

Q2 2022

Earnings Presentation



Grove[®]

COLLABORATIVE



Forward-Looking Statements / Non-GAAP Financial Measures

Forward-Looking Statements

This presentation contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements. Forward-looking statements include statements identified as such in our August 11, 2022 press release.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from those in the forward-looking statements. Additional information regarding factors that could cause results to differ can be found in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, as well as the Company's subsequent filings with the Securities and Exchange Commission.

These forward-looking statements are based on information as of August 11, 2022. We assume no obligation to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

SEC Regulation G

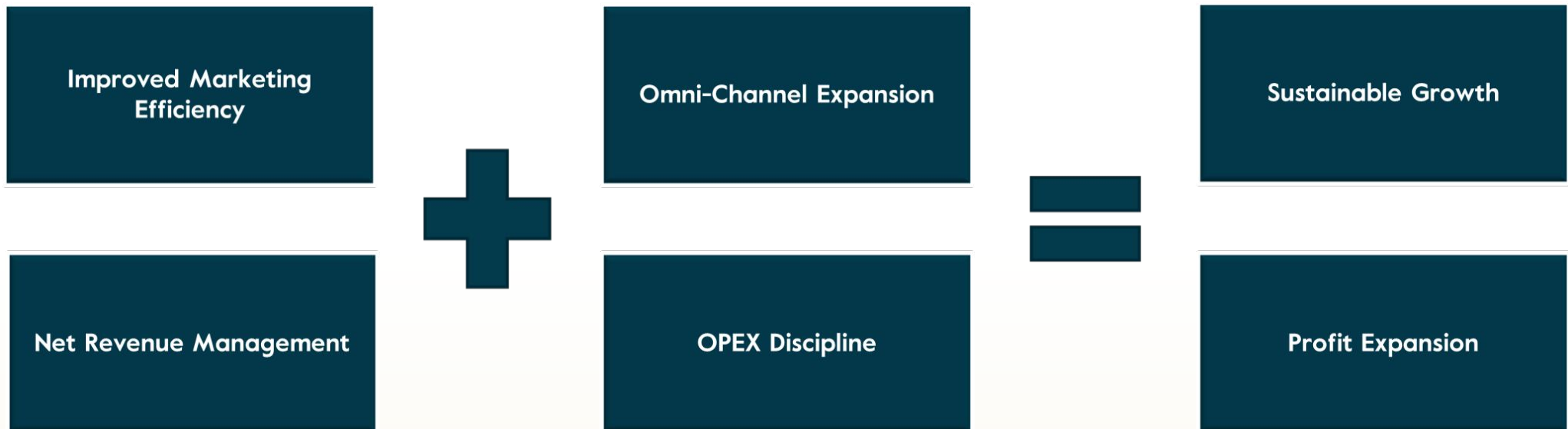
This presentation includes the non-GAAP measure Adjusted EBITDA. The description and reconciliation of this measure from GAAP is included in our August 11, 2022 earnings press release, which is available on investors.grove.co.



Q2 2022 Business Highlights



Implemented Value Creation Plan to Achieve Profitable Growth in 2024



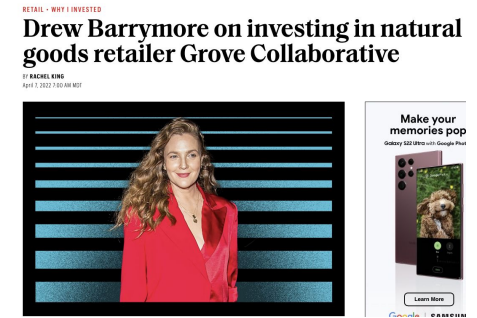


Drew Barrymore as Sustainability & Brand Advocate

Drew Barrymore is one of Hollywood's most well-known, relatable and beloved celebrities and host of the Emmy-nominated *THE DREW BARRYMORE SHOW* on CBS. She is also a serial entrepreneur with two highly successful brands Flower Beauty & Beautiful Home. She is an advocate for sustainable living and has a large and highly active following (16M on Instagram).

Drew has joined forces with Grove to promote the brand, advocate for sustainability issues, develop products and as an investor. She exudes an optimism and positive energy that perfectly aligns with Grove's brand values. Drew can bring a greater level of brand awareness to Grove, create talkability around the brand and new partnership opportunities.

Since announcing the partnership in May, we have secured media coverage in 15 top-tier outlets, and together with social posts have reached hundreds of millions of impressions to-date.



