CubicFarm Systems Corp. Announces Filing of Third Quarter Financial Statements and Provides Update on Cease Trade Order

VANCOUVER, British Columbia, December 17, 2024 – CubicFarm® Systems Corp. ("CubicFarm" or the "Company") (TSXV:CUB), a local chain agricultural technology company, announces that, further to its previous press release of October 17, 2024, the Company is pleased to announce that is has filed its third quarter financial and operating results for the three and nine months ended September 30, 2024, and the related management's discussion and analysis for the three and nine months ended September 30, 2024 and related filings (collectively, the "**Q3 Filings**"). The Q3 Filings can be accessed under the Company's profile at www.sedarplus.ca and will be available on the same day on CubicFarm's website at https://cubicfarms.com/investors/.

Third Quarter Operational Highlights

- For the three and nine months ended September 30, 2024, the Company achieved revenue of approximately $57,000 and $208,000, respectively.
- For the three months ended September 30, 2024, corporate overhead, which includes general and administrative, selling, and research and development expenses, of which excludes impairment loss, amounted to $1.7 million. This reflects a significant reduction of $0.5 million, or 22%, compared to $2.2 million in the prior year, thanks to the successful implementation of the Company's ongoing cost reduction plan throughout 2024. For the nine months ended September 30, 2024, corporate overhead, including impairment, totaled $6.7 million, reflecting a decrease of $2.3 million, or 26%, compared to $9.0 million in the prior year. These results highlight our ongoing focus on improving operational efficiency and strengthening financial management.
- For the three and nine months ended September 30, 2024, the net loss was $2.6 million and $7.0 million, respectively, compared to $2.2 million and $10.9 million in the prior year. The increase in the three month period was primarily due to foreign exchange adjustments. However, there was an overall reduction in the net loss for the nine months ending September 30, 2024, which was largely driven by lower operating expenses, as previously mentioned. This positive trend highlights our continued efforts to improve efficiency and strengthen financial performance.

"I would like to express my sincere gratitude to our shareholders for their continued patience and trust in the Company as we worked diligently throughout the third quarter to prepare and complete the 2023 audited financial statements, which were filed on October 2, 2024, shortly after the close of the third quarter. We also successfully filed the First and Second Quarter 2024 financial statements on October 17 and October 29, 2024, respectively," said Michael Kyne, CFO of CubicFarm. "The filing of the Third Quarter today fulfills the Company's filing obligations as required by the British Columbia Securities Commission," added Mr. Kyne.

As mentioned in our Second Quarter update, the Company remains focused on implementing further cost reductions while continuing to invest in our Feed as a Service (FaaS) initiatives. We look forward to sharing additional updates with our shareholders in the coming weeks. The British Columbia Securities Commission (the "**BCSC**") as the principal regulator of the Company issued a failure-to-file cease trade order (the "**FFCTO**") against the Company on July 15, 2024, under Multilateral Instrument 11-103 - *Failure-To-File Cease Trade Orders In Multiple Jurisdictions*, prohibiting the trading in or the purchasing of any securities of the Company by any person or company in Canada, including trades in the Company's common shares made through the TSX Venture Exchange, except in accordance with the following conditions for so long as the FFCTO order remains in effect: a beneficial securityholder of the Company who is not, and was not at the date of the FFCTO an insider or control person of the Company, may sell securities of the Company acquired before the date of July 15, 2024 if both of the following apply: (a) the sale is made through a "foreign organized regulated market", as defined in section 1.1 of the Universal Market Integrity Rules of the Canadian Investment Regulatory Organization; and (b) the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation. A copy of the FFCTO has been posted to the BCSC website.

Following the filing of the Q2 documents, the Company submitted a revocation application to lift the FFCTO to the BCSC and a reinstatement application to the TSX Venture Exchange (the "**TSXV**"). On November 8, 2024, the BCSC issued a comment letter in respect of the application, requesting, among other things, additional disclosures and supporting information related to the 2023 Audited Financial Statements, which will necessitate an amended refiling. On November 18, the TSXV has issued a response letter with follow up questions. The Company has replied to the BCSC's requests, as well as that of the TSX Venture Exchange, and is currently awaiting responses from both parties. The Company will provide further updates as they become available.

About HydroGreen

HydroGreen's Automated Vertical Pastures™ technology utilizes a unique process to sprout grains, such as barley and wheat, in a controlled environment with minimal use of land, labour and water. HydroGreen's fully automated indoor growing technology performs all growing functions including seeding, watering, lighting, harvesting, and re-seeding—all with the push of a button—to deliver nutritious fresh forage for livestock without the typical investment in fertilizer, chemicals, fuel, field equipment, and transportation. Automated Vertical Pastures™ not only provide superior nutritious feed to benefit the animal but also enable significant environmental benefits to the farm.

About CubicFarm

CubicFarm 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 CubicFarm™ system contains patented technology for growing leafy greens and other crops onsite, indoors, all year round. CubicFarm provides an efficient, localized food supply solution that benefits our people, planet, and economy.

For more information, please visit https://cubicfarms.com.

Contact info@cubicfarms.com for media or investors@cubicfarms.com for investor inquiries.

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: statements regarding the revocation of the FFCTO and the TSXV reinstatement application, the sales agreement for the sale of two DGS machines, potential growth, and strong and future prospects and demand for our technology and solutions. 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, other factors disclosed under "Risk Factors" in the Company's annual information form for the year ended December 31, 2022, 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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