

CUBICFARM SYSTEMS CORP.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

CubicFarm Systems Corp. (“CubicFarm” or the “Company”)
7170 Glover Road
Langley, BC
V2Y 2R1

Item 2: Date of Material Change

December 19, 2022

Item 3: News Release

A news release was disseminated via Cision and filed on SEDAR on December 19, 2022.

Item 4: Summary of Material Change

On December 19, 2022, CubicFarm announced the closing of the offering of 21,428,570 units (each, a “Unit”) at a price of CAD\$0.063 per Unit for the gross proceeds of USD\$1 million.

Item 5: Full Description of Material Change

On December 19, 2022, CubicFarm announced that the closing of the offering of 21,428,570 Units at a price of CAD\$0.063 per Unit for the gross proceeds of USD\$1 million (the “Offering”).

Each Unit shall be comprised of one common share (“Common Share”) in the capital of the Company and one Common Share purchase warrant (“Warrant”) of the Company. Each Warrant shall entitle the holder thereof to acquire one additional Common Share at a price of \$0.078 for a period of two (2) years from the closing date (the “Closing Date”) of the Offering.

The Units offered as a part of the Offering shall be offered pursuant to the listed issuer financing exemption under Part 5A of National Instrument NI 45-106 – *Prospectus Exemptions* (the “Listed Issuer Financing Exemption”). Units offered under the Listed Issuer Financing Exemption will not be subject to resale restrictions pursuant to applicable Canadian securities laws.

The net proceeds from the issuance of the Units will be used for debt reduction purposes as is more fully described in the offering document, Form 45-106F19, that can be accessed under the Company’s profile at www.sedar.com and on the Company’s website at www.cubicfarms.com.

Forward-looking and other cautionary statements

Certain statements in this report constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including, without limitation, statements with respect to the use of proceeds from the Offering. Such statements involve known and unknown risks,

uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company, 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 the Company obtaining the approval of the Offering from the Toronto Stock Exchange and the other factors disclosed under "Risk Factors" in the Company's annual information form for the year ended December 31, 2021. 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 report. 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.

This report does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

Item 6: Reliance on subsection 71(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Name and Position of Executive Officer: John de Jonge, Interim Chief Executive Officer

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

Item 9: Date of Report

December 19, 2022