Amplifying our unique market positioning with Drew Barrymore



Integrated media plan to drive CPA performance and increase awareness

- Our boldest Grove Co. Beyond Plastic creative to-date. Drew lands the message that **only 9% of plastic is recycled no matter how much we put in the bin**
- Performance-oriented **integrated campaign** media plan across Linear & Streaming TV, Organic & Paid Social, Radio, On-site and Email
- Campaign is off to a strong start broadening reach, increasing brand awareness, and driving efficient sales



Q2 Fiscal 2022 • Retail Distribution Progress

Multiple New Retail Partners

3 New confirmed retail partnerships for 2022:
Kohl's, Meijer, Giant Eagle

100% Increase in Target Grove Co. assortment

Growing Points of Distribution⁽¹⁾

303% Expected Increase in Distribution Points

50%+ Further potential upside in distribution points

Grove Co. Is a Highly Attractive Brand for Retail Partners:

- Attracts coveted and eco-conscious customers to store
- Drives increased basket size / spend per trip and profit dollars
- Promotes use of retail partners' online presence, helping create a vibrant omnichannel ecosystem

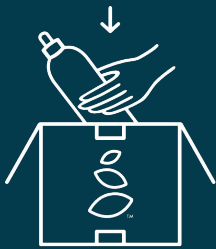
Our Journey Beyond Plastic



TODAY

Plastic Neutral

At Grove, our Plastic Neutral program ensures that for every ounce of plastic we sell, an ounce of ocean-bound plastic is recycled through our partnership with [Plastic Bank](#)®.



STEP 1

Measure

We weigh and record the amount of plastic in every product. Using those numbers, we calculate how much plastic we're sending in each order.



STEP 2

Collect

In partnership with Plastic Bank, we collect and recycle an ounce of ocean-bound plastic for every ounce of plastic we sell.

BY 2025

Plastic-Free

Beyond Plastic is our plan to solve the single-use plastic problem for home and personal care products. Today, we're 100% plastic neutral. By 2025, we'll be plastic-free.



PHASE 1

Beyond Plastic

We're the first online retailer to be 100% plastic neutral. For every ounce of plastic we sell, we collect and recycle an ounce of ocean-bound plastic.



PHASE 2

Beyond Plastic

We'll be plastic-free by 2025. We're working hard to remove plastic from everything we make and sell.

OUR TOTAL PLASTIC FOOTPRINT

We are the first in our industry to report on our plastic given its materiality to our business. We're using this scorecard to challenge our industry to track and publish their plastic use.

BEYOND PLASTIC: TRACKING OUR PROGRESS*

1.07 lbs / \$100 in Net Revenue

PLASTIC INTENSITY

Site-wide, we shipped 1.07 lbs of plastic for every \$100 in net revenue in the second quarter of 2022, an improvement from 1.34 pounds in the second quarter of 2021. This ratio enables us to decouple our plastic footprint from our revenue growth and truly pin our success to plastic reduction.

13%

REUSABLE OR REFILLABLE PRODUCTS

Site-wide, 13% of our products were reusable or refillable in 2021, compared to 12% in the prior year. We seek to increase the use of reusable or refillable products and packaging while reducing single-use plastic

810,030 lbs

TOTAL PLASTIC WEIGHT

Total weight of plastic we shipped to our customers in the second quarter of 2022, including every brand and every product that we sell at Grove.

Grove Brands

0.87 lbs / \$100 in Net Revenue

PLASTIC INTENSITY

Across all Grove Brands, we shipped 0.87 lbs of plastic for every \$100 in net revenue in the second quarter of 2022, an improvement from 1.18 pounds in the second quarter of 2021., showcasing a reduced use of plastic in our owned brands, which are designed for sustainability

40%

Reusable or Refillable Products

For Grove Co., 40% of our products were reusable or refillable in 2021, as compared to 39% in 2020. We seek to increase the use of reusable or refillable products and packaging while reducing single-use plastic

60%

Beyond Plastic™

60% of Grove Brands net revenue came from either zero-plastic, re-usable or refillable and zero plastic waste products in the second quarter of 2022, up from 47% in the second quarter of 2021

Company & Product Awards



2021



#107



Grove Co.



Peach



Peach



Beyond Plastic Initiative



Grove Co. & Peach

2022 to-date



Grove Co.



Beyond Plastic



Peach



Good Fur



No. 1 in CPG category

In 2Q22, Grove won two Dieline Awards for Peach Not Plastic and Good Fur celebrating the best in sustainable packaging. Grove's Beyond Plastic Initiative received a Fast Company World Changing Ideas Award and Grove was ranked no. 1 in the Consumer Goods category for Fast Company Most Innovative Companies Awards.



