31, 2020, the Company recorded $624,774 in revenue, compared to $560,841 for the three months ended December 31, 2019, representing an increase of 11 per cent.
- The Company's net loss of $10,125,563 for the six-month period ended December 31, 2020, increased by approximately 138%, compared to a net loss of $4,267,196 during the same period in the previous fiscal year.
- During the six months ended December 31, 2020, the Company recorded general administrative expenses of $5,630,856, compared to $3,216,366 for the six months ended December 31, 2019, representing an increase of 75% per cent.
- The Company's research and development expenses of $2,355,931 for the six-month period ended December 31, 2020, increased by approximately 197%, compared to $792,012 during the same period in the previous fiscal year.

- The Company's selling expenses of $745,390 for the six-month period ended December 31, 2020, increased by 241%, compared to $218,731 during the same period in the previous fiscal year.
- As of December 31, 2020, the Company had cash and cash equivalents of $16,206,535, compared to $3,604,412 as of June 30, 2020, representing an increase of 350%.

Six Month Fiscal 2020 Operational Highlights

On October 8, 2020, the Company announced the appointment of Dan Schmidt as Senior Vice President of Global Sales. In Schmidt's new role, he is responsible for growing and leading the Company's global sales strategy as it enters its next phase of rapid growth.

On November 23, 2020, the Company announced the sale of a commercial scale CubicFarm System to Aright Greentech Canada Ltd. ("Aright"), a British Columbia-based agriculture investor-operator, to grow commercial quantities of fresh produce for retail markets in the Abbotsford and Chilliwack regions in B.C., Canada. Aright is an international company with interests in environmentally focused companies in India and other countries, and this B.C. launch is a soft pilot project with the potential for a future international roll-out. The Company's commercial agreement with Aright for the sale of 16 CubicFarm modules includes 14 growing modules, two propagation modules, and an irrigation system, representing a total value of approximately C$2.8 million (including installation and shipping) in sales revenue to the Company. The system is expected to be installed in Abbotsford by August of 2021.

On November 25, 2020, the Company announced sale of commercial scale system to Vertical Acres Farm LLC ("Vertical Acres"), an Indiana-based produce company, to grow commercial quantities of fresh produce for the region. The Company's commercial agreement with Vertical Acres is for the sale of 21 CubicFarm System modules, including 17 cultivators, three propagators, and one fertigator. The agreement, which includes a deposit received from Vertical Acres, represents approximately C$3.8 million in anticipated revenue to the Company. The technology is expected to be installed in Indiana in the first half of 2021.

On December 14, 2020, the Company announced the sale of commercial scale systems in Metropolitan Vancouver to 1241876 B.C. Ltd., doing business as FutureLife Produce ("FutureLife"). The sale of 10 CubicFarm System modules represents approximately C$1.7 million in sales revenue to the Company. FutureLife is constructing CubicFarms' largest vertical farming system installation to date with a 100-module project currently planned to operate in Surrey, B.C., and wishes to install an additional 10 modules at a strategic location to service the local food services market. The Company is in the preliminary stages of equipment selection and overall site selection with FutureLife, which may result in a modification of the overall equipment needs to accommodate sales of produce within the metropolitan Vancouver market.

On December 15, 2020, the Company announced that it entered into an agreement with Raymond James Ltd. as lead underwriter and sole bookrunner, on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters agreed to purchase, on a "bought deal" basis, 11,111,111 common shares (the "Common Shares") in the capital of the Company at a price of C$0.90 per Common Share (the "Issue Price") for aggregate gross proceeds to the Company of approximately C$10,000,000 (the "Offering"). The Company agreed to grant the Underwriters an over-allotment option to purchase up to an additional 15% of the Common Shares issued under the Offering at the Issue Price, exercisable in whole or in part at any time for a period ending 30 days from the closing of the Offering. In addition, CubicFarms entered into a subscription agreement with existing shareholder Harry DeWit, CEO and President of BlueSky Farms, LLC (“BlueSky Farms”), a Texas and Ohio-based dairy and farming business, pursuant to which BlueSky Farms will purchase common shares on a private placement basis at the Issue Price for gross proceeds to CubicFarms of up to C$5,000,000 (the “Concurrent Private Placement”). The net proceeds from the Offering and Concurrent Private Placement will be used to support CubicFarms’ continued global growth, R&D efforts to optimize module yields, automation, and functionality, to expand addressable crop varieties, and for working capital and other general corporate purposes.

