



CO2 GRO Inc. Announces Results for the Second Quarter of 2021

Record Revenues of \$91,660 and an Additional \$50,625 in Purchase Orders

TORONTO, ON August 30, 2021 (ACCESSWIRE) Toronto based CO2 GRO Inc. ("GROW") (TSX-V: GROW, OTCQB: BLONF, Frankfurt: 4021) is pleased to provide a review of its Second Quarter 2021 operations and business prospects for the balance of 2021.

John Archibald, CEO, commented, "During our second quarter we achieved five more sales of CO2 Delivery Solutions™ systems, a record performance for the Company, leading to \$91,660 of revenue versus \$16,597 in Q1 2021. In addition purchase orders totaling \$50,625 were achieved which will be recognized as revenues when CO2 Delivery Solutions™ systems are installed and in operation. We signed four new commercial feasibilities in Q2 and three more in Q3 to date for a total of fourteen achieved year to date ("YTD"). They are mostly for large domestic and international greenhouse vegetable growers along with one significant Canadian *Cannabis* Licensed Producer ("LP") and a significant floriculture grower. Five are for tomatoes, four are for *Cannabis*, one is for peppers, one is for high value flowers and one is for medicinal plants."

Q2 2021 Highlights

- 1) During the second quarter of 2021, the Company reported revenues of \$91,660 versus \$16,597 in the first quarter of 2021. As well, as at June 30, 2021, the Company had signed purchase orders (the "Orders") of \$50,625 not yet meeting the Company's revenue recognition criteria of which, \$21,828 was for Order pre-payments, reported as deferred revenue. As sales installations for the Orders are completed and commercial feasibility CO2 Delivery Solutions™ systems are installed and in operation the applicable revenue will be recognized.
- 2) Sold five CO2 Delivery Solutions™ commercial installations in Q2; one to a Canadian *Cannabis* LP achieved without a commercial feasibility, one to an existing customer to be installed in a second Canadian *Cannabis* facility they operate, one to Golden Peaks *Cannabis* LC at the 9 month mark of a one year commercial feasibility, one in BC and one to a US distributor. Golden Peaks

Canadian *Cannabis* LC is an organic craft micro cultivator wholesaler one of whose customers is Crystal Cure a Canadian *Cannabis* LP.

- 3) In Q2 four new commercial feasibilities were achieved, one at a medical *Cannabis* cultivator in Israel and three with tomato growers, one in Alberta and two in the UK in conjunction with Rika Biotech, a GROW Marketing partner. Three of the grower facilities total 1,731,000 square feet of greenhouse space while the fourth customer required its name and facility details to be withheld for competitive reasons.
- 4) Signed a non-exclusive MOU with Rancho Nexo to market and sell CO2 Delivery Solutions™ technology to the approximately 6 billion square feet protected ag market in Mexico.
- 5) Participated in Canada's Trade Commissioner to Mexico CTA Accelerator Program through mid-April that introduced GROW to Mexican protected agriculture growers, associations and potential marketing partners.
- 6) Canada's Trade Commissioners offices in the Netherlands (the Hague), Belgium (Brussels) and Spain (Madrid) selected CO2 GRO to present at the Collaborations in Sustainable Technologies in Agriculture virtual conference in May 2021.

2021 Commercial Feasibilities

The three commercial feasibilities achieved to date in Q3 2021 are in Canada at a Canadian *Cannabis* LP, a Canada *Cannabis* LC and with a floriculture grower in the US. The customers required that their names and any details of their facilities remain confidential for competitive reasons. The fourteen 2021 YTD commercial feasibilities achieved are in Canada, the U.S., the UK, Israel, Malaysia, Colombia, France, South Africa, the Netherlands and recently, Japan. The duration of these commercial feasibilities once installed generally ranges from six months to a year. The growers participating in the commercial feasibilities where the facility size was disclosed in news releases total approximately 3,234,000 square feet. The square feet of the growers facilities who stipulated that their names and facility information be withheld for competitive reasons would increase this number significantly. These commercial feasibilities represent a pool of potential CO2 Delivery Solutions™ system sales going forward and does not include commercial feasibilities announced in 2020 that are underway. Typically, announced commercial feasibilities take one to three months from the date of announcement to complete an installation as they have to be timed between crop harvests, international shipping, customer logistics and procuring and scheduling of local contractors. Many 2020 commercial feasibilities remain ongoing with some significant delays due to COVID such as Malaysia in lockdown and other factors unique to the customers. To date the commercial feasibilities underway have performed well and in line with our expectations. To date no announced commercial feasibility has been cancelled by a customer.

