



TSX-V; GROW, OTCQB; BLONF, Frankfurt; 4021

CO2 GRO Inc. (GROW) FREQUENTLY ASKED QUESTIONS (FAQ's) – Q1, 2021

REVENUE PROGRESS FAQs

What have you sold to date?

In 2H 2020, we sold nineteen CO2 Delivery Solutions™ systems. Four were direct sales to licensed Canadian *Cannabis* growers and licensed micro-cultivators. The other fifteen were bought by US hemp greenhouse owners after a one full grow cycle commercial feasibility.

What were the differences in GROW's 2018 Grow Trials and YTD 2021 Commercial Feasibilities?

In 2018, most of GROW's plant growth trials were based on scientific work at St. Cloud State University and with several growers using manual misters. The purpose was 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 YTD 2021, GROW has been focused on paid, larger, automated, customer commercial feasibilities of its CO2 Delivery Solutions™ systems. These are designed to integrate CO2 Delivery Solutions™ systems into a portion of a customer's cultivation facility (typically from 100 square feet to 2000 square feet or more). The objectives of these feasibilities are to assess the commercial feasibility of our technology by demonstrating its functionality at a customer's facility and evaluating the plant growth and pathogen resistance impacts of our technology on their plants. Once completed, a customer can decide to install a CO2 Delivery Solutions™ system throughout their facility. GROW's engineering team conducts a complete site survey in order to design a custom solution for the customer's entire facility.

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 overhead misting infrastructure. CO2 Delivery Solutions™ are priced based on the agreed upon custom design and is available for purchase either through Financing Plans or One-Time Purchase, and an optional Service & Maintenance Plan.

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, Colombia and El Salvador in South America, France and the Netherlands in the EU and Malaysia and have numerous proposals out to others. Pre COVID-19, our proposals were sent to growers of *Cannabis*, hemp, flowers and vegetables. During COVID-19, the floriculture market has been badly affected, so our focus for the next 12 months will be on *Cannabis*, hemp, greenhouse vegetables and soft fruit with whom we have seen the most traction. Feasibility cycles typically require 15-30 weeks, and more from installation for meaningful results. Upon successful completion, we expect our custom designed systems will be installed throughout these facilities. We are continually working on expanding our customer reach within the next 12 months focused on greenhouse crop markets. Greenhouse refers to mostly glass walled and sealed facilities. The much larger low tech covered/protected grow structures such as hoop houses, shade houses, net houses, tunnels, and other unsealed grow structures also provide opportunities for us.

Do You Use Manufacturers to build your Systems?

We have contracted manufacturers in both the US and Canada for our CO2 Delivery Solutions™ systems. Existing automated equipment in 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 2021 Sales Team look like?

Our VP Sales & Strategic Alliances, Aaron Archibald, is responsible for managing our sales team which is comprised of commission based sales representatives across Canada and the US, as well as non-exclusive marketing and sales agreements with a number of North American Agri-Industrial partners. We hired a sales manager, Darla Lanphear to oversee our North American business development initiatives. Darla has several years of successful sales experience in the greenhouse industry and brings extensive contacts to CO2 GRO. We have also entered into regional exclusive marketing and sales agreements with Agri-Industrial partners in the Middle East (Gulf Cryo, the Middle East's largest industrial gas supplier), Israel based Dotz Technologies (doing business as Green Mist), and UK based Rika Biofuel's for the UK, Belgium and Netherlands greenhouse markets, Pharmacrop for South Africa and CF Greens for Malaysia.

Do you intend to expand further outside of North America?

Yes. In 2021, we will expand further into international greenhouse markets based on the largest opportunities and securing the right Agri-Industrial partners. There is over 50 billion sq. ft. of greenhouse space globally growing at 9% CAGR. About 60% of this growing space is in the US, Canada, Mexico, Spain, Italy, France, The Netherlands, Korea Republic, Japan, Israel, Saudi Arabia, Brazil, Argentina and Colombia. When the COVID-19 travel restrictions are eased or removed we will look to sell into these high potential international markets.

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

In December 2019, we announced our first Canadian Cannabis Commercial Feasibility, followed by our second with a licensed micro-cultivator and a third with Canbud for hemp. We have sold four systems to licensed *Cannabis* growers and micro-cultivators to date. We look forward to more Canadian *Cannabis* and hemp commercial feasibilities and commercial 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 CO₂ Delivery Solutions™ growers will use far less CO₂ gas, less land, less water, less capital expenditure and less labor to produce more crops and substantially reduce their carbon footprint. Our precision Ag technology directly applies dissolved CO₂ on plant leaf surfaces only, dramatically lowering the CO₂ gas required in greenhouses to optimize plant yields.

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?

CO₂ GRO's Environment, Social and Governance ("ESG") practices are a Sustainability Platform with a Planet, People and Profits focus. CO₂ GRO is committed to ensuring our technology enhances global food production by up to 30%. CO₂ Delivery Solutions™ can support agri-land use optimization, food growth for the under-served and economically challenged population. CO₂ GRO can help reduce greenhouse GHG emission by reducing greenhouse CO₂ use by up to 95% and promoting CO₂ uptake by plants up to 95%.

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

CO₂ 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 the carbon footprint and thereby climate change?

Yes. 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 by the plant and less negative climate change impact. In addition, our systems require a tiny fraction of the CO₂ used for CO₂ gassing plants. When sealed greenhouses or indoor facilities use CO₂ gassing, over 60% of the CO₂ gas escapes through leaks and venting as no facility is airtight, wasting it. Nearly all of the CO₂ in the aqueous CO₂ solution we mist is transferred into the plant leaves and used for photosynthesis with practically no CO₂ wasted to the atmosphere. This benefits the environment as well as saves considerable CO₂ gas operating costs.

PATENT FAQs

What is the status of GROW's Patent Portfolio?

GROW's five 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 pending patents initially filed in 2019 and a recently filed provisional fifth. They incorporate plant pathogen resistance, targeted enhanced plant metabolism, outdoor aqueous CO₂ delivery to plants and alternate aqueous gas delivery to plants.

What about GROW's Patent License?

GROW has an exclusive perpetual 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™ 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.).

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.

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 single cell *E. coli*, powdery mildew, and other single cell 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 CO₂ 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 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 and use for extracting medicines. Our CFIA approval in 2019 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 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 TSX-V 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 TSX-V 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 TSX-V.

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

CO2 Delivery Solutions™ provides game changing clean CO₂ Delivery technology for 85% of the world's greenhouses that cannot utilize standard gassing practices. By increasing the productivity of over 50 billion square feet of greenhouse space worldwide, more food can be profitably grown with higher quality and lower costs while saving valuable land resources and optimizing CO₂.

What are the grower benefits?

Grower benefits include increased crop yield, increased number of crops turns, plant protection from the spread of micro pathogens, lower CO₂ operating costs, and lower capital expenditures for sealed greenhouses 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 summary, CO2 Delivery Solutions™ are better for grower profits, better for people and better for the planet. See co2delivery.ca for further details or contact Michael O'Connor Manager, Investor Relations, 1-604-317-6197 or michael.oconnor@co2gro.ca