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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number 001-40263

Grove Collaborative Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**88-2840659**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1301 Sansome Street San Francisco, California	**94111**
(Address of Principal Executive Offices)	**(Zip Code)**

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

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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**

SEC 1296 (02-23) Potential persons who are to respond to the collection of information contained in this Form are not required to respond unless the Form displays a currently valid OMB control number.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		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.☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The registrant had outstanding 42,971,538 shares of Class A common stock as of November 4, 2026.

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WHERE YOU CAN FIND MORE INFORMATION

Investors and others should note that we announce material financial and operational information to company investors using our Investor Relations website (http://investors.grove.co), press releases, SEC filings, and public conference calls and webcasts. We and each of our brands also use social media channels (such as LinkedIn and X (formerly Twitter)) as a means of disclosing information about the company, our products and for complying with disclosure obligations under Regulation FD. The social media channels that we and our brands intend to use as a means of disclosing information described above may be updated from time to time as listed on our Investor Relations website. The information we post through these channels is not part of this Quarterly Report.

Part I - Financial Information

Item 1. Financial Statements

Grove Collaborative Holdings, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(In thousands, except share and per share amounts)

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 7,988	$ 8,490
Restricted cash, current	2,165	2,300
Inventory	22,183	18,421
Prepaid expenses and other current assets	4,027	5,492
Total current assets	36,363	34,703
Restricted cash, noncurrent	902	1,002
Property and equipment, net	3,388	3,653
Intangible assets, net	1,998	2,302
Operating lease right-of-use assets	8,123	9,535
Other long-term assets	1,532	1,899
Total assets	$ 52,306	$ 53,094
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 8,817	$ 8,828
Accrued expenses	9,119	9,476
Deferred revenue	6,578	5,033
Debt, current	—	800
Operating lease liabilities, current	3,221	2,895
Other current liabilities	903	665
Total current liabilities	28,638	27,697
Debt, noncurrent	7,500	6,700
Operating lease liabilities, noncurrent	7,619	10,053
Derivative liabilities	642	871
Total liabilities	44,399	45,321
Commitments and contingencies (Note 7)		
Redeemable convertible preferred stock, $0.0001 par value — 100,000,000 shares authorized as of September 30, 2026 and December 31, 2025; 25,000 shares issued and outstanding as of September 30, 2026 and December 31, 2025	24,772	24,772
Stockholders' deficit:		
Common stock, $0.0001 par value — 600,000,000 Class A shares authorized as of September 30, 2026 and December 31, 2025; 42,971,538 and 41,796,921 Class A shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	4	4
Additional paid-in capital	645,187	643,226
Accumulated deficit	(662,056)	(660,229)
Total stockholders' deficit	(16,865)	(16,999)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 52,306	$ 53,094

The accompanying notes are an integral part of these condensed consolidated financial statements.

Grove Collaborative Holdings, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue, net	$ 36,821	$ 43,734	$ 109,614	$ 131,307
Cost of goods sold	16,268	20,412	49,621	60,526
Gross profit	20,553	23,322	59,993	70,781
Operating expenses:				
Advertising	1,789	3,154	4,186	8,683
Product development	1,486	1,626	4,434	5,612
Selling, general and administrative	17,033	21,273	52,812	66,215
Operating income (loss)	245	(2,731)	(1,439)	(9,729)
Non-operating expenses (income):				
Interest expense	280	292	826	943
Changes in fair value of derivative liabilities	(58)	25	(229)	(189)
Other income, net	(84)	(94)	(230)	(375)
Total non-operating expenses, net	138	223	367	379
Income (loss) before provision for income taxes	107	(2,954)	(1,806)	(10,108)
Provision for income taxes	5	6	21	25
Net income (loss)	$ 102	$ (2,960)	$ (1,827)	$ (10,133)
Less: Accumulated dividends on redeemable convertible preferred stock	(375)	(375)	(1,125)	(1,125)
Net loss attributable to common stockholders, basic and diluted	$ (273)	$ (3,335)	$ (2,952)	$ (11,258)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.01)	$ (0.08)	$ (0.07)	$ (0.29)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	41,019,812	39,377,394	40,547,774	38,804,536

The accompanying notes are an integral part of these condensed consolidated financial statements.

