UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 11, 2022

GROVE COLLABORATIVE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-40263	88-2840659
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1301 Sansome Street San Francisco, California	94111
(Address of principal executive offices)	(Zip Code)

(800) 231-8527
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e- 4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.0001	**GROV**	**New York Stock Exchange**
Redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of $11.50 per share	**GROV.WS**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 11, 2022, Grove Collaborative Holdings, Inc. (the "Company") issued a press release announcing the Company's earnings for the second quarter of fiscal 2022 ended June 30, 2022. A copy of such press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. A slide presentation, which includes supplemental information relating to the Company's second quarter earnings, is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information provided pursuant to this Item 2.02, including Exhibits 99.1 and 99.2 attached hereto, is being furnished to the Securities and Exchange Commission and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated August 11, 2022 announcing the Company's earnings for the second quarter ended June 30, 2022
99.2	Supplemental slides provided in connection with the Company's second quarter 2022 earnings call
104	Cover Page Interactive Data File (formatted as Inline XBRL).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GROVE COLLABORATIVE HOLDINGS, INC.

By:	/s/ Sergio Cervantes
Name:	Sergio Cervantes
Title:	Chief Financial Officer

Date: August 11, 2022

Grove Announces Fiscal Second Quarter 2022 Financial Results

Raises Full-Year Guidance

SAN FRANCISCO, CA — August 11, 2022 — Grove Collaborative Holdings, Inc. (NYSE: GROV) ("Grove" or "the Company"), a leading sustainable consumer products company and certified B Corp™, today reported financial results for its fiscal second quarter ended June 30, 2022.

Fiscal Second Quarter 2022 Financial Highlights:

Our financial highlights represent the beginnings of our efforts to eliminate unprofitable revenue and drive improved margins, on a sequential basis, in order to be profitable in 2024

- Net revenue of $79.3 million, down 12% from the first quarter of 2022, and down 20% year-over-year
- Gross margin of 49.1%, up 190 basis points from the first quarter of 2022, and down 40 basis points year-over-year
- Net loss margin of (44.5)%, an improvement from (52.4)% in the first quarter of 2022. This is compared to net loss margin of (28.8)% in the second quarter of 2021
- Adjusted EBITDA margin[(1)] of (26.6)%, an improvement from (43.8)% in the first quarter of 2022. This is compared to Adjusted EBITDA margin of (21.2)% in the second quarter of 2021

(1) Adjusted EBITDA margin is a non-GAAP financial measure. See "Non-GAAP Financial Measures" for additional information. A reconciliation to the most comparable GAAP measure can be found in the tables at the end of this press release.

Stuart Landesberg, Chief Executive Officer of Grove, said, "I'm proud of our accomplishments in the second quarter which include expanding our retail footprint by entering into three new retailers and increasing our assortment at Target by over 100%; partnering with Drew Barrymore on our first multi-channel brand campaign, "Wish-cycling"; and successfully completing our business combination with Virgin Group Acquisition Corp. II. While revenues in the quarter were down year-over-year as consumers return to pre-pandemic shopping patterns and as we scale back on inefficient advertising spend and refocus on profitable growth, second quarter results came in ahead of internal expectations and we are pleased to raise our full-year guidance."

Landesberg continued, "As we look ahead, we see a clear path to sustainable profitable growth despite near-term uncertainty in the macro environment. Change in the CPG industry is inevitable, and Grove is in pole position to lead that change. Our disruptive and innovative brand has a tremendously loyal following, we are just beginning to bring our products to the retail channel where over 90% of purchases in our categories are made, and we are laser focused on driving profitability. We strive every day to help consumers make more sustainable choices. As we all know, sustainability is the only future."

