



## **CO2 GRO Inc. Provides a Corporate Update for the Third Quarter 2020**

**TORONTO, ON – October 8, 2020** – Toronto based CO2 GRO Inc. (“**GROW**”) (TSXV: GROW, OTCQB: BLONF, Frankfurt: 4021) is pleased to provide a corporate update for the third quarter 2020.

John Archibald, CEO, commented, “We re-organized GROW in 2018 to introduce a revolutionary CO2 delivery technology to protected plant growth markets. In Q3 2020, we built on prior momentum with six signed Commercial Feasibilities of which five have the potential to expand into sales across multiple protected grow facilities. The closing of a successful non-brokered financing with Ospraie Ag Sciences LLC and the recent signing of an exclusive marketing agreement with Rika Biofuel Developments Limited to market CO2 Delivery Solutions™ systems in the UK, the Netherlands and Belgium are two of our 2020 goals achieved. We look forward to building on this success to date and in time, converting Commercial Feasibility projects into full scale Commercial Installations.”

### **Q3 2020 Business Development**

Of the six commercial feasibilities signed in Q3 2020, three have multiple protected grow facilities, one plans to develop additional larger facilities and one was facilitated by a large industrial CO2 gas supplier that could provide opportunities for sales to other markets in the region. A summary is below:

**Colombian Rose Greenhouse Commercial Feasibility** – introduction facilitated by a large global industrial CO2 gas supplier. An opportunity to demonstrate CO2 Delivery Solutions™ system on a new floriculture crop and in a new South American country market.

**Leafy Greens Grower Florida** – 120,000 square foot hydroponic greenhouse focused initially on spinach. The owner has other US greenhouses and plans to build additional larger hydroponic greenhouses.

**Strong Agronomy Management Inc. / Coastal Star Cannabis Nursery** – 48,000 square feet of greenhouses propagating cannabis cuttings, seeds and seedlings. This Feasibility will begin in spring 2021. In addition to their cannabis operations, Strong also owns Coastal Moon, a greenhouse blueberry operation.

**Canadian Cannabis Micro-Cultivator** – A second Canadian micro-cultivator growing cannabis indoors.

**Hidroexpo SA de VC, El Salvador** – operates 31 one-hectare greenhouses (107,000 square feet each or 3,317,000 total). The Commercial Feasibility will be in one greenhouse and is focused on peppers. The introduction was facilitated by US based Lipman Family Farms.

**DeJong Strawberry Greenhouse** – Iowa based greenhouse growing strawberries. Owned by Dan and Jerry's Greenhouses who operate four facilities totalling 1.57 million square feet growing a variety of plants.

Since marketing of CO2 Delivery Solutions™ systems began, GROW has installed or is in the process of installing twenty-six CO2 Delivery Solutions™ systems under Commercial Feasibility agreements. 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 has also been achieved with Commercial Feasibilities underway on lettuce, spinach, strawberries, roses, cannabis and hemp. The duration of these Commercial Feasibilities generally ranges up to nine months.

The owners of the fifteen Missouri hemp greenhouses with installed commercial CO2 Delivery Solutions™ systems have finished their first hemp seed harvests. The installed CO2 Delivery Solutions™ systems exceeded expectations and the growers are very pleased with their performance. All the growers have agreed to purchase the systems on a financing plan. Payments began in September 2020.

To date, all installed CO2 Delivery Solutions™ systems are meeting feasibility expectations. The first was installed at an Ontario floriculture greenhouse in September 2019 but did not proceed to a Commercial Installation due to COVID-19 related issues. The December 2019 announced Canadian cannabis Feasibility was delayed due to COVID-19 related concerns. However, that project is now underway. The UAE Gulf Cryo lettuce Feasibility is ongoing at this time. However due to COVID-19 related staffing issues the customer has had to pause sample and data collection at this time.

The timing and probability of closing Commercial Installations on the eleven other 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.

## **Marketing Partnerships**

On September 22, 2020, GROW announced an exclusive Marketing Agreement with UK based Rika Biofuel Developments Limited to market, sell and install the Company's technology into their local UK, the Netherlands and Belgium protected grow markets. The three markets represent approximately 800 million square feet of protected grow space devoted mostly to high value vegetables, fruits and floriculture.

GROW continues to seek qualified Agri-Industrial Partners to locally service other EU countries such as Spain which has the world's largest protected grow capacity and in other large protected grow markets worldwide.