On December 21, 2020, the Company announced the closing of its equity financing consisting of the Offering and Concurrent Private Placement. Pursuant to the Offering, the Company issued a total of 12,777,777 Common Shares at a price of C$0.90 per Common Share for gross proceeds to the Company of C$11,499,999, which includes the exercise, in full, by the Underwriters of the over-allotment option granted by the Company to purchase an additional 1,666,666 Common Shares at a price of C$0.90 per Common Share. In addition, CubicFarms closed the previously announced Concurrent Private Placement with existing shareholder Harry DeWit, CEO and President of BlueSky Farms, pursuant to which Blue Sky Farms purchased 5,222,300 Common Shares at a price of C$0.90 per Common Share for gross proceeds to CubicFarms of C$4,700,070.

Highlights Subsequent to The Transition Year Ended December 31, 2020

On March 2, 2021, the Company announced the appointment of Edoardo De Martin as Chief Technology Officer. Prior to joining CubicFarms, De Martin spent 10 years at Microsoft working in various roles including General Manager of the Microsoft Vancouver Development Centre, as well as driving innovation as GM of Dynamics Mixed Reality Applications on HoloLens.

As a proven technology leader with more than 20 years of experience in the technology industry, De Martin brings significant experience to advancing artificial intelligence (AI), robotics, and mixed reality technologies supporting the Company's innovative growing technologies. De Martin will be creating the Tech team, which will be working on the projects in AI, automation, and machine learning initiatives, and creating the next generation of indoor growing technologies.

On March 18, 2021, the Company announced the appointment of a Scientific Advisory Board (“SAB”) to guide and advise CubicFarms. The SAB is comprised of top experts in the fields of agriculture and technology and is primarily responsible for making recommendations to the Company’s senior leadership team regarding R&D priorities.

External SAB members include:

Dr. Lenore Newman (SAB Chair), Director of the Food and Agriculture Institute at the University of the Fraser Valley (UVF) where she holds a Canada Research Chair in Food Security and Environment.

Dr. Tammara Soma, MCIP RPP, an Assistant Professor at the School of Resource and Environmental Management (Planning program) at Simon Fraser University and Research Director of the Food Systems Lab.

Dr. Laila Benkrima, Director of LB Plant Biosciences Research and Consulting Inc. at Simon Fraser University.

Dr. Evan Fraser, PhD, a full professor at the University of Guelph, the Director of the Arrell Food Institute, a Fellow of the Trudeau Foundation, and a Fellow of the Royal Canadian Geographic Society.

On April 5, 2021, the Company announced that pursuant to a non-brokered private placement, Burnett Land & Livestock Ltd., (Burnett) has agreed to purchase 1,464,622 common shares of the Company at a purchase price of CA$1.29 per common share for gross proceeds of US$1,500,000 (approximately CA$1,886,427).

On April 6, 2021, the Company announced an agreement with Burnett, for 12 HydroGreen Vertical Pastures™ Grow System beta modules, daily feed production supply, and includes collaboration on a research program and feed analysis with HydroGreen.

On April 6, 2021, the Company announced the appointment of Thomas Liston as Vice President (VP) of Corporate Development. Liston will provide CubicFarms with strategic business development and capital markets advisory services in his role as VP of Corporate Development. Liston is a technology investor, advisor, and a Chartered Financial Analyst® with over 20 years of experience in capital markets.

On April 20, 2021, the Company was awarded a Nexus Innovation Award for HydroGreen's Vertical Pastures™ Grow System, an automated, on farm fresh livestock feed technology. HydroGreen's unique automated technology was selected by dairy farmers because with this technology, dairies can gain more control over feed production and conserve water and land, without the need for chemicals or fertilizers.

On April 23, 2021, the Company announced the sale of 18 modules of the CubicFarm System automated onsite indoor growing technology at a sale price of US$2,700,000 to BoomA Food Group. BoomA Food Group will use these modules to grow commercial scale amounts of produce in New South Wales, Australia, specializing in herbs and microgreens. With this installation, BoomA Food Group will operate the first commercial sale vertical farming system in Australia.

On April 29, 2021, the Company amended its loan with BDC Capital Inc. The amendment includes cancelling the second $2,500,000 tranche and adjusting the principal instalments to 47 monthly instalments of $25,000 commencing July 15, 2021, with a balloon payment of $1,325,000 payable on June 15, 2025. The variable loan bonus was also replaced with a fixed bonus of $425,000, consisting of $225,000 in cash and $200,000 in common shares. The payment of the fixed bonus will take place as early as possible, and no later than 10 days after the filing of the Company's December 31, 2020 financial statements.

CubicFarms' three- and six-month financial statements and management's discussion and analysis ("MD&A") for the period ending December 31, 2020, will be issued and filed on SEDAR at www.sedar.com on April 30, 2021, and will be available on the same day on CubicFarms' website at https://cubicfarms.com/investors/.