Fiscal Second Quarter 2022 Key Business Highlights:

- DTC net revenue per order was $58.28 in the second quarter of 2022, up 3% year-over-year from $56.43 in the second quarter of 2021
- Grove Brand products represented 48.2% of net revenue in the second quarter of 2022, an increase of 30 basis points from 47.9% in the second quarter of 2021

- In the second quarter, 60% of Grove Brands net revenue came from either zero-plastic, re-usable or refillable and zero plastic waste products, determined as meeting the Company's Beyond Plastic™ standard, up significantly from 47% in the second quarter of 2021 as Grove's no- and low-plastic assortment grows and continues to be adopted by customers
- Grove believes that publishing plastic intensity (pounds of plastic sold per $100 in revenue) enables the Company to hold itself accountable for the pace at which it decouples revenue from its use of plastic
  - Across the Grove.co site and through retail partners, plastic intensity was 1.07 pounds of plastic per $100 in revenue in the second quarter of 2022 as compared to 1.34 in the second quarter of 2021, following the intended trajectory
  - Across all Grove Brands, plastic intensity was 0.87 pounds of plastic per $100 in revenue in the second quarter of 2022 as compared to 1.18 pounds in the second quarter of 2021, as Grove Brands are designed for sustainability

Fiscal Second Quarter 2022 Operational Highlights:

- Implemented four-pronged value creation plan, encompassing:
  - Improved marketing efficiency
    - Partnered with Drew Barrymore, Grove investor and first-ever Global Brand and Sustainability Advocate, and launched first multi-channel brand campaign, "Wish-cycling", to build brand awareness
    - Began roll out of new marketing technology stack
  - Omni-channel expansion
    - Expanded retail footprint in the second quarter with entry into three retail partners – Kohl's, Giant Eagle, and Meijer – and more than doubled product assortment at Target compared to the second quarter last year
  - Net revenue management
    - Implemented net revenue management processes in all functions and conducted analyses on pricing, maximizing category mix, and enhancing promotional sell through
  - Operating expense discipline
    - Initiated full vendor audit, evaluating ways to reduce fixed expenses such as real estate, and reduced hiring plans for the balance of 2022 and 2023
- Completed business combination with Virgin Group Acquisition Corp. II and began trading on the New York Stock Exchange
- Strengthened leadership team with the appointment of Sergio Cervantes as Chief Financial Officer
- Enhanced Board of Directors with the addition of Virgin Group Investment Director Rayhan Arif, former eBay Chief Strategy Officer Kristine Miller, and GitHub Chief of Staff Naytri Shroff Sramek
- Published annual Plastic Scorecard and sustainability report, which can be found atgrove.co/plasticscorecard and grove.co/sustainabilityreport2021

Subsequent Events:

On July 18, 2022, Grove entered into a Standby Equity Purchase Agreement (the "Purchase Agreement") with an affiliate of Yorkville Advisors Global, LP ("Yorkville"), enabling the Company to sell up to $100 million of shares of Class A common stock to Yorkville at Grove's request during the 36 months following the execution of the Purchase Agreement, subject to certain conditions. As of

August 11, 2022, the conditions precedent allowing the Company to sell shares under the Purchase Agreement have not yet been met.

Financial Outlook:

"We believe that the performance of the DTC business will solidify in the second half of 2022 on the back of more efficient advertising spend and higher average order value for existing customers. Additionally, our guidance reflects the implementation of our value creation plan, which will result in significant improvement in profitability in the back half of the year as compared to the front half," said Sergio Cervantes, Chief Financial Officer.

Based on performance to date and current expectations, Grove is raising guidance as follows:

For the 12-month period ending December 31, 2022, we expect:

- Net revenue of $302.5 to $312.5 million, up from $300 to $310 million previously
- Adjusted EBITDA margin(1) of (27.5)% to (30.5)%, up from (29)% to (32)% previously

(1) Adjusted EBITDA margin is a non-GAAP financial measure. See "Non-GAAP Financial Measures" for additional information.

Conference Call Information:

The Company will host a conference call to discuss second quarter 2022 financial results and other business updates today, August 11, 2022, at 5:00 p.m. Eastern Time / 2:00 p.m. Pacific Time. The conference call will be available via live audio webcast on the Company's investor relations website at investors.grove.co. To participate via telephone, interested parties may dial (888) 428-7458, or (404) 267-0368 if calling internationally. A replay of the call will be available until September 9, 2022 and can be accessed by dialing (877) 660-6853 or (201) 612-7415, access code: 13731824. The webcast will also be available on Grove's investor relations website for 90 days following the conference call.

