

November 2024

# Investor Presentation



Updated Post Q3 2024 Earnings



# Safe Harbor Statement/Non-GAAP Measures

## Forward-Looking Statements

Certain statements included in this presentation are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than statements about historical fact. The forward looking statements in this presentation include, but are not limited to, statements regarding sequential revenue growth in the fourth quarter of 2024, adjusted EBITDA profitability for 2024, revenue and adjusted EBITDA expectations for 2024, being term debt free heading into 2025, Shopify replatforming expected completion by the first quarter of 2025, future SKU count, future average order value, future addition of products and opportunity for expansion, wellness as a next generation shopping occasion, unit economic growth, customer experience transformation, continuing momentum in VMS and the impact of customer experience changes. These forward-looking statements are subject to a number of risks and uncertainties, and you should not rely upon the forward-looking statements as predictions of future events. The future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Grove cannot guarantee that future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. Except as required by law, Grove disclaims any obligation to update these forward-looking statements to reflect future events or circumstances. The forward-looking statements are subject to a number of risks and uncertainties, including: changes in business, market, financial, political and legal conditions; risks relating to the uncertainty of the projected financial information; Grove's ability to successfully expand its business; competition; the uncertain effects of the COVID-19 pandemic; risks relating to growing inflation and rising interest rates; and those factors discussed in documents of Grove filed, or to be filed, with the U.S. Securities and Exchange Commission. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. These forward-looking statements should not be relied upon as representing Grove's assessments as of any date subsequent to the date of this presentation.

## Non-GAAP Information

Grove uses certain non-GAAP measures in this presentation including Adjusted EBITDA. Grove believes the presentation of its non-GAAP financial measures enhances investors' overall understanding of the company's historical financial performance. The presentation of the company's non-GAAP financial measures is not meant to be considered in isolation or as a substitute for the company's financial results prepared in accordance with GAAP, and the company's non-GAAP measures may be different from non-GAAP measures used by other companies. Reconciliations of these non-GAAP financial measures to the most comparable GAAP measures, may be found in the Supplemental Materials at the end of this presentation.



# Long Term Sustainable Growth

## Customer Driven Growth

---

*Sequential Revenue Growth Expected in Q4 2024*

- New leadership brings DTC best practices from Amazon to transform the customer experience
- Expansion into wellness has provided the blueprint for further category expansion

## Profitability

---

*Five Consecutive Quarters of Positive or Breakeven Adjusted EBITDA<sup>(1)</sup>*

- YTD 2024 Adjusted EBITDA of \$2.9M; Adjusted EBITDA profitability projected for full year 2024
- YTD 2024 Gross Margin of 54.2%

## Strengthen Balance Sheet

---

*Expect to be Term Debt Free Heading into 2025*

- \$42M Voluntary Term Debt Paydown in the third quarter
- \$15 million PIPE raise from Volition Capital enables the payoff of the remaining term debt

## Leading Brand in Wellness and Sustainability

---

*Developing a Platform for Conscientious Consumers*

- 5 million lifetime customers
- 57 million Addressable Market of Conscientious Consumers



### Notes:

<sup>(1)</sup> Adj. EBITDA is a non-GAAP metric; please refer to Appendix for reconciliation of adjusted EBITDA to net loss in the table at the end

# THE Trusted Brand for Conscientious Consumers

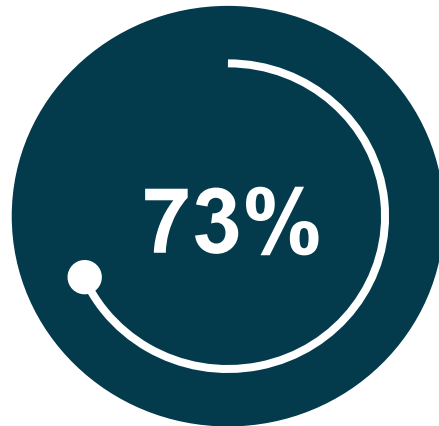


*Grove creates and curates high performance, planet-first products*

# A Leading Sustainable Brand is Inevitable

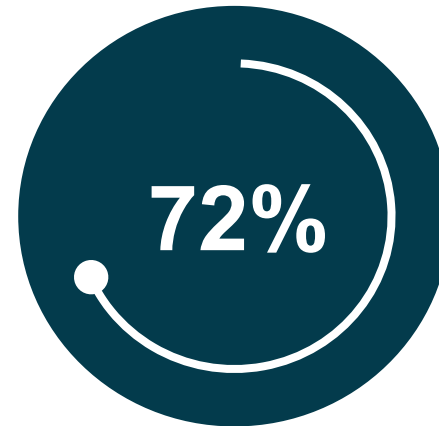
## CONSUMER PREFERENCE IS CLEAR

SUSTAINABILITY



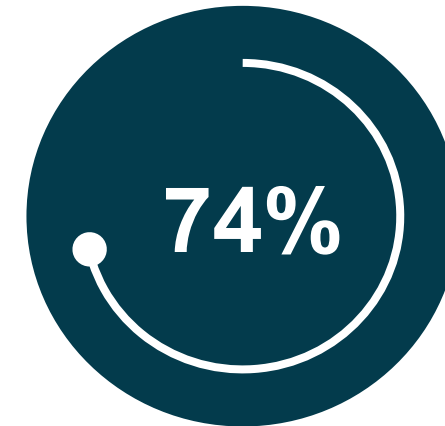
Of shoppers believe it is important to shop sustainably <sup>(1)</sup>

TRANSPARENCY



Of consumers place importance on purchasing beauty and personal care products that are clean <sup>(2)</sup>

MISSION-DRIVEN



Of retail consumers aged 25 – 34 place importance on social impact <sup>(3)</sup>

### Notes:

<sup>(1)</sup> Ell, Kellie, *Forecasting Consumer Demands*. WWD (December 2020)

<sup>(2)</sup> Alix Partners *Naturally Beautiful – Millennials and Preferences in Beauty and Personal Care Products*. (May 2019)

<sup>(3)</sup> Cowen Equity Research, *Gen Z and Millennials Are the Driving Force in Scaling Digital and Sustainability*. (October 2020)



# Plastic is a Core Sustainability Issue

More U.S. consumers care about plastic waste than about climate change.<sup>(1)</sup> Plastic packaging represents nearly half of all plastic waste.<sup>(2)</sup>

89

Percent of Ocean plastic is single-use plastic<sup>(3,4)</sup>

98

Percent of single use plastic is made from fossil fuels<sup>(5)</sup>

5

Percent of plastic is recycled<sup>(6)</sup>

240K

Number of detectable nanoplastic fragments in the average liter of bottled water<sup>(7)</sup>

## Notes:

<sup>(1)</sup> Shelton Grp, *Waking the Sleeping Giant: What Middle America knows about plastic waste and how they're taking action*. June, 2019

<sup>(2)</sup> Supply Chain Dive, *Packaging Makes Up Nearly Half Of Plastic Waste*. March, 2019

<sup>(3)</sup> <https://www.unep.org/news-and-stories/story/single-use-plastic-has-reached-worlds-deepest-ocean-trench>

<sup>(4)</sup> <https://education.nationalgeographic.org/resource/plastic-bag-found-bottom-worlds-deepest-ocean-trench/>

<sup>(5)</sup> <https://www.weforum.org/agenda/2022/06/recycling-global-statistics-facts-plastic-paper/>

<sup>(6)</sup> <https://www.greenpeace.org/usa/news/new-greenpeace-report-plastic-recycling-is-a-dead-end-street-year-after-year-plastic-recycling-declines-even-as-plastic-waste-increases/>

<sup>(7)</sup> <https://www.publichealth.columbia.edu/news/bottled-water-can-contain-hundreds-thousands-nanoplastics>



# Leadership on Plastic Helped Make Grove a Breakthrough Brand in Digitally Native HPC

## BRAND HIGHLIGHTS

### CLEAR WINNER IN NEXT-GEN HPC

#1 Brand awareness among plastic neutral brands<sup>(1)</sup>

### CATEGORY LEADER IN SUSTAINABLE PACKAGING

Grove customers have prevented >10 million lbs of plastic waste

16M Beyond Plastic items sold in 2023

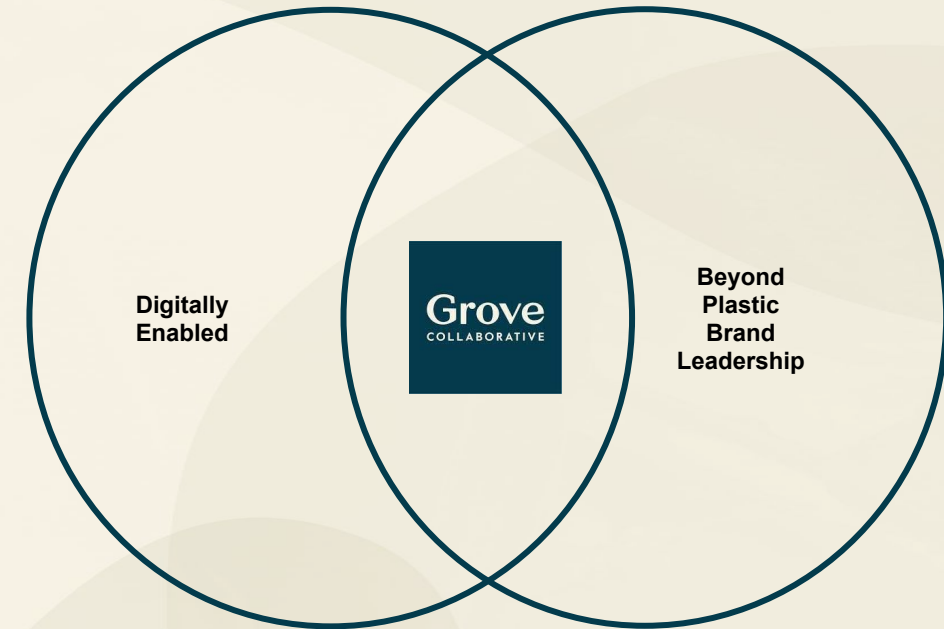
28% of Grove Brand products were reusable or refillable in 2023

### TIP OF SPEAR ON ESG + IMPACT BUSINESS MODEL

Certified B-Corp since 2014 + Public Benefit Corp

Carbon Neutral Shipping & Facilities; Plastic Neutral since 2020

Scalable, ethical and sustainable supply chain practices for all supplier facilities<sup>(2)</sup>



**5M+**<sup>(3)</sup>

Lifetime DTC Customers

**0.7M**<sup>(3)</sup>

Active DTC Customers

**\$67**<sup>(4)</sup>

Net Revenue Per Order

#### Notes:

<sup>(1)</sup> Grove consumer awareness survey, June 2023

<sup>(2)</sup> We review supplier factories for safety and well-being according to the international Business Social Compliance Initiative.

