



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

### **Welcome back Aaron. What's new over the last month with CO2 GRO Inc.?**

Hi Evan, it is great to be back with you. Plenty new as it turns out as we have been busy in 2020 so far. First, as we have done only one interview with you and your audience, let me give a quick background again. CO2 GRO is an early stage patent protected commercial Precision Ag company. Our public stock exchange listings are GROW on the TSXV in Canada and BLONF on the US OTCQB. Our patent protected and trademarked CO2 Delivery Solutions allow for the Delivery of CO2 to Growers Everywhere.

We completely dissolve CO2 gas into water in a natural process that preserves an organic customer's status and frequently apply that mist to plant leaves. This results in plants growing about 30% faster and 30% larger on average, leading to greater financial returns for growers and our shareholders.

Other major benefits of applying CO2 infused mist is that it inhibits the growth of micro-pathogens such as *E.coli* and powdery mildew reducing crop losses. It also provides cooling of plants in hot greenhouse environments, similar to outdoor restaurants and bars that have summer misting systems.

Since we last spoke, the last five weeks have been exciting for us. Highlights include our selection to present to the World's largest Ag Expo in California featuring their first ever Hemp Innovation Challenge and our first commercial demonstration of our technology in the US Midwest with two hemp growers that are tied to a network of 250 greenhouses. We also announced Dotz Nano to be our local Marketing partner in Israel to represent our technology to cannabis and non-cannabis greenhouse growers there.

### **Tell us about the Hemp Innovation Challenge at the World Ag Expo in California**

We spoke at the World Ag Expo held this week in Tulare, California. It is largest agriculture trade event in the world, attracting over 1,500 exhibitors and over 100,000 attendees. CO2 GRO was selected as a top 4 finalist out of 65 hemp innovation entries from 15 countries to present at the first ever Hemp Innovation Challenge at the World Ag Expo.

Another hemp presenter in this Challenge was Klondike Agricultural Products who have patented self-contained ecosystems for hemp seed germination. We are working with them introducing our technology. They are also involved in cannabis and other crop seed germination ecosystems.

Markets & Markets Research estimates the industrial hemp market will grow from USD \$4.6 Billion in 2019 to USD \$26.6 Billion by 2025 or 34.0% annualized. We want to be part of that rapid growth deploying our CO2 Delivery Solutions™ technology.

Numerous reasons for this rapid hemp growth forecast include that the U.S. legalized its growth in 2019, the rising number of chronic diseases such as diabetes that may benefit from its use, increasing usage of hempseed oil & hemp seed in various food applications; and greater application of the non-psychoactive cannabinoid cannabidiol (CBD)—CBD hemp oil in food & pharmaceutical segment.

GROW's CO2 Delivery Solutions™ technology will also help reduce the spread of hemp micro pathogens such as powdery mildew. In 2019, U.S. hemp crop losses were estimated at an exceptionally high 50% by Vote Hemp, a major U.S. hemp lobby group. A significant portion of those crop losses were from powdery mildew infection resulting in crops being destroyed. CO2 Delivery Solutions™ can provide faster growth for more harvests, greater bud and biomass production, and greater CBD production while arresting micro-pathogen growth like powdery mildew.

This prestigious World Ag event provided us another platform to present our technology and meet new customers, Ag partners and suppliers to the rapidly growing legal hemp industry.

## **Tell us about your new U.S. Commercial Hemp Demonstration**

It will be installed at Missouri based Linn County Seed & Flower Co-op ("Linn County") and Sacred Seed Hemp Farms LLC ("Sacred Seed"). Linn County has twenty-two greenhouses and nearby Sacred Seed has a number also. Linn County and Sacred Seed work with nearly 250 contracted hemp greenhouses across several states growing hemp for American Hemp Ventures (AMHV.OTC), one of the largest hemp product distributors in the United States.