About Grove Collaborative Holdings, Inc.

Launched in 2016 as a Certified B Corp, Grove Collaborative Holdings, Inc. (NYSE: GROV) is transforming consumer products into a positive force for human and environmental good. Driven by the belief that sustainability is the only future, Grove creates and curates more than 150 high-performing eco-friendly brands of household cleaning, personal care, laundry, clean beauty, baby and pet care products serving millions of households across the U.S. each year. With a flexible monthly delivery model and access to knowledgeable Grove Guides, Grove makes it easy for everyone to build sustainable routines.

Every product Grove offers — from its flagship brand of sustainably powerful home care essentials, Grove Co., plastic-free, vegan personal care line, Peach Not Plastic, and zero-waste pet care brand, Good Fur, to its exceptional third-party brands — has been thoroughly vetted against Grove's strict standards to be beautifully effective, supportive of healthy habits, ethically produced and cruelty-free. Grove is a public benefit corporation on a mission to move Beyond Plastic™ and in 2021, entered physical retail for the first time at Target stores nationwide, making sustainable home care products even more accessible. Grove is the first plastic neutral retailer in the world and is committed to being 100% plastic-free by 2025.

For more information, visit www.grove.com.

Caution Concerning Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the acceleration of the DTC business in the second half of 2022, the efficiency of our advertising spend, the anticipated increase in the average order volume of our DTC business, and our or our management team's expectations, hopes, beliefs, intentions, plans, prospects or strategies regarding the future, including revenue growth and financial performance, profitability, product expansion and services. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this press release are based on our current expectations and beliefs made by our management in light of their experience and their perception of historical trends, current conditions and expected future developments and their potential effects on the Company as well as other factors they believe are appropriate in the circumstances. There can be no assurance that future developments affecting the Company will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements, including changes in domestic and foreign business, market, financial, political and legal conditions; risks relating to the uncertainty of the projected financial information with respect to Grove; 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 (the "SEC"). Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. All forward-looking statements in this press release are made as of the date hereof, based on information available to Grove as of the date hereof, and Grove assumes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Non-GAAP Financial Measures

Some of the financial information and data contained in this press release, such as adjusted EBITDA and adjusted EBITDA margin, have not been prepared in accordance with United States generally accepted accounting principles ("GAAP"). These non-GAAP measures, and other measures that are calculated using such non-GAAP measures, are an addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to revenue, operating income, profit before tax, net income or any other performance measures derived in accordance with GAAP. A reconciliation of historical adjusted EBITDA to Net Income is provided in the tables at the end of this press release. The reconciliation of projected adjusted EBITDA and adjusted EBITDA Margin to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity, and low visibility with respect to the charges excluded from these non-GAAP measures, such as the impact of depreciation and amortization of fixed assets, amortization of internal use software, the effects of net interest expense (income), other expense (income), and non-cash stock based compensation expense. Grove believes these non-GAAP measures of financial results, including on a forward-looking basis, provide useful information to management and investors regarding certain financial and business trends relating to Grove's financial condition and results of operations. Grove's management uses these non-GAAP measures for trend analyses and for budgeting and planning purposes. Grove believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating projected operating results and trends in and in comparing Grove's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Management of Grove does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents. For example, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore Grove's non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

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.

Grove Collaborative Holdings, Inc.

Condensed Consolidated Balance Sheets

(In thousands)

	June 30, 2022	December 31, 2021
	(Unaudited)	
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 Stockholders' 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, noncurrent	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
Commitments and contingencies		
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

Grove Collaborative Holdings, Inc.

