



(GROW.TSXV, BLONF.OTC, 4021.Frankfurt)  
Second Quarter 2021

## CO2 GRO Inc. (GROW) - FREQUENTLY ASKED QUESTIONS

### REVENUE PROGRESS FAQs

#### **Have you sold any Commercial Installations to date?**

Yes, we have sold a number of CO2 Delivery Solutions™ systems to a hemp co-op group in the state of Missouri as well as systems to licensed *Cannabis* cultivators in Canada.

#### **What is a Commercial Feasibility?**

A Commercial Feasibility is a limited installation of CO2 Delivery Solutions™ in a section of the grower's facility. The goal of the Feasibility is to validate the plant growth and economic impact of CO2 Delivery Solutions™ on the customer's plants in their facility's normal operating conditions. These projects typically last between 6 to 12 months and are charged to the grower. Commercial Feasibilities are a crucial step in the sales process to achieve the ultimate goal of a facility-wide Commercial Installation.

#### **What Commercial Feasibilities or Bench Scale studies do you currently have and have had in the past?**

We currently have or have had Commercial Feasibilities on *Cannabis*, hemp, peppers, tomatoes, strawberries, orchids, roses, lettuce, kale and macadamia tree seedlings. These projects are in countries all over the world, making CO2 GRO and its technology a truly Global opportunity.

#### **What is the technology Pricing Model or Business Model?**

GROW offers growers its CO2 Delivery Solutions™ as a custom engineered solution based on the customer's cultivation method, facility size, layout and overhead misting infrastructure needs. CO2 Delivery Solutions™ are typically priced on square footage based on the agreed upon custom design. Our systems are available for purchase either through Payment Plans or Standard Commercial Terms.

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**DELIVERING CO2 TO GROWERS EVERYWHERE™**

### **What are your current Revenue Opportunities?**

We have contracted Commercial Feasibilities with greenhouse growers of various sizes and crops in the US, Canada, the Middle East, Israel, Colombia, El Salvador, France, the Netherlands, Malaysia and South Africa. Our primary crop focus is on greenhouse vegetables, berries, high value floriculture, *Cannabis* and hemp with whom we have seen the most traction. We are continually working on expanding our customer reach and Marketing Partner selections focusing on geographic markets with large protected agriculture producers.

### **What are the differences between protected facilities and greenhouses?**

Greenhouse refers to mostly glass or plastic walled and sealed facilities which is comprised of 50 billion square feet worldwide. The protected agriculture market includes the greenhouse market plus a further 550 billion square feet worldwide. These additional facilities include hoop houses, net and shade houses, tunnels, vertical and indoor.

### **Do You Use Manufacturers to build your Systems?**

We have contracted manufacturers in the US and Canada.

### **What does your 2021 Sales Team look like?**

Our VP Sales & Operations, Aaron Archibald, is responsible for managing our Global sales activities. The US and Canadian sales team is comprised of over two dozen commission-based sales representatives across both countries, as well as non-exclusive Marketing & Sales agreements with a number of agri-industrial partners. After our recent participation in the Canadian Technology Accelerator program organized by Canada's Trade Commission to Mexico, we are working on developing Marketing & Sales partnerships in Mexico. The Mexican protected agriculture market is over 5 billion square feet. We have also entered into regional exclusive Marketing & Sales agreements with agri-industrial partners in the Middle East (Gulf Cryo), Israel (GreenMist), UK based Rika Biotech for the UK, Belgium and the Netherlands, Pharmacrop for Southern Africa and CH Green for Malaysia.

### **Do you intend to expand further outside of your current markets?**

Yes. In 2021, we will expand further into international protected agriculture markets based on the largest opportunities and securing the right agri-industrial marketing partners. The protected agriculture market is growing at up to 9% CAGR. 60% of the protected agriculture market is in the US, Canada, Mexico, Spain, Italy, France, the Netherlands, Korea Republic, Japan, Malaysia, Israel, Saudi Arabia, Brazil, Argentina and Colombia. The majority of crops grown in protected agriculture are tomatoes, peppers, cucumbers, leafy greens, berries, high value floriculture and *Cannabis* & hemp. Our focus is to target all these crops, regardless of the type of protected facility they are grown in.

