



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

CO2 GRO Inc. FREQUENTLY ASKED QUESTIONS

REVENUE PROGRESS

Have you sold any Commercial Installations to date?

As of November 25th 2021, we have sold a number of CO2 Delivery Solutions™ systems in Canada, the US and Central America for greenhouses and protected ag.

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 once installed 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 peppers, tomatoes, strawberries, orchids, roses, lettuce, kale, macadamia tree seedlings, young citrus trees, licensed *Cannabis* (Canada and Israel) and hemp. 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?

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

DELIVERING CO2 TO GROWERS EVERYWHERE™

What are your current Revenue Opportunities?

We have contracted Commercial Feasibilities with growers of various sizes and crops in the US, Canada, Japan, the UAE, Israel, Colombia, El Salvador, France, the Netherlands, Malaysia and South Africa. Our crop focus is high-value horticulture which includes vegetables, berries, floriculture etc. with whom we have seen the most traction. We continuously work on expanding our customer reach and Marketing Partner selections focusing on high value geographic markets with large protected ag producers.

What are the differences between protected ag 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 ag 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?

CO2 GRO Inc.'s sales representatives cover North America; eight ag-industrial partners cover Mexico, Spain, Middle East, Southern Africa, EU, Central & South America and Asia.

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

Yes. Marketing partners are currently being assessed to expand international sales presence. The global protected ag market is anticipated to grow 10% CAGR. 60% of the protected ag 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 ag are tomatoes, peppers, cucumbers, leafy greens, berries, high value floriculture and other crops. Our focus is to target all these crops, regardless of the type of protected facility.

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 including to one significant LP as well as sold commercial installation systems to a number of Canadian LC's, micro-cultivators and to 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 CO2 GRO's policy is to recognize revenues at the point in time when control is transferred to the customer, which is on shipment or upon completion of installation, depending on the contract (see the Company's revenue recognition policy, disclosed in note 4.15 of the Consolidated Financial Statements).

Environmental Social and Governance (ESG)

For the environment and sustainability, by using CO2 GRO's CO2 Delivery Solutions™, growers that employ traditional CO2 enrichment 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 dissolved 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 90% less CO2 usage compared to traditional CO2 gassing; increased yields, more harvest turns and less crops lost due to pathogens.

What is CO2 GRO'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. CO2 GRO is committed to promoting and maintaining a safe and healthy workplace.

What is CO2 GRO'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 Prosperity** 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.

Does CO2 GRO's management and Board value the importance of ESG practices in managing the Company?

CO2 GRO embraces ESG as a strategic element of long term 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' ecological footprint?

Yes. CO2 GRO's technology optimizes the existing food production infrastructure and allows for an up to 30% greater plant yield. This benefits the Planet, People and Prosperity.

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.

When sealed greenhouses or indoor facilities use CO₂ gassing, up to 90% of the CO₂ gas escapes through leaks and venting. Nearly all of the CO₂ in the CO₂ solution we mist is transferred into the plant leaves and used for photosynthesis with practically no CO₂ lost to the atmosphere. Employing CO2 Delivery Solutions™ enables the plant to uptake CO₂ and enhance plant growth without unnecessary CO₂ emissions into the atmosphere compared to their previous practices.

By increasing the yield per existing cultivation area by up to 30%, CO2 Delivery Solutions reduces the need for additional infrastructure, transportation, resources and capital outlay. By doing so, we help our customers reduce their ecological footprint. In addition to reinforcing local food security, our technology helps reduce transportation, food spoilage and waste, thus reducing the further reducing the ecological footprint of the entire food supply chain.

RESEARCH & DEVELOPMENT

Does CO2 GRO have a Research & Development Program?

Yes. CO2 GRO 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.

PATENTS

What is the status of CO2 GRO’s Patent Portfolio?

CO2 GRO’s five CO2 Delivery Solutions™ pending patents embody the use of dissolved 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 dissolved gas delivery to plants.

What about device Patents?

CO2 GRO 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.

CO2 DELIVERY SOLUTIONS™

How do you monitor CO2 Delivery Solutions™ equipment?

CO2 GRO's commercial CO2 Delivery Solutions™ systems include remote monitoring telemetry, empowering 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 micro-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 **Pathogen Perimeter Protection™**, a benefit that a number of growers have installed CO2 Delivery Solutions™ systems 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 to enhance any plant production in Canada.

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

None. Atmospheric CO₂ enrichment has been practiced where possible for decades. Our technology utilizes CO₂ gas and irrigation water to create a dissolved 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?

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

What other benefits do CO₂ Delivery Solutions™ provide?

CO₂ Delivery Solutions™ provides game changing delivery of CO₂ to plants in potentially the entire 600 billion square feet of protected ag 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 in an economically sustainable and environmentally friendly manner.

In summary, CO₂ Delivery Solutions™ is better for the Planet, People and Prosperity.

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