SUPPLYING CONTROLLED ENVIRONMENT AGRICULTURE AT SCALE

Business Overview

- **Largest Hydroponic Supplier with 62 Stores in 13 States**
- **Customer-centric service and support with best-in-class offerings, pricing, and availability**
- **Growing Network of Locations and ability to Service Customers**
- **Financial discipline drives growth with profitability**

**Founded:** 2014, public since 2016

**Ticker:** GRWG (NASDAQ)

**Headquarters:** Denver, CO

**FY 2020 Revenue:** $193.0M (+143% YoY)

**Nine-Months ‘21 Revenue:** $332.0M

**2021 Revenue Guidance:** $420M-$422M

**2021 EBITDA Guidance:** $31.5M-$33.5M

**Total Employees:** 700+

GROWGENERATION.COM

- **Nutrients & Additives**
- **Lighting**
- **Growing Media**
- **Environmental Controls**
## Scale Supported by Industry Growth

**Industry**

- National and new state legalization should drive growth in customers base in addition to installed base of existing growers in legalized states.
- Highly fragmented, niche industry with favorable long-term growth dynamics.
- Importance of controlled environment agriculture to cannabis and food production supports long term growth model.

**GrowGeneration**

- Unique value-add distribution model generates customer retention and organic growth.
- Strong execution discipline driving high margins and operating leverage.
- Exceptional historical performance and shareholder returns.

**The undisputed leader in an industry with favorable dynamics**
## COMPETITIVE ADVANTAGES

<table>
<thead>
<tr>
<th><strong>Sales Center Networks</strong></th>
<th><strong>Sourcing and Supply Chain</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic market reach and penetration</td>
<td>Global reach, scale and flexibility</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th><strong>Broad Product Selection</strong></th>
<th><strong>Capital Strength</strong></th>
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<tbody>
<tr>
<td>One-stop shopping</td>
<td>Flexibility to pursue investment and growth</td>
</tr>
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<table>
<thead>
<tr>
<th><strong>Private Label &amp; Exclusive Products</strong></th>
<th><strong>Performance-based Culture</strong></th>
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<tbody>
<tr>
<td>Brand and margin leverage</td>
<td>Disciplined execution and ROI focus</td>
</tr>
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</table>

Combination of scale and execution discipline create a powerful business model
GrowGeneration products help control the indoor environments and allow for 24/7 growing that is not dependent on weather.

- Allows multiple harvests in any weather environment.
- Significant reduction in water and other resources creates sustainable and resource efficient environment.
- Delivering Nutrients, Hydration and Photosynthesis plants need.
- Technology Platform delivering ongoing Data and Advanced Lighting.
GROWGENERATION IS POISED FOR CONTINUED GROWTH AND MARGIN ENHANCEMENT

Current Strategy

LEVERAGE STRENGTHS OF BOTH LARGE AND LOCAL COMPANY

- Fully exploit our scale, resources and capabilities
- Execute local market growth strategies
- Deliver superior value to our customers and suppliers
- Close and integrate high value-added acquisitions
- Local area teams supported by world-class functional support

DRIVE COMMERCIAL AND OPERATIONAL PERFORMANCE

- Category management
- Supply chain
- Salesforce performance
- Operational excellence
- Marketing and digital

VALUE CREATION LEVERS

Organic growth  Margin expansion  Acquisition growth
STRATEGICALLY LOCATED STORES

- Largest and only national national hydroponics retailer and distributor
- $6 billion highly fragmented market
- More than five times the size of next competitor and only ~10% market share\(^{(1)}\)
- Serving craft and commercial professional cultivators
- Complementary value-added services and product support
- Approximately 30,000 SKUs
- 62 stores and three distribution centers covering 13 U.S. states

### GrowGeneration States targeted for new markets:
- Missouri, Illinois, Arizona, Pennsylvania, New York, New Jersey

### Revenue Percentage by State (FY21 Guidance)

- California 35%
- Washington 4%
- Oklahoma 15%
- Michigan 14%
- Maine 8%
- Colorado 7%
- Other 12%
- Nevada 2%
- Oregon 5%
- Arizona 1%
- Maine 8%
- Rhode Island 1%
- New Mexico 1%
- Massachusetts 1%
- Florida 1%
- Total 62