All of Linn County and Sacred Seed's hemp seed greenhouses are similar in design and cultivation area which enables our technology to be implemented more cost-effectively. The demonstration will evaluate the effects of CO2 Delivery Solutions™ on hemp plant growth with respect to the following parameters: 1) Faster growth to maturity, 2) Increased hemp flower and seed production, and 3) Reduction in the spread of powdery mildew.

## **Tell us about Dotz Nano being your new Israeli Marketing Partner**

First, Israel's total covered plant growing area matches that of all of North America so it has huge potential for using our CO2 Delivery Solutions™ technology, even though it is only 22,000 square miles in size. As we had already chosen a Middle East partner in Gulf Cryo for eight other neighboring countries, we wanted to find an Israel only Partner for that large market. Israel has also effectively legalized both medical and recreational cannabis growth including cannabis exports. We expect to be in Israel next month with Dotz Nano getting introduced to potential cannabis and non-cannabis growers.

According to the Ministry of Agriculture and Rural Development, Israel has 1.5 billion square feet of covered cultivation of which the vast majority cannot economically apply CO2 gassing. CO2 Delivery Solutions™ now enable this vast market the opportunity to supplement their plants with CO2 for enhanced plant growth.

## **Has your target market therefore changed?**

In North America, we are more focused on covered grow facilities for at least 2020 although we will trial our technology again outdoors to determine the optimal delivery of aqueous CO2 mist. Covered grows include greenhouses, hoop houses, shade houses, tunnels etc. and combine for 1.5 billion square feet in the US and Canada.

Our U.S. Midwest hemp demonstration is with a number of hoop houses that cannot add CO2 by gassing. There are 100's of thousands of low-cost hoop and shade hoses in the U.S. and around the world that can benefit from our technology.

There are 50 billion square feet of greenhouses worldwide that cannot economically use CO2 gassing due mostly to CO2 losses caused by heat venting. The ones that do gas with CO2 have spent a great deal of money to seal their walls, HVAC systems, CO2 gassing infrastructure, emergency venting of CO2 systems etc.

In addition to the US, Canada, Middle East and Israel, we are starting to work on partnerships in the EU where countries like the Netherlands are at the forefront of greenhouse growing. The largest greenhouse market in the EU is Spain with over 4.5 billion square feet of covered grow that does not currently use CO2.

## **What can investors expect in 2020?**

Increasing business development activity as evidenced by our recent press releases that should lead to revenue growth. We have a patent protected global opportunity to deliver CO2 to plant growers everywhere, both indoors and outdoors. The additional plant value our technology can create for indoor growers typically have paybacks of buying our systems of less than one year. Pre-built and pre-paid for CO2 Delivery Solutions™ inventory that can be installed within weeks can cover the CO2 misting needs of over 6 million square feet of commercial cultivation space.

We are attending multiple other Ag tech conferences in 2020 including a revisit to speak at the largest Ag Tech Conference in the world in the UAE in March called GFIA. Each conference we attend adds to the increased customer awareness of CO2 Delivery Solutions™ and hopefully more AG Marketing partners such as Dotz and Gulf Cryo that should translate to results that attract investors.

### **Any Change to 2020 Revenue Prospects?**

Demo proposals for CO2 Delivery Solutions™ have now been sent to U.S., Canadian, E.U. and U.A.E. greenhouse growers with about 12 million square feet of collective grow space ownership. This is a 20% increase Quarter-Over-Quarter from the \$10M we stated in our last interview with you Evan.

Commercial Demos are a critical step in GROW's sales process where customers can evaluate the value impact of CO2 Delivery Solutions™ on their plants at their facilities prior to full Commercial Installation throughout their facilities.”

### **What type of returns do you target selling or leasing your CO2 Delivery Solutions™ systems?**

We target gross margins in the 70%+ area for the design and engineering of CO2 Delivery Solutions™ systems and site patent licenses of our technology.