Grove Collaborative Holdings, Inc.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(Unaudited)
(In thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balances as of December 31, 2025	25	$ 24,772	41,797	$ 4	$ 643,226	$ (660,229)	$ (16,999)
Issuance of common stock upon settlement of restricted stock units, net of tax withholdings	—	—	231	—	(196)	—	(196)
Stock-based compensation	—	—	—	—	806	—	806
Net loss	—	—	—	—	—	(1,009)	(1,009)
Balances as of March 31, 2026	25	24,772	42,028	4	643,836	(661,238)	(17,398)
Issuance of common stock upon settlement of restricted stock units, net of tax withholdings	—	—	557	—	(175)	—	(175)
Shares issued in connection with the Employee Stock Purchase Plan	—	—	116	—	117	—	117
Stock-based compensation	—	—	—	—	845	—	845
Net loss	—	—	—	—	—	(920)	(920)
Balances as of June 30, 2026	25	24,772	42,701	4	644,623	(662,158)	(17,531)
Issuance of common stock upon settlement of restricted stock units, net of tax withholdings	—	—	271	—	(136)	—	(136)
Stock-based compensation	—	—	—	—	700	—	700
Net income	—	—	—	—	—	102	102
Balances as of September 30, 2026	25	$ 24,772	42,972	$ 4	$ 645,187	$ (662,056)	$ (16,865)

Grove Collaborative Holdings, Inc.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(Unaudited)
(In thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balances as of December 31, 2024	25	$ 24,772	39,785	$ 4	$ 639,960	$ (648,513)	$ (8,549)
Issuance of common stock upon settlement of restricted stock units, net of tax withholdings	—	—	470	—	(521)	—	(521)
Stock-based compensation	—	—	—	—	969	—	969
Net loss	—	—	—	—	—	(3,547)	(3,547)
Balances as of March 31, 2025	25	24,772	40,255	4	640,408	(652,060)	(11,648)
Issuance of common stock upon settlement of restricted stock units, net of tax withholdings	—	—	608	—	(253)	—	(253)
Shares issued in connection with the Employee Stock Purchase Plan	—	—	139	—	141	—	141
Stock-based compensation	—	—	—	—	1,378	—	1,378
Net loss	—	—	—	—	—	(3,626)	(3,626)
Balances as of June 30, 2025	25	24,772	41,002	4	641,674	(655,686)	(14,008)
Issuance of common stock upon settlement of restricted stock units, net of tax withholdings	—	—	386	—	(289)	—	(289)
Stock-based compensation	—	—	—	—	1,109	—	1,109
Net loss	—	—	—	—	—	(2,960)	(2,960)
Balances as of September 30, 2025	**25**	**$ 24,772**	**41,388**	**$ 4**	**$ 642,494**	**$ (658,646)**	**$ (16,148)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

Grove Collaborative Holdings, Inc.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(In thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Cash Flows from Operating Activities		
Net loss	$ (1,827)	$ (10,133)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	2,351	3,456
Depreciation and amortization	1,195	1,287
Changes in fair value of derivative liabilities	(229)	(189)
Non-cash interest expense	160	270
Inventory write-down	—	(577)
Other non-cash expenses	20	8
Changes in operating assets and liabilities:		
Inventory	(3,762)	1,989
Prepaids and other assets	2,355	955
Accounts payable	(68)	(436)
Accrued expenses	(232)	(2,720)
Deferred revenue	1,545	(1,207)
Operating lease right-of-use assets and liabilities	(696)	579
Other liabilities	26	(207)
Net cash provided by (used in) operating activities	838	(6,925)
Cash Flows from Investing Activities		
Cash paid for acquisitions	—	(2,848)
Proceeds from sale of property and equipment	—	13
Purchase of property and equipment	(714)	(1,133)
Net cash used in investing activities	(714)	(3,968)
Cash Flows from Financing Activities		
Payment of issuance costs related to preferred stock and SEPA	—	(18)
Payment on finance agreement	(471)	(118)
Payments related to stock-based award activities, net	(507)	(1,063)
Proceeds from issuance under employee stock purchase plan	117	141
Payment of debt modification costs	—	(44)
Net cash used in financing activities	(861)	(1,102)
Net decrease in cash, cash equivalents and restricted cash	(737)	(11,995)
Cash, cash equivalents and restricted cash at beginning of period	11,792	24,304
Cash, cash equivalents and restricted cash at end of period	$ 11,055	$ 12,309

Grove Collaborative Holdings, Inc.

Condensed Consolidated Statements of Cash Flows - Continued

(Unaudited)

(In thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Supplemental Disclosure		
Cash paid for taxes	$ 29	$ 32
Cash paid for interest	$ 669	$ 436
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Purchase of property and equipment in accounts payable and accrued liabilities	$ 116	$ —
Debt issuance costs in accounts payable and accrued liabilities	$ —	$ 13
Costs of debt extinguishment in accrued liabilities	$ —	$ 77
Financing agreement entered into for prepaid insurance	$ 683	$ 588
Preferred Stock issuance costs, common stock issuance costs and costs to settle Additional Shares Liability in accounts payable and accrued liabilities	$ —	$ 25

Reconciliation of cash, cash equivalents, and restricted cash:

	September 30,	
	2026	**2025**
Cash and cash equivalents	$ 7,988	$ 8,907
Restricted cash, current	2,165	2,400
Restricted cash, noncurrent	902	1,002
Total cash, cash equivalents and restricted cash	$ 11,055	$ 12,309

The accompanying notes are an integral part of these condensed consolidated financial statements.

