



# CO2 GRO Inc. (GROW) FREQUENTLY ASKED QUESTIONS (FAQ's) – Q3, 2020

## PATENT FAQ's

### **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 pending patents initially filed in 2019. They incorporate plant pathogen resistance, targeted enhanced plant metabolism, outdoor Delivery Solutions and alternate aqueous 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.

## REVENUE PROGRESS FAQ's

### **What were the differences in GROW's 2018 Grow Trials and YTD 2020 Commercial Feasibilities (also referred to as Demonstrations or Evaluations)?**

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 YTD 2020, GROW is entirely focused on paid, larger, automated, customer Commercial Feasibilities of its CO2 Delivery Solutions™. 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 objective of these projects are to assess the commercial feasibility of our technology by demonstrating its functionality at a customer's facility and evaluating the growth impact 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 will conduct 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 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, and an optional Service & Maintenance Plan.

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

GROW has submitted an increasing number of Commercial Feasibility Proposals to greenhouse growers of various sizes and crops in the US, Canada, EU and Middle East. Pre COVID-19, our proposals were sent to growers of cannabis, hemp, flowers and vegetables. Post COVID-19, the floriculture market has been badly affected, and our focus for the next 12 months will be on cannabis, hemp and greenhouse vegetables with whom we have seen the most traction. These feasibility cycles typically require 15-30 weeks for meaningful results. Upon successful completion, we expect our custom designed systems will be installed throughout these facilities. We are striving to close a large proportion of submitted feasibility proposals as seen by our growing number of press releases regarding these projects, and we are continually working on expanding our customer reach within the next 12 month focused greenhouse crop markets.

### **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 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?**

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 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) and Israel based Dotz Technologies.

### **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 growing space is found in the US, Canada, Mexico, Spain, Italy, France, The Netherlands, Korea Republic, Japan, Israel, Saudi Arabia, Brazil, Argentina and Colombia. Our 2020 focus, subject to the COVID-19 travel restrictions will be on Canada, the US, the Middle East and Israel. When the COVID-19 travel restrictions are eased or removed we will look to sell into selective 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 Demonstration, followed by our second with a licensed micro-cultivator and a third with Canbud for hemp. We look forward to more Canadian cannabis and hemp commercial feasibilities 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 single cell E. coli, powdery mildew, and mold. . 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.

### **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 by the plant and less negative climate change impact. In addition, our systems require a fraction of the CO2 use as CO2 gassing does. When sealed greenhouses or indoor facilities use CO2 gassing, over 60% of the CO2 gas escapes through leaks as no facility is airtight. This gas escapes out into the atmosphere and is wasted. Nearly all of the CO2 in the

aqueous CO<sub>2</sub> solution is transferred into the plant and used for photosynthesis with practically no CO<sub>2</sub> wasted to the atmosphere. This benefits the environment as well as saves considerable CO<sub>2</sub> gas operating costs.

## **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 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 CO<sub>2</sub> misting.

### **What Part of a Plant Grow Cycle is CO<sub>2</sub> Delivery Most Effective?**

GROW's CO<sub>2</sub> 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 CO<sub>2</sub> Delivery Solutions™ provide?**

CO<sub>2</sub> Delivery Solutions™ provides game changing clean technology for 85% of the world's greenhouses. By increasing the productivity of over 40 billion square feet of greenhouse space worldwide, more food can be grown with higher quality and lower costs. In addition, being able to grow more food per square foot by up to 30% saves valuable land resources.

### **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 CO<sub>2</sub> operating costs, lower capital expenditures for sealed greenhouses and increased profits. The use of CO<sub>2</sub> Delivery Solutions™ enables agricultural growers to

meet the increasing demand for plant food, flowers and other value-added medical plant products such as cannabis and hemp..

**Any other societal benefits?**

By using GROW's CO2 Delivery Solutions™ growers will use less CO2, less land, less water, less capital expenditure and less labor 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](https://co2delivery.ca) for further details.**