Forward-Looking Commentary

CubicFarms Systems Sales

The Company has entered into sales discussions with a number of companies in Canada and internationally and has developed significant sales leads for the purchase of additional modules. It also expects to expand sales with at least one current customer in the coming year. The

Company’s sales pipeline currently includes individuals and companies in Canada, Ireland, the United States, Africa, Puerto Rico, Europe, the Middle East, and China. There can be no assurances that any of these pipeline opportunities will lead to sales of modules or identification of partner farms.

Sales and Deposits

The Company currently has a total of 157 modules under contract and deposit. The amount of system sales orders that are pending manufacturing and installation is approximately USD$21 million.

The table below shows the projects under contract and deposit:

Project Location	**Number of Modules**	**Value, $USD**
Surrey, Canada	100	$ 12,561,538
Montana, USA	21	$ 2,930,816
Abbotsford, Canada	16	$ 2,129,815
Indiana, USA	20	$ 2,969,500
Total	**157**	**$ 20,591,669**

During the three months ended December 31, 2020, the Company signed contracts and received deposits for the projects below:

Project Name	**Number of Modules**	**Value, $USD**
Abbotsford, Canada	16	$ 2,129,815
Indiana, USA	20	$ 2,969,500
Total	**36**	**$ 5,099,315**

Status of recent projects contracted during in the calendar year ending Dec 31, 2020:

Project Name	**Number of Modules**	**Value, $USD**	**Status**
Calgary, Canada	22	$ 3,154,000	Installed, Trained, Start-up
Armstrong, Canada	14	$ 2,381,400	Installed, Trained, Start-up
San Diego, USA	1	$ 143,500	Installed
Total	**37**	**$ 5,678,900**	

Revenue from system sales is dependent on the transfer of legal title upon the completion of the sales and delivery process, consisting of signing the purchase agreement, customer deposit, manufacture of modules, customer’s site preparation, shipping, and installation of the system. Unforeseen delays attributable to the COVID-19 pandemic and the global recovery efforts employed by both individual companies and countries may delay the Company’s completion of the module sales and delivery process. Based on the Company’s operating plan identified within the MD&A dated November 30, 2020, the Company’s results in the October – December 2020 period are in alignment with management’s expectations. The Company does not expect to start delivering modules for the Surrey, Canada project until 2022, due to the large scale of the expected CubicFarm System and the time for the chosen site to be prepared.

The Company considers a sales order to have taken place when a binding equipment purchase agreement is signed and a first deposit has been provided. This forward-looking order volume estimate is based on the Company's current sales pipeline and internal estimates of module demand and is subject to several risks and uncertainties. See "Forward-Looking Statements."

Footnotes

[1]On January 19, 2021, the Company announced a change of financial year-end. The Company has changed its fiscal year-end from June 30 to December 31 to align the financial year-ends of the Company and all its subsidiaries, as well as with its peers. For details regarding the length and ending dates of the financial periods, including the comparative periods of the interim and annual financial statements to be filed for the Company's transition year and its new financial year, reference is made to the Notice of Change in Financial Year-End filed by the Company on SEDAR pursuant to Section 4.8 of National Instrument 51-102, a copy of which is available electronically at www.sedar.com.

[2]University research article *Hydroponic fodder and greenhouse gas emissions: a potential avenue for climate mitigation strategy and policy development* was published by Canadian Science Publishing in *FACETS*, the official journal of the Royal Society of Canada's Academy of Science. It is available at https://www.facetsjournal.com/doi/full/10.1139/facets-2020-0066.

About CubicFarms

CubicFarms is a local chain, agricultural technology company developing and deploying technology to feed a changing world. Its proprietary ag-tech solutions enable growers to produce high quality, predictable produce and fresh livestock feed with HydroGreen Nutrition Technology, a division of CubicFarm Systems Corp. The CubicFarms™ system contains patented technology for growing leafy greens and other crops onsite, indoors, all year round. CubicFarms provides an efficient, localized food supply solution that benefits our people, planet, and economy.

For more information, please visit www.cubicfarms.com.

On behalf of the Board of Directors

"Dave Dinesen"

Dave Dinesen, Chief Executive Officer

Cautionary Statement on Forward-looking Information

Certain statements in this release constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including, without limitation, statements with respect to CubicFarms' expected revenue recognition, and the completion of the sale and installation of the system by the customer. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of CubicFarm Systems Corp., or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict", and other similar terminology, or state that certain actions, events, or results "may", "could", "would", "might", or "will" be taken, occur, or be achieved.

These statements reflect the Company's current expectations regarding future events, performance, and results and speak only as of the date of this news release. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except as required by securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if the Company's expectations regarding future events, performance, or results change.

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