CO2 GRO Inc. Presents a Money Talk Station Interview with Aaron Archibald, VP Sales and Strategic Initiatives

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Aaron, welcome back again to the show, Aaron heads Sales and Strategic Alliances for publicly traded CO2 GRO Inc. Stock symbols are BLONF on the US OTC, GROW on the Canadian Venture Exchange and 4021 on the Frankfurt Exchange.

Hi Evan, nice to be back again.

That was a great announcement of Ospraie Ag Sciences leading your fully subscribed equity issue. I will ask you for details later and how they can help you grow beyond capital.

For listeners new to CO2 GRO's Precision Ag Tech story, can you describe what your technology does for indoor plant growers?

Our patent protected CO2 Delivery Solutions™ systems provide CO2 to all indoor plant growers worldwide. That includes greenhouses, hoop houses, shade houses, grow tunnels, urban and vertical grow units in soil, hydroponic and aeroponic grow settings. Our CO2 Delivery Solutions™ offer the same 30% plant yield improvements that high cost sealed greenhouses get using more expensive CO2 gassing.

However, we use up to 90% less CO2 than they do and the capital costs of installing our CO systems are much lower in a new greenhouse build. In addition, the thin CO2 film our systems apply provide outstanding pathogen plant protection naturally. That is not available to growers using CO2 gassing or growers that just have atmospheric CO2.

Our modular systems precisely deliver aqueous CO2 mist only to plant leaves where almost all CO2 is absorbed by plants to grow for minutes per day. CO2 gassing requires raising the CO2 concentration in 100% of the greenhouse atmosphere for 6-12 hours per day. This is why we use 90% less CO2 to get the same 30% plant yield lift.

How large is the indoor plant grow market you are going after?

About 85% of the world's 50 billion square feet of indoor grow area cannot add CO2 economically in gaseous form. We do not go after the 15% that gas with CO2 as they have already sunk a lot of capital to be able to do so.

Our CO2 Delivery Solutions™ technology will also work the same growing outdoor plants. However, higher CO2 misting delivery system costs such as drones and the lower value of most outdoor plants per acre are key economic factors whether we get outdoors mid-term.

Our CO2 technology can lift the value of this 85% towards the value of expensive CO2 gassing greenhouses that require HVAC systems, non-porous glass walls or sealed rooms, extensive CO2 gassing infrastructure and excess CO2 gassing safety systems requirements.

None of that additional capital for CO2 gassing is required for our automated aqueous CO2 Delivery Solutions™ systems. Our dissolving CO2 and misting CO2 systems typically need some irrigation plumbing modifications and a misting delivery design that can be overhead. Use of our CO2 systems are entirely safe for greenhouse workers.

Our CO2 systems are also highly modular so can easily adapt with gradually expanding greenhouses. Our smallest units can cover up to 10,000 square feet of greenhouse grow area while our larger ones can cover up to 150,000 square feet of grow area. Our pre-built 2020 inventory can cover the needs of 5 million square feet of indoor plant growth space.

How does your technology work on enhancing plant growth & growers profits?

Our technology creates and delivers a thin film of aqueous CO2 mist without CO2 bubbles around plant leaves. It is typically applied for 5-10 seconds 1-4 times per hour depending on the crop and grower objectives. Plant leaves can rapidly absorb the aqueous CO2 molecules until their storage cells are full in less than two minutes. That continuously topped up plant leaf CO2 supply leads to the fastest, most efficient plant photosynthesis possible. Photosynthesis takes the carbon out of the CO2 and arranges the carbon molecules into plant glucose sugars. More glucose sugar plant availability equals faster and larger plant growth.

Any other value add features of your CO2 Delivery Solutions systems?

Yes. Use of our CO2 systems preserves the organic status of hemp, cannabis and organic food growers as our process is natural. Use also leads to sharply higher plant pathogen resistance. All indoor growers worry about pathogen breakouts that can destroy the value of their crops. Some like powdery mildew infect plants while others hurt human health like *E. Coli.* on lettuce. Single cell pathogens cannot colonize when our aqueous CO2 mist is frequently applied.

How does your technology do that?

Our CO2 mist mildly acidic in the 4.5 times pH area versus neutral distilled water at 7 pH. The plant leaves are unaffected by the low pH CO2 mist level but pathogen growth is arrested. As leaves fill their CO2 storage cells in less than two minutes, the residual mist

pH will go back up towards 7pH. That pH volatility swing of 2 points each misting session is a 100-times swing in pH as the pH scale is logarithmic.