<sup>(3)</sup> As of September 30, 2024

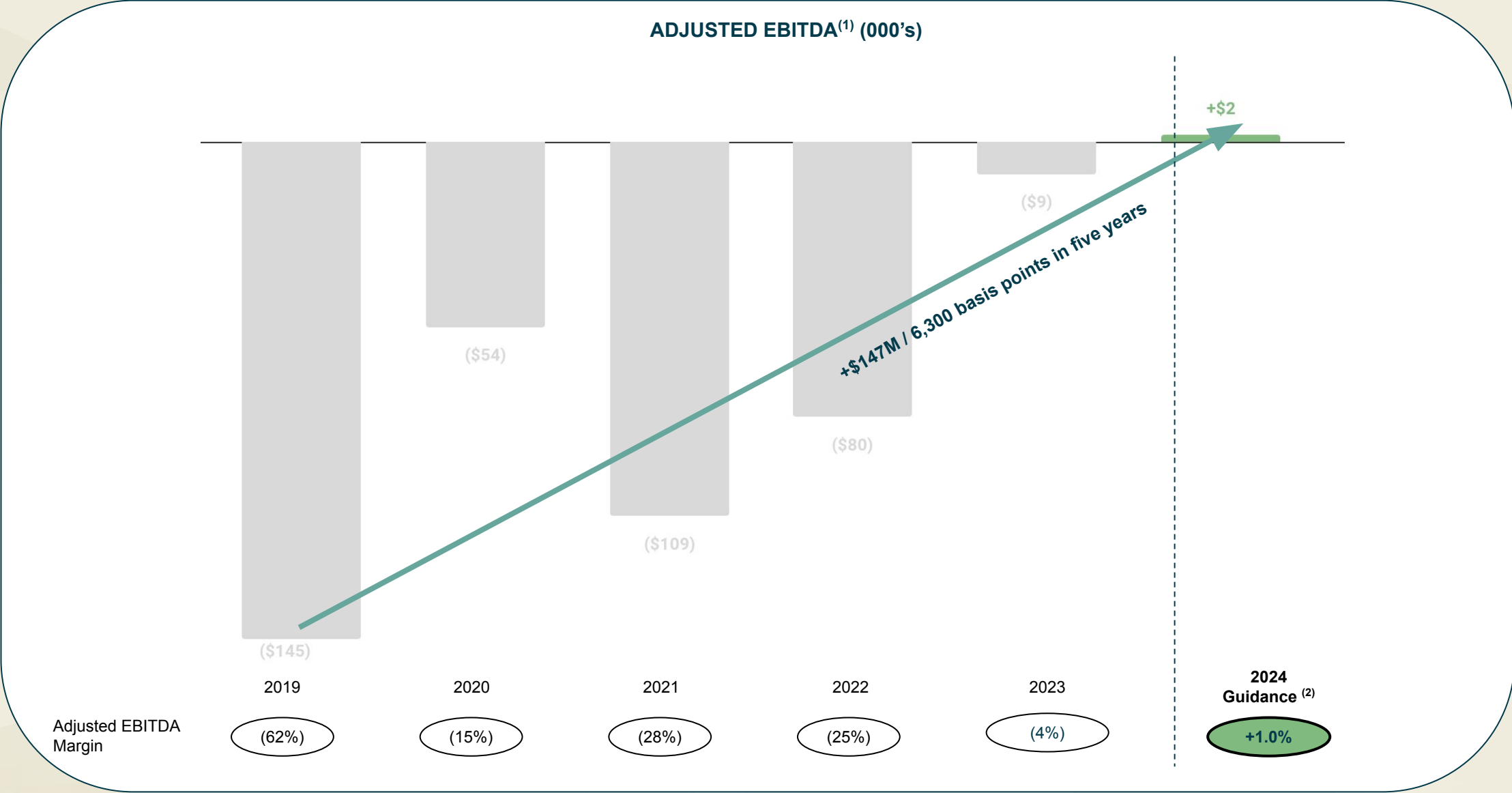
<sup>(4)</sup> YTD as of September 30, 2024

# 2023 Set the Stage for Profitable Growth





# In the Last Two Years, We Have Driven Profitability



**Notes:**

<sup>(1)</sup> Adj. EBITDA is a non-GAAP metric; please refer to Appendix for reconciliation of adjusted EBITDA to net loss in the table at the end

<sup>(2)</sup> Midpoint of guidance

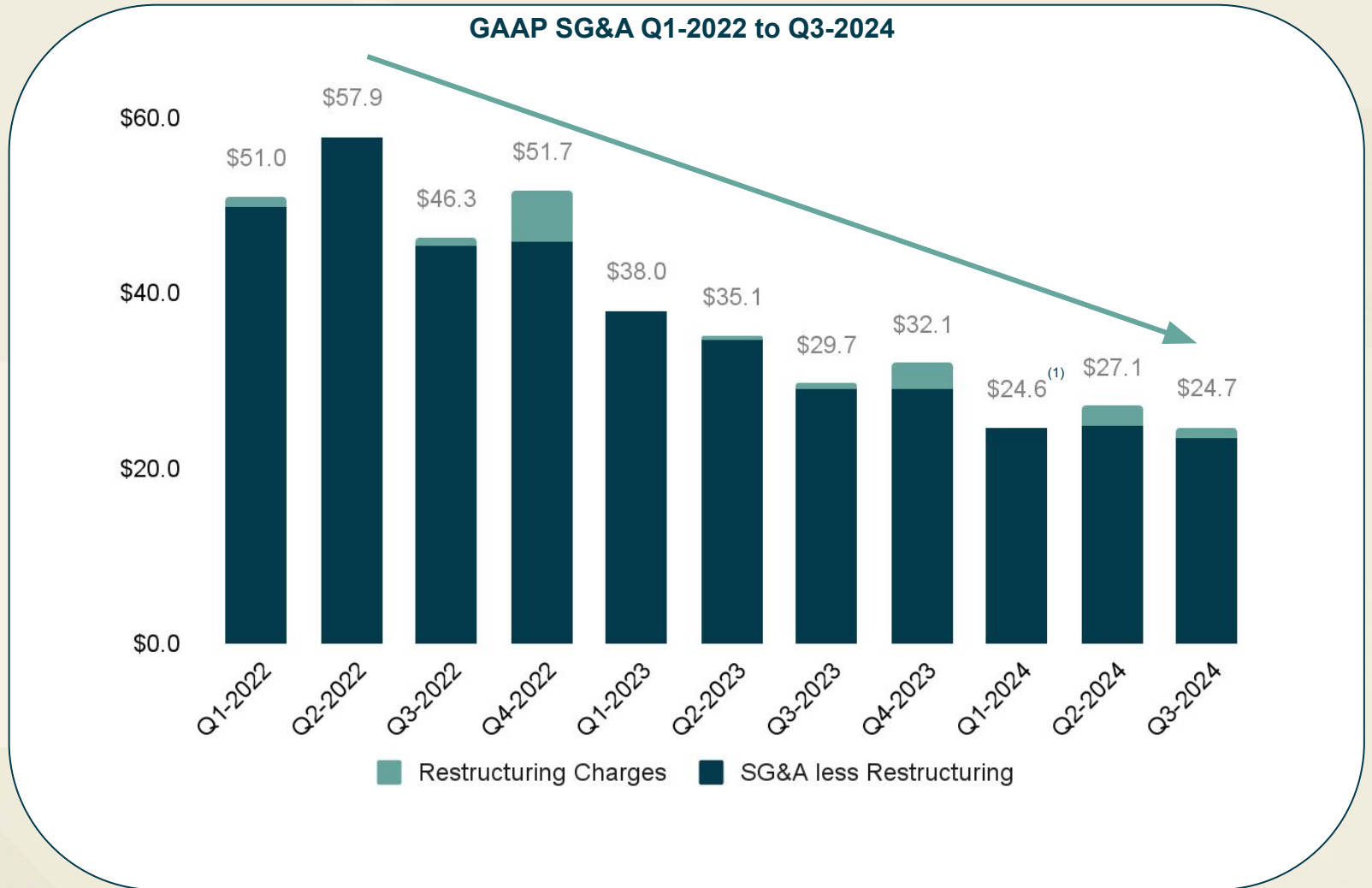
# We Aggressively Right Sized Our Cost Structure in 2023 & Continue to Optimize in 2024

## Hard Decisions Executed in 2023

- >50% reduction of corporate personnel since beginning of 2022
- Increased utilization of near-shore resources where possible
- Significantly reduced software spend where not generating enough return

## More in 2024

- Downsized headquarters lease footprint
- Consolidated fulfillment centers to improve efficiency and reduce cost
- Shopify replatforming expected to be complete by first quarter of 2025



Note:  
(1)

Q1-2024 included a \$2.9 million gain on restructuring primarily related to our SF lease