Grove Collaborative Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Description of Business

Grove Collaborative Holdings, Inc., a public benefit corporation, and its wholly owned subsidiary (collectively, the "Company" or "Grove") is a digital-first, sustainability-oriented consumer products innovator specializing in the development and sale of household, personal care, beauty and other consumer products with a human and environmental focus and headquartered in San Francisco, California. The Company does not have any operations outside the United States. The Company sells its products primarily through a direct-to-consumer ("DTC") platform at www.grove.co and the Company's mobile applications, where the Company sells products from Grove-owned brands ("Grove Brands") and third-parties. The Company develops and sells natural products that are free from the harmful chemicals identified in the Company's "anti-ingredient" list and designs form factors and product packaging that reduces plastic waste and improves the environmental impact of the categories in which the Company operates. The Company also purchases environmental offsets that have made it the first plastic neutral retailer in the world. Grove Collaborative, Inc. (herein referred to as "Legacy Grove"), the Company's accounting predecessor, was incorporated in Delaware in 2016.

2. Summary of Significant Accounting Policies

Basis of Presentation and Liquidity

The Company's unaudited condensed consolidated financial statements (the "condensed consolidated financial statements") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company and its wholly owned subsidiary. All intercompany accounts and transactions have been eliminated in consolidation.

These condensed consolidated financial statements have been prepared in accordance with GAAP applicable to interim financial statements. These financial statements are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with GAAP. As such, the information included herein should be read in conjunction with the Company's financial statements and accompanying notes as of and for the year ended December 31, 2025 (the "audited financial statements") that were included in the Company's Form 10-K filed with the SEC on March 5, 2026. In management's opinion, these unaudited condensed consolidated financial statements have been prepared on the same basis as the audited financial statements and reflect all adjustments, which include normal recurring adjustments, necessary for the fair statement of the Company's financial position as of September 30, 2026 and the results of operations for the three and nine months ended September 30, 2026 and 2025. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full year ending December 31, 2026 or any other future interim or annual period.

The Company has historically incurred losses and negative cash flows from operations and had an accumulated deficit of $662.1 million as of September 30, 2026. The Company's existing sources of liquidity as of September 30, 2026 include unrestricted cash and cash equivalents of $8.0 million and availability of debt from the Siena Revolver (defined in Note 6, *Debt*). The Company believes its existing cash and cash equivalents will be sufficient to fund its operations for a period of at least one year from the date of issuance of this quarterly report on Form 10-Q. Over the longer-term, the Company will need to raise additional capital through debt or equity financing to fund future operations until it generates positive cash flows from profitable operations. There can be no assurance that such additional debt or equity financing will be available on terms acceptable to the Company, or at all.

Emerging Growth Company

The Company is an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. The JOBS Act permits companies with emerging growth company status to take advantage of an extended transition period to comply with new or revised accounting standards, delaying the adoption of these accounting standards until they apply to private companies. Following the closing of the Business Combination (Note 8**,** *Common Stock and Warrants*), the Company uses this extended transition period to enable it to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date the Company (1) is no longer an emerging growth company or (2) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, the Company's consolidated financial statements may not be comparable to companies that comply with the new or revised accounting standards as of public company effective dates.

Significant Accounting Policies

There have been no significant changes in the Company's significant accounting policies from those that were disclosed in Note 2,*Summary of Significant Accounting Policies*, included in the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2025.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. These estimates made by management include the determination of write-down amounts for the Company's inventories on hand, fair values of assets acquired in business combinations, useful life of intangible assets, sales returns and allowances, certain assumptions related to the Company's Green Rewards customer loyalty program, certain assumptions used in the valuation of equity awards and the Company's Preferred Stock, the estimated fair value of liability-classified Public and Private Placement Warrants, certain assumptions related to the Company's contingent liabilities and the fair value of Earn-Out liabilities. Actual results could differ from those estimates, and such estimates could be material to the Company's financial position and the results of operations.

Net Loss Per Share Attributable to Common Stockholders

The Company follows the two-class method when computing net loss per common share when shares are issued that meet the definition of participating securities. The two-class method determines net loss per common share for each class of common stock and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings.

The Company's participating securities include the Company's redeemable convertible preferred stock, as the holders are entitled to receive cumulative dividends in the event that a dividend is declared on common stock. There are no contractual obligations for the holders of redeemable convertible preferred stock or the holders of the Company's common stock warrants to share in losses.