### What is your business development status with Canadian *Cannabis* Licensed Producers (LPs)?

In December 2019, we announced our first Canadian *Cannabis* Commercial Feasibility. Since then, we have announced more Feasibilities as well as sold Commercial Installation systems to a number of Canadian licensed cultivators including a Canadian LP. We look forward to more Canadian *Cannabis* and hemp Commercial Feasibilities and sales with Licensed Producers, particularly now that Health Canada eased its foliar spray ban in late August 2020 to allow misting water with dissolved nutrients.

### Environmental Social and Governance (ESG) FAQs

For the Environment and sustainability, by using GROW's CO<sub>2</sub> Delivery Solutions™ growers will use far less CO<sub>2</sub> gas, less land, less water and less labor to produce more crops and substantially reduce their carbon footprint. Our precision Ag technology directly applies a saturated CO<sub>2</sub> solution on the plant leaf surface, enabling the CO<sub>2</sub> to be taken into the plant more efficiently than by the air. This process results in up to 95% less CO<sub>2</sub> usage compared to traditional CO<sub>2</sub> gassing; increased yields, more harvest turns and less crops lost due to pathogens.

#### What is GROW's commitment to a good working environment?

For Governance, our Management team and Board is committed to promoting and maintaining diversity, equality and inclusiveness in our workplace. GROW is committed to promoting and maintaining a safe and healthy workplace.

#### What is GROW's commitment to the environment and sustainability?

CO<sub>2</sub> GRO's Environment, Social and Governance ("ESG") practices are a Sustainability Platform with a **Planet, People and Profits** focus. CO<sub>2</sub> GRO is committed to ensuring our technology enhances global food production to support our growing population. CO<sub>2</sub> Delivery Solutions™ can support agriculture resource optimization and food growth in all regions including more developed and less developed countries. Our technology's more efficient use of CO<sub>2</sub> can help protected growers potentially reduce their GHG emissions and lower their carbon footprint, while producing more food.

#### Does GROW's management and Board value the importance of ESG practices in managing the Company?

CO<sub>2</sub> GRO addresses ESG as a strategic element of value creation and sustainability in our Corporate Value Proposition, now and in the future. Studies have shown that organizations with diverse management, Board composition and employees, collectively deliver better performance generating enhanced shareholder value in the long term.

### **Does the CO2 Delivery Solutions™ technology reduce growers' carbon footprint?**

Yes. CO2 Delivery Solutions™ technology is considered “cleantech”. Our technology delivers CO<sub>2</sub> to plants without appreciable off gassing. Plants convert CO<sub>2</sub> into sugar for root and shoot growth and respire the residual oxygen into the atmosphere for the benefit of humans. Accelerating a plant's photosynthesis process leads to greater CO<sub>2</sub> use by the plant and reduces a grower's overall carbon footprint. When sealed greenhouses or indoor facilities use CO<sub>2</sub> gassing, over 60% of the CO<sub>2</sub> gas escapes through leaks and venting as no facility is airtight. Nearly all of the CO<sub>2</sub> in the CO<sub>2</sub> solution we mist is transferred into the plant leaves and used for photosynthesis with practically no CO<sub>2</sub> lost to the atmosphere. This benefits the environment as well as saves considerable CO<sub>2</sub> gas usage and operating costs. Our technology uses very little electricity as the pumps are only active for a few minutes a day.

## **PATENT FAQs**

### **What is the status of GROW's Patent Portfolio?**

GROW's five CO2 Delivery Solutions™ pending patents embody the use of saturated CO<sub>2</sub> solution misted on plants. Our original method of use Patent Cooperation Treaty (PCT) pending patent is supported and enhanced by four additional PCT pending patents. They incorporate plant pathogen resistance, targeted enhanced plant metabolism, outdoor CO<sub>2</sub> delivery to plants and alternate aqueous gas delivery to plants.

### **What about GROW's Patent License?**

GROW has an exclusive perpetual global license for the use of two gas infusion patents to dissolve CO<sub>2</sub> gas into water via microporous hollow fiber technology for all plant growth. Under this license, we have the right to manufacture microporous hollow fiber into our CO2 Delivery Solutions™ systems.

### **What about device Patents?**

GROW has filed for a retail handheld device patent to service the residential and small commercial markets (home gardening, landscaping, etc.). Given the global opportunity of 600 billion square feet available to CO2 GRO and its shareholders we have decided to focus our efforts there. For now, we will not be working on advancing the hand-held device.