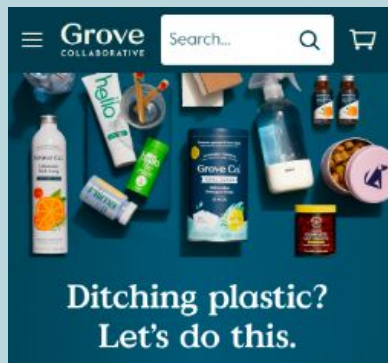
# 2024: Transforming the Business



# Strategic Pillars

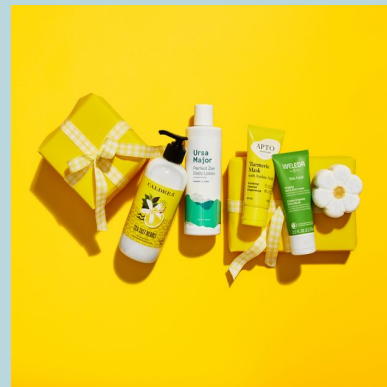
## 1. Transform the Customer Experience

*Introduce best in class e-commerce practices to the leading sustainable platform*



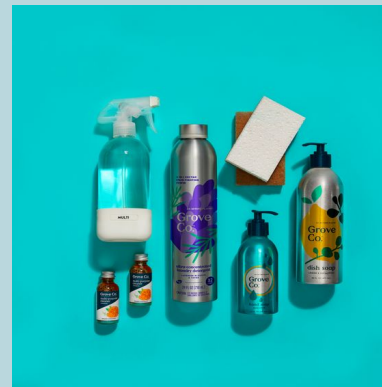
## 2. Platform for Safe and Sustainable Products

*Expand and curate third-party selection to new and adjacent categories making Grove THE destination for sustainable shopping*



## 3. Owned Brand Innovation

*Bring innovative products to our online platform and lead the industry in plastic-free and reduced-plastic alternatives*



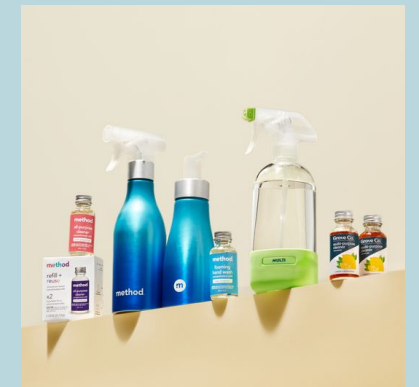
## 4. Sustainability

*Build upon sustainability as our point of differentiation*



## 5. Revenue Acceleration

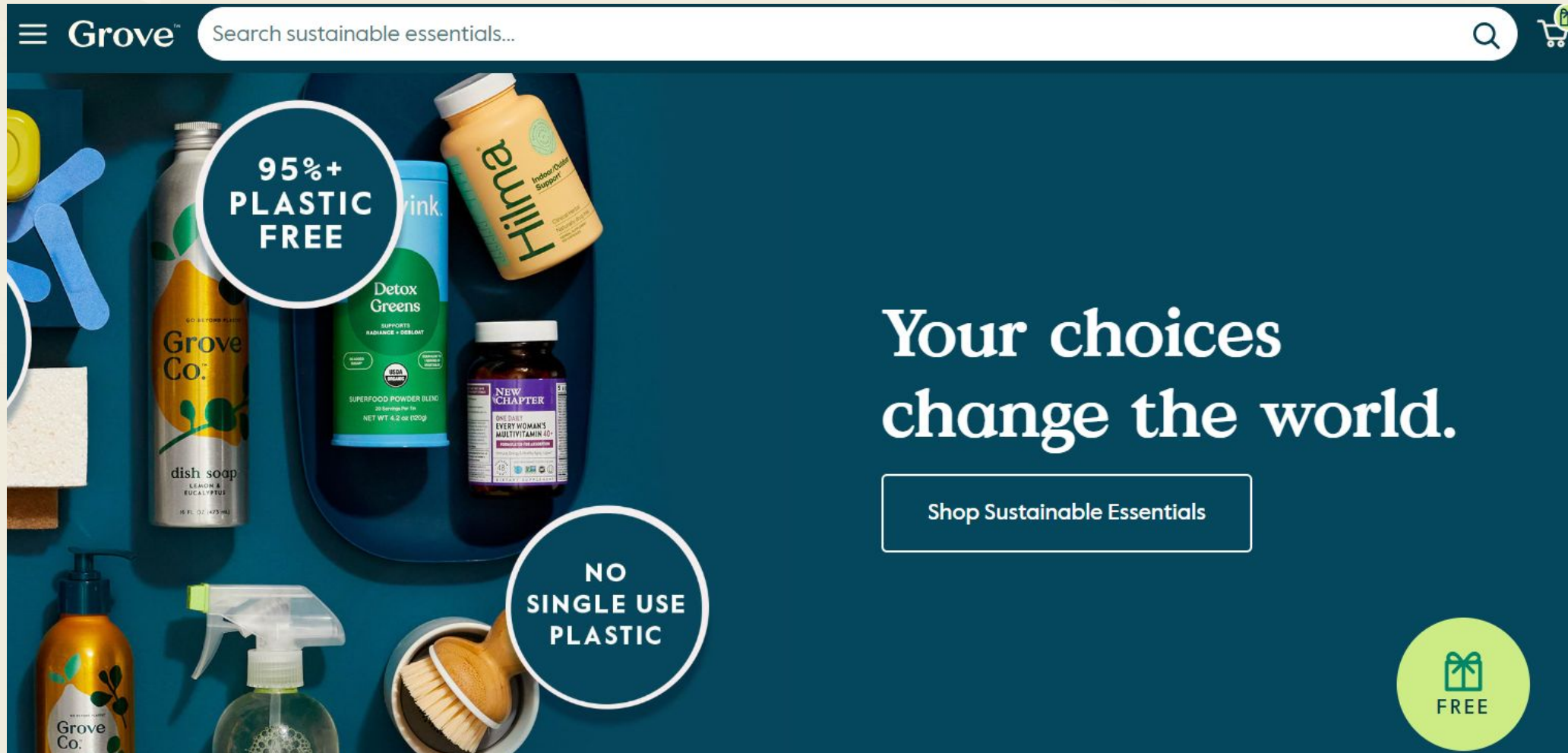
*Accelerate revenue growth through M&A, additional Advertising investment, and increased LTV with Subscribe and Save.*





1

# Optimizing Our Growth Model to Improve Customer Loyalty and Grow TAM



## Historical

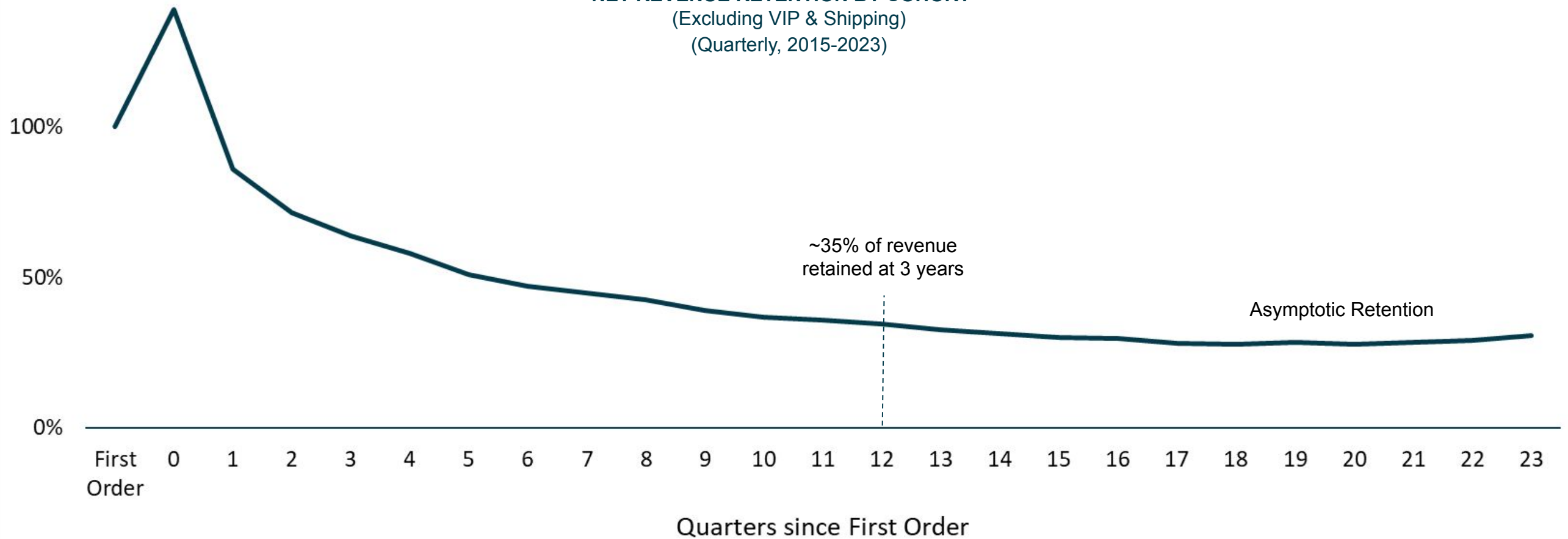
- Default subscriptions and gated shopping experience

## Customer-centered Experience

- Incentive to Subscribe and Save
- Open shopping experience
- Larger TAM
- Remove Fees that drove attrition
- Premium shopping experience with fair and competitive pricing

