CubicFarm Systems Corp. Announces Q3 Results

VANCOUVER, British Columbia, November 14, 2023 – CubicFarm® Systems Corp. ("CubicFarms" or the "Company") (TSX:CUB), a local chain agricultural technology company, today reported its third quarter financial and operating results for the tree and nine months ended September 30, 2023. All amounts are in Canadian dollars, unless otherwise stated.

Third Quarter Financial Results

- Revenue for the three months ended September 30, 2023, was $59,100 down from $325,480 in the previous year as the Company has not established any cyclicality of operations and results may fluctuate from period to period.
- Net losses for the three months ended September 30, 2023, were $2.2 million compared to a net loss of $12.7 million in the previous year.
- As a result of the Company's ongoing cost reduction measures, operating expenses, comprising of selling, general & administrative, and research & development expenses for the three months ended September 30, 2023, was $2.1 million, reduced from $12.0 million in the previous year.

Third Quarter Operational Highlights

- With HydroGreen's new stream of revenue in the previous quarter of Feed as a Service ("FaaS"), has added an additional four partners with Memorandum of Terms ("MOT"):
  - Only July 6, 2023, the Company announced FaaS MOT with Crosswind Jerseys, a dairy in Elkton, South Dakota. Under the terms of the agreement, HydroGreen will supply Crosswind Jerseys with a contracted monthly delivery of 45 tons of HydroGreen feed.
  - On July 21, 2023, the Company announced FaaS MOT with Johann Diary, a large dairy farm based in Fresno, California. Under the MOT with Johann Dairy, HydroGreen will deliver 10 tons of HydroGreen "As Fed" Feed ("Feed") per day to Johann Dairy.
  - On August 3, 2023, the Company announced FaaS MOT with Van Kooi Diary, a large dairy farm based in Riverdale, California. Van Der Kooi has signed on to purchase 10,000 tons of sprouted-grain feed per year from HydroGreen's future feed facility in Riverdale, California.
  - On August 18, 2023, the Company announced FaaS MOT with Bar None Dairy, a dairy farm based in Helm, California.
- As of July 31, 2023, the Company defaulted on the $261,600 of accrued interest on the convertible loans; terms of repayment are currently in discussion.
- On August 24, 2023, the Company announced the sale of six HydroGreen GLS 808 systems, largest order to date, to Cirio Societa Agricola SRL of Fagianeria, Italy. Cirio Agricola is one of the most advanced Dairies in Italy and marks the entrance of the Company into the European market that further validates HydroGreen's technology in the production of animal feed.

"Our third quarter is defining for the Company as it clearly delineates the newly adopted corporate strategy of focusing on equipment sales to global subsidized markets combined with the newly developed recurring revenue model of direct feed sales to dairy operators in the central valley of California through FaaS. The newly developed realignment of market strategies better aligns the Company with greater market potential of equipment sales opportunities and the demand for the physical fodder sales in the US market," said Michael Kyne, CFO of CubicFarms.

The Company's third quarter financial statements and management's discussion and analysis will be issued and filed on SEDAR+ at www.sedarplus.ca on November 14, 2023 and will be available on the same day on CubicFarm's website at https://cubicfarms.com/investors/.

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 https://cubicfarms.com.
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Forward looking and other cautionary statements

This release may contain certain "forward-looking statements" or "forward-looking information" under applicable securities laws including, without limitation. 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. 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.