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss, as adjusted for any accumulated dividends on outstanding Preferred Stock (Note 9, *Redeemable Convertible Preferred Stock*) for the period, attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, adjusted for outstanding shares that are subject to repurchase or outstanding shares that are contingently returnable by the holder. Contingently issuable shares, including shares that are issuable for little or no cash consideration, are considered outstanding common shares and included in net loss per share as of the date that all necessary conditions have been satisfied. Such shares include the Backstop Warrants (Note 8, *Common Stock and Warrants*) for the periods presented.

Diluted net loss per share is computed by giving effect to all potentially dilutive securities outstanding for the period using the treasury stock method or the if-converted method based on the nature of such securities. For periods in which the Company reports net losses, diluted net loss per common share attributable to common stockholders is the

same as basic net loss per common share attributable to common stockholders, because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

Comprehensive Income (Loss)

The Company's net income (loss) was equal to its comprehensive income (loss) for all periods presented.

Restricted Cash

Short-term restricted cash represents cash on deposit with financial institutions to collateralize Company credit cards and to collateralize letters of credit that are short-term in nature. Long-term restricted cash represents cash on deposit with a financial institution to collateralize letters of credit related to the Company's non-cancellable operating leases.

Concentration of Risks

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents and restricted cash. The Company maintains the majority of its cash, cash equivalents and restricted cash in accounts with one financial institution within the United States, generally in the form of money market funds or demand deposit accounts. Deposits exceed federally insured limits. Cash and cash equivalents are held with highly rated institutions.

For the three and nine months ended September 30, 2026 and 2025, no individual customers represented more than 10% of total revenue. As of September 30, 2026, two customers represented 76% and 14% of total accounts receivable, net. As of December 31, 2025, one customer represented82% of total accounts receivable, net.

The Company depends on a limited number of vendors to supply products sold by the Company. For the three and nine months ended September 30, 2026 and 2025, the Company's top five suppliers combined represented between 30% and 40% of the Company's total inventory purchases.

Revenue Recognition

In accordance with Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"), the Company recognizes revenue when the customer obtains control of promised goods, in an amount that reflects the consideration that it expects to receive in exchange for those goods. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration, if any, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that it will collect the consideration to which it is entitled in exchange for the goods it transfers to a customer.

Product Revenue

The Company primarily generates revenue from the sale of both third-party and Grove Brands products through its DTC platform. Customers purchase products through the website or mobile application. Customers can opt to have orders auto-shipped to them on a specified date or shipped immediately through an option available on the website and mobile application. Beginning in April 2026, the Company began collecting payment upon finalization of each order by the customer. Prior to this change, the Company collected payments upon shipment of a customer's order.

A contract with a customer exists when the customer submits an order online for the Company's products. Under this arrangement, there is one performance obligation which is the obligation for the Company to fulfill the order. Product revenue is recognized when control of the goods is transferred to the customer, which occurs upon the Company's delivery to a third-party carrier.

Green Rewards Customer Loyalty Program

In December 2025, the Company launched its Green Rewards customer loyalty program ("Green Rewards") to enhance customer engagement and incentivize repeat purchases. Under this program, customers earn loyalty rewards ("Loyalty Rewards") through qualifying purchases, signing up for a Green Rewards VIP Membership (described

below) and performing other reward-generating actions as specified in the program terms. Loyalty Rewards balances can be applied to future purchases. Rewards typically expire 13 months after the customer's most recent qualifying purchase or other reward-generating activity.

Loyalty rewards earned on purchases constitute a separate performance obligation, as they provide the customer with a material right that would not otherwise be available in the absence of the loyalty program. The relative standalone selling price of rewards earned by loyalty program members is deferred and included as part of deferred revenue in the consolidated balance sheets based on the amount of rewards that are projected to be redeemed. The Company recognizes revenue upon satisfaction of the performance obligation, which occurs when rewards are redeemed by the customer. Deferred revenue on the Company's condensed consolidated balance sheet as of September 30, 2026 and December 31, 2025 related to the Green Rewards was $2.2 million and $0.2 million, respectively.

Loyalty rewards awarded to customers that do not qualify as a material right are recorded as a reduction of the transaction price upon redemption by the customer.

Green Rewards VIP Membership

The Company also provides a Green Rewards VIP membership ("VIP Membership") to customers for an annual fee, which includes the ability to receive free shipping and other benefits. All VIP Membership benefits are available at the customers' option during their annual membership period. After a customer enrolls in a VIP Membership, the membership automatically renews until cancelled. The customer is alerted before any VIP Membership renews.

Up until December 18, 2025, the VIP Membership benefits included two material rights: free shipping on orders over a specified threshold and free gifts during the course of the subscription. Following the introduction of Green Rewards on December 18, 2025, the Company concluded that its VIP Membership benefits include three material rights: the first one related to the free shipping of a customer's qualifying order(s) over the membership period; the second one relating to incremental rewards available on purchases made over the membership period; and the third one related to the one-time loyalty rewards bonus earned upon the initial sign-up for a membership.