Q2 2022 Financial Update



Q2 Fiscal 2022 • Financial Highlights

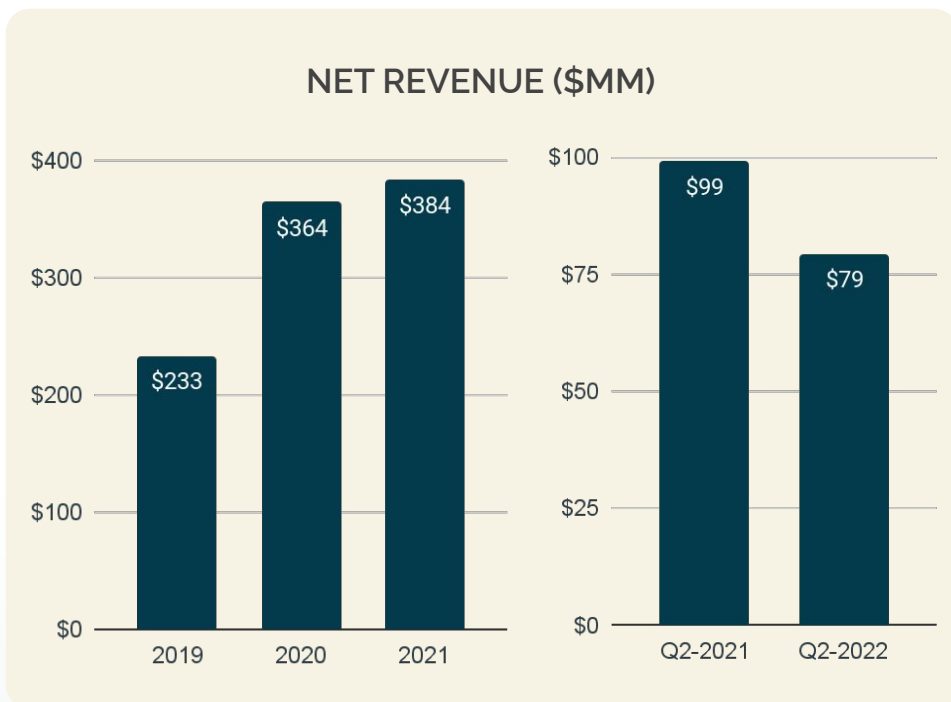


	Three months ended		
	Q2-22A	Q2-21A	% Change
Financials			
Revenue, Net (\$mm)	\$79.3	\$99.0	(20%)
Gross Profit (\$mm)	\$39.0	\$49.1	(21%)
% Revenue, Net	49%	50%	(40bps)
Net Income (\$mm)	-\$35.3	-\$28.5	(24%)
% Revenue, Net	-45%	-29%	(1,570bps)
Adjusted EBITDA (\$mm) ¹	-\$21.1	-\$21.0	(0%)
% Revenue, Net	-27%	-21%	(540bps)
KPIs			
Grove Brands % of Net Revenue ²	48%	48%	30bps
DTC Total Orders (K) ³	1,315	1,694	(22%)
DTC Active Customers (K) ⁴	1,564	1,733	(10%)
DTC Net Revenue per Order ⁵	\$58.3	\$56.4	3%

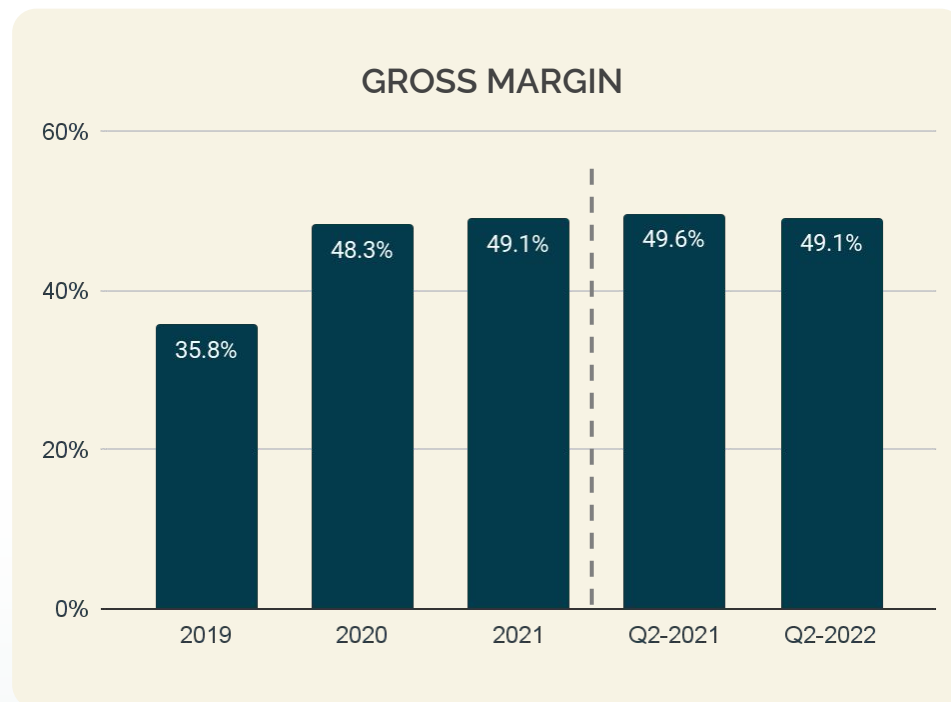
- (1) Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" for additional information on non-GAAP financial measures and a reconciliation to the most comparable GAAP measures.
- (2) Grove Brands % of Net Revenue is total net revenue across all channels attributable to Grove Brands, including: Grove Co, Honu, Peach, Rooted Beauty, Grove Co Paper, and Superbloom divided by our total net revenue
- (3) DTC Total Orders are the number of customer orders submitted through our website and mobile applications that have been shipped within the period. The metric includes orders that have been refunded, excludes reshipments of customer orders for any reason including damaged and missing products, and excludes retail orders
- (4) DTC Active Customers are customers who have ordered, and for whom an order has shipped, at least once during the preceding 364-day period.
- (5) DTC Net Revenue per Order is DTC Total Net Revenue in a given reporting period, divided by the DTC Total Orders in that period