Condensed Consolidated Statements of Operations

(Unaudited)

(In thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Revenue, net	$ 79,279	$ 99,023	169,758	201,243
Cost of goods sold	40,322	49,957	88,064	99,985
Gross profit	38,957	49,066	81,694	101,258
Operating expenses:				
Advertising	17,898	22,516	50,691	58,152
Product development	5,922	5,688	12,162	10,850
Selling, general and administrative	57,895	46,971	108,865	94,509
Operating loss	(42,758)	(26,109)	(90,024)	(62,253)
Interest expense	2,285	1,096	4,372	2,059
Loss on extinguishment on debt	—	1,027	—	1,027
Change in fair value of Additional Shares liability	2,015	—	2,015	—
Change in fair value of Earn-Out liability	(17,345)	—	(17,345)	—
Change in fair value of Public and Private Placement Warrants liability	(1,180)	—	(1,180)	—
Other expense, net	6,775	268	4,783	1,044
Interest and other expense (income), net	(7,450)	2,391	(7,355)	4,130
Loss before provision for income taxes	(35,308)	(28,500)	(82,669)	(66,383)
Provision for income taxes	2	16	25	28
Net loss	$ (35,310)	$ (28,516)	$ (82,694)	$ (66,411)
Net loss per share attributable to common stockholders, basic and diluted	$ (1.06)	$ (3.97)	$ (3.86)	$ (9.13)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	33,384,292	7,182,025	21,419,222	7,277,677

Grove Collaborative Holdings, Inc.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(In thousands)

	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)	—
Transaction 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 expenses	139	387
Changes in operating assets and liabilities:		
Inventory	(734)	(11,320)
Prepaids 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 the 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 increase (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

Grove Collaborative Holdings, Inc.

Non-GAAP Financial Measures

(Unaudited)

(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Reconciliation of Net Loss to Adjusted EBITDA				
Net loss	$ (35,310)	$ (28,516)	$ (82,694)	$ (66,411)
Stock-based compensation	20,074	3,809	24,534	7,269
Depreciation and amortization	1,454	1,209	2,864	2,337
Remeasurement of convertible preferred stock warrant liability	270	376	(1,616)	1,308
Change in fair value of Additional Shares liability	2,015	—	2,015	—
Change in fair value of Earn-Out liability	(17,345)	—	(17,345)	—
Change in fair value of Public and Private Placement Warrants liability	(1,180)	—	(1,180)	—
Transaction costs allocated to derivative liabilities upon Business Combination	6,673	—	6,673	—
Interest expense	2,285	1,096	4,372	2,059
Restructuring expenses	—	—	1,636	—
Loss on extinguishment on debt	—	1,027	—	1,027
Provision for income taxes	2	16	25	28
Total Adjusted EBITDA	$ (21,062)	$ (20,983)	$ (60,716)	$ (52,383)
Net loss margin	(44.5)%	(28.8)%	(48.7)%	(33.0)%
Adjusted EBITDA margin	(26.6)%	(21.2)%	(35.8)%	(26.0)%

Investor Relations Contact:
Alexis Tessier
ir@grove.co

Media Relations Contact:
Meika Hollender
meika@grove.co

Source: Grove Collaborative Holdings, Inc.

Exhibit 99.2

Certified B Corporation

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

Improved Marketing Efficiency

Net Revenue Management

+

Omni-Channel Expansion

OPEX Discipline

=

Sustainable Growth

Profit Expansion

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

(1) Increase calculated as 12/31/22E points of distribution versus 12/31/21

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

*Metrics as of 6/30/2022 unless otherwise noted

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.