### Total Square Feet: 950,000+
- 100,000 walk-ins per month

### States:
- California 23
- Colorado 8
- Michigan 7
- Maine 5
- Oklahoma 5
- Oregon 4
- Nevada 2
- Washington 3
- Arizona 1
- Rhode Island 1
- Florida 1
- Massachusetts 1
- New Mexico 1
- Total 62

Note: Map does not include states that have legal cannabis use only for medicinal or medical purposes as of October 2020. \(^{(1)}\) Source: GrowGeneration, Inc. Note: Does not include states that have legalized only CBD-based oils.
NEW SUPER GARDEN CENTER LOCATIONS ARE COMMERCIAL HUBS FOR PRIVATE LABEL LOGISTICS, FULFILLMENT AS WELL AS FOOT TRAFFIC

40,000 to 70,000 Square Feet Super Garden Centers
TARGETING NEW SUPERSTORE THRU OPENINGS THROUGH 2022

NEW SUPERSTORE CONCEPTS COMBINE LOGISTICS/PRIVATE LABEL/RETAIL

Los Angeles, Tulsa and Rancho Dominguez show multi-format evolution

New Stores Highlight Company Owned Products
New Store in Downtown LA

- Revenue: Average $10M+ annually
- Capital Investment: $750k
- Inventory: $3M-$4M
- Leverage Omni Channel Fulfillment – close to customer
- Plan to roll out in strategic, large regional markets
BIG OPPORTUNITY IN PRIVATE LABEL PRODUCTS

2021 strategy is to grow private brands and private label offering that have attractive gross margins

Exclusively distributed by GrowGeneration
BRANDS THAT WE OWN

- Harvesting Supplies & Accessories
- Plant Propagation
- Digital & Analog Controllers
- Performance Grow Trays
- Air & Water Pumps, Water Chillers (Plus Air Tubing, Air Diffusers)
- HPS, MH, CMH, SE, DE, Conversion Grow Lamps
- Lighting
- Environmental Controls
- Clean Room Supplies
## FINANCIAL HIGHLIGHTS

### Projected Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$29</td>
</tr>
<tr>
<td>2018</td>
<td>$80</td>
</tr>
<tr>
<td>2019</td>
<td>$193</td>
</tr>
<tr>
<td>2020E</td>
<td>$420E</td>
</tr>
<tr>
<td>2021E</td>
<td>$422E</td>
</tr>
</tbody>
</table>

### 2021 YTD Revenue

- **$332m**
- Vs $193 million in FY2020

### Q3 2021 Revenue

- **$116m**
- +$61 million vs Q3 2020

### Same Store Sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Growth (%)</th>
</tr>
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<tbody>
<tr>
<td>Q4 2019</td>
<td>62%</td>
</tr>
<tr>
<td>2019Q1</td>
<td>58%</td>
</tr>
<tr>
<td>2019Q2</td>
<td>49%</td>
</tr>
<tr>
<td>2019Q3</td>
<td>73%</td>
</tr>
<tr>
<td>2019Q4</td>
<td>58%</td>
</tr>
<tr>
<td>2020Q1</td>
<td>52%</td>
</tr>
<tr>
<td>2020Q2</td>
<td>60%</td>
</tr>
<tr>
<td>2020Q3</td>
<td>16%</td>
</tr>
</tbody>
</table>

### Garden Centers

- **62**

### States

- **13**
- New States Targeted:
  - NY, NJ, MI, VA, CT, MI, PA
2019 TO 2021 QUARTERLY REVENUE GROWTH
2020 TO 2021 GROSS MARGIN IMPROVEMENTS

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Gross Margin</th>
</tr>
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<tbody>
<tr>
<td>1Q2020</td>
<td>27.1%</td>
</tr>
<tr>
<td>2Q2020</td>
<td>26.7%</td>
</tr>
<tr>
<td>3Q2020</td>
<td>26.5%</td>
</tr>
<tr>
<td>4Q2020</td>
<td>26.2%</td>
</tr>
<tr>
<td>1Q2021</td>
<td>28.2%</td>
</tr>
<tr>
<td>2Q2021</td>
<td>28.4%</td>
</tr>
<tr>
<td>3Q2021</td>
<td>29.4%</td>
</tr>
</tbody>
</table>
SUMMARY

**Scalable** business model with substantial growth opportunity

**Sustainable competitive advantages** with highly experienced team

Expanding legalization of cannabis nationwide helps **short term momentum and long-term growth model**

**Consistent, exceptional investment performance**
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