CubicFarm Systems Corp. Provides Update on Status of Management Cease Trade Order

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VANCOUVER, BC, April 17, 2023 /CNW/ - **CubicFarm® Systems Corp. ("CubicFarms" or the "Company")** (TSX: CUB), a leading local chain agricultural technology company, is providing this default status update with respect to its previously announced management cease trade order (the "**MCTO**") issued by Company's principal regulator, the British Columbia Securities Commission (the "**BCSC**") on April 3, 2023. This update is in connection with the Company's delayed annual financial statements for the year ended December 31, 2022 and related management discussion and analysis and certifications (collectively, the "**Financial Statements**"); the annual information form for the fiscal year ended December 31, 2022; and the CEO and CFO certificates delating to the Financial Statements (the "**Required Filings**") beyond the prescribed filing deadlines.

The Company's delay in filing its Required Filings on time is due to the following circumstances:

- The Company needs more time to prepare the Required Filings and complete the financial audit with its auditor. This is primarily due to a significantly reduced headcount in the finance team in connection with the Company's previously announced cost reduction measures.

- As part of its ongoing restructuring efforts, the Company prioritized payments to ensure operational sustainability. This resulted in an outstanding balance with its auditor who temporarily halted services until the Company settled the outstanding balance for services provided. The Company has now substantially resolved these issues and is working expeditiously to complete the Required Filings, with the goal of completing the Annual Filings by April 28, 2023, and in any event on or before May 30, 2023, in accordance with the terms of the MCTO.

The Company is providing this default status report in accordance with National Policy 12-203 *Management Cease Trade Orders* ("**NP 12-203**"). Until such time as the Company files the Required Filings and the MCTO has been revoked, the Company intends to the follow the provisions of the Alternative Information Guidelines set out in NP 12-203 (the "**Guidelines**"), including the issuance of the required bi-weekly default status reports in the form of news releases.

Pursuant to the provisions of the Guidelines, the Company confirms that, as of the date of this release and except as noted above: (a) there have been no material changes to the information contained in the default announcement or subsequent default status reports that would reasonably be expected to be material to an investor; (b) there have been no failures by the Company to fulfill its stated intentions with respect to satisfying the provisions of the Guidelines; (c) there has not been, nor is there anticipated to be, any specified default subsequent to the default which is the subject of the default announcement; and (d) there is no other material information concerning the affairs of the Company that has not been generally disclosed.

About HydroGreen

HydroGreen produces Automated Vertical Pastures™, a type of smart farming equipment that uses a unique process to sprout grains such as wheat and barley, in a controlled growing environment to efficiently produce a high-performance feed ingredient for livestock 365 days a year. HydroGreen's equipment is simple and easy to operate and performs all growing functions automatically, including seeding, watering, lighting, harvesting, and re-seeding, which allows livestock businesses to feed consistent nutrition every day with minimal labour. When balanced correctly in the ration, HydroGreen sprouted grain modifies animal digestion which enhances productivity and reduces the amount of enteric methane emitted in ruminant livestock. The result also enables environmental benefits to the farm while helping to meet increasing demand for valuable farm-based inset and offset carbon credits.

About CubicFarms

CubicFarms is a leading 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.

Forward looking and other cautionary statements

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: the Company's ability to complete the Required Filings by April 28, 2023 or May 30, 2023 and to comply with the provisions of the alternative information guidelines described in sections 9 and 10 of NP 12-203. Such statements involve known and unknown risks, uncertainties, and other factors and assumptions 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 including, without limitation, the risk of the Company not obtaining the MCTO or file the Required Filing on time and the other factors disclosed under "Risk Factors" in the Company's annual information form for the year ended December 31, 2021, and those risks described in other documents incorporated or deemed to be incorporated by reference in the prospectus. Such statements can be identified by the use of words such as "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict", and other similar terminology, or state that certain actions, events, or results "may", "can", "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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investor inquiries.

CO: CubicFarm Systems Corp.

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