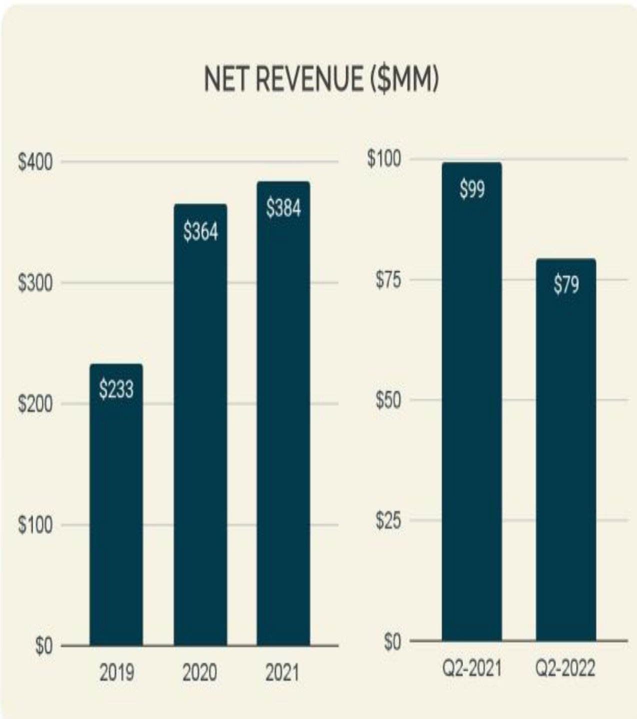
(2) Grove Brands % of Net Revenue is total net revenue across all channels attributable to Grove Brands, including: Grove Co, Honu, Peach, Rooted Beauty, Grove Co Paper, and Superbloom divided by our total net revenue

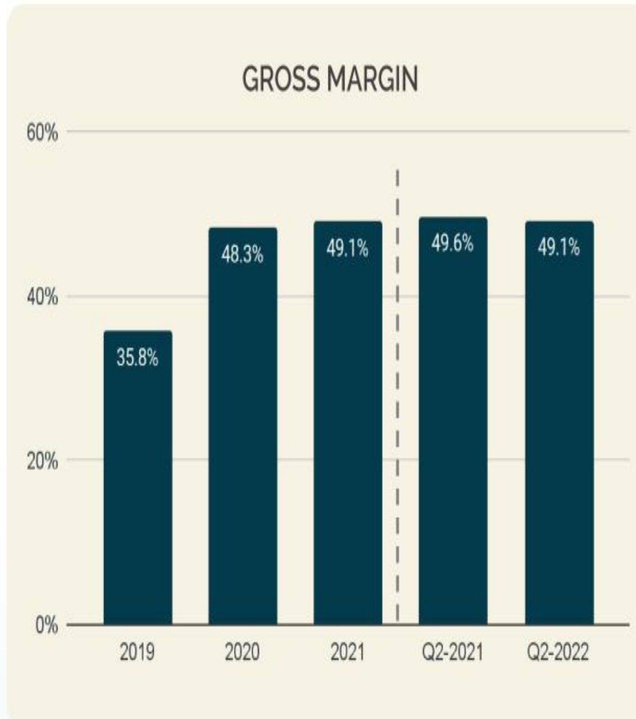
(3) DTC Total Orders are the number of customer orders submitted through our website and mobile applications that have been shipped within the period. The metric includes orders that have been refunded, excludes reshipments of customer orders for any reason including damaged and missing products, and 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

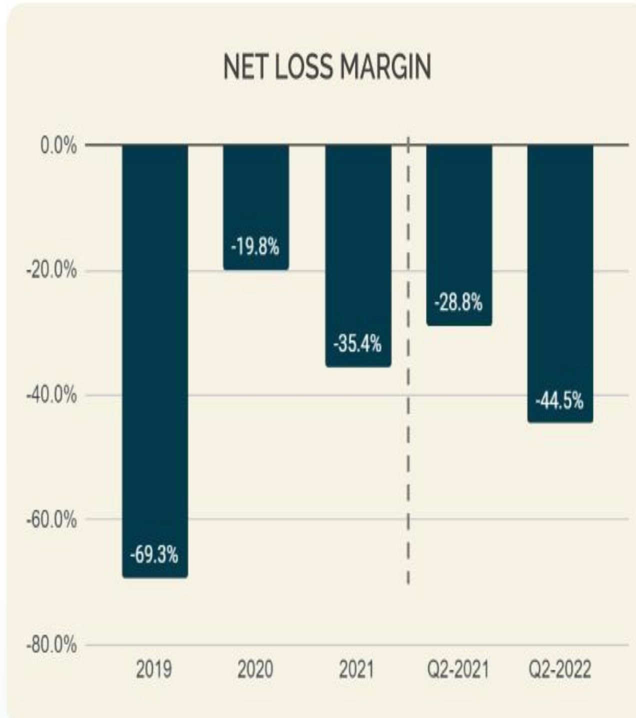




Net revenue was $79 million, a year-over-year decrease of 20 percent. The decrease was primarily driven by fewer new and existing customer orders as a result of fewer active customers and the reduction in advertising spend with Grove's prioritization of increasing profitability and managing customer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

