



CO2 GRO Inc. Provides a Corporate Update for 2020 and the Fourth Quarter

TORONTO, ON January, 13, 2021 (Access Wire) Toronto based CO2 GRO Inc. ("**GROW**") (TSX-V: GROW, OTCQB: BLONF, Frankfurt: 4021) is pleased to provide a review of 2020 operations and 2021 business prospects.

John Archibald, CEO, commented, "2020 and in particular the fourth quarter was a period of significant achievements for CO2 GRO Inc. During the course of the year we achieved eighteen CO2 Delivery Solutions™ sale agreements, announced three international marketing agreements, a fourth as part of a South American floriculture commercial feasibility, strengthened and increased our North American sales and support team, announced 25 commercial feasibilities across hemp, cannabis, orchids, lettuce, strawberries roses and peppers and continued to strengthen our patent portfolio. We completed a CAD\$1.38M non-brokered private placement with Ospraie Ag Sciences LLC, a leading Ag Tech investor as the lead participant and strategic partner and participated in several virtual technology and marketing conferences. This has significantly increased awareness of the benefits and recognition of the disruptive nature of our CO2 Delivery Solutions™ technology. As a management team we continue to be long term shareholders having not sold any of our shares and we commit to not receiving cash compensation until the Company is EBITDA positive. Our interests as a management team are aligned with those of our shareholders as we focus on building shareholder value."

"Going forward in 2021, our management team will continue to build on the momentum generated in 2020 remaining focused on adding international marketing partners, new commercial feasibilities, converting existing commercial feasibility projects into sales and pursuing the direct sale of smaller systems based on GROW's scientific and commercial data. We are confident that CO2 Delivery Solutions™ will become an ever-increasing component of the international covered grower market as growers seek to capture up to 30% value increases using our technology. Our overriding goal for 2021 is to bring home significant revenue generating sales opportunities to further increase shareholder value."

2020 and Fourth Quarter Summary

Top 10 Revenue and Key Commercial Feasibility Projects

1. In Q4 announced the first three direct sales to Canadian licensed cultivators.
2. In Q3 announced 15 purchase agreements with hemp growers in Missouri.
3. In Q1 announced a commercial feasibility with a UAE lettuce grower operating a 75,000 sq. facility following an introduction by marketing partner Gulf Cryo.

4. In Q2 announced a Colombia rose commercial feasibility introduced by a leading international industrial gas supplier.
5. In Q2 announced an El Salvador pepper commercial feasibility with Hidroexpo S.A. de C.V., a contract grower for US based Lipman Family Farms, conducted in one of 36 one-hectare greenhouses with approximately 3.8m sq. ft. under cultivation.
6. In Q2 announced an Ontario hemp mother plants commercial feasibility with Canbud Distribution Corporation, an outdoor hemp grower who has 16,000 sq. ft. of hemp mother production in hoop houses.
7. In Q3 announced a strawberry commercial feasibility with DeJong greenhouses, a subsidiary of Dan and Jerry's Greenhouses, with a total of 1.6m sq. ft. under cultivation.
8. In Q3 announced a commercial feasibility on spinach at a leafy greens cultivation greenhouse in Florida with 140,000 sq. ft. under cultivation.
9. In Q4 announced impressive 30% faster growth results from an ongoing orchid commercial feasibility conducted at St. Cloud State University.
10. In 2020 participated in several conferences to increase awareness of CO2 Delivery Solutions™ and its benefits to greenhouse growers and received recognition of the technologies benefits.

Financing and Strategic Partnership

In Q3 CO2 GRO closed a non-brokered private placement raising CAD\$1.38M of which Ospraie Ag Sciences LLC, a leading Ag Tech strategic investor and strategic investor participated for CAD\$1.2M. The balance of the non-brokered private placement was taken up by CO2 GRO Inc. officers and directors.

Marketing Partnerships

1. In Q1 signed a Marketing and Sales Agreement with Dotz Nano Inc. (now operating as Green Mist Ltd. for the purposes of marketing GROW's technology) to market and sell CO2 Delivery Solutions™ exclusively in the Israeli horticulture market.
2. In Q2 achieved a Collaboration Agreement with a leading industrial gas supplier to assess CO2 Delivery Solutions™ in Colombia.
3. In Q3 signed a Marketing and Sales Agreement with UK based Rika BioTech to market and sell CO2 Delivery Solutions™ exclusively in the UK, Netherlands and Belgium horticulture markets.
4. In Q4 signed a Marketing and Sales Agreement with South Africa based PharmaCrop to market and sell CO2 Delivery Solutions™ exclusively in the Southern Africa horticulture market.

Patent Portfolio Update

1. Five previously filed patents are all pending and are in various stages of the patent review process.

2021 Business Prospects

GROW expects the conversion of some of its ongoing commercial feasibilities for CO2 Delivery Solutions™ to full commercial installations starting in Q2 2021 and a larger number of new commercial feasibilities to be announced and proceed starting in Q1 and Q2.

