



CO2 GRO Inc. Announces a Binding Memorandum of Understanding and Commercial Feasibility with Malaysia's CH Green Sdn. Bhd.

TORONTO, ON – January 26, 2021 – Toronto based CO2 GRO Inc. (“**GROW**”) (TSXV: GROW, OTCQB: BLONF, Frankfurt: 4021) is pleased to announce that it has entered into a renewable one-year MOU with Malaysia's CH Green Sdn. Bhd. (“**CH Green**”). Under the terms of the MOU, the parties have agreed to enter into a long-term Sales & Marketing agreement providing CH Green with exclusive use of CO2 Delivery Solutions™ for the Malaysia market. In addition to the MOU, CH Green has agreed to a commercial feasibility to evaluate CO2 Delivery Solutions™ on various food plants at a demonstration greenhouse in Malaysia. This is GROW's first commercial feasibility in Southeast Asia. The commercial feasibility will also be used as a demonstration site to showcase CO2 Delivery Solutions™ to potential greenhouse grower customers in Malaysia.

The Malaysian Greenhouse Market

The Malaysian greenhouse market, which includes protected grow structures such as hoop houses, shade houses, net houses and tunnel grows, is approximately 8,000 hectares dedicated to growing mostly fruits & vegetables and floriculture. Based mostly in the Cameron Highlands, protected grows include the cultivation of tomatoes, leafy vegetables, flowers such as orchids, roses, chrysanthemums and carnations, mainly for export. Malaysia has adopted an Agro-Food Policy update for 2021-2030 to become more food self-sufficient that has a variety of support programs for protected growers.

According to Lee Kaw Ang, CEO of CH Green “We approached GROW in Q4 of 2020 due to our increasing involvement in Malaysian biogas projects using organic food waste and other complimentary sustainability projects we are pursuing. We were searching for CO2 enrichment technologies to complement our offerings to greenhouses and other protected agriculture. We have the technical knowledge and practical experience to successfully offer GROW's innovative CO2 Delivery Solutions™ to Malaysian greenhouse growers and upon commercial feasibility success, our team of professionals will work on an integrated plan with GROW to roll out CO2 Delivery Solutions™ in Malaysia.”

Aaron Archibald, VP Sales and Strategic Alliances commented, “The MOU and commercial feasibility with CH Green is another example of CO2 GRO's increasing international reach. As with our other international partners, CH Green has necessary

engineering and regional agricultural background and network to secure and support protected grow facility customers and install our CO2 Delivery Solutions™ technology in Malaysia. Their greenhouse is an ideal site to begin showcasing the power of our technology to enhance plant yields. We look forward to a successful commercial feasibility and working with CH Green to roll out our CO2 Delivery Solutions™ to the Malaysian greenhouse market.”

About CH Green Sdn. Bhd.

CH Green’s vision is to be a pioneer and leading provider of innovative biotechnology for organic waste management systems, by promoting, replicating and strengthening decentralized on-site Closed-loop Waste2Energy and Food (with CO2 Recovery from Biogas for Agricultural Greenhouses) Systems, ranging from small-scale to commercial scale. For more information, please visit www.chgreen.my

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.

GROW’s 2021 target market is the 50 billion square feet of greenhouses and covered cultivation facilities globally (USDA). 80% of these facilities cannot use CO₂ gassing due to heat venting, porosity or CO₂ usage cost. For decades, CO₂ gassing has only been used in expensive indoor sealed greenhouses that achieve up to 30% more plant yield. These enhanced yields are only possible if over 1000 ppm CO₂ levels are maintained throughout the year. Even expensive sealed greenhouses struggle to maintain these levels consistently throughout the year as up to 50% of the augmented CO₂ gas escapes the greenhouse naturally and even more escapes when the greenhouse is vented in warmer months, leaving room for yield improvement.

GROW’s CO2 Delivery Solutions™ helps all greenhouses achieve up to 30% more plant yield consistently, throughout the year. In addition, aqueous CO₂ misting offers pathogen Perimeter Protection™ for plants by slowing the spread of micro pathogens such as E. coli and powdery mildew. CO₂ gassing does not offer that plant protection.

GROW naturally and safely dissolves CO₂ gas into water without bubbles or pressure. This creates an aqueous CO₂ solution which is then misted directly onto the plant’s leaves and shoots. The aqueous CO₂ solution’s micro droplets create a micro film on the leaf surface, isolating the leaf from the atmosphere. The diffusion gradient created favors CO₂ transport into the leaf, regardless of the stomata.

CO2 Delivery Solutions™ has been demonstrated on crops including *Cannabis*, hemp, lettuce, kale, microgreens, peppers, strawberries, orchids and other flowers. Greenhouse growers everywhere that cannot gas CO₂ can now add CO₂ to their crops using CO2 Delivery Solutions™, increasing plant yields and profits. As carbon taxes rise, sealed

greenhouse growers that gas CO₂ will have to pay more for their emissions. CO₂ Delivery Solutions™ offers these greenhouses the ability to supplement their plants with CO₂ consistently throughout the year without emitting CO₂ gas to the atmosphere and using up to 95% less CO₂ through aqueous CO₂ misting.

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, Investor Relations at 604-317-6197 michael.oconnor@co2gro.ca