GROW continuously works towards adding to its commercial feasibilities in countries where it has a presence and expanding its network of marketing partners in additional countries with large protected ag markets such as Mexico, Spain and recently, Japan which after China are the three largest global protected agriculture markets respectively. 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.

2021 Conferences and Trade Shows

YTD in 2021, GROW has participated in a number of Ag tech conferences and had virtual or physical exhibitor booths at:

- 1) The North American Raspberry & Blackberry Virtual Conference (NARBA) (Feb 22-25)
- 2) The Middle East Food Security Virtual Conference with Partner Gulf Cryo (Mar 23-24)
- 3) Greenhouse Canada's Virtual Cannabis Conference (April 14)
- 4) Greenhouse Canada's Virtual Horticulture Conference (June 22)
- 5) Cultivate 21 Hemp and Horticulture Conference in-person (July 9-13)
- 6) Aneberries Mexico Conference (July 26-29)

GROW's first in person conference in 2021 was July 9-13 at the Cultivate 21 Hemp and Horticulture Conferences in Columbus, Ohio. The conferences were well attended with approximately 10,000 hemp and horticulture professionals and visitors from all 50 states and over 30 countries. GROW had four staff and several sales consultants participate. The response to CO2 Delivery Solutions™ technology was positive with several potential customers being contacted. GROW's hemp and horticulture show booths showcased a miniature CO2 Delivery Solutions™ in operation. GROW's second in person conference exhibiting in person will be at AMHPAC in Los Cabos Mexico September 1-3 with partner Rancho Nexo.

Marketing Partners

GROW's new Spanish partner Jose Andres Garcia Munoz announced August 10, 2021 joins our other North American, Mexico, Middle East, Colombia, El Salvador, Israel, the UK, the Netherlands, Belgium, South Africa and Malaysia partners. GROW is continuously searching for international and North American marketing partners to execute its business objectives.

COVID-19 Impacts

GROW is targeting exhibiting at an number of in-person and hybrid conferences in 2H 2021 in Mexico, the Netherlands, US, Canada and other countries if COVID-19 travel restrictions do not reappear. COVID-19 has materially impacted the start-up timing of some of our announced commercial feasibilities and completions/delays of others from 2020. Also, greenhouse labor constraints have become a material factor at several of our grower customers for announced commercial feasibilities which has delayed their start. GROW will continue to provide quarterly updates on these and other matters that are material as the year progresses.

2021 Second Half Outlook

John Archibald, CEO concluded, "We last stated we were targeting Spain which is on par with Mexico as the second largest protected ag facility market in the world. We are pleased to now have our first regional partner in Spain, to market and sell our CO2 Delivery Solutions™ technology there. The commercial feasibility and sales activity in Q2 is very encouraging as is the accelerated activity in Q3 to date. These commercial feasibilities represent a pool of potential CO2 Delivery Solutions™ system sales as each commercial feasibility is completed. For the balance of 2021, we expect more Canadian Cannabis market direct sales where our technology is being well accepted and our first vegetable greenhouse sales resulting from commercial feasibilities initiated in 2020. Over time, we believe that CO2 Delivery Solutions™ technology will become the industry standard for carbon to be efficiently added to plants. The global protected Ag facility market is 600 billion square feet. Of this market approximately 99% cannot use CO2 gassing but can use CO2 Delivery Solutions™ to significantly enhance their crop yields and suppress micro pathogens resulting in improved yields and profitability."

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

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

GROW's proprietary CO2 Delivery Solutions™ technology is revolutionizing the global 600 billion square foot protected agriculture industry (Cuesta Roble 2019). We create a saturated 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 saturated CO₂ also suppressed the development of pathogens such as *E.coli* and powdery mildew, helping to reduce crop losses. GROW's CO2 Delivery Solutions™ is protected by a suite of patents and patents pending.

The worldwide market for GROW'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.

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

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