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**CO2 GRO INC. ANNOUNCES PRIVATE PLACEMENT OF UNSECURED CONVERTIBLE
DEBENTURES OF UP TO \$2.5 MILLION**

TORONTO, ON December 5, 2023; Toronto based CO2 GRO Inc. ("**CO2 GRO**" or the "**Company**") (TSXV: GROW, OTCQB: BLONF, Frankfurt: 4021) is pleased to announce its intention to complete a non-brokered private placement of unsecured convertible debentures (the "**Debentures**") for a principal amount of up to \$2,500,000 (the "**Offering**").

The Debentures will bear interest at a rate of 13.5% per annum from the date of issuance (the "**Issue Date**") and will have a three-year term (the "**Term**"). During the first year of the Term, quarterly interest payments on the Debentures will be paid in cash. In the remaining two (2) years of the Term, the Company will have the option to (i) pay further interest payments in cash or (ii) make payments-in-kind by way of issuance of common shares of the Company (the "**Common Shares**") at a price equal to the market price of the Common Shares at the time the accrued interest becomes payable.

At any time during the Term, each holder of a Debenture may elect to convert the outstanding principal amount, or any portion thereof, into units of the Company ("**Units**") at a conversion price of \$0.12 per Unit. Each Unit shall consist of one Common Share and one Common Share purchase warrant (a "**Warrant**"), with each Warrant entitling the holder thereof to acquire a Common Share at an exercise price of \$0.15 per Common Share for a period of 48 months following the Issue Date.

The Debentures will be subject to a forced conversion provision whereby, upon delivery of such notice to holders of the Debentures, the Company is permitted convert the principal amount of all outstanding Debentures into Units in the event that the average closing price of the Common Shares listed on the TSX Venture Exchange (the "**TSXV**") is greater than \$0.20 for twenty (20) consecutive trading days.

The Company anticipates using the net proceeds of the Offering for working capital purposes, crystallization of its sales pipeline and conversion of ongoing TAPs (Technology Adaption Projects)

with clients into recurring revenue, and for hiring of additional engineering and technical staff to advance all of the above.

In connection with the Offering, the Company may pay a finder's fee in cash or securities or a combination of both, as permitted under the policies of the TSXV. Closing of the Offering is expected to occur in one or more tranches, with the first tranche expected to close on or about December 18, 2023.

The Debentures and any securities issuable upon conversion thereof will be subject to a statutory hold period of four months and one day from the date of issuance of the Debentures. The Offering is subject to the acceptance by the TSXV.

The Debentures will be offered and sold by private placement in Canada pursuant to exemptions from the prospectus requirements under National Instrument 45-106 *Prospectus Exemptions*, and in certain other jurisdictions on a basis which does not require the qualification or registration of the securities issued pursuant to the Offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. persons" (as such term is defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from the registration requirements of the 1933 Act any application state securities laws.

Visit www.co2gro.ca for more information on CO2 GRO Inc.

About CO2 GRO Inc.

CO2 GRO Inc. is a precision ag-tech, clean-tech company with a focus on People, the Planet and Prosperity. Our vision is to become one of the leading companies enhancing global food production from protected agriculture. By helping our customers sustainably increase yield and profitability, we could help feed up to half a billion people worldwide while reducing our customers' ecological footprint.

About 300 million MT of fruit and vegetables are grown annually from about 5 million hectares of protected vegetable facilities globally (6 kg/m²/year of average production). A 30% yield increase using our technology could add up to 100 million MT of fruits and vegetables per year. The US Centers for Disease Control and Prevention recommends annual fruit and vegetable consumption of up to 200 kg per year per adult.

Our Target Market: The estimated 800 billion square foot global protected grower market is comprised of 700 billion square feet of fruits & vegetables (Cuesta Roble 2019 estimate), and an estimated 100 billion square feet of protected floriculture and other medicinal plants and non-food varieties.

Our Technology: CO2 Delivery Solutions™ enriches plants with CO₂ by misting an aqueous CO₂ solution directly onto plants grown in greenhouses and other protected grow facilities globally.

Value Proposition: Approximately 98% of protected grow facilities globally cannot add CO₂ by atmospheric gassing, missing out on up to 30% increased yield potential and 100% more gross profit. CO2 GRO's technology enables all protected growers regardless of facility or location to enrich their plants with CO₂ to realize up to 30% yield increases. In addition, our technology suppresses the growth of micro-pathogens such as *E.coli* and powdery mildew, leading to healthier crops. Growers currently employing CO₂ gassing can save up to 90% of CO₂ gas used, reducing their ecological footprint and production costs.

Patent Protection: CO2 GRO's CO2 Delivery Solutions™ technology is protected by a suite of patents and patents pending.

Business Model: Our technology is sold to growers based on the cultivation area installed at prices that provide a high return on their investment and high margins for our shareholders.

Global Expansion: CO2 GRO's management is rapidly expanding its international marketing partner relationships into Mexico, Spain, the EU, the UK, South Africa, the Middle East, Southeast Asia and Latin America as well as in its US and Canadian base.

Environmental Social and Governance ESG: CO2 GRO is committed to good Environmental, Social and Governance (ESG) policies and practices. We are an equal opportunity employer of choice and opportunity.

Forward-Looking Statements and Disclaimer

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; successful completion of the Offering; 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 on SEDAR+ at www.sedarplus.ca. 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 TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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