Q2 Fiscal 2022 • Financial Highlights



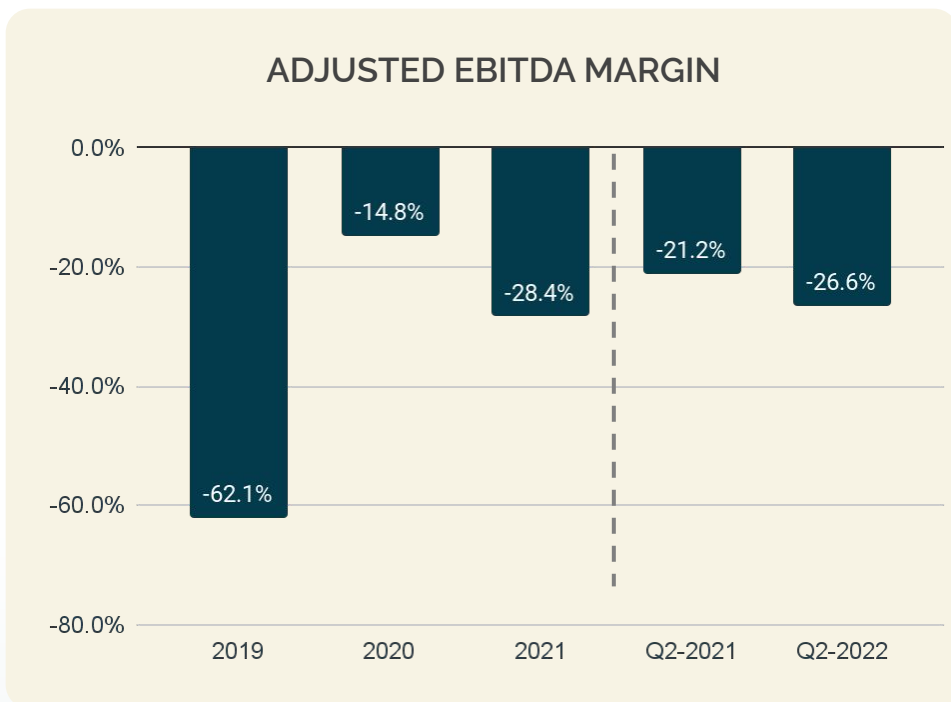
Net revenue was \$79 million, a year-over-year decrease of 20 percent. The decrease was primarily driven by fewer new and existing customer orders as a result of fewer active customers and the reduction in advertising spend with Grove's prioritization of increasing profitability and managing customer acquisition costs.



