



CO2 GRO Inc. Provides a Corporate Update for the Third Quarter of 2021

Q3 2021 revenues of \$122,000, vs. Q2 2021 revenues of \$91,000

Commercial Feasibilities with Potential Commercial Opportunity up to 200M square feet

TORONTO, ON December 1, 2021 (ACCESSWIRE) Toronto based CO2 GRO Inc. ("GROW") (TSX-V: GROW, OTCQB: BLONF, Frankfurt: 4021) is pleased to provide a review of its Third Quarter 2021 operations and business prospects for the fourth quarter of 2021 and early 2022.

John Archibald, CEO, commented, "We signed a record seven new commercial feasibilities in Q3, 2021 versus four in Q2, 2021, a significant increase as a result of our sales and marketing efforts. Our largest commercial feasibility signed to date is with a major EU grower operating 100M square feet of vegetable grow area. The cumulative 200M square feet of potential commercial opportunity owned by our customers under commercial feasibilities is up from 30M square feet entering Q2 2021, an increase of over six times. The increased interest in our CO2 Delivery Solutions™ technology is due to the demonstrated benefits to growers which includes up to a 30% increase in yields, up to doubling of gross profits and suppression of micro pathogens provided by the technology's Pathogen Perimeter Protection™ benefit. Our most recent commercial feasibilities are for larger domestic and international greenhouse and protected ag fruit and vegetable growers and Canadian *Cannabis* Licensed Producers ("LP")."

Q3 2021 Highlights

- 1) During Q3 2021, the Company reported revenues of \$122,103 versus Q2 2021 \$91,660 and \$24,857 in Q3 2020. YTD 2021 revenues are \$230,360 vs. \$100,331 in YTD 2020.
- 2) Commercial installation sale to an Arizona greenhouse grower for US \$30,000 for 10% of their facility's grow area. The customer intends to install CO2 Delivery Solutions™ into the remaining 90% of their greenhouse capacity through 2022.

- 3) In Q3, 2021 seven new commercial feasibilities were signed to reach 200M square feet of potential commercial opportunity owned by these customers.
- 4) Participated in Ontario's Ministry of Economic Development, Job Creation and Trade (MEDJCT) and Toronto Regional Board of Trade Mexico Cleantech Virtual Trade Mission during Q3 2021 that introduced GROW to Mexican protected ag growers, associations and additional potential marketing partners.
- 5) Signed a non-exclusive agreement with Jose Andres Garcia Munoz to cover the Spanish protected ag and greenhouse markets.
- 6) Participated in six conferences in person or virtually held in the US, Mexico, Japan and the Netherlands to expand awareness of the benefits CO₂ Delivery Solutions™ provides to protected ag growers.

Progress on Commercial Feasibilities

Status of the announced fifteen commercial feasibilities to September 30, 2021 and the twenty-seven commercial feasibilities in 2020:

In progress:

- 1) Canada – six including one vegetable grower in Alberta, one vegetable grower in Ontario, two with Canadian LPs (one significant) and two with licensed micro-cultivators.
- 2) US – four including one floriculture.
- 3) EU – one major vegetable grower.
- 4) UK – one tomato high tech greenhouse.
- 5) France – one medical plant greenhouse.
- 6) Japan – one significant high tech greenhouse vegetable grower.
- 7) Colombia – one 2020 rose greenhouse with a major global CO₂ gas supplier.
- 8) South Africa – one macadamia tree shade house.

Delayed to 2022:

- 1) Canada – one vegetable grower in Alberta and one vegetable grower in Ontario continuing in 2022, two Canadian LPs continuing in 2022.
- 2) US – California greenhouse grower from 2020 to start in Q1, 2022, Florida hydroponic leafy greens and Iowa strawberries both switching crops grown therefore unclear on re-start timing and crops.
- 3) Israel – one Cannabis grower to start Q1, 2022.
- 4) Malaysia – one vegetable grower expected to start in Q1, 2021.
- 5) UK – one tomato greenhouse to start in Q1, 2022 as per customer request.
- 6) Netherlands – one strawberry greenhouse delayed due to COVID, unclear on start timing.

Sales Resulting from Completed Commercial Feasibilities:

- 1) Canadian Licensed Cultivator, Golden Peak Cannabis purchased an additional room after their successful 2020 commercial feasibility.
- 2) In early Q4, 2021, El Salvador based pepper grower Hidroexpo bought a CO2 Delivery Solutions™ system for one of their thirty-six 1-hectare (107,000 sq ft.) greenhouses after a successful 2020-2021 commercial feasibility.

Generally, the Company's announced commercial feasibilities can take two to four months from the date of announcement to ship inventory and complete installations. They typically are timed to fit between crop harvests, international shipping, customer logistics and procuring and scheduling of local contractors for international commercial feasibilities. Growers requesting commercial start or re-start delays have been for a myriad of reasons not related to the Company or its technology.

To date, all commercial feasibilities underway are performing well once optimized and are in line with our and customers' expectations. No announced commercial feasibility has been cancelled by a customer for underperformance. The timing and probability of selling a commercial installation system after a commercial feasibility has concluded is dependent on CO2 Delivery Solutions™' performance against the feasibility objectives and the success of management in negotiating mutually satisfactory sales agreements. Customers may request additional feasibility cycles based on their internal decision-making criteria, which may extend the length of such projects.