GROW is in discussions with greenhouse misting and irrigation companies, other international CO₂ gas supply companies and similar qualified companies to become Marketing Partners to market and sell CO2 Delivery Solutions™ to their customers.

Technology Conferences and Recognition

In 2020, GROW has been honored by:

Selected by the Mexico Trade Commissioner Ag Tech Program for 2021 support meeting potential protected grower customers and Marketing Partners. The criteria for being selected required a disruptive commercial Canadian owned agriculture technology that can immediately be deployed in Mexico with a proven Canadian Management track record.

Selected as one of four finalists from over sixty entries in the Hemp Innovation Challenge at the 2020 World Ag Expo in Tulare, California.

Attended multiple ag-tech conferences resulting in significantly increased awareness of CO2 Delivery Solutions™ leading to introductions to several potential marketing partners including Gulf Cryo who subsequently signed a marketing agreement with GROW.

Fourth Quarter Update Detail

Q4 2020 Sales Results

During the fourth quarter GROW sold three CO2 Delivery Solutions™ systems to licensed cultivators in Canada. Of significant importance was that all three sales were completed without a commercial feasibility. The customers relied upon CO2 GRO's ever increasing scientific and commercial plant science data which shortens the sales cycle, lowers the cost of sales and increases the number of customers who are happy and who can provide referrals to potential customers going forward. Going forward, GROW will focus on completing sales of smaller systems based on our scientific and commercial data. For the year, including the sales to the Missouri hemp growers, GROW has sold a total of eighteen (18) commercial installations, a dramatic increase over the one (1) system sold in 2019.

Marketing Partnerships

On December 8th, GROW announced an exclusive Marketing Agreement with South Africa based Pharmacrop (Pty) Ltd. to market and install the Company's CO2 Delivery Solutions™ systems into the covered horticulture markets in the Southern Africa Development Community (SADC) region. A 2020 GreenCape Sustainable Agriculture study for the South Africa Department of

Agriculture stated there was a 171% and 55% growth during 2013-2018 in covered shade netting and tunnel grow facility hectares. Since the 2017-2018 census, an additional 2,822 hectares of shade netting grow structures have been added in South Africa. The covered grow market size is accelerating due to food security issues and high value fruit and nut export opportunities. Shade netting and tunnel grow facilities cannot supplement with CO₂ gassing but can apply aqueous CO₂ mist using GROW's CO₂ Delivery Solutions™. The addition of Pharmacrop (Pty) Ltd. as a GROW marketing partner brings the number of marketing partners to five covering 14 countries.

Commercial Feasibilities

On December 1st GROW provided an update on the accelerated flowering results in ornamental orchid species receiving supplemental CO₂ via CO₂ Delivery Solutions™ compared to a control grown under standard atmospheric conditions. This orchid grow trial began in April 2020 at Minnesota based St. Cloud State University's greenhouse facilities. As of mid-November, the CO₂ supplemented orchids were achieving full bloom approximately 30% faster than control orchids. This is consistent with all other GROW scientific and commercial feasibility plant growth results which show benefit from CO₂ supplementation delivered via aqueous misting. Orchids account for about 10% of global fresh cut flower and potted plant trade. The interim CO₂ results point to yet another high value plant market opportunity for CO₂ GRO.

Significant geographic diversification has been achieved with commercial feasibilities being conducted in the U.S., Canada, UAE, Colombia and El Salvador. In addition, significant crop diversification was also gained with commercial feasibilities underway on lettuce, peppers, spinach, strawberries, roses, orchids, cannabis and hemp. The duration of these commercial feasibilities generally ranges up to nine months.

The timing and probability of closing commercial installations on the eleven active commercial feasibilities is dependent on CO₂ Delivery Solutions™ systems performance against objectives, the success of management in negotiating agreements and continued COVID-19 related impacts. GROW continues work towards adding to its list of commercial feasibilities targeting new customers who grow similarly to existing customers as well as new plant varieties, new geographic markets and new cultivation methods where CO₂ Delivery Solutions™ adds value.

COVID-19 Impacts on Operations

To date the Company continues to make progress in developing its business in a COVID-19 world though it is not without challenges. With the travel and physical distancing restrictions imposed by governments due to COVID-19, the Company is physically restricted to the markets in which it already has a foothold: North America, the UAE, Colombia, El Salvador, Israel, the UK, the Netherlands, and Belgium. With the addition of Pharmacrop (Pty) Inc., GROW's presence is expanded to Southern Africa. The Company's regional sales representatives and regional contracting partners continue to work on business development and installations. In addition, the Company has developed virtual sales and installation programs to support customers despite physical restrictions.

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 on to 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 CO₂ gas can now add CO₂ to their crops using CO₂ Delivery Solutions™, increasing plant yields and profits. As carbon taxes rise, sealed greenhouse growers that CO₂ gas 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 CO₂ emitting 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, Investor Relations Manager at 604-317-6197 or michael.oconnor@co2gro.ca