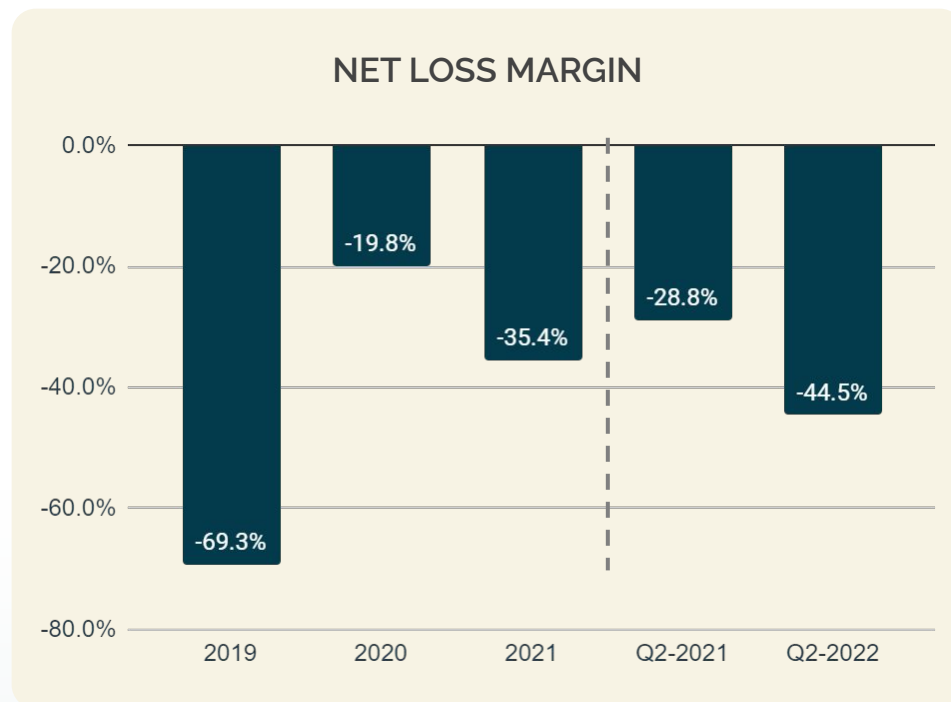
Gross margin was slightly down 40 bps year-over-year to 49.1% as a result of increased discounts due to a less favorable environment as the pandemic subsides and an increase in inbound freight costs, partially offset by strong third party seasonal product margins.



Q2 Fiscal 2022 • Financial Highlights



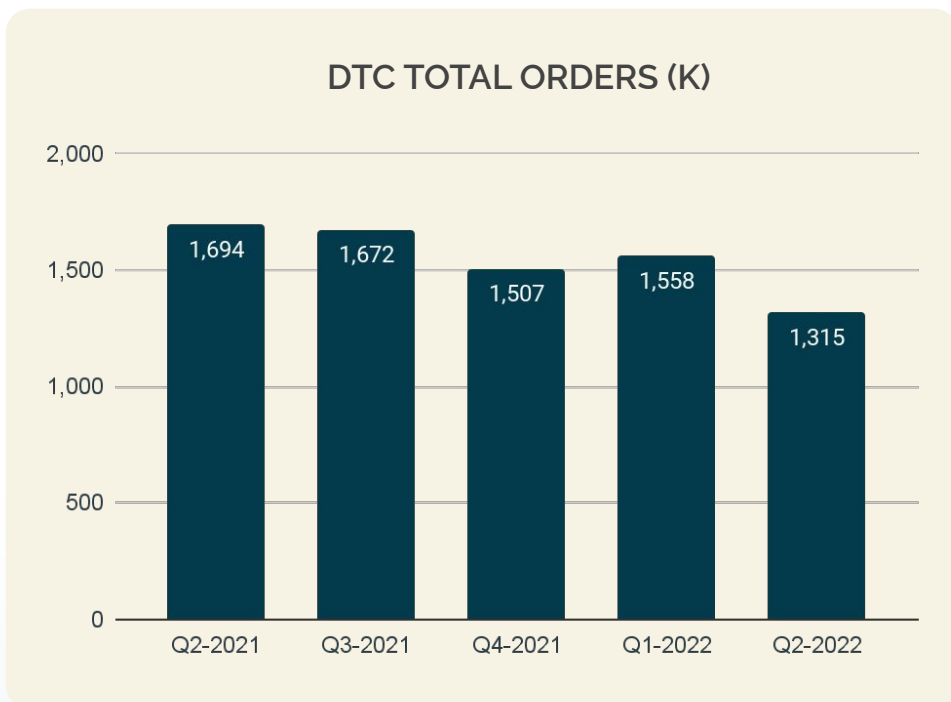
Adjusted EBITDA Margin declined 540 bps year-over-year, driven primarily by the increased SG&A costs as a % of net revenue, higher outbound shipping costs from price increases and surcharges, and slightly lower gross margin.