## **Corporate Financing**

On August 17<sup>th</sup> the Company closed a \$1.38 million fully subscribed financing. Of special note is that a leading Ag-tech investor Ospraie Ag Sciences LLC ("Ospraie") invested \$1.20 million with the option to convert warrants to shares and participate in any future financings. Officers and directors of CO2 GRO accounted for the balance. In addition, Tom Wilttrout, a member of Ospraie's leadership team has joined CO2 GRO's Board of Directors.

The financing provides working capital to significantly increase business development activities, enhance and grow marketing partnerships and its sales and technical force. In addition CO2 GRO will work with Ospraie to increase business opportunities through introductions within its agriculture industry relationships.

## **Patents Update**

GROW has registered its five patents pending in the countries in which it is active and expects to file a sixth shortly under the Patent Cooperation Treaty based on aqueous CO2 misting plant benefits.

## **COVID-19 Impacts on Operations**

Physical restrictions due to COVID-19 have limited GROW staff and Agri Partners to mostly the markets for which they already have a foothold: the U.S., Canada, the UAE, Israel, and more recently, Colombia and El Salvador. As shown by GROW's 2020 news releases, regional sales representatives and Agri-Industrial Partners have been successful signing Commercial Feasibilities during COVID-19.

Since March 2020, GROW has developed virtual sales and installation programs to support customers despite physical restrictions and to date, has found qualified local contractors to install its systems in Missouri and Florida greenhouses.

## **Health Canada Redefines Foliar Spray Usage to Include Water Based Nutrients**

In late August, Health Canada communicated to Licensed Cannabis Producers (LPs) that foliar sprays for nutrient application, watering or for plant hydration are allowed. This is a positive development for the potential use of GROW's foliar spray-based CO2 Delivery Solutions™ technology by Canadian LPs. GROW is contacting LPs who previously expressed interest in GROW's technology however were waiting for Health Canada's acceptance.

## **Outlook Supports Protected Farming Global Growth Forecast**

Grand View Research forecasts that the global protected farming market size of USD 26.8 billion in 2018 will expand at a CAGR of 9.19% from 2019 to 2025 to reach USD 50.3 billion. Driving demand are shrinking arable land caused by water supply, urbanization, and climate change.

Protected farming can be local, needs less land space and other resources while increasing yield. Rising consumer demand for healthy and fresh food is also supporting the protected farming markets. Higher value fruits, vegetables, and herbs are estimated to register the fastest CAGR over the forecast period. GROW has Commercial Feasibility projects underway in these high growth categories.

Given this rapid protected farming global growth trend, GROW is now designing and proposing CO2 Delivery Solutions™ Commercial Installations to new build facilities for their CO2 plant needs.

Visit [www.co2delivery.ca](http://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 target markets are focused on the 50 billion square feet of global greenhouse and covered cultivation space (USDA). Atmospheric enrichment of CO2 by gassing has been practiced in indoor and expensive sealed greenhouses for decades resulting in enhance crop yields of up to 30%. However, 85% of the world's greenhouses are unsealed and have open-venting designs for heat ventilation which makes CO2 gassing uneconomical and impractical since the CO2 gas easily escapes.

GROW's CO2 Delivery Solutions™ naturally and safely dissolves CO2 gas into water creating an aqueous CO2 solution which is then misted directly on plant leaves. GROW has demonstrated its technology to be as effective as CO2 gassing by improving crop yields up to 30%, while using a fraction of the CO2 gas. The CO2 solution's micro droplets create an aqueous film around the entire leaf surface, isolating the leaf from the atmosphere. This creates a diffusion gradient favoring CO2 transport into the leaf and other gases out of the leaf. Increased carbon availability enhances photosynthesis

resulting in faster and larger plant growth. CO2 Delivery Solutions™ has been demonstrated on crops including *Cannabis*, hemp, lettuce, kale, microgreens, peppers and flowers. In addition, aqueous CO2 misting offers Perimeter Protection™ for plants by slowing the spread of micro pathogens such as *E. coli* and powdery mildew. Greenhouse growers everywhere can now supplement CO2 to their crops using CO2 Delivery Solutions™, increasing plant yields and profits.

***Forward-Looking Statements*** *This news release may contain forward-looking statements that are based on CO2 GRO's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and the Company undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances, unless otherwise required to do so by 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 CO2 GRO Inc. [here](#) or contact or Michael O'Connor, Manager of Investor Relations at 604-317-6197.**