At inception of the membership benefit period, the Company allocates the VIP Membership fee to each applicable material right using a relative standalone selling price basis. Generally, standalone selling prices are determined based on the observable price of the good or service when sold separately to non-VIP Membership customers and the estimated number of shipments per benefit period. The Company also considers the likelihood of redemption when determining the standalone selling price for each material right.

Following the introduction of Green Rewards, the Company defers revenue at the standalone selling price for the one-time loyalty rewards bonus and recognizes such revenue when those rewards are redeemed. To date, customers' buying patterns closely approximate a ratable revenue attribution method over the customers' membership period. Due to these factors, the Company recognizes the remaining VIP Membership revenue ratably over the membership period.

Net Revenue

The Company deducts discounts, sales tax, customer service credits and estimated refunds to arrive at net revenue. Sales tax collected from customers is not considered revenue and is included in accrued liabilities until remitted to the taxing authorities. The Company has made the policy election to account for shipping and handling as activities to fulfill the promise to transfer the good. Outbound shipping, handling and packaging expenses are recognized upon shipment and classified within selling, general and administrative expenses. Discounts are recorded as a reduction to revenue when revenue is recognized. The Company records a refund reserve based on historical refund patterns. As of September 30, 2026 and December 31, 2025, the refund reserve, which is included in accrued liabilities in the condensed consolidated balance sheets, was nominal.

Disaggregation of Revenue

The following table sets forth revenue by product type (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue, net:				
Grove Brands	$ 16,631	$ 17,518	$ 49,810	$ 52,956
Third-party products	20,190	26,216	59,804	78,351
Total revenue, net	$ 36,821	$ 43,734	$ 109,614	$ 131,307

Contractual Liabilities

The Company has three types of contractual liabilities from transactions with customers: (i) cash collections of VIP membership fees, which are included in deferred revenue, (ii) customer service credits, which are recognized in other current liabilities and as a reduction in revenue when provided to the customer, and (iii) loyalty rewards related to Green Rewards, which are included in deferred revenue. Contractual liabilities related to VIP membership fees and included in deferred revenue were $4.0 million and $4.8 million as of September 30, 2026 and December 31, 2025, respectively. The Company's deferred revenue balance represents the amount of the transaction price allocated to remaining performance obligations, substantially all of which is expected to be recognized as revenue over the next twelve months. Contractual liabilities included in other current liabilities were immaterial as of September 30, 2026 and December 31, 2025. The contractual liabilities included in deferred revenue are generally recognized as revenue within twelve months from the end of each reporting period. Revenue recognized during the nine months ended September 30, 2026 that was previously included in deferred revenue as of December 31, 2025 was $4.7 million. Revenue recognized during the nine months ended September 30, 2025 that was previously included in deferred revenue as of December 31, 2024 was $5.9 million.

Fulfillment Costs

Fulfillment costs represent those costs incurred in fulfilling customer orders and include the following:

- Shipping and Handling includes outbound shipping costs and packaging materials costs;
- Fulfillment Labor includes costs of operating and staffing the Company's fulfillment centers, including costs attributable to receiving, inspecting and warehousing inventories, picking, and preparing customer orders for shipment; and
- Payment Processing includes costs related to collecting customer payments and other transaction costs.

The Company's fulfillment costs consist of the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Shipping and Handling	$ 4,389	$ 6,790	$ 14,994	$ 19,984
Fulfillment Labor	1,893	2,120	5,586	6,806
Payment Processing	954	1,111	2,937	3,255
Total fulfillment costs	$ 7,236	$ 10,021	$ 23,517	$ 30,045

Fulfillment costs are included within selling, general and administrative expenses in the condensed consolidated statements of operations; therefore, the Company's gross profit may not be comparable to other retailers or distributors.

Recently Adopted Accounting Standards

In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06"). This update is intended to simplify the capitalization guidance by removing all references to prescriptive and sequential software development stages. ASU 2025-06 also requires entities to begin capitalizing software costs when management authorizes and commits to funding the software project, and it is probable that the project will be completed and the software will be used for its intended purpose. ASU 2025-06 will be effective for fiscal years beginning after December 15, 2027 and interim periods within those fiscal years. Early adoption is permitted. The Company early adopted ASU 2025-06 effective January 1, 2026. The adoption of ASU 2025-06 did not have a material impact on its consolidated financial statements.

Recently Issued Accounting Standards

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income (Topic 220): Expense Disaggregation Disclosures ("ASU 2024-03"). This update requires entities to disaggregate operating expenses into specific categories, such as salaries and wages, depreciation, and amortization, to provide enhanced transparency into the nature and function of expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. ASU 2024-03 may be applied retrospectively or prospectively. The Company is currently evaluating the impact of this standard on its financial statement presentation and disclosures.