# Long Term Customer Loyalty Creates Revenue Base

**NET REVENUE RETENTION BY COHORT<sup>(1)</sup>**  
(Excluding VIP & Shipping)  
(Quarterly, 2015-2023)

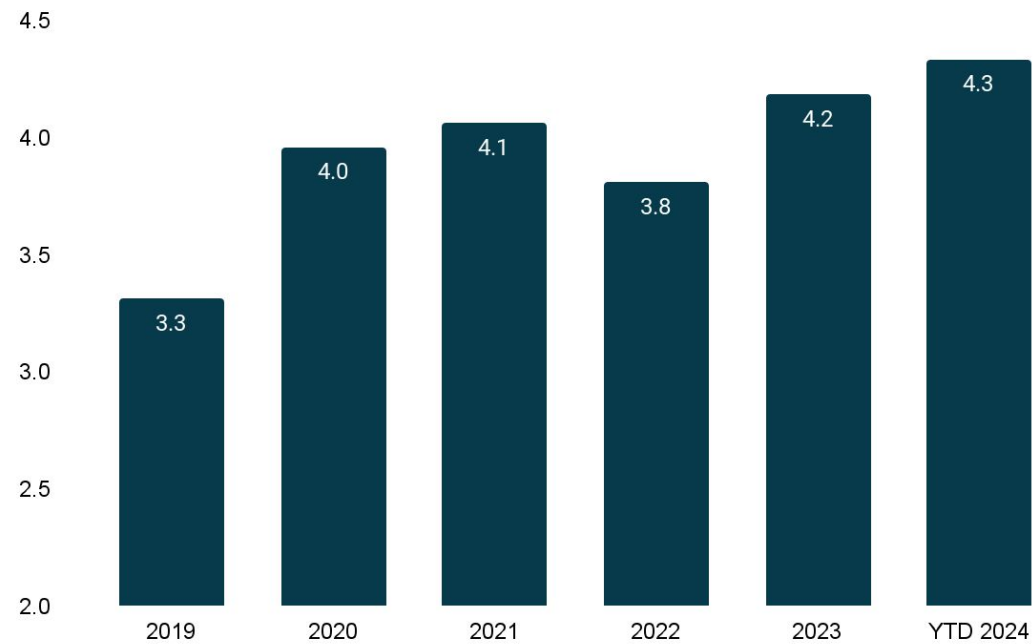


**Note:**  
<sup>(1)</sup> Y-axis represents average of all historical quarterly cohort revenue as % of the cohort first order revenue, excludes VIP and shipping; Through FY 2023 cohorts using December 2023 data

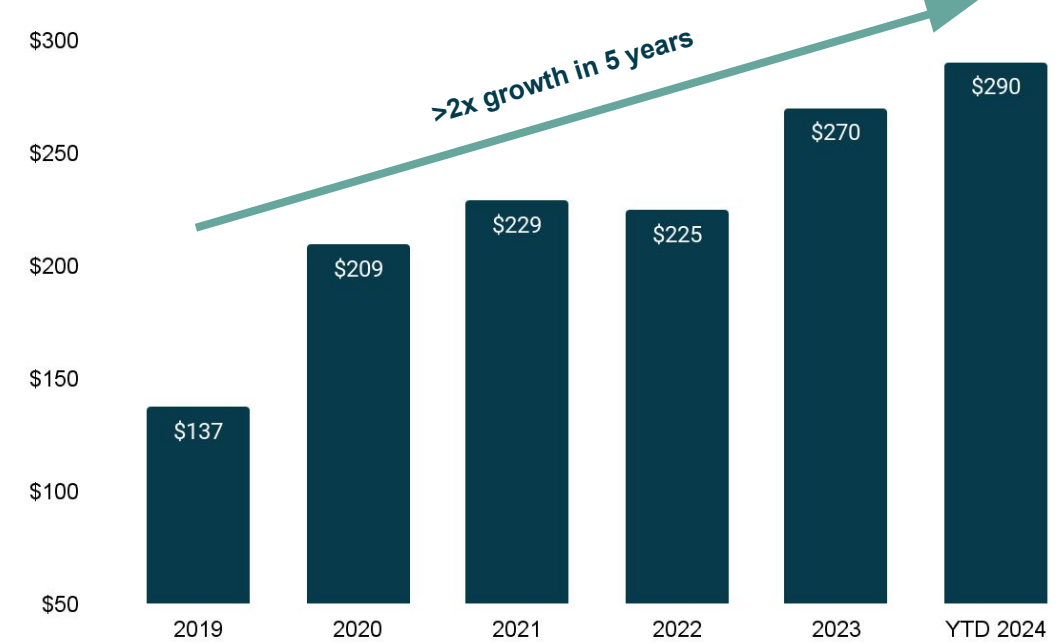


# The Value of Our Active Customers Increases Over Time

ORDERS PER ACTIVE CUSTOMER<sup>(1)</sup>



NET REVENUE PER ACTIVE CUSTOMER<sup>(1)</sup>

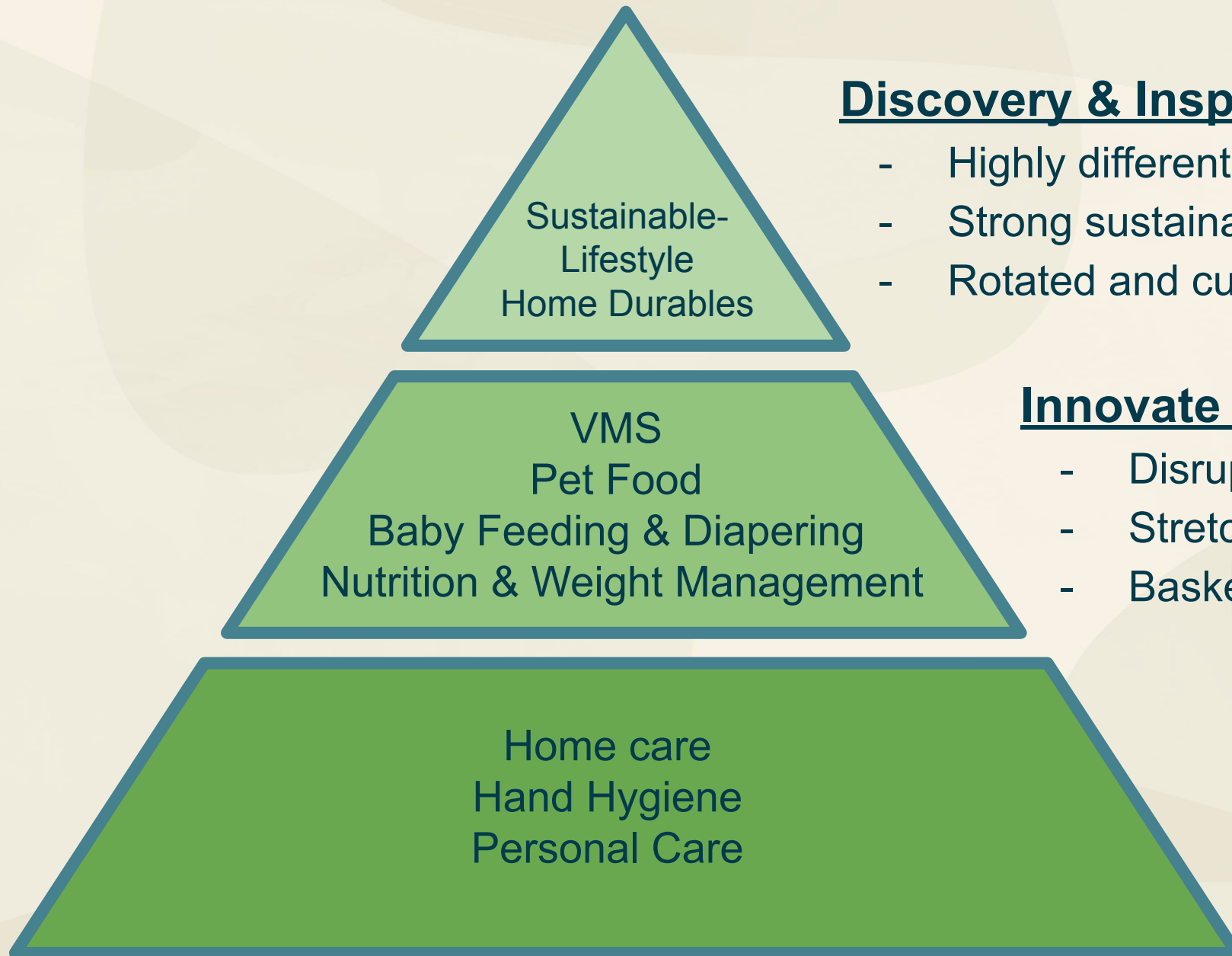


**Note:**

<sup>(1)</sup> As of the last day of each reporting period, we determine our number of DTC Active Customers by counting the number of individual customers who submitted orders through our DTC platform, and for whom an order has shipped, at least once during the preceding 364-day period.

<sup>(2)</sup> Quarterly Metrics reported using Orders and Net Revenue generated during the preceding 364-day period as of the end of the reporting period

## ② Building a Platform from Everyday Essentials



### Discovery & Inspiration

- Highly differentiated
- Strong sustainability story
- Rotated and curated

### Innovate for Growth

- Disruptive brands with high social currency
- Stretching consumer journey
- Basket drivers

### Nurture/Maintain

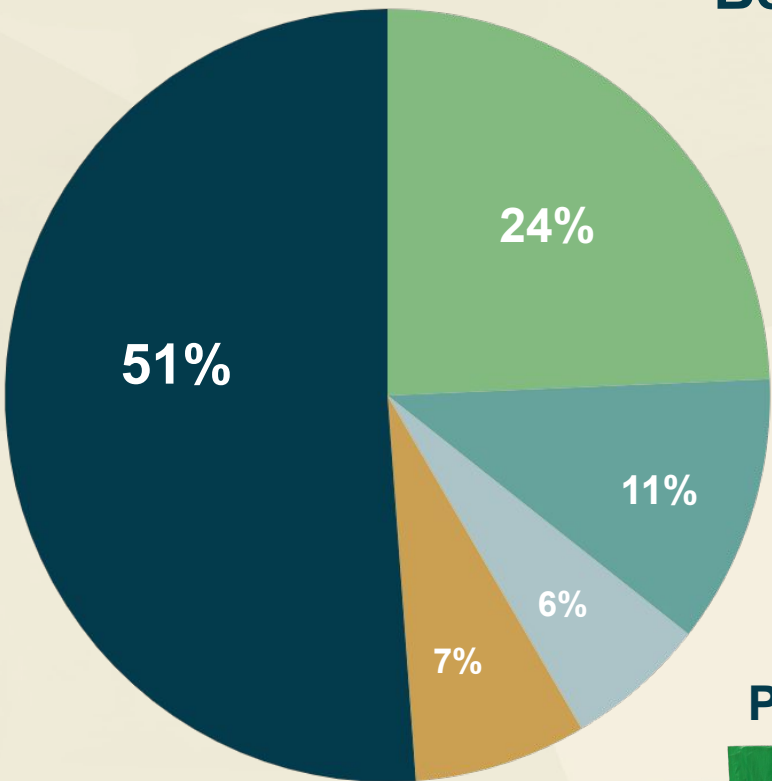
- Everyday Essentials
- Leading brands at EDLP
- Strong selection in core
- Sustainability leaders