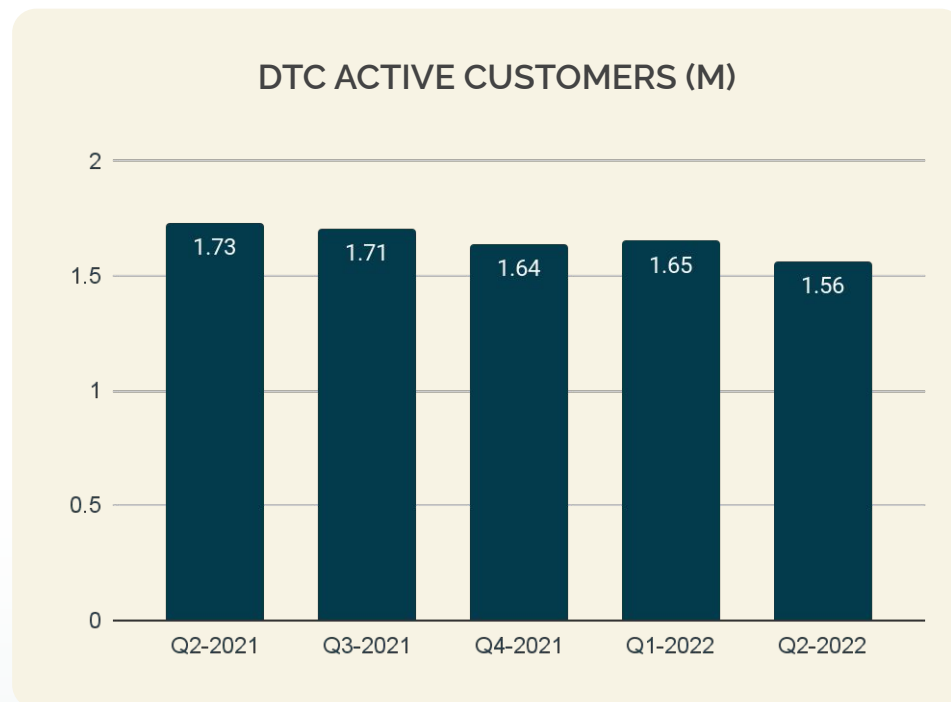
Net Loss Margin declined 1570 bps year-over-year, primarily driven by increased SG&A costs as a % of net revenue, higher outbound shipping costs from price increases and surcharges, and slightly lower gross margin, coupled with an increase in non-cash expenses as part of the business combination that closed during Q2. Refer to Adjusted EBITDA reconciliation later in the presentation for more detail on these adjustments.



Q2 Fiscal 2022 • Financial Highlights



DTC Total orders were down 22% year-over-year due to lower order retention from a decrease in active customers, along with a decrease in direct advertising spend in early 2022 as the company focuses on profitability.

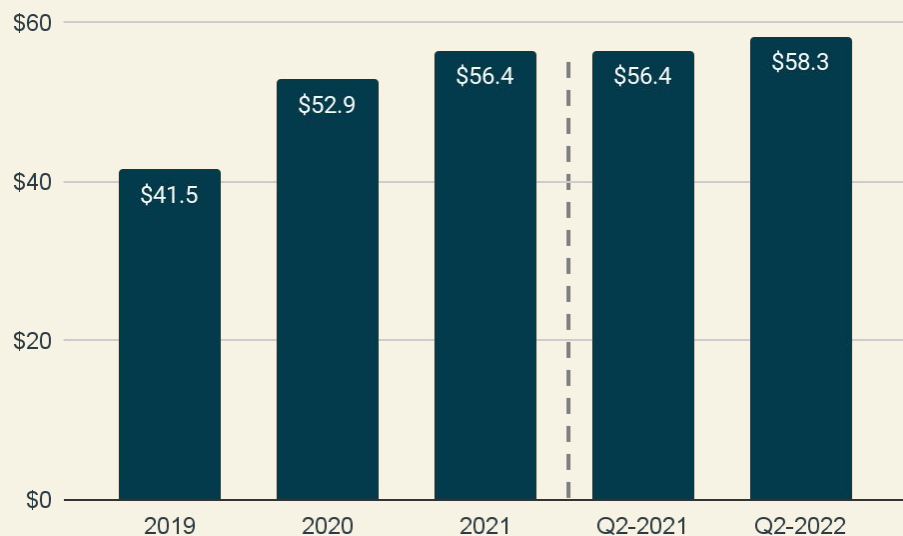


DTC Active customers were down 10% year-over-year following COVID-related tailwinds in 2021. Similar to orders, the reduction of customer acquisition spend also contributed to this decline as the company shifts its focus to profitability.