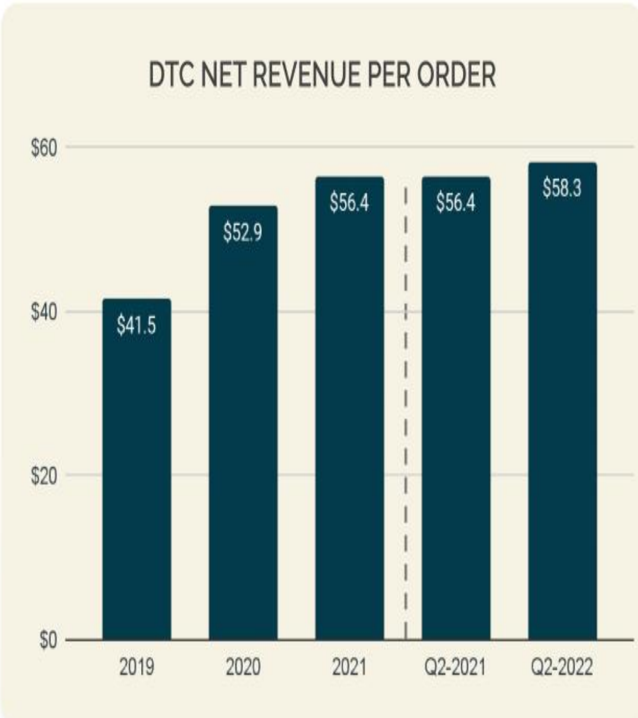
Net Loss Margin declined 1570 bps year-over-year, primarily driven by increased SG&A costs as a % of net revenue, higher outbound shipping costs from price increases and surcharges, and slightly lower gross margin, coupled with an increase in non-cash expenses as part of the business combination that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

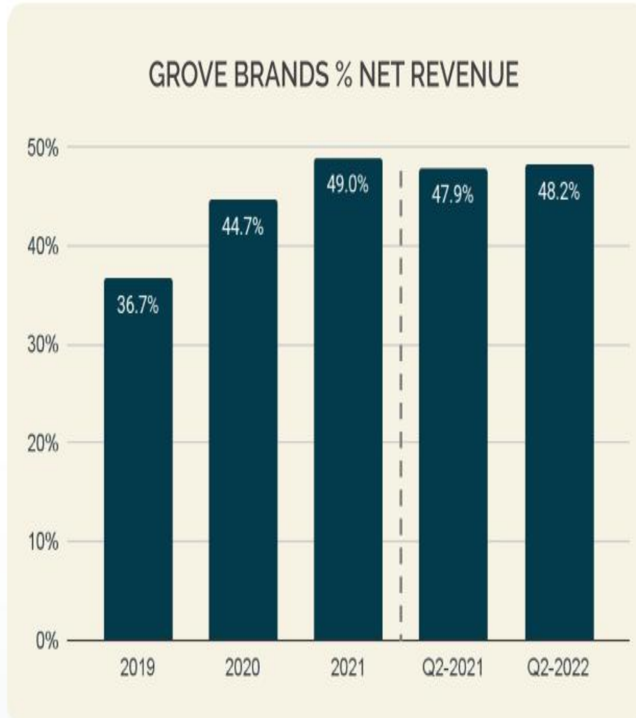
Q2 Fiscal 2022 • Financial Highlights

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 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 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	December 31, 2021
ASSETS	(unaudited)	
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,	
CASH FLOWS FROM OPERATING ACTIVITIES	**2022**	**2021**
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)
Prepaids 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

Thank you

Grove®

COLLABORATIVE