# Evolving Beyond Sustainable Home Care into New Categories

% of Third Party Net Revenue by Category (Q3-2024)<sup>1</sup>

## Home Care



## Beauty & Personal Care



## Wellness



## Pet



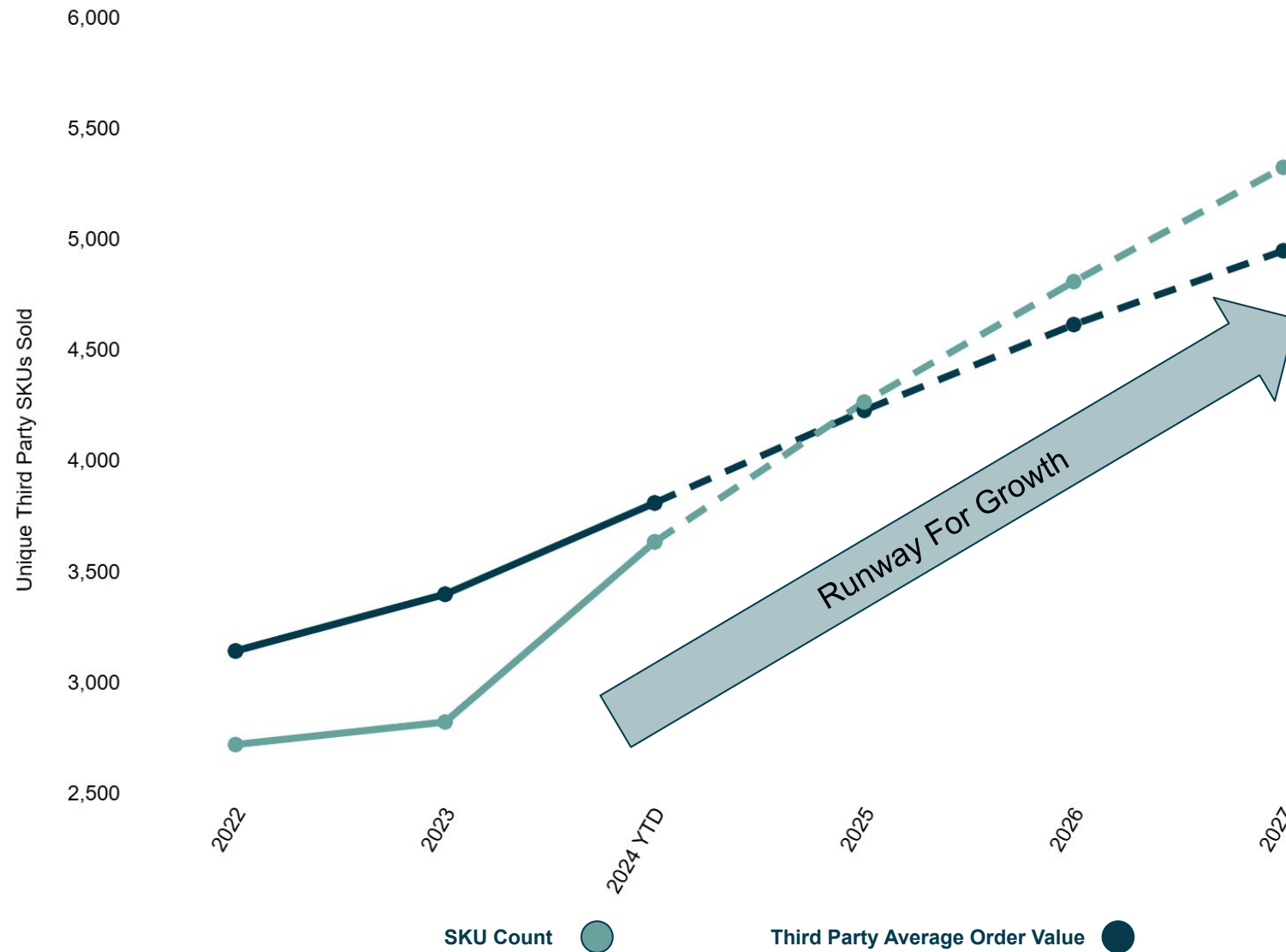
## All Other (Baby, Kitchen Tools, Gardening)



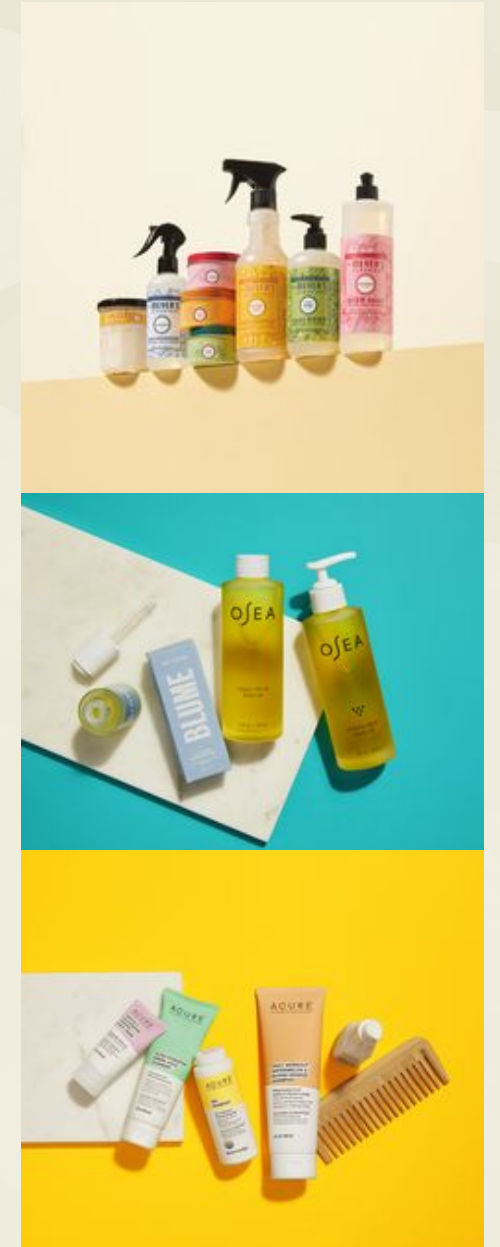
*“Grove has so many product options. They make it even easier to shop my other favorite brands.”*

Notes:  
<sup>(1)</sup> Third Party Brand Revenue as a % of Total Company DTC Revenue excluding Shipping and VIP Revenue during Q3-2024  
<sup>(2)</sup> In Q3-2024 category definitions changed to align with future category growth goals. As a result, categories are not directly comparable to prior quarter presentations

# We are Creating a Platform for Curated Discovery



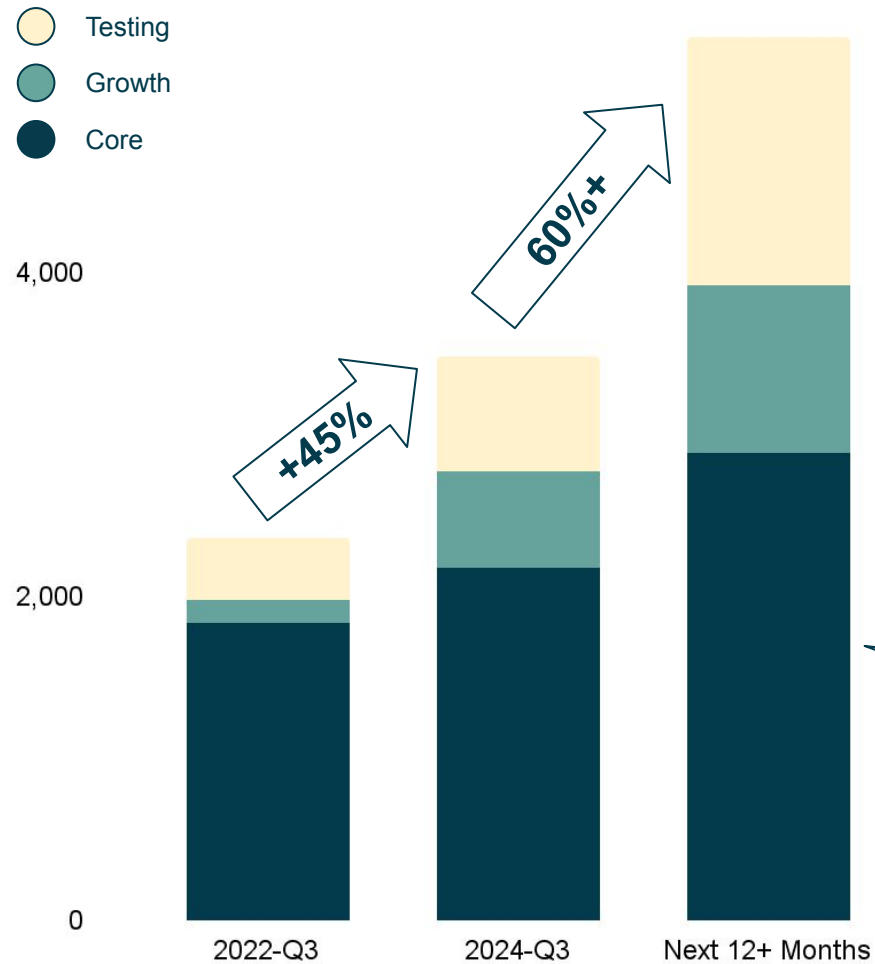
Third Party Average Order Value





# We Are Accelerating the Pace at Which We are Expanding Assortment and Driving Order Size

# of Third Party Products



**Testing:** Follow on categories include Pet, Gardening, Kitchen Tools and Baby, with early research proving large opportunity for continued expansion.

