

OTC Markets Group

From OTC Markets, global headquarters in lower Manhattan, you are listening to the OTCQB podcast, featuring the innovators, entrepreneurs behind the companies that trade on the venture market.

Joining us today is Aaron Archibald, Vice President of Sales and Strategic Alliances of Co2 Gro the trades on our OTCQB Venture Market under the ticker "BLONF." Based in Toronto Co2 Gro uses its patented advance Co2 technologies to increase the growth of indoor and outdoor value plants in a safe, sustainable, and economic way. Aaron, thanks so much for joining us today.

Aaron Archibald

Hey, it's great to be here again, Cecilia.

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Aaron, so last year you joined us for a discussion to introduce Co2 GRO story to our listeners and we're very pleased to have you back for an update. Remind us about your mission to revolutionize plant growth and your business proposition.

Aaron Archibald

Absolutely. Our mission is enhancing plant growth and productivity sustainably while reducing our partners, carbon footprints. As you know, our tagline is we bring CO2 to growers everywhere. So it's not just for greenhouses, which is a 50 billion square foot market, but also for pest protected Ag facilities like hoop houses, tunnels, shade houses, and netting houses, and other growth structures where it's impossible to use CO2 currently. That's a much larger market, it's about 600 billion square feet. Our initial indoor market is the 50 billion square feet of mostly sealed greenhouses worldwide that are growing at about 10% annually, while only about 15% of them can use Co2 gassing which can enhance yields up to 30%. And it's well understood that enhanced Co2 levels are beneficial to plants. We bring that yield improvement to all growers while using 90 to 95% less Co2 to do so.

So that means the remaining 42 and a half billion square feet of greenhouse growers to can find themselves on an equal footing with their competitors who

are currently able to use some form of Co2 enhancement. Our business proposition is using our Co2 systems, which will increase yields, which results in more product to sell faster cycle times, which is more harvest per year. It brings natural or pathogen protection, which ensures healthier plants and more reliable yields. This results in up to doubling a grower's profitability. For greenhouses that do Co2 gas, we can reduce their Co2 cost by up to 95%, as well as their Co2 emission taxes. Our system costs are extremely low and this results in almost all additional revenue falling directly to the bottom line. The protected ag industry or covered ag industry is competitive and has low margins. So getting a 20% yield improvement with low variable costs does result in close to doubling greenhouse profits using our Co2 missing systems.

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Give us an update, an overview of your accomplishments in 2020 with your patented Co2 delivery solutions technology.

Aaron Archibald

Absolutely. Yeah, we had some major milestones in 2020. I think the most important for us was in attaining a new strategic shareholder in Ospraie Ag Sciences. They participated solely in our \$1.4 million equity raise, besides being a great financial partner, they're a great ag space partner and they're making fantastic introductions for us. In 2020 we sold 19 systems, which was a significant increase from 2019, our first year of sales, where we had one sale. So great increase there. We made significant progress in developing market partner relationships. In 2019 we engaged one international partner who's marketing in eight countries in the middle east and they are a fantastic partner, which likely led to us in 2020 engaging new marketing partners to cover the UK, the Netherlands, Belgium, South Africa. And we also have a great collaboration in South America, which dramatically expands our sales reach likely led to us in early 2021, adding another partner in Malaysia.

We expanded our portfolio who value plants using our technology, including products like lettuce, micro greens orchids, roses, peppers, strawberries, tomatoes, medicinal plants, as well as cannabis and hemp and our current commercial feasibilities underway, which leads to ultimately full scale sales are pending on 10 different plant varieties across numerous Canadian provinces, five U.S. States and in eight countries.

So our scope and scale geographically is growing and the number of plant varieties we're working with is expanding all the time. We were also selected by Canada's Mexico and trade commission to join their ag tech program, which will be introducing our CO2 to that technology to partners and potential partners, potential customers, sorry, within the Mexican space. And basically our rapid progress in 2020 in attracting more and more north American customers has led us to increase our sales network and we've expanded in hiring a new North American Sales Manager, Darla Lanphear. She has a background in greenhouse sales management, and we added Mariana Mendes who did her master's thesis using our technology. Mariana happens to also be fluent in Spanish. So that's been a tremendous help for us as we tackle that market.

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Talk about your vision and strategy of creating a global grower market forest.