### **Which plant growers do you target?**

Those that grow the highest value indoor plants or fastest responding plants to our technology. We appeal to almost all growers but especially organic growers and heavily regulated growers who are limited to approved nutrients and pesticides that grow valuable organic crops for human medicine such as medical cannabis and hemp.

In food plants, micro-greens remain very attractive followed by leafy vegetables. Flower greenhouses have a longer cycle assessing our technology as most flower greenhouses have a twelve-month cycle such as growing poinsettias in the fall, roses for Valentines and Mothers Days in the winter/spring and dahlias in the summer for weddings.

Cannabis and hemp CBD strains are grown about 80-85% indoors and 15-20% outdoors in California and Canada. Our limited 2020 efforts outdoors would likely be on those two high-value to start. However, less than 1% of the globe's greenhouses and outdoor acres are growing those plants.

We are not dependent on one type of high value plant like cannabis growers are. We also have no competition to date so we and our shareholders can benefit from selling into a more broadly diversified plant market.

## **Which Ag Industrial Partners do you still target?**

Since our technology simply blends CO<sub>2</sub> into water without bubbles, we try to target those making industrial CO<sub>2</sub> gas and irrigation companies who manufacture and install irrigation infrastructure. We also target greenhouse manufacturing companies that procure technologies like ours in their builds.

## **Any other additions to your sales force?**

Yes. We have added two US Midwest individuals to represent our technology on a commission only basis in January. Our in-house sales force is at five sales representatives. We are looking for more Gulf Cryo and Dotz Nano type relationships to market our CO<sub>2</sub> Delivery Solutions™ technology. We are in discussions with other potential marketing partners and hope to announce additional agreements going forward.

## **How is the pace of issuing commercial demo proposals?**

We have finalized demo proposals in the hands of interested growers who collectively own or operate over 12 million square feet. We are still averaging a new commercial demo proposal per week. We now have several opportunities in pre-build greenhouse facilities we are pursuing. Our commercial demonstration proposals to date have been issued to flower, leafy greens and micro-greens, cannabis and hemp growers.

While most demo proposals are to potential U.S. and Canadian growers, we have also sent proposals to a Netherlands flower grower and to a United Arab Emirates leafy vegetable grower

There is a pace post signing non-disclosure agreements to installing demos. We typically request that our scoping survey be filled out to understand the indoor or greenhouse irrigation configuration and layout followed by physical site visits which could include our Chief Science Officer that designs plant growth and pathogen resistance objectives. We then estimate the demo cost after agreeing to the duration and objectives of the demo.

## **Anything new on your patents?**

We are taking our four provisional PCT patents to pending status for

- PCT Provisional for Pathogen Resistance
- PCT Provisional for CO<sub>2</sub> and NH<sub>3</sub> via drones
- PCT Provisional for Metabolite Optimization
- PCT Provisional for a Hand Held Device

To our knowledge we are the only company in the world with a unique capability to help growers both dramatically improve crop yields and suppress micro-pathogens using the same technology.

## **Any changes to your Business model?**

No. After experimenting with it in 2019, we have settled on it. We offer our customers the choice of an outright purchase of a custom engineered CO2 Delivery Solutions™ system, a lease to own or lease only. As indoor and greenhouse growers focus on revenue and EBITDA per square foot, we arrive at a price per square foot for ownership or usage of our CO2 Delivery Solutions.

## **Aaron, it still sounds like a very compelling investment opportunity, any last thoughts?**

We are convinced CO2 GRO Inc. has the potential to grow into a world class patent-oriented Precision AG company. It still requires patience however, as assembling all the right pieces and relationships does not happen overnight. For example, Gulf Cryo did not agree to be our local Middle East partner for seven months.

Our hemp activity has been outstanding at opening new hemp doors for us. Being selected top 4 out of sixty five hemp innovation submissions is really exciting and proof that the scientific and technical community see our technology's benefit.

We are always happy to talk to investors about the Company and what we are working to achieve.