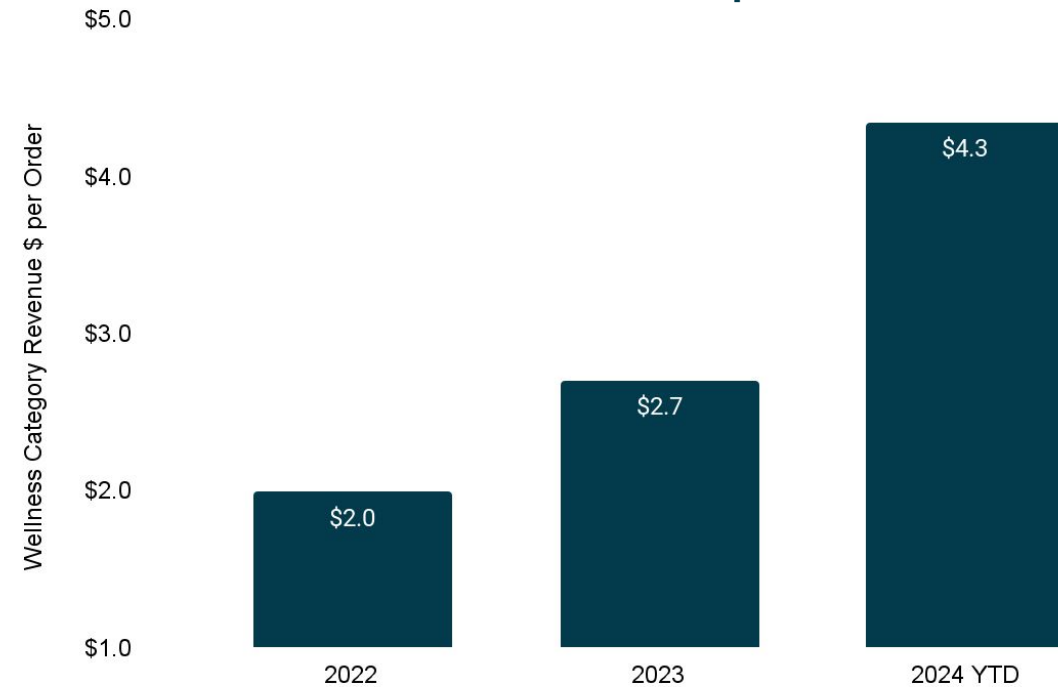
**Growth Category:** Identified Wellness as the next gen shopping occasion for Grove.com.

**Core Innovation:** Continue to add cutting edge assortment to maintain competitive edge in Home & Personal Care.

# VMS Success Provides the Blueprint for Further Category Expansion

- **89%** of survey respondents would trust Grove over other retailers to solve their Health & Wellness needs<sup>(1)</sup>
- Customers purchasing Wellness products have **>20%** higher Net Revenue per Order than average
- Highly regimented, leading to **~3X** better LTV<sup>(2)</sup> for customers who purchase wellness products
- Small item sizes ensure incremental net revenue per order is margin accretive

Wellness<sup>(3)</sup> Net Revenue per order in \$



Momentum continuing into 2024

**Notes:**

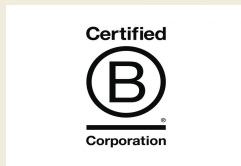
<sup>(1)</sup> Internal Survey - 2023

<sup>(2)</sup> 2.7x higher six month LTV for customers that purchase Wellness Products compared to those that have not

<sup>(3)</sup> In Q3-2024 category definitions changed to align with future category growth goals. As a result, categories are not directly comparable to prior quarter presentations.

# ③ Grove's Flagship Brand, Grove Co., Includes a Portfolio of Over 300 Items

- **With over 50 no-way ingredients**, including parabens, phthalates, and phosphates, we work hard to create products we use in our own homes.
- **Internal R&D** capability enables nimble go-to-market innovation.
- **Award-winning** designs, fragrances, packaging and sustainability we our proud to put our name on.
- **Margin accretive**, data driven products offering sustainable choices.





# Our Innovation Pipeline Focuses on Delivering Beyond Plastic Options

1

## Accessible Sustainability for All



- *Rebranding across the entire Grove Co line to increase presence, showcase our materials choices and shine a light on sustainability*

2

## Hero Platforms of Beyond Plastic Innovation



- *Grove Co's Ultra-concentrated laundry detergent is now available in aluminum bottles*

3

## Buzzworthy & Counterworthy



- *The summer limited edition collection featured our partnership with Nature Conservancy and includes hand, dish, laundry and air care products.*

# Platform for Conscientious Shoppers Can Be Enabled With M&A

Leading Sustainable Platform



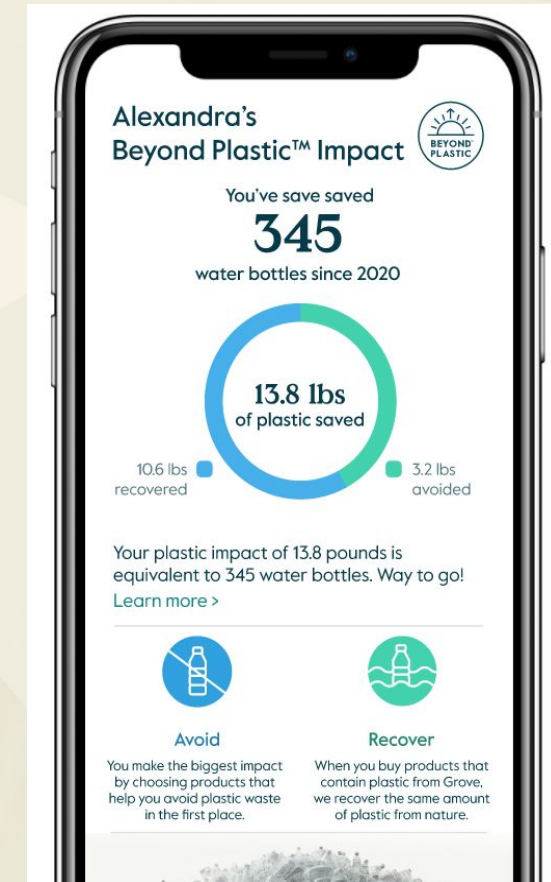
Strategic Partner + Access to Capital



We evaluate M&A opportunities with our strategic partner, HumanCo. Synergy opportunities include:

- Grove.com platform sales of acquired brand
- Grove DTC fulfillment capability
- Grove in-house marketing capabilities






## ④ Grove is the Leader in Sustainable Home and Wellness



**Sustainability and Trust Differentiate Us**

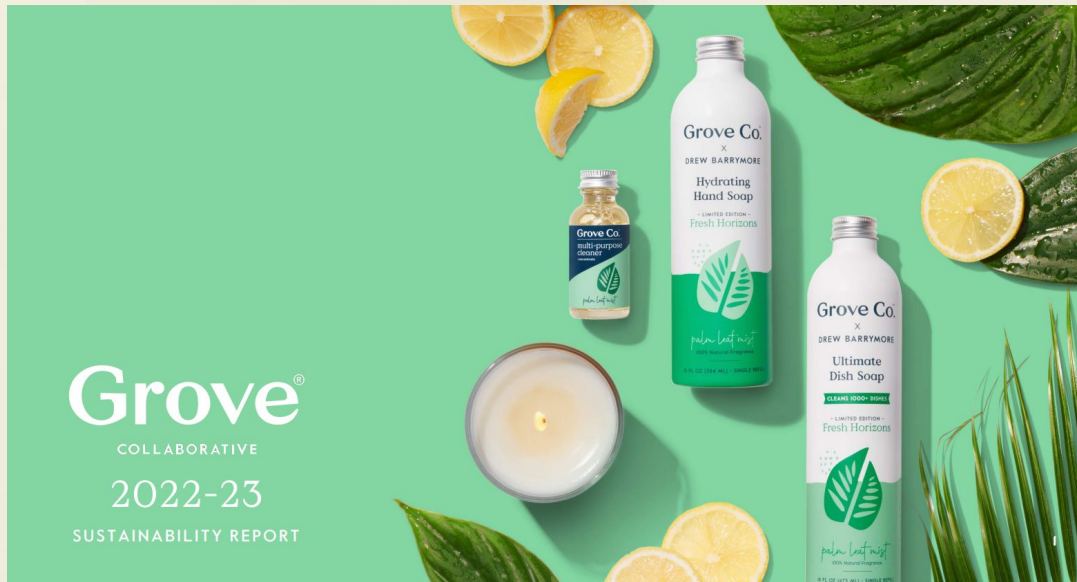


# Our Newly Introduced Badges Earn Customer Trust Through Transparency

	<p><b>100% Plastic-Free</b></p>	<ul style="list-style-type: none"> <li>• 100% plastic-free and <b>does not include any PVA</b> or plastic lacquers, liners, or coatings</li> <li>• <b>Product Examples:</b> <i>Wool Dryer Balls, Candles, and Bar Soaps</i></li> </ul>	
	<p><b>No Single Use Plastic</b></p>	<ul style="list-style-type: none"> <li>• There is <b>no single-use plastic, such as polybags</b>. The product contains durable, reusable plastic, defined by the EPA as lasting 3 years or more.</li> <li>• <b>Product Examples:</b> <i>Reusable Hand and Dish Soap Dispensers and Glass Spray Bottles</i></li> </ul>	
	<p><b>95%+ Plastic-Free By weight</b></p>	<ul style="list-style-type: none"> <li>• <b>No more than 5% plastic by total weight</b> of the product. This includes products that are packaged in aluminum with a coating containing a very minimal amount of plastic that <b>does not affect recyclability</b>.</li> <li>• <b>Product Examples:</b> <i>Hand and Dish Soaps, Cleaning Concentrates, Laundry Detergent Pods</i></li> </ul>	

# Grove's Annual Sustainability Report is a Catalyst for Change Within the CPG Industry

By setting **new benchmarks** and spotlighting **key metrics**, our reports **inspire action** towards a more sustainable future for all.