Our patent pending research has verified CO2 misting suppresses pathogen growth from molds and mildews like *E coli* and powdery mildew by two orders of magnitude or 99%.

What are the latest greenhouse trends during COVID-19?

Global food supply chains have been temporarily broken along with many agriculture-based workers getting infected by COVID-19. This has led to more greenhouse owners looking for more automation technologies. New greenhouse announcements for high yield hydroponic, aeroponic and vertical grow facilities have also been more common lately.

Once installed in a day or less, our systems are fully automated with negligible human interaction required. We can adapt our CO2 Delivery Solutions™ systems to support the CO2 plant needs of any new greenhouse technology or size. Our 2020 UAE and Florida commercial feasibilities underway are at hydroponic leafy vegetable greenhouses.

Some governments are allocating more capital to Precision Ag due to COVID related food security concerns. An example is the $270M allocated by the UAE alone to support new Precision Ag there. $100M has been issued to date to new UAE vertical and hydroponic greenhouse projects.

The flower and ornamental greenhouses were hurt the most initially by COVID as they were deemed non-essential. However, there are clear signs of their recovery now due to more home gardening under COVID and easing store restrictions. Flower demand from countries like the Netherlands and Colombia have picked up according to floriculture press. We just announced a Commercial Feasibility at a large Colombia rose greenhouse near Bogota with a global industrial CO2 gas company that was delayed partly due to COVID-19.

How much of your targeted indoor grow market have you approached?

Of the 42 billion square feet of potential global sales and leasing opportunities for us, we have to date, sent Commercial Feasibility proposals to about 15 Million square feet of collective grow space ownership. **That is less than one tenth of 1% of our target market to date.** We are constantly working on issuing more Commercial Feasibility proposals to interested growers.

Signed Commercial Feasibilities typically have one or several grow cycles to assess the value of our systems which then can lead to negotiating a sales or lease price for partial or full facility roll-outs of our technology. Most growers are cautious adopting disruptive new precision Ag Tech like ours. Others promise similar enhanced yield improvements to growers so we need to let interested growers “try before you buy”. That is what our Commercial Feasibilities are for.

Growers worldwide also worry about not getting their plant leaves wet for fear of pathogen growth like powdery mildew. They all get the yield improvement importance of adding CO2, but it is initially counter-intuitive for them to accept that frequently applying an acidic CO2 mist is an outstanding natural pathogen resistance option.

How does the economics of your small systems work for greenhouses?

Our smallest low cost VCO2 Delivery Solutions™ systems can cover up to 10,000 square feet. Cannabis and hemp greenhouse values per square foot still exceed greenhouse vegetables per square foot such as lettuce, peppers and tomatoes. Our technology is therefore more valuable for owners of small Cannabis and hemp greenhouses than for owners of similar smaller vegetable greenhouses.

We estimate that most cannabis greenhouse growers with sub-10,000 square foot greenhouses should enjoy payback economics of as little as one crop cycle if they buy a system from us. Our shareholders will also benefit from these smaller sales based on our gross margin expectations.

While there are economies of scale installing systems in one million square foot greenhouses, we are finding the economics in small grow areas down to as low as 500 square feet for legal Cannabis to be sufficiently profitable for both the grower and our shareholders.

For vegetable greenhouse growers, the payback buying our systems will likely be in the two-year area and require larger greenhouse grow areas to make the economics work for both of us.

The economics vary by greenhouse based on engineering and design requirements, current irrigation in place and other factors.

Where have you Commercial Feasibility proposals been sent?

Our announced twenty-three new Commercial Feasibilities in 2020 are mostly with North American hemp, cannabis and leafy vegetable greenhouse owners. Internationally, we are entering our third lettuce grow trial at a UAE hydroponic lettuce greenhouse and starting round one at a Colombia SA rose greenhouse.

You issued three more Press Releases since we last spoke Aaron. One for your equity financing with Ospraie Ag Sciences as lead, one in California for cannabis and one in Florida for hydroponically grown spinach. Can you go over them and their significance?

Sure Evan.