3. Acquisitions

In the first quarter of 2025, the Company, in separate transactions, acquired substantially all the assets and certain liabilities of MaddieBrit Products, LLC ("Grab Green"), a company engaged in providing eco-friendly cleaning products, and Tasty Greens, LLC ("8Greens"), a company engaged in providing healthy, nutrient-rich effervescent tablets and gummies (each an "Acquisition", together the "Acquisitions"). Each Acquisition has been accounted for as a business combination. Consideration paid by the Company for each Acquisition consisted solely of cash.

The following table summarizes the allocation of the consideration to the fair values of the assets acquired and liabilities assumed at each acquisition date (in thousands):

	Grab Green	8Greens
Cash paid	$ 2,212	$ 636
Accounts receivable	785	608
Inventory	1,279	742
Customer relationships	441	696
Trademarks	304	537
Contingent liabilities	—	(133)
Accounts payable	(597)	(1,814)
Total net assets acquired	$ 2,212	$ 636

Intangible assets acquired will be amortized over periods ranging between1 and 5 years.

Pro forma financial information related to the Acquisitions has not been presented as the effects of the acquisitions described above were not material to the Company's condensed consolidated financial results. Revenue and net loss attributable to the Acquisitions have been included in the Company's condensed consolidated statement of operations since the date of each transaction and were not material for the three and nine months ended September 30, 2025.

4. Fair Value Measurements and Fair Value of Financial Instruments

The Company measures certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy. These levels are:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 – Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and

Level 3 – Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

Financial instruments consist of cash equivalents, accounts payable, accrued liabilities, debt, Earn-Out Shares (defined in Note 8,*Common Stock and Warrants*), Public Warrants and Private Placement Warrants. Cash equivalents, Earn-Out Shares and Public Warrants and Private Placement Warrants are stated at fair value on a recurring basis. Accounts payable and accrued liabilities are stated at their carrying value, which approximates fair value due to the short period of time to the expected receipt or payment. The carrying amount of the Company's outstanding debt approximates the fair value as the debt bears interest at a rate that approximates the prevailing market rate.

The Private Placement Warrants are identical to the Public Warrants, with certain exceptions as defined in Note 8, *Common Stock and Warrants*. As the number of outstanding Public Warrants and Private Placement Warrants did not change as a result of a previously effected reverse stock split, five Public Warrants or five Private Placement Warrants must be bundled together to receive one share of the Company's Class A Common Stock. Such warrants are accounted for as a liability. Subsequent changes in fair value, until settlement, are recognized in the Company's condensed consolidated statement of operations. As of September 30, 2026 and December 31, 2025, the Public Warrants and Private Placement Warrants had a nominal value. The Private Placement Warrants and Public Warrants are classified as Level 3 and their value was determined by using a Black-Scholes Model with the following assumptions for the date indicated:

	September 30, 2026	December 31, 2025
Fair value of common stock	$1.06	$1.10
Exercise Price	$57.50	$57.50
Risk-free interest rate	4.54%	3.47%
Expected term (in years)	0.79	1.50
Volatility	46.66%	63.25%
Dividend yield	—	—

The Earn-Out Shares are classified as Level 3 and their fair values were estimated using a Monte Carlo options pricing model utilizing assumptions related to expected stock-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimated the expected volatility assumption using an average of the implied volatility of its common stock and an implied volatility based on its peer companies.

The following tables set forth the Company's financial instruments that were measured at fair value on a recurring basis as of the dates indicated by level within the fair value hierarchy (in thousands):

	September 30, 2026			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash equivalents:				
Money market funds	$ 7,007	$ —	$ —	$ 7,007
Total	$ 7,007	$ —	$ —	$ 7,007
Financial Liabilities:				
Earn-Out Shares	$ —	$ —	$ 642	$ 642
Total	$ —	$ —	$ 642	$ 642

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash equivalents:				
Money market funds	$ 7,479	$ —	$ —	$ 7,479
Total	$ 7,479	$ —	$ —	$ 7,479
Financial Liabilities:				
Earn-Out Shares	$ —	$ —	$ 871	$ 871
Total	$ —	$ —	$ 871	$ 871

Earn-Out Shares

Certain Earn-Out Shares are accounted for as a liability, refer to Note 8, *Common Stock and Warrants*. Subsequent changes in fair value, until settlement or until equity classification is met, are recognized in the statements of operations.