## Other Key Achievements

**15M lbs** of single-use nature- and ocean-bound **plastic collected**<sup>(1)</sup>



**10.8M lbs of plastic avoided** by offering products that contain less plastic compared to other household brands<sup>(2)</sup>



**1M trees planted** by leveraging mission-driven partnerships<sup>(3)</sup>



### Notes:

<sup>(1)</sup>Since 2020

<sup>(2)</sup>Since 2017

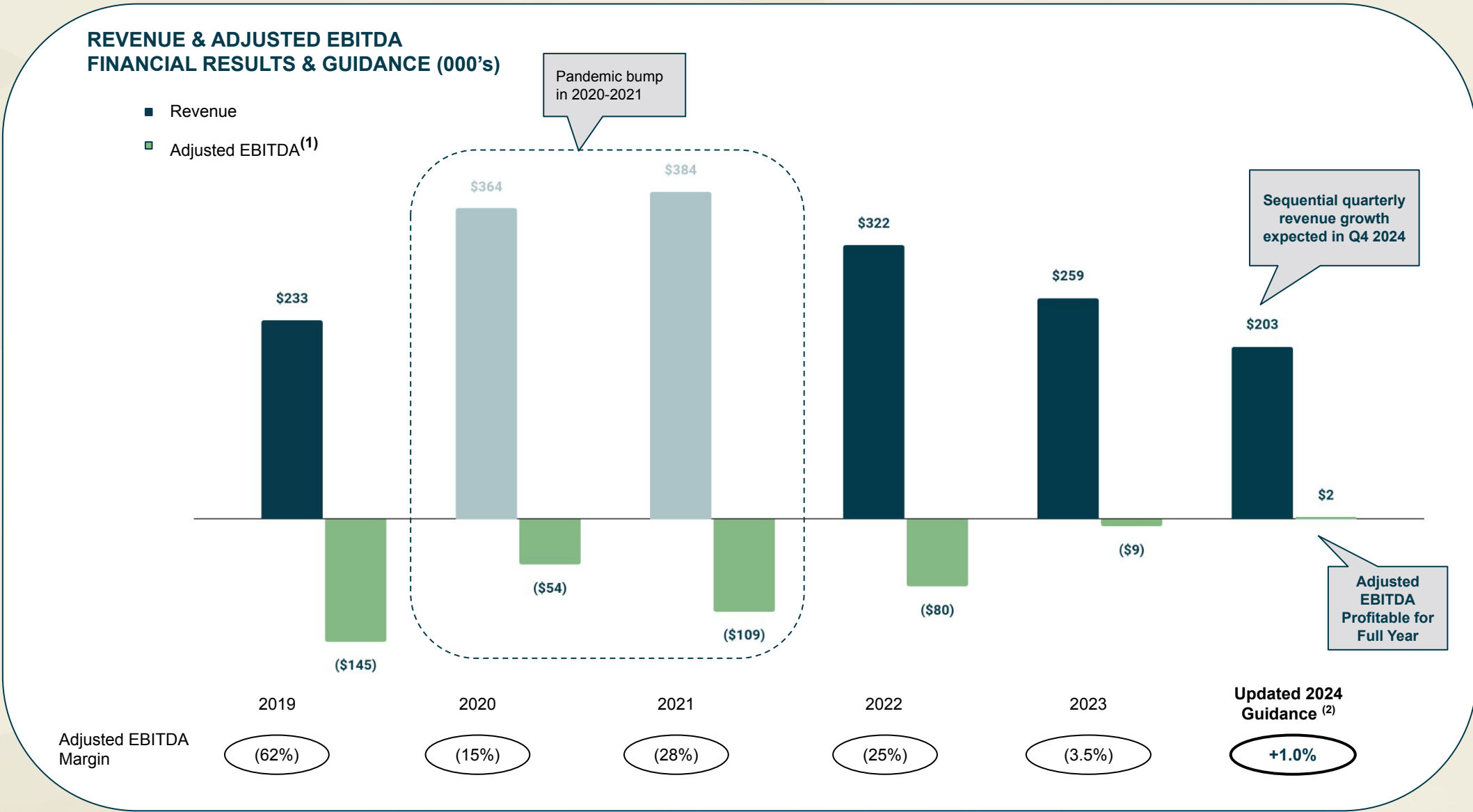
<sup>(3)</sup>As of April 2022

# Financials





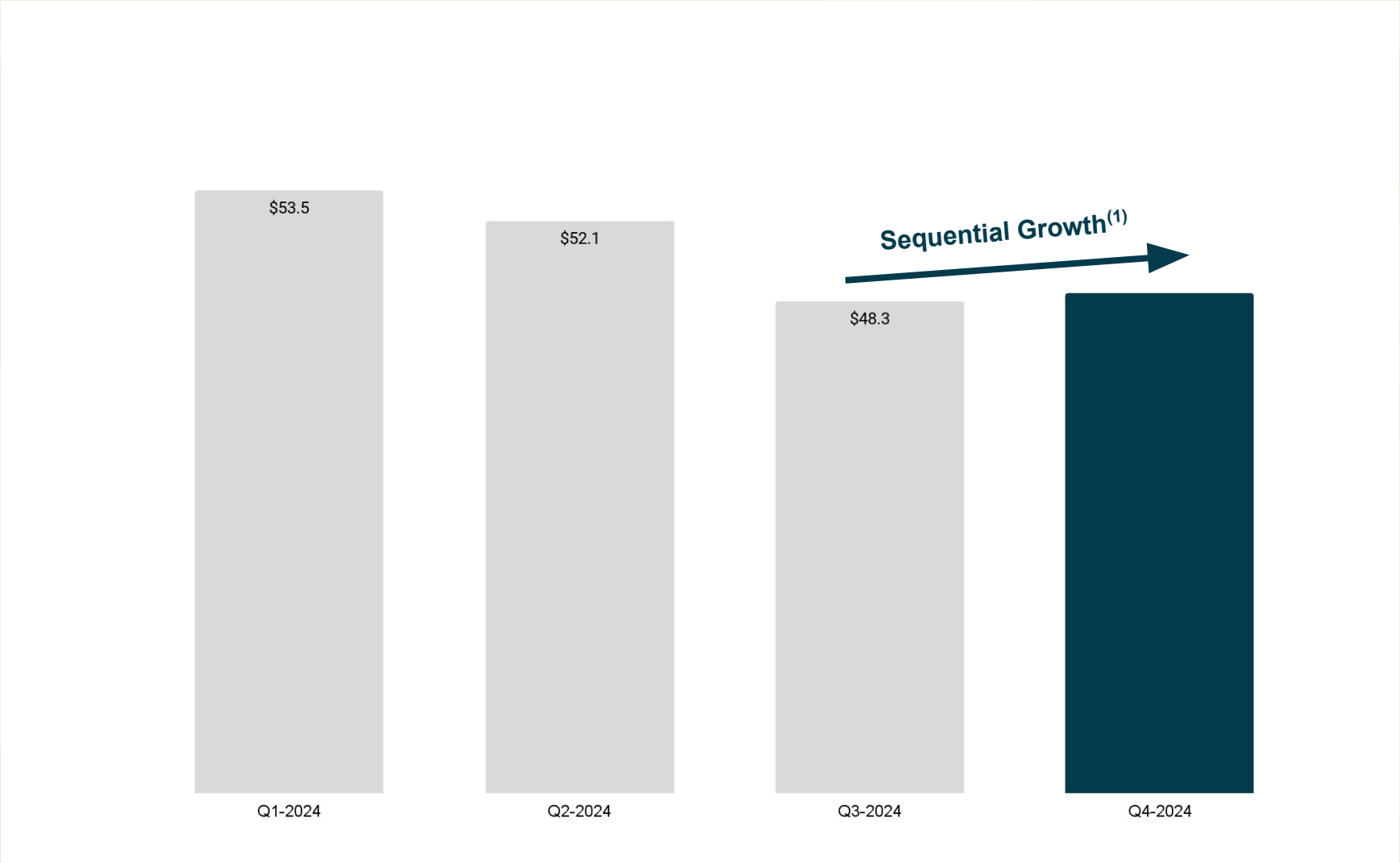
# We will be Adjusted EBITDA Profitable and Growing in 2024



**Notes:**  
<sup>(1)</sup> Adj. EBITDA is a non-GAAP metric; please refer to Appendix for reconciliation of adjusted EBITDA to net loss in the table at the end  
<sup>(2)</sup> Midpoint of guidance. Net revenue of \$200 to \$205 million, and Adjusted EBITDA margin of 0.5% to 1.5%

