CO2 GRO Inc. (GROW) FREQUENTLY ASKED QUESTIONS (FAQ's) – Q1 2020

PATENT FAQs

What is the status of GROW's Patent Portfolio?

GROW's CO2 Delivery Solutions™ pending patents embody the use of aqueous CO2 solution misted on plants. Our original method of use Patent Cooperation Treaty (PCT) pending patent is supported and enhanced by four additional PCT provisional patents filed in 2019. They incorporate plant pathogen resistance, targeted enhanced plant metabolism, outdoor Delivery Solutions and alternate gas delivery solutions.

What about GROW's Patent Licenses?

GROW has an exclusive global royalty free license for the use of two gas infusion patents to dissolve CO2 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™ devices.

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.).

Does GROW have a Research & Development Program?

GROW is continually working on furthering our technology's applications and efficiency in order to expand our markets and meet our strategic objectives. Our 2020 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. Research activities that help meet strategic needs.

REVENUE PROGRESS FAQs

What were the differences in GROW's 2018 Grow Trials and 2019 Commercial Demonstrations?

In 2018, most of GROW's plant growth trials were based on scientific work at St Cloud State University and with several growers. The purpose: to prove CO2 Delivery Solutions™ performed as expected from initial hypotheses and scientific efforts. These trials observed and reviewed raw plant growth improvement data as well as plant physiology results.

In 2019, GROW focused on larger, automated, customer commercial demonstrations of its CO2 Delivery Solutions™. These larger demos designed and integrated CO2 Delivery Solutions™ systems into customer facilities which are intended to become permanent with replication of the design to full-scale site operations.

What is the corporate 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 irrigation infrastructure. CO2 Delivery Solutions™ are priced based on the agreed upon custom design and is available for purchase either through a Lease-To-Own or One-Time Purchase, plus an ongoing Service & Maintenance Plan.

What are your current Revenue Opportunities?

GROW has an increasing number of Commercial Demonstration Proposals with large greenhouse growers in the US, Canada, EU and Middle East, where CO2 Delivery Solutions™ will be demonstrated on cannabis, hemp, flowers, tobacco and greenhouse vegetables. These demonstrations cycles typically require 15-30 weeks for meaningful results. Upon successful demonstration, we expect our custom designed systems will be installed throughout these facilities. Currently, these facilities collectively represent a total grow area in excess of 12 million square feet.

Do You Use Manufacturers to build your Systems?

We have three contract manufacturers for our CO2 Delivery Solutions™ systems. Existing automated equipment inventory can fulfill over 6 million square feet of grow area. We now have the capability to handle any sized installation expeditiously.

What does your 2020 Sales Team look like?

We have a dedicated internal sales coordinator, four business development representatives for North America and non-exclusive marketing agreements with five North American and two Middle East Agri-Industrial partners. Our sales team and agri-industrial partners will facilitate the opportunity to expand our producer reach in key target areas and in turn will facilitate the acceleration of sales.

Do you intend to expand outside of North America?

In 2020, we will expand into international greenhouse markets based on the largest opportunities and the right Agri-Industrial partners. There is over 50 billion sq. ft. of greenhouse space globally. 60% of this space is found in the US, Canada, Mexico, Spain, Italy, France, The Netherlands, Korea Republic, Japan, Israel, Saudi Arabia, Brazil, Argentina and Colombia.

What is your business development status with Canadian Licensed (LP) cannabis producers?

In December 2019, we announced our first Canadian Cannabis Commerical Demonstration. We look forward to more demonstrations and commercial sales in 2020.

CO2 FAQs

How do you monitor CO2 Delivery Solutions™ Equipment?

GROW's commercial CO2 Delivery Solutions™ 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 CO2 Gas Suppliers?

We work with our customers and a variety of CO2 suppliers to ensure the most cost-effective CO2 supply for our CO2 Delivery Solutions™.

Are CO2 Delivery Solutions™ Systems Organic?

Our CO2 Delivery Solutions do not negatively affect any grower's organic status anywhere.

Do CO2 Delivery Solutions™ Systems affect Pathogens?

Our CO2 Delivery Solutions™ have demonstrated suppression of micro pathogens such as E. coli, powdery mildew, and mold to the point of effectively eliminating their growth. This is a major benefit to organic growers and to other growers who are concerned about the effects of some of the chemicals they use for pathogen suppression.

Does the CO2 Delivery Solutions™ Technology reduce the carbon footprint and thereby climate change?

Yes. The CO2 Delivery Solutions™' technology is considered Cleantech. Our CO2 Delivery technology delivers CO2 to plants without appreciable off gassing. Plants convert CO2 into carbon 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 CO2 use and less negative climate change impact. Our technology facilitates the reduction of carbon footprint and in turn climate change along with the mainstream practice of CO2 sequestration via plant and tree growth. Our systems enhance government efforts such as Canada and New Zealand with their 1-2 billion tree planting announcements.

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 CO2 Delivery Solutions™ can be used on any food plants grown in Canada.

What Regulatory Approvals/Exemptions Do You Need for US, EU, the Middle East?

None to date. It is well recognized that carbonating potable water is safe for human consumption and therefore also viewed as safe to grow the plants we eat. Our CFIA approval was a major milestone supporting Canadian food exports grown with aqueous CO2 misting.

What Part of a Plant Grow Cycle is CO2 Delivery 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 which is generally at early life cycle stages. While plant growth benefits are not as great during periods of low metabolism, plant growers will often continue using our technology to deter pathogen growth in mature plants.

Why did you ask Shareholders to approve moving to the CSE?

We received shareholder approval at our June 27, 2019 Annual Meeting to move to the CSE Exchange from the TSXV Exchange, if required. We have no direct interest in moving to the CSE Exchange. The majority of U.S. States (33) have legalized cannabis production for at minimum, medical purposes. However, the U.S. Federal government has not taken similar action to date. The TSXV October 2017 Bulletin states that its listed Canadian public companies do not have a significant portion of their business coming from the U.S. cannabis market. The CSE does not have similar constraints and would be the Canadian exchange of choice for GROW, should it be required to leave the TSXV.

What other benefits do GROW's CO2 Delivery Solutions™ provide?

GROW's CO2 Delivery Solutions™ provide game changing clean technology and more efficient CO2 delivery OUTDOORS as well as indoors. About 95% of all plant value is grown outdoors globally.

What are the grower benefits?

GROW benefits include increased crop yield, increased number of crops turns, plant protection from the spread of micro pathogens and increased profits. The use of CO2 Delivery Solutions™ enables agricultural growers to meet the increasing demand for plant food, flowers and other value-added medical plant products such as cannabis THC, hemp CBD, and human medicines extracted from tobacco, potato and other medical plants.

Any other societal benefits?

By using GROW's CO2 Delivery Solutions™ growers will use less CO2 to produce more crops and substantially reduce their carbon footprint.

In summary, CO2 Delivery Solutions™ are better for grower profits, better for people and better for the planet. See co2delivery.ca for further details.