Q3 2021 Conferences and Trade Shows

In Q3 2021, GROW participated in:

- 1) Cultivate 21 Hemp and Horticulture Conference in-person July 9th to 13th
- 2) Anaberries Virtual Conference Mexico July 26th to 29th
- 3) AMHPAC Annual Conference Mexico in-person September 1st to 3rd
- 4) Japan Plant Factory Association ("JPFA") Virtual Conference September 14th to 16th
- 5) World Agri-Tech Innovation Virtual Summit September 27th to 29th
- 6) Greentech Netherlands Virtual Conference September 29th to 30th

International Marketing Partners

CO2 GRO is in discussions with potential international partners with a view to expand sales into other countries and regions in the second half of 2022. Current partners are in Spain, Mexico, the Middle East, Israel, the UK, the Netherlands and Belgium, Southern Africa and Malaysia. International marketing partners enable CO2 GRO to expand its business outside of its core North American markets by re-risking the sales and operational efforts which the partners take on as part of their commitment to developing international business opportunities.

COVID-19 Impacts Easing

We are taking advantage of easing business travel restrictions in the US and Mexico by meeting with our existing and potential customers in-person, as well as continue to participate in virtual and in-person conferences. Our Malaysian partner is now allowed to travel between provinces again so we expect to move forward on several projects there. Some commercial feasibilities from 2020 and announced in 2021 continue to be deferred not just due to COVID but also greenhouse labor and other resource constraints. We will continue to provide quarterly updates on these and other material matters relating to COVID.

Q4 2021 and 2022 Outlook

John Archibald, CEO concluded, "With 200M square feet of potential commercial greenhouse and protected ag opportunity currently under commercial feasibilities, we are focused on converting these opportunities to commercial installation sales in 2022. We will continue to introduce our CO₂ Delivery Solutions™ technology at global ag-tech and food security conferences, meeting potential customers and marketing partners, and increasing global awareness of our company and technology during 2022.

For the balance of 2021 and into 2022, we expect more Canadian *Cannabis* and vegetable greenhouse commercial feasibilities and commercial installation sales as we gain momentum in our home market. We will also leverage our success with Hidroexpo in the Latin America market where peppers, tomatoes, cucumber and berries are all grown in either greenhouses or simpler protected ag facilities that do not typically employ traditional CO₂ enrichment due to the climate. These growers export a large part of their production to the US and Canadian consumer markets. With our technology being the only viable option for CO₂ enrichment in their facilities and coupled with the higher value fruits and vegetables they produce, these markets provide strong business development opportunities.

We believe that our CO₂ Delivery Solutions™ technology will be the protected ag technology of choice for growers seeking to increase yields and profitability. We also believe we will create global carbon offsets for growers employing atmospheric enrichment (CO₂ gassing) as our technology uses up to 90% less CO₂ compared to gassing, while achieving comparable yields. With carbon taxes and rising CO₂ gas costs in the near future, CO₂ Delivery Solutions™ provides growers the opportunity to reduce their carbon and ecological footprint, while enhancing their production and profits, for the good of the Planet, People and Prosperity."

Visit www.co2delivery.ca for more information on CO₂ Delivery Solutions™ or [watch this video](#). To see a CO₂ Delivery Solutions™ VCO₂ system installation, [watch this video](#).

About CO2 GRO Inc. [CO2 GRO Inc.](#)

CO2 GRO's proprietary CO2 Delivery Solutions™ technology is revolutionizing the global 600 billion square foot protected agriculture industry (Cuesta Roble 2019). We create a dissolved CO₂ solution that when misted onto plants provides growers that cannot gas with CO₂ the opportunity to increase plant yields by up to 30% and profits by up to 100%. Applying dissolved CO₂ also suppressed the development of pathogens such as *E.coli* and powdery mildew, helping to reduce crop losses. CO2 GRO's CO2 Delivery Solutions™ is protected by a suite of patents and patents pending.

The worldwide market for CO2 GRO's disruptive CO2 Delivery Solutions™ technology is the 50 billion square feet of greenhouses and 550 billion square feet of protected agriculture facilities (Cuesta Roble 2019). Growers can maximize revenue and profits with our systems' low fixed and variable costs and ease of systems installation.

CO2 GRO's management is rapidly expanding its international marketing partner relationships into Mexico, Spain, the EU, the UK, South Africa, the Middle East, South East Asia and Latin America as well as in its North American base.

CO2 GRO is committed to good Environment, Social and Governance (ES&G) policy and practices. We are an equal opportunity employer of choice and opportunity.

Our mission is to accelerate the growth of all value plants safely, economically, naturally and sustainably using our patented advanced CO2 Delivery Solutions™ while accreting value to our customers, stakeholders and shareholders.

Forward-Looking Statements

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities. Forward-looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: statements regarding the future direction of the Company; the ability of the Company to successfully achieve its business and financial objectives; plans for expansion and the ability of the Company to obtain, develop and foster its business relationships; and expectations for other economic, business, and/or competitive factors. Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning the business of the Company's future results or events based on the opinions, assumptions and estimates that management considered reasonable at the date the statements are made. Such assumptions include but are not limited to: general business and economic conditions; the Company's ability to successfully execute its plans and intentions; the availability of financing on reasonable terms; the Company's ability to attract and retain skilled staff; market competition; the products and technology offered by the Company's competitors; and that good relationships with business partners will be maintained. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or

unpredictable factors could have material adverse effects on future results, performance or achievements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: changes in general economic, business and political conditions, including changes in the financial markets; in particular, in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in applicable laws or adverse changes in the application or enforcement of current laws; the biotechnology industry and the greenhouse growers market are highly competitive, and technical advances in the industry will impact the success of the Company, and other risks described in the Company's filings that are available at www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information, please visit www.co2gro.ca or contact Michael O'Connor, Manager, and Investor Relations at 604-317-6197 or michael.oconnor@co2gro.ca