The following table provides a summary of changes in the estimated fair value of the Earn-Out Shares (in thousands):

Balance as of December 31, 2025	$ 871
Change in fair value	(229)
Balance as of September 30, 2026	$ 642

5. Other Financial Statement Information

Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Accounts receivable, net	$ 1,565	$ 3,111
Prepaid expenses	2,078	1,582
Other	384	799
Total prepaid expenses and other current assets	$ 4,027	$ 5,492

Accrued expenses

Accrued expenses consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Inventory purchases	$ 1,909	$ 3,240
Compensation and benefits	2,705	1,332
Fulfillment costs	1,063	573
Sales taxes	861	778
Advertising costs	274	97
Other accrued expenses	2,307	3,456
Total accrued expenses	$ 9,119	$ 9,476

6. Debt

Siena Revolver

The Company entered into a Loan and Security Agreement, and subsequent amendments, with Siena Lending Group, LLC ("Siena") which permits the Company to receive funding through a revolving line of credit with an initial commitment of $35.0 million (the "Siena Revolver"). The Company's borrowing capacity under the Siena Revolver is subject to certain conditions, including the Company's eligible inventory, accounts receivable and certain qualifying cash balances held with third-party payment processors, in each case subject to specified eligibility criteria and other limitations as specified in the agreement. If at any time the amount of outstanding borrowings under the Siena Revolver exceed the borrowing capacity, the Company is required to prepay borrowings sufficient to eliminate the excess. Any such expected prepayments to be made within 12 months have been classified as a current liability on the Company's balance sheet. The Siena Revolver matures on April 10, 2028. Aggregate debt issuance costs incurred in connection with the Siena Revolver, including its amendments, were $1.6 million.

The interest rates applicable to borrowings under the Siena Revolver are based on a fluctuating rate of interest measured by reference to either, at the Company's option, (i) a Base Rate plus 3.25% or (ii) the term Secured Overnight Financing Rate ("Term SOFR") then in effect plus 4.25%. The Base Rate is defined as the greatest of: (1) Prime Rate as published in the Wall Street Journal, (2) federal funds rate plus 0.50% and (3) 5.00% per annum.

In accordance with the agreement, Siena has been provided with the Company's periodic financial statements and updated projections to facilitate their ongoing assessment of the Company.

The Siena Revolver is collateralized by the Company's accounts receivable, inventory balances and qualifying cash balances held with third-party payment processors. As of September 30, 2026, the Company has an outstanding principal balance of $7.5 million under the Siena Revolver with an interest rate of8.15%. As of September 30, 2026, additional borrowing capacity from the Siena Revolver was $2.1 million. As of September 30, 2026, the Company had $0.4 million of unamortized debt issuance costs related to the Siena Revolver which are included within other long-term assets on the Company's condensed consolidated balance sheets and are being amortized through the Siena Revolver's scheduled maturity date. The Siena Revolver is the Company's only debt facility as of September 30, 2026 and December 31, 2025.

7. Commitments and Contingencies

Merchandise Purchase Commitments

As of September 30, 2026 and December 31, 2025, the Company had obligations to purchase $9.9 million and $11.2 million, respectively, of merchandise.

Letters of Credit

The Company had irrevocable standby letters of credit in the amount of $1.3 million as of September 30, 2026 and December 31, 2025, primarily related to the Company's operating leases. No amounts have been drawn related to these letters of credit. The letters of credit have expiration dates through August 2029.

Finance Agreement Payable

In June 2026, the Company entered into a new agreement with a third party to finance certain insurance premiums over a new12 month period. The amount financed is payable in 10 equal monthly installments, including interest, and matures in April 2027. As ofSeptember 30, 2026, the outstanding balance owed by the Company was $0.4 million and is included in other current liabilities on the Company's condensed consolidated balance sheet. As of December 31, 2025, the outstanding balance of $0.2 million related to a similar financing arrangement was included in other current liabilities on the Company's condensed consolidated balance sheet. The balance as of December 31, 2025 matured and was paid in full in April 2026. Interest expense related to these agreements is not material.

Contingencies

From time to time, the Company is subject to various claims, charges and litigation matters that arise in the ordinary course of business. The Company records a provision for a liability when it is both probable that the loss has been incurred and the amount of the loss can be reasonably estimated. If the Company determines that a loss is reasonably possible and the loss or range of loss can be reasonably estimated, it discloses the possible loss or range of loss. Any potential gains associated with legal matters are not recorded until the period in which all contingencies are resolved and the gain is realized or realizable. Depending on the nature and timing of any such proceedings that may arise, an unfavorable resolution of a matter could materially affect the Company's future consolidated results of operations, cash flows or financial position in a particular period. Except if otherwise indicated, it is not reasonably possible to determine the probability of loss or estimate damages for any of the matters discussed below, and therefore, the Company has not established reserves for any of these matters.

The Santa Clara County District Attorney's Office, in conjunction with other representatives from other California district and city attorneys' offices, is investigating the Company's compliance with California's Automatic Renewal Law, California's Unfair Competition Law, and False Advertising Law. The Company has met with this task force of multiple California district attorneys (called the California Autorenewal Task Force, or "CART") and has provided documents and information upon request and discussed proposed remediation. Based on discussions with CART, it is probable that the Company will incur a loss with regard to this matter. However, based on the current information, the Company does not have enough information to make a reasonable estimate of the loss or range of loss at this time. An unfavorable outcome in this matter could result in a material loss in future periods.