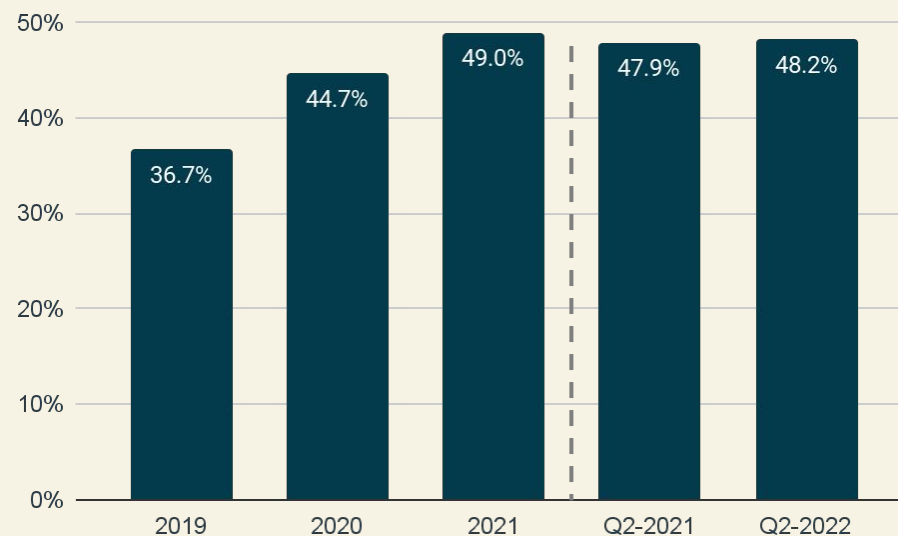
Q2 Fiscal 2022 • Financial Highlights

DTC NET REVENUE PER ORDER



DTC net revenue per order continued its long-term upward trend, increasing 3% year-over-year to \$58.3. The quarter benefited from improved existing customer Average Order Value and VIP Membership revenue per order, resulting in increased revenue.

GROVE BRANDS % NET REVENUE



Grove Brands as a percent of net revenue gained 30 bps year-over-year to 48.2% driven by improvement in existing customer orders, slightly offset by new customer orders as a result of mix shift of advertising spend into channels with less Grove Brands promotion.

Guidance



Given our performance YTD as well as our expectations for the remainder of the year, we are raising full year guidance as follows:

FISCAL YEAR 2022 GUIDANCE

Net Revenue

\$302.5 million to \$312.5 million
up from \$300 million to \$310 million previously

Adjusted EBITDA Margin

(27.5)% to (30.5)%
up from (29)% to (32)% previously



Financial Statements



Balance Sheets

(IN THOUSANDS)

	June 30, 2022 (unaudited)	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 132,393	\$ 78,376
Inventory, net	53,494	54,453
Prepaid expenses and other current assets	7,491	8,104
Total current assets	193,378	140,933
Property and equipment, net	15,831	15,932
Operating lease right-of-use assets	19,581	21,214
Other long-term assets	1,249	4,394
Total assets	230,039	182,473
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDER'S DEFICIT		
Current liabilities:		
Accounts payable	\$17,714	\$21,346
Accrued expenses	40,830	20,651
Deferred revenue	12,575	11,267
Operating lease liabilities, current	3,788	3,550
Other current liabilities	854	1,650
Debt, current	22,708	10,750
Total current liabilities	98,469	69,214
Debt, non-current	43,694	56,183
Operating lease liabilities, noncurrent	18,106	20,029
Derivative liabilities	76,686	—
Other long-term liabilities	1,562	5,408
Total liabilities	238,517	150,834
CONVERTIBLE PREFERRED STOCK	—	487,918
STOCKHOLDERS' DEFICIT		
Common stock	16	1
Additional paid-in capital	564,343	33,863
Accumulated deficit	(572,837)	(490,143)
Total stockholders' deficit	(8,478)	(456,279)
Total liabilities, convertible preferred stock and stockholders' (deficit)	\$ 230,039	\$ 182,473

Statement of Operations

(IN THOUSANDS)
(Unaudited)

Three Months Ended June 30	2022	2021
Revenue, net	\$ 79,279	\$ 99,023
Cost of goods sold	40,322	49,957
Gross profit	38,957	49,066
Operating expenses:		
Advertising	17,898	22,516
Product development	5,922	5,688
Selling, general and administrative	57,895	46,971
Operating loss	(42,758)	(26,109)
Interest expense	2,285	1,096
Loss on extinguishment of debt	—	1,027
Change in fair value of Additional Shares liability	2,015	—
Change in fair value of Earn-Out liability	(17,345)	—
Change in fair value of Public and Private Placement Warrants liability	(1,180)	—
Other expense, net	6,775	268
Interest and other expense, net	(7,450)	2,391
Loss before provision for income taxes	(35,308)	(28,500)
Provision for income taxes	2	16
Net Loss	\$ (35,310)	\$ (28,516)



