

# GrowGeneration Expands Michigan Footprint with Downriver Hydro Acquisition

## *Acquisition Brings Number of GrowGen Locations in Michigan to Seven*

DENVER, April 20, 2021 /PRNewswire/ - [GrowGeneration Corp.](#) (NASDAQ: [GRWG](#)), ("GrowGen" or the "Company") the nation's largest chain of specialty hydroponic and organic garden centers, today announced its acquisition of Downriver Hydroponics, a Michigan-based indoor garden supply center in Wayne County. Founded in 2011, Downriver Hydro is the area's largest hydroponics store, with annual revenues approaching \$10 million. With the acquisition of Downriver Hydro, GrowGen's portfolio of hydroponic garden centers now includes 53 stores across 12 states, with seven of those locations in Michigan.



"Michigan's cannabis market is expected to generate \$3 billion in revenue over the next three years, making it an ideal place for further investment and expansion," said Darren Lampert, GrowGen's CEO. "We continue to look for best-in-class hydroponics stores in mature and emerging markets, and Downriver Hydro has a strong customer base, as well as an experienced and knowledgeable staff, led by owner Scott Brownlie."

Brownlie and his team will stay on at GrowGen as part of the transaction, and operate the company's seventh location in the state. GrowGen also operates hydroponic garden centers in Battle Creek, Grand Rapids, Livonia, Taylor, South Lansing and West Lansing.

"Downriver Hydro has proudly served Michigan's indoor growers for over a decade with our exceptional team of cultivation experts, commitment to hydroponics education, and vast inventory of high-quality garden supplies," said Brownlie. "We are excited to join GrowGeneration, the nation's largest hydroponics retailer, to leverage our combined resources, expertise, and inventory to meet the state's growing number of cultivators."

According to industry sources, Michigan's cannabis market is:

- One of the fastest-growing cannabis markets in the country, with total 2020 cannabis sales generating \$984 million in revenue.
- Projected to generate over \$3 billion in cannabis sales within the next three years.

- The second-largest medical marijuana market in the country, behind California.

The Downriver Hydroponics acquisition is GrowGen's ninth this year and follows yet another quarter of record earnings. Just last month, the Company announced record full-year 2020 revenues of \$193 million, an increase of 143% year-over-year. Same-store sales increased 63% for full-year 2020, compared to the previous year. The Company also raised its 2021 revenue guidance to \$415-\$430 million and raised its 2021 adjusted EBITDA guidance to \$48-\$51 million. GrowGen plans to have 60 garden center locations in 15 states by the end of 2021.

For more information about GrowGen, or to locate its stores, please visit [www.growgeneration.com](http://www.growgeneration.com).

### **About GrowGeneration Corp.:**

GrowGen owns and operates specialty retail hydroponic and organic gardening stores. Currently, GrowGen has 53 stores, which include 8 locations in Colorado, 18 locations in California, 2 locations in Nevada, 1 location in Arizona, 2 locations in Washington, 7 locations in Michigan, 1 location in Rhode Island, 5 locations in Oklahoma, 2 locations in Oregon, 5 locations in Maine, 1 location in Florida and 1 location in Massachusetts. GrowGen also operates an online superstore for retail and craft growers at [growgeneration.com](http://growgeneration.com), and a commercial ERP platform, Agron.io Powered by GrowGen, for large commercial growers. GrowGen carries and sells thousands of products, including organic nutrients and soils, advanced lighting technology and state of the art hydroponic equipment to be used indoors and outdoors by commercial and home growers. Our mission is to own and operate GrowGeneration branded stores in all the major states in the U.S. and Canada. Management estimates that roughly 1,000 hydroponic stores are in operation in the U.S. By 2025, the global hydroponics system market is estimated to reach approximately \$16 billion.

### **Forward Looking Statements:**

This press release may include predictions, estimates or other information that might be considered forward-looking within the meaning of applicable securities laws. While these forward-looking statements represent our current judgments, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this release. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. When used herein, words such as "look forward," "believe," "continue," "building," or variations of such words and similar expressions are intended to identify forward-looking statements. Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are often discussed in filings we make with the United States Securities and Exchange Commission, available at: [www.sec.gov](http://www.sec.gov), and on our website, at: [www.growgeneration.com](http://www.growgeneration.com).

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