



CO2 GRO Inc. Comments on Increasing CO₂ Costs, Carbon Taxes and the Impacts on Protected Agriculture Growers

Rising Fossil Fuel and CO₂ Costs, IPCC Report, UN Sustainability Goals and COP 26 Glasgow

TORONTO, ON – November 9, 2021 (ACCESSWIRE) – Toronto based CO2 GRO Inc. (“**CO2 GRO**”) (TSXV: GROW, OTCQB: BLONF, Frankfurt: 4021) is pleased to provide an overview of potential impacts of increasing energy costs, CO₂ gas costs and carbon taxes on protected ag growers including greenhouse growers. Besides COVID related labor shortages and supply chain bottlenecks, the recent sharp rise of fossil fuels, CO₂ gas shortages, rising costs, and carbon taxes globally are negatively impacting the profitability of all protected vegetable, flower and Cannabis growers. CO2 GRO believes now more than ever that all protected agriculture growers will realize increasingly significant benefits of its sustainable, highly efficient, low cost CO₂ Delivery Solutions™ technology.

For example, natural gas is employed in the manufacture of ammonia which produces CO₂ gas as a by-product. When natural gas prices increase dramatically as they have recently, the production of ammonia can be unprofitable leading to facility shutdowns as occurred at Terra Nitrogen in the UK and the loss of CO₂ gas production that was being captured and delivered to greenhouses.

Carbon taxes are a policy tool to lower CO₂ gas emissions. In greenhouses that gas CO₂, and lose up to 95% via heat venting and building porosity, they may have to pay carbon taxes going forward or have to reduce their volume of CO₂ gas used, hurting their plant yields.

In both of the above cases, a grower’s profitability can be sharply reduced. While natural gas prices can and do fluctuate significantly, carbon taxes as a policy tool to reduce greenhouse gas (“GHG”) emissions are forecast to increase over the coming years. This suggests the CO₂ input pricing pressures on facilities that purchase CO₂ gas will increase over time.

CO2 GRO’s CO₂ Delivery Solutions™ is the only CO₂ application method that reduces the environmental impact per unit of yield produced in all of the globe’s

greenhouses that currently employ CO₂ gassing while reducing their operating costs. CO₂ use in sealed greenhouses and indoor operations can be reduced by up to 90% using CO₂ Delivery Solutions'™. Its targeted and efficient delivery of CO₂ to plant surfaces can help all protected ag growers worldwide increase yields by up to 30% and potentially double their profitability. Over time as CO₂ emission taxes increase, CO₂ GRO believes the most economically efficient way of providing plants with added CO₂ in both sealed and unsealed greenhouses is through the use of CO₂ Delivery Solutions™ technology.

Since 2018, CO₂ GRO has scientifically and commercially proven that misting a dissolved CO₂ solution on plant leaves enhances plant yields by up to 30% versus ambient or sub-optimal CO₂ concentrations. Nearly all of the CO₂ in the solution is diffused into the plants, with minimal CO₂ evaporating into the atmosphere. CO₂ emissions taxes would be saved by growers gassing CO₂, while at minimum, achieving the same plant yields they get today using up to 90% less CO₂. The benefits to consumers are many, including: increasing the supply of locally grown food, improving food security, improving food quality, reducing GHG emissions by shortening supply chains and significantly reducing CO₂ emissions from the greenhouses themselves.

Since Q4 2019, GROW has sold twenty-four systems in North America and announced twenty-seven commercial feasibilities in ten countries. The collective grow facility ownership of these twenty-seven is close to 200,000,000 square feet of predominantly vegetables (one commercial feasibility is being conducted by a vegetable grower with 100,000,000 square feet under cultivation). This total represents only 0.003% of the massive 600 billion square foot global protected ag capacity.

CO₂ Delivery Solutions™ addresses nine of the following United Nations' Sustainability Goals

1. Will enrich all global protected ag farmers.
2. Will increase food supply from existing protected ag structures.
3. Improves the quality and safety of protected ag food production as well as human worker health in glasshouses that gas with CO₂ by displacing 90% of CO₂ in the grow room air.
9. Reduces new protected ag infrastructure requirements.
11. Works in urban and vertical protected ag facilities in cities.
12. More responsible and sustainable food production.
13. Uses 90% less CO₂ to achieve better yield results in glasshouses as all glasshouses have to vent heat, losing their targeted CO₂ gassing concentrations.
15. Will improve protected ag food production at lower cost supporting life on land as well as reducing the need for expanding land use for food production.
17. We will operate internationally with local partners.

Intergovernmental Panel on Climate Change (IPCC)

IPCC defines carbon intensity as emissions of CO₂ released per unit of GDP, output energy use or transport. For protected ag, it would be CO₂ not absorbed per unit of plant yield plus CO₂ emitted producing the steel, glass, plastics and transport of materials to build protected ag facilities. For greenhouses that purchase CO₂ or use CO₂ from boilers or power generation units, the ongoing transport of CO₂ gas supplies as well as the ongoing burning of fossil fuels add to indirect and direct CO₂ emissions.

Use of CO₂ GRO's CO₂ Delivery Solutions™ can further add to plant yields and lower the carbon footprint of the eight billion square feet of mostly sealed greenhouses globally that gas CO₂. Misting dissolved CO₂ instead of CO₂ gassing works when greenhouses vent heat that drops their desired 800-1500 PPM CO₂ levels to 400 PPM (ambient conditions) or less as plants consume CO₂. Commercial feasibilities to measure the additional yield at greenhouses that do gas CO₂ but vent, are underway in Canada, the UK and the US.

COP 26 Glasgow

The urgency of reducing CO₂ emissions to limit climate change is evidenced by government policies and goals which are being discussed at the COP 26 Glasgow Summit. CO₂ GRO believes use of CO₂ Delivery Solutions™ can cut CO₂ gassing emissions from greenhouses from up to 90% loss to less than 10% loss. A million square foot greenhouse with a 20-foot ceiling needs to inject enough CO₂ gas to fill all 20 million cubic feet to desired CO₂ levels. Precisely targeting dissolved CO₂ directly on leaves eliminates the need to fill an entire greenhouse with CO₂ gas. CO₂ GRO believes that greenhouses currently gas CO₂ will get CO₂ credits for cutting their CO₂ emissions by switching to CO₂ Delivery Solutions™. Current EU CO₂ emission credits are €55/tonne (C\$80/tonne), with Canada at C\$40/tonne targeting \$170/tonne by 2030.

CO₂ GRO believes our CO₂ Delivery Solutions™ technology can play a critical role in helping both sealed and unsealed or protected ag growers that vent CO₂ reduce the expected impacts of higher CO₂ gas prices and carbon taxes while improving production and profitability. With respect to the environment, GHG emissions from growing food can be significantly reduced by the wide-scale deployment of CO₂ Delivery Solutions in all protected agriculture. CO₂ GRO believes in healthy People, a healthy Planet and healthy Profits while reinforcing sustainability needs for the planet and long term enterprise value."

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.

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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