Statements of Cash Flows

(IN THOUSANDS)
(Unaudited)

	Six Months Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (82,694)	\$ (66,411)
Adjustments to reconcile net loss to net cash used in operating activities:		
Remeasurement of convertible preferred stock warrant liability	(1,616)	1,308
Stock-based compensation	24,534	7,269
Depreciation and amortization	2,864	2,337
Changes in fair value of derivative liabilities	(16,510)	—
Deferred offering costs allocated to derivative liabilities upon Business Combination	6,673	—
Non-cash interest expense	312	313
Inventory reserve	1,693	1,719
Loss on extinguishment of debt	—	1,027
Other non-cash charges	139	387
Changes in operating assets and liabilities		
Inventory	(734)	(11,320)
Prepays and other assets	613	(3,059)
Accounts payable	(3,495)	(3,426)
Accrued expenses	525	7,327
Deferred revenue	1,308	1,788
Operating lease right-of-use assets and liabilities	(52)	45
Other liabilities	302	(1,103)
Net cash used in operating activities	(66,138)	(61,799)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,610)	(2,845)
Net cash used in investing activities	(2,610)	(2,845)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock upon Closing of Business Combination	97,100	—
Proceeds from issuance of contingently redeemable convertible common stock	27,500	—
Payment of transaction costs related to the Closing of the Business Combination and convertible preferred stock issuance costs	(1,267)	(340)
Proceeds from issuance of debt	—	25,000
Repayment of debt	(562)	(21,165)
Payment of debt extinguishment	—	(2,499)
Payment of debt issuance costs	(211)	(375)
Proceeds from exercise of stock options, net of withholding taxes paid related to common stock issued to employees	237	525
Repurchase of common stock	(32)	(297)
Net cash provided by financing activities	122,765	849
Net decrease (decrease) in cash and cash equivalents	54,017	(63,795)
Cash and cash equivalents at beginning of period	78,376	176,523
Cash and cash equivalents at end of period	\$ 132,393	\$ 112,728





Non-GAAP Financial Measures

Grove Collaborative uses the non-GAAP financial measures set forth below in assessing its operating performance and in its financial communications. Management believes these non-GAAP financial measures provide useful additional information to investors about current trends in the Company's operations and are useful for period-over-period comparisons of operations. In addition, management uses these non-GAAP financial measures to assess operating performance and for business planning purposes. Management also believes these measures are widely used by investors, securities analysts, rating agencies and other parties in evaluating companies in our industry as a measure of our operational performance. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be computed in the same manner as similarly titled measures used by other companies.

Adjusted EBITDA and Adjusted EBITDA as a % of net revenues

We calculate adjusted EBITDA as net loss, adjusted to exclude: (1) stock-based compensation expense; (2) depreciation and amortization; (3) remeasurement of convertible preferred stock warrant liability; (4) changes in fair values of Additional Shares, Earn-out Shares and Public and Private Placement Warrant liabilities; (5) transaction costs allocated to derivative liabilities upon Business Combination; (6) interest expense; (7) provision for income taxes; (8) restructuring expenses and (9) loss on extinguishment on debt. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue.

\$K ⁽¹⁾

	FY 2019	FY 2020	FY 2021	Q2 2021	Q2 2022
Net Loss	\$ (161,470)	\$ (72,260)	\$ (135,896)	\$ (28,516)	\$ (35,310)
Stock-based compensation	11,960	7,762	14,610	3,809	20,074
Depreciation and amortization	2,361	4,115	4,992	1,209	1,454
Remeasurement of convertible preferred stock warrant liability	430	964	1,234	376	270
Change in fair value of Additional Shares liability	—	—	—	—	2,015
Change in fair value of Earn-Out Shares	—	—	—	—	(17,345)
Change in fair value of Public and Private Placement Warrant liabilities	—	—	—	—	(1,180)
Deferred offering costs allocated to derivative liabilities upon Business Combination	—	—	—	—	6,673
Interest expense	2,052	5,607	5,202	1,096	2,285
Restructuring expenses	—	—	—	—	—
Loss on extinguishment of debt	—	—	1,027	1,027	—
Provision for income taxes	12	41	52	16	2
Adjusted EBITDA	\$ (144,655)	\$ (53,771)	\$ (108,779)	\$ (20,983)	\$ (21,062)

Note:

1. Totals in table may not sum due to rounding

The background is a solid teal color. It is decorated with several white line-art outlines of leaves, scattered across the page. The leaves vary in size and orientation, some pointing upwards and others downwards. The central text is in a white, serif font.

Thank you

Grove[®]
COLLABORATIVE