Tariffs

In February 2026, the U.S. Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act ("IEEPA") were unauthorized. Following this ruling, the U.S. Court of International Trade ordered U.S. Customs and Border Protection ("CBP") to refund IEEPA tariffs previously collected. In April 2026, CBP launched a portal for importers to submit refund claims.

The Company paid approximately $1.2 million in IEEPA tariffs during 2025 and 2026. During the third quarter of 2026, the Company determined that recovery of these tariffs was probable based on the CBP's established refund process. The Company accounted for these refunds under ASC 450, recognizing the gain only once the refund is realized or realizable.

During the three and nine months ended September 30, 2026, the Company received $1.2 million in cash refund payments which were recognized as a reduction of cost of goods sold. There were no cash refunds received related to IEEPA tariffs during the three and nine months ended September 30, 2025.

8. Common Stock and Warrants

On June 16, 2022 (the "Closing Date"), the Company became a publicly traded company as a result of the consummation of a merger ("Business Combination") between Grove Collaborative, Inc. ("Legacy Grove") and Virgin Group Acquisition Corp. II, a Cayman-domiciled blank check company ("VGAC II"), pursuant to a merger agreement (the "Merger Agreement").

The Business Combination was accounted for as a reverse recapitalization with Legacy Grove being the accounting acquirer and VGAC II as the acquired company for accounting purposes.

In February 2025, all of the Company's outstanding shares of Class B Common Stock were automatically converted into Class A Common Stock. This conversion occurred because, as of December 31, 2024, the aggregate number of outstanding shares of Class B Common Stock (including securities exercisable or convertible into Class B Common Stock) represented less than ten percent of all outstanding shares of Common Stock. This calculation included both Class A Common Stock and Class B Common Stock, as well as securities exercisable for or convertible into common stock. After the conversion, the converted shares and securities carry identical rights, including voting rights, to those of Class A Common Stock or equivalent converted securities. In April 2025, the Company retired its Class B Common Stock.

Earn-Out Shares

On the Closing Date, certain historical Class B Common Stock shareholders (including Grove stock option, restricted stock unit, and warrant holders) were issued an aggregate 2,799,696 shares of the Company's historical Class B Common Stock ("Earn-Out Shares"). Certain shareholders have since surrendered an aggregate197,292 Earn-Out Shares, which per terms of the Merger Agreement, were cancelled by the Company and not reallocated to the remaining holders. The remaining 2,602,404 Earn-Out Shares can vest within a period of ten years following the Business Combination (the "Earn-Out Period") (i) with respect to 1,301,202 of the Earn-Out Shares, upon the closing price of the Company's Class A common stock equaling or exceeding $ 62.50 per share for any 20 trading days within any 30-trading-day period and (ii) with respect to 1,301,202 of the Earn-Out Shares, upon the closing price of the Company's Class A common stock equaling or exceeding $75.00 per share for any 20 trading days within any 30-trading-day period.

If, during the Earn-Out Period, there is a Change of Control Transaction (as defined in the Merger Agreement), then all remaining triggering events that have not previously occurred and the related vesting conditions shall be deemed to have occurred.

If, upon the expiration of the Earn-Out Period, any Earn-Out Shares shall have not vested, then such Earn-Out Shares shall be automatically forfeited by the holders thereof and cancelled by the Company. The settlement amount to be paid to the selling shareholders of the Earn-Out Shares can change and is not indexed to the Company's stock. Due to the change in control event contingency and variable number of Earn-Out Shares to be settled to the holders, the Earn-Out Shares fail the equity scope exception and are accounted for as a derivative in accordance with ASC 815, *Derivatives and Hedging*, and will be remeasured on a recurring basis at fair value, with changes in fair value recorded in the condensed consolidated statements of operations. As of September 30, 2026, the Company did not meet any Earn-Out thresholds.

Class A Common Stock Warrants

On the Closing Date, the Company was deemed to have assumed6,700,000 Private Placement Warrants for the Company's Class A common stock that were held by Virgin Group Acquisition Sponsor II LLC (the "Sponsor") and 8,050,000 of the Company's Class A common stock Public Warrants that were held by VGAC II's shareholders. The warrants will expire on July 16, 2027, or earlier upon redemption or liquidation. Five whole warrants must be bundled together in order to receive one share of the Company's Class A common stock at an effective exercise price of $57.50.

The Private Placement and Public Warrants for shares of the Company's Class A common stock meet liability classification requirements since the warrants may be required to be settled in cash under a tender offer. In addition, Private Placement warrants are potentially subject to a different settlement amount as a result of being held by the Sponsor which precludes the Private Placement warrants from being considered indexed to the entity's own stock, and