### **Does GROW have a Research & Development Program?**

Yes. GROW is continually working on furthering our technology's applications and efficiency in order to expand our markets and meet our strategic objectives. Our 2021 R&D Program, led by our Chief Science Officer Dr. Matt Julius, is focused on three pillars: 1) Projects that facilitate market expansion, 2) Projects that reinforce our existing patents

and assist developing new patents and 3) Research activities that help meet strategic needs.

## **CO<sub>2</sub> FAQs**

### **How do you monitor CO<sub>2</sub> Delivery Solutions™ equipment?**

GROW's Commercial CO<sub>2</sub> Delivery Solutions™ systems include remote monitoring telemetry, allowing valuable data collection for analytics while ensuring that the equipment is performing within its design parameters for the client.

### **Who are your CO<sub>2</sub> gas suppliers?**

We work with our customers and a variety of CO<sub>2</sub> suppliers to ensure the most cost-effective CO<sub>2</sub> supply for our CO<sub>2</sub> Delivery Solutions™.

### **Are CO<sub>2</sub> Delivery Solutions™ systems Organic?**

Our CO<sub>2</sub> Delivery Solutions™ do not negatively affect any grower's organic status anywhere.

### **Do CO<sub>2</sub> Delivery Solutions™ systems affect Pathogens?**

Our CO<sub>2</sub> Delivery Solutions™ have demonstrated suppression of microbial pathogens such as *E. coli*, powdery mildew, and other microbial epiphytic (leaf surface) molds and mildews. This is a major benefit to organic growers and to other growers who are concerned about crop losses due to pathogens and the effects of some of the chemicals they use for pathogen suppression. We refer to the pathogen suppression benefit as Perimeter Protection™, a benefit that a number of growers have installed CO<sub>2</sub> Delivery Solutions™ specifically for.

## **OTHER FAQs**

### **What Regulatory Approvals and Exemptions do you have?**

In 2018, we received Regulatory Exemptions from the Health Canada Pesticide Management Regulatory Agency (PMRA) and the Canadian Food Inspection Agency (CFIA). Our CO<sub>2</sub> Delivery Solutions™ can be used on any plants grown in Canada.

### **What Regulatory Approvals/Exemptions do you need for US, EU, the Middle East?**

None to date. Atmospheric enrichment of CO<sub>2</sub> (gassing) has been practiced where possible for decades. Our technology utilizes CO<sub>2</sub> gas and irrigation water to create a saturated CO<sub>2</sub> solution which is then misted on the plant's leaves. CO<sub>2</sub> Delivery Solutions™ does not utilize any additional chemicals or additives and is safe for both humans and plants to consume.

### **What stage of a plant's grow cycle is CO2 Delivery Solutions™ most effective?**

GROW's CO2 Delivery Solutions™ technology will enhance plant metabolic efficiency at any age or stage of photosynthesis. We see the greatest impact when plants are exhibiting the highest metabolic activity at early life cycle stages. During periods of low metabolism, plant growers will often continue using our technology to deter pathogen growth in mature plants.

### **What other benefits do CO2 Delivery Solutions™ provide?**

CO2 Delivery Solutions™ provides game changing delivery of CO<sub>2</sub> to plants to the entire 600 billion square feet of protected grows worldwide. Our technology provides precise and quantifiable carbon (from CO<sub>2</sub>) to plants. Carbon is often the limiting factor to enhancing photosynthesis in the plant and thus limiting growth. CO2 Delivery Solutions™ turns this common limiting factor into a strength for all growers, regardless of facility type.

### **What are the grower benefits?**

Grower benefits include increased crop yield which means more product to sell, faster plant growth resulting in an increased number of crops turns, plant protection from the spread of micro pathogens which ensures healthy crops, lower CO<sub>2</sub> operating costs and lower capital expenditures leading to increased profits. The use of CO2 Delivery Solutions™ enables growers to meet the increasing demand for plant food, flowers and other value-added medical plant products such as *Cannabis* and hemp in an economically sustainable and environmentally friendly manner.

**In summary, CO2 Delivery Solutions™ are better for grower Profits, better for People and better for the Planet.**

See [co2delivery.ca](https://co2delivery.ca) or [co2gro.ca](https://co2gro.ca) for further details or contact Michael O'Connor Manager, Investor Relations, 1-604-317-6197 or [michael.oconnor@co2gro.ca](mailto:michael.oconnor@co2gro.ca)