# Sequential Revenue Growth Expected in Q4-2024

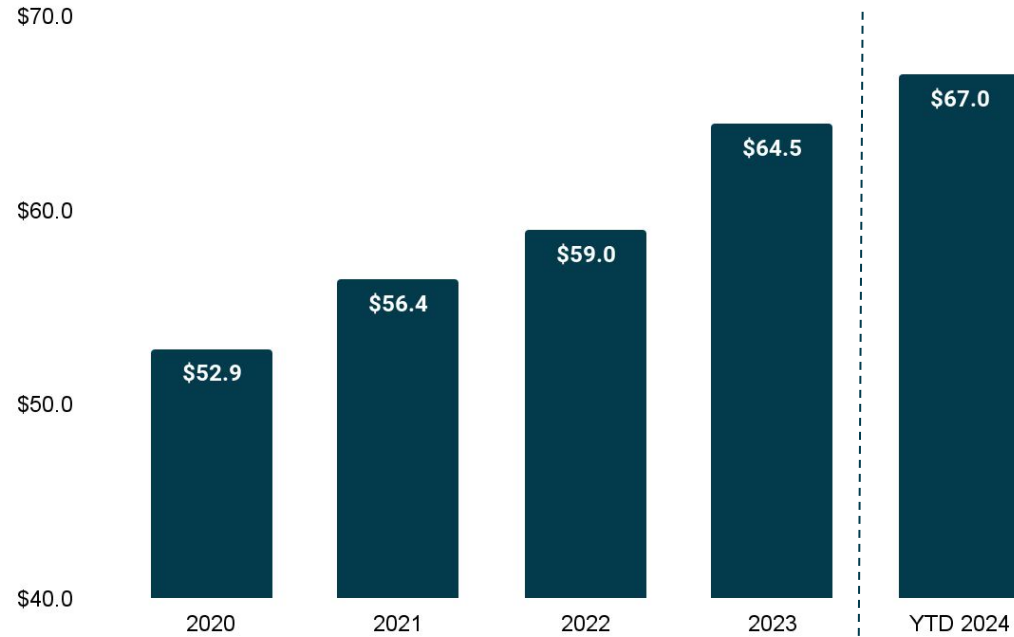
QUARTERLY REVENUE



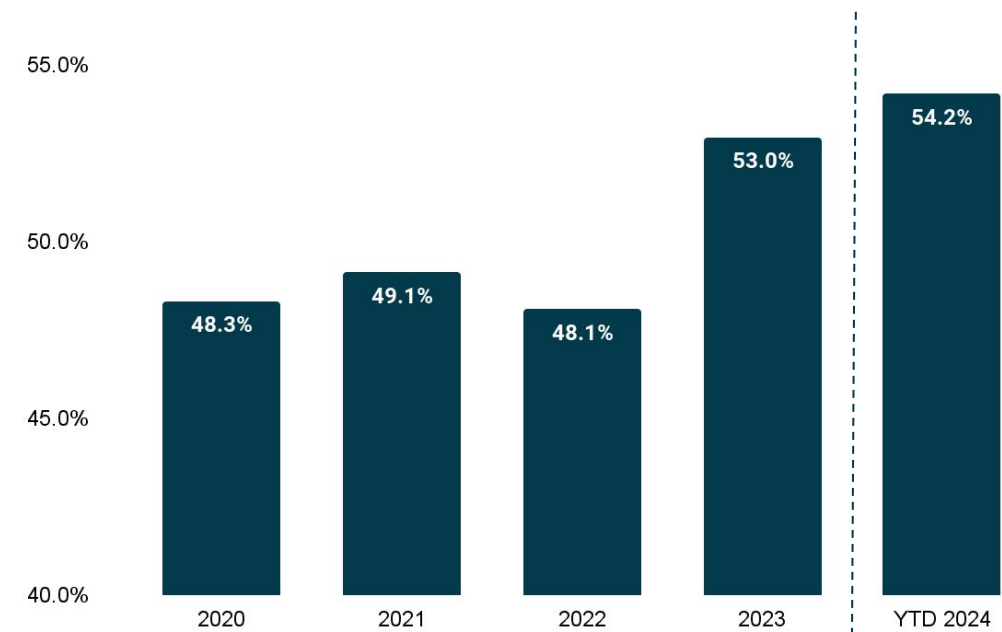
**Notes:**  
<sup>(1)</sup> Represents potential trajectory of revenue in 2024 and should not be interpreted as quarterly revenue guidance

# We Have Built a Platform that Delivers Strong Unit Economics

**DTC NET REVENUE PER ORDER**



**GAAP GROSS MARGIN %**



Category Expansion + Improved E-commerce Platform + Product Innovation will drive further Unit Economic Growth



# Balance Sheet + Available Capital

	Sep 30, 2024	December 31, 2023
	(Unaudited)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$50,762	\$86,411
Restricted cash	3,825	5,650
Inventory, net	24,546	28,776
Prepaid expenses and other current assets	2,708	3,359
<b>Total current assets</b>	<b>81,841</b>	<b>124,196</b>
Restricted cash	1002	2,802
Property and equipment, net	5,987	11,625
Operating lease right-of-use assets	13,622	9,612
Other long-term assets	2,741	2,507
<b>Total assets</b>	<b>\$105,193</b>	<b>\$150,742</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$9,668	\$8,074
Accrued expenses	11,550	16,020
Deferred revenue	6,770	7,154
Debt, current	10,000	
Operating lease liabilities, current	1,205	3,489
Other current liabilities	393	306
<b>Total current liabilities</b>	<b>39,586</b>	<b>35,043</b>
Debt, noncurrent	22,166	71,662
Operating lease liabilities, noncurrent	13,588	14,404
Derivative liabilities	3,491	11,511
<b>Total liabilities</b>	<b>78,831</b>	<b>132,620</b>
Commitments and contingencies (Note 6)		
Convertible preferred stock, \$0.0001 par value — 100,000,000 shares authorized as of September 30, 2024 and December 31, 2023; 25,000 and 10,000 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	24,842	10,000
<b>Stockholders' equity:</b>		
Common stock - \$0.0001 par value — 600,000,000 Class A shares authorized as of September 30, 2024 and December 31, 2023; 33,899,853 and 32,183,695 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively; 200,000,000 Class B shares authorized as of September 30, 2024 and December 31, 2023; 5,451,863 and 5,724,199 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	4	4
Additional paid-in capital	637,394	629,208
Accumulated deficit	-635,878	-621,090
<b>Total stockholders' equity</b>	<b>1,520</b>	<b>8,122</b>
<b>Total liabilities, redeemable convertible preferred stock and stockholders' equity</b>	<b>\$105,193</b>	<b>\$150,742</b>

## Notes:

<sup>(1)</sup> Restricted cash was \$4.8M as of September 30, 2024

<sup>(2)</sup> Using closing share price as of September 30, 2024

<sup>(3)</sup> Term Debt Facility is subject to a \$23.75M unrestricted cash covenant as of September 30, 2024

<sup>(4)</sup> Specific details can be found in the Form 8-K filing from July 19, 2024

## 9/30/24 Cash + Available Liquidity (\$M)

9/30/24 Cash <sup>(1)</sup> \$55.6

ABL Availability \$6.8

**Total Liquidity \$62.4**

In July 2022, we entered into a **Standby Equity Purchase Agreement**, which would allow us to raise approximately \$8.6M<sup>(2)</sup>.

# Supplemental Materials





# Leadership Team With Depth of Ecommerce Experience to Execute



## Jeff Yurcisin, Chief Executive Officer

- Proven direct to consumer leadership as CEO of multiple billion-dollar brands, twice succeeding founders
- Experience overseeing owned brand creation, product development, and using tech to deliver a superior customer experience
- Passionate about the role the private sector can play in sustainability



## Sergio Cervantes, Chief Financial Officer

- Global Executive with entrepreneurial mindset and extensive leadership experience in turning around businesses & delivering sustainable profitable growth
- Integration of businesses post acquisition creating efficiencies across the P&L, BS and Cash Flow.
- Served as finance business partner to founders, CEOs, and heads of functional areas. while overlooking all support functions and operations.

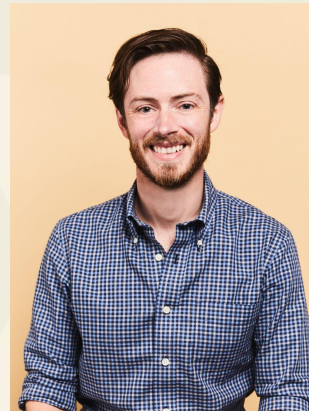


Unilever



## Chris Clark, Co-Founder & Chief Technology Officer

- Daily leadership of product management, engineering, analytics, data science, and digital product design functions in service of the company's director-to-consumer business operations
- Established the company's e-commerce platform and continuous evolution of the customer experience



## Scott Giesler, General Counsel

- Nearly 20 years of experience overseeing private and public ecommerce company legal functions
- Managed mergers, acquisitions, and other corporate reorganizations, initial public offerings, public and private company financing transactions and public company governance.



## Jennifer Pann, Vice President, Merchandising & E-Commerce

- 25+ years of expertise working across product categories for merchandising, inventory, and supply chain for e-commerce and brick and mortar retailers
- Leads all aspects of physical product buying and merchandising for Grove, including owned brand innovation and third party category, product expansion



## Jason Buursma, Vice President, Marketing

- Broad experience across marketing functions, including individual and cross-functional channels, to build brands and customer bases
- Manages day to day integrated marketing across acquisition, retention, brand, and public relations channels to articulate Grove's value proposition and offering to new and existing customers
- Former professional athlete with passion for team-building





# Adjusted EBITDA Reconciliation

\$MM <sup>(1)</sup>

	2019A	2020A	2021A	2022A	2023A	Q3-2023A	Q3-2024A
Net Loss	(\$161.0)	(\$72.3)	(\$135.9)	(\$87.7)	(\$43.2)	(\$9.8)	(\$1.3)
Stock-Based Compensation	\$12.0	\$7.8	\$14.6	\$45.7	\$15.5	\$2.1	\$2.8
Depreciation and Amortization	\$2.0	\$4.1	\$5.0	\$5.7	\$5.8	\$1.5	\$2.8
Remeasurement of Convertible Preferred Stock Warrant Liability	—	\$1.0	\$1.2	(\$1.6)	\$0.0	—	—
Changes in fair value of derivative liabilities	—	—	—	(\$71.5)	(\$0.2)	\$2.7	(\$7.8)
Transaction Costs Allocated to Derivative Liabilities upon Business Combination	—	—	—	\$6.9	(\$3.7)	—	—
Interest Income	—	—	—	(\$0.5)	(\$3.8)	(\$1.2)	(\$0.6)
Interest Expense	\$2.0	\$5.6	\$5.2	\$9.7	\$16.1	\$4.1	\$2.9
Restructuring Expenses	—	—	—	\$8.9	\$3.8	—	\$1.2
Loss on Extinguishment of Debt	—	—	\$1.0	\$4.7	\$0.0	—	—
Provision for Income Taxes	\$0.0	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0
Litigation and legal settlement expenses	—	—	—	—	\$0.5	\$0.7	—
<b>Adjusted EBITDA</b>	<b>(\$145.0)</b>	<b>(\$53.8)</b>	<b>(\$108.8)</b>	<b>(\$79.9)</b>	<b>(\$9.2)</b>	<b>\$0.2</b>	<b>(\$0.0)</b>

Note:

<sup>(1)</sup> Totals in table may not sum due to rounding



Grove Co.  
Tree-Free  
Toilet Paper

We're  
moving  
Beyond  
Plastic.

Grove<sup>®</sup>  
COLLABORATIVE