Aaron Archibald

Absolutely protected or covered ag growers are quite conservative and they operate on pretty slim margins. Most of them live from crop cycle to crop cycle as many farmers do. So they're really careful in adopting new technologies like ours, and it became clear to us that as we wanted to tackle that market, we need to demonstrate the efficacy of our technology while minimizing risks to them. So what we've done is we've allowed growing partners to test our technology on a small portion of their facility, you'd say 5%. And what that means is they then get to quantify our value proposition on a small percentage of their crop using the rest of their crop as a control. So they can say, yes, we did see increased yields. We did see decreased cycle times. We saw less pathogens. We saw increased profitability on this small section, which then allows of to scale up over time to bring that into their operation while at the same time minimizing cost. And that's turned out to be a good value proposition and marketing tool for us.

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How does greenhouse geography influence regional plant growth focus and what countries and value plants do you target?

Aaron Archibald

We're targeting a 10 largest greenhouse or covered ag markets globally. We have an activity underway in Mexico, the Netherlands, Spain, Columbia, the Middle East. Being a Canadian company with a presence in Canada and the continental U.S., we're obviously doing a lot of business in our own backyard. And with the push to consume locally grown products, we're seeing a tremendous increase in covered ag so that they are not shipping as many products.

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What are some of the key marketing tools Co2 Gro team has utilized to help build the Co2 Gro brand and awareness?

Aaron Archibald

As I may mentioned before we work with the Canadian trade commissioners in various geographies, they're fantastic. They help a lot with introductions and education for us into local agricultural markets. We've also networked with independent international groups, which provide introductions and key North American and international markets. In addition, our international marketing partners are working hard to increase our profiles in the respective countries and where I've done local prospects for them through globally searching through agricultural publications and taking part in seminars and things like that, so that we can actually push leads to our marketing partners lately. We've been active in a lot of virtual ag tech scenarios, as there's not many actual trade shows going on lately, we participated in as an example, the NARBA Berry Growers thrive Canada. We had a virtual booth at the Agritech conference, and hopefully we are going to be actually attending a trade show at cultivate in July 2021, which is held in Columbus, Ohio.

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That's great to hear. Hopefully we'll all be back on the road again soon. So what other exciting developments do you have in store for 2021 to build your revenue growth and increase shareholder value?

Aaron Archibald

Yeah, we expect to convert the feasibility that I spoke to on a small scale in operations, into larger orders throughout the year as they scale up and see

the value proposition. The profitability increase evidence is overwhelming for any indoor grower or covered ag grower, not using Co2 gas. So looking at our Co2 gassing systems as a means of attaining that is important for them. In addition, we're making headway and demonstrating to greenhouse operators and regions that they have to vent Co2 gas. So for instance, in Canada, we have a well defined, sealed glass greenhouse market, where they get to grow throughout the year and they can actually pump some Co2 into those greenhouses and it is effective.

At the same time in the warm months, they have to vent those greenhouse. So basically any Co2 that they might be putting in is pushed right back out into the atmosphere, the plants don't get a chance to take it in. And particularly in Canada, where we announced that we are going to be taxing Co2 emissions at a rate of \$40 per ton until the end of this year. But it is then going to go up to \$170 per ton by 2030.

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Co2 Gro is traded on the TSXV and on the Frankfurt Stock Exchange. How does cross trading on the OTCQB Market enhance your global investor strategy?

Aaron Archibald:

Listing on the OTCQB is critical to helping execute our global investor strategy. The U.S. is the largest equity market in the world. Being listed on the OTCQB helps us raise aware events with U.S. Investors, enables them to execute trades on a U.S. Exchange easily and in U.S. Dollars. Our stock rating on the OTC has almost tripled since we spoke last, over 60,000 shares per day. We're very happy about that liquidity progress in the U.S. marketplace and the increased visibility with U.S. Investors or OTQB listings bringing us.

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Aaron, do you have any final comments for our audience today?

Aaron Archibald

Yeah. As a management team and speaking personally, I really believe in our Co2 delivery solutions technology. It's new novel proprietary patent pending,

and we think it's going to revolutionize the global greenhouse slash protected or covered ag markets. In addition, it's environmentally friendly, employs far less Co2 than standard Co2 gassing technology and is almost a hundred percent carbon sequestered and facilitate food security with locally grown food, all good things for people in the planet. Our commitment to ESG practices is a hundred percent in addition to having the potential for incredible growth as a company.

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Well, Aaron, thanks so much for the updates and great talking with you.

Aaron Archibald

Thanks and thanks for allowing us to update you so Cecilia. So for further information, you can reach out to our IR person, Michael O'Connor and look at our website, www.co2gro.ca

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Co2 Gro trades under the symbol "BLONF" on our OTCQB Venture Market.

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