



(GROW.TSXV, BLONF.OTC, 4021.Frankfurt)
Third 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 and systems to Licensed Producers (“LP”) and Licensed Cultivators (“LC”) 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 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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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 greenhouse vegetables, berries, high value floriculture, *Cannabis* and hemp with whom we have seen the most traction. We continuously work 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 are 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. Nearly all these facilities have a combination of open roofs, open sides or ends, porous material such as netting, or high air exchange through HVAC and venting systems.

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 & Strategic Alliances, Aaron Archibald, is responsible for managing our Global sales activities. The US and Canadian sales team is currently comprised of 30 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 engaged Rancho Nexo as our most current Marketing and Sales partner in Mexico. The Mexican protected agriculture market is almost 6 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 anticipated to grow 10% 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.

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

In December 2019 we announced our first Canadian *Cannabis* commercial feasibility. Since then, we have announced more commercial feasibilities as well as sold commercial installation systems to a number of Canadian LC's and two Canadian LP's. We look forward to more Canadian *Cannabis* and hemp commercial feasibilities and sales with LP's, particularly due to Health Canada easing its foliar spray ban in August 2020 to allow LPs to mist water with dissolved nutrients.

Revenue Recognition

It is GROW's policy is to recognize revenues after a CO2 Delivery Solutions™ has been fully paid for. Deferred revenues recognize down payments for CO2 Delivery Solutions™. These revenues will move to recognized revenues when full payment is received and installation work completed. Purchase orders are recognized in two steps: 1) down payment that is included in deferred revenues and 2) deferred revenues and the balance is recognized as revenues when payment is made and installation work completed.

Environmental Social and Governance (ESG) FAQs

For the Environment and sustainability, by using GROW's CO2 Delivery Solutions™ growers that CO₂ gas will use far less CO₂ gas, less land, less water and less labor to produce more crops and substantially reduce their ecological footprint. Our precision Ag technology directly applies a saturated CO₂ solution on the plant leaf surface, enabling the CO₂ to be taken into the plant more efficiently than by air. This process results in up to 95% less CO₂ usage compared to traditional CO₂ 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?

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 to support our growing population. CO₂ Delivery Solutions™ support agriculture resource optimization and food growth in all regions including more developed and less developed countries. Our technology provides more efficient use of CO₂ will help protected growers that CO₂ gas potentially reduce their ecological footprint, while producing more food or crops.

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

CO2 GRO embraces 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 CO₂ to plants without appreciable off gassing. Plants convert CO₂ 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 CO₂ use by the plant and reduces a grower's overall carbon footprint. 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. Nearly all of the CO₂ in the CO₂ saturated solution we mist is transferred into the plant leaves and used for photosynthesis with practically no CO₂ lost to the atmosphere. This benefits the environment as well as saves considerable CO₂ 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 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. They incorporate plant pathogen resistance, targeted enhanced plant metabolism, outdoor CO₂ 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 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.). 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 continuously works 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.

CO₂ FAQs

How do you monitor CO₂ Delivery Solutions™ equipment?

GROW's Commercial CO₂ 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 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™ technology has demonstrated the 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 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 plants grown in Canada.

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

None to date. Atmospheric enrichment of CO₂ gassing has been practiced where possible for decades. Our technology utilizes CO₂ gas and irrigation water to create a saturated CO₂ solution which is then misted on the plant's leaves. CO₂ Delivery Solutions™ does not utilize any additional chemicals or additives. It 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 enhances 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 CO₂ to plants in the entire 600 billion square feet of protected grows worldwide. Our technology provides precise and quantifiable carbon from CO₂ 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 CO₂ 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 or co2gro.ca for further details or contact Michael O'Connor Manager, Investor Relations, 1-604-317-6197 or michael.oconnor@co2gro.ca