Without a doubt, Ospraie Ag Sciences investing C$1.2M and close to $3M if warrants are exercised into our equity is **by far** our most important press release this year. They are one of the globe's leading Ag Science based investors. When you look at their multi-

national investment portfolio, you will see a number of high yielding vertical and urban grow technology-based companies where our smallest CO2 Delivery Solutions technology systems could provide significant benefits.

Ospraie's narrow investment focus is solely in higher yielding sustainability technologies at the farm or greenhouse gate only. Their Partners' depth of agricultural experience and breadth of agricultural networks worldwide is enormous and should help us accelerate our Precision Agriculture technology's roll-out.

In addition, Ospraie will have a Board seat subject to our Stock Exchange approval procedures. All of their Partners have a long history at major Agriculture Companies like Dow AgroSciences, Monsanto and Syngenta.

Finally, Ospraie is a long-term Strategic Investor that has indicated they will support us if future financing is ever required. Our Management team can now go back to focusing on raising revenue instead of raising capital

Your California Cannabis Press Release with Strong Agronomy Management?

Given the California Cannabis market is about $5 Billion annually, it is great to start a Commercial Feasibility with Strong Agronomy Management's Coastal Star Cannabis Nursery greenhouses in Watsonville, California. Coastal Star Cannabis Nursery is one of the largest cannabis nurseries in California supplying organic cuttings, seeds and seedlings to California cannabis growers. Strong Agronomy also produces cannabis bud products at their Coastal Sun Cannabis greenhouses as well as blueberries at their Coastal Moon Berry greenhouses.

Currently, Coastal Star's eight cannabis mother plant greenhouses do not use supplemental CO2 in any form nor does their Coastal Moon Berry Farm. Coastal Sun Cannabis currently does supplement their cannabis plants with CO2 gassing both in the vegetative and flowering stages.

Objectives are to evaluate CO2 Delivery Solutions™' impact on their *Cannabis* mother plants with respect to faster biomass regeneration, more biomass regeneration, more seed production, protection from the spread of powdery mildew, CO2 efficacy and aqueous CO2 costs in comparison to CO2 gassing. We believe that well over 90% of the CO2 gas used in their vegetative and flowering greenhouses could be saved using our CO2 Delivery Solutions™ systems while achieving the same plant yield increases and with excellent protection from the spreading risk of powdery mildew.

Your Florida Press Release?

We announced our first Commercial Feasibility installation in Florida at the largest US Southeast hydroponic greenhouse built to date. The owners have plans to build another twice this size in Florida and elsewhere in the US eastern seaboard. Their current 120,000 square foot Florida hydroponic greenhouse grows a variety of leafy greens and micro greens.

Our Commercial Feasibility will be performed on a portion of their hydroponic spinach grow facility for assessing higher yield potential and protection from mildews which can be a major problem in Florida's mostly hot and humid climate.

Sounds like Ospraie's involvement could increase Revenue Potential?

We had enough Commercial Feasibilities underway to view 2021 as the year we start generating free cash flow before Ospraie's investment in our company. However, our potential customers will appreciate Ospraie as our Strategic investor and our stronger balance sheet when doing business with us.

While we are starting to penetrate the smaller greenhouse market, we still need to convince owners of larger greenhouses to buy or lease our CO2 Delivery Solutions™ systems. Ospraie's investment and involvement with us will help open discussions with the larger greenhouse owners.

A two percent sales penetration target by 2025 of the 42 billion square feet of global greenhouses that cannot economically use CO2 gas but can use aqueous CO2 made by our technology is more achievable with Ospraie now as a major Strategic Investor.

Aaron, continued good luck to you and your team and congratulations raising capital in this market. Final thoughts for investors?

We have funded ourselves without any new revenue generation for over two more years with Ospraie's participation in our fully subscribed equity deal. We had forecast to be EBITDA positive by the end of 2020 year based on our sales projections prior to Ospraie's investment. Our Management team continues to work for no cash until we reach EBITDA positive, a factor Ospraie appreciated.

Management still owns about 20% of CO2 GRO shares post Ospraie's investment so we care a great deal about working to increase shareholder value now that we are funded. In addition, all of our Board and management also participated in the additional $175K or so raised next to Ospraie's $3M.

For any listeners interested in following up with our Investor Relations team, you can reach Sam Kanes our VP of Communications at 416-315-7477 or Mike O'Connor Manager of IR at 604-317-6097. They will be glad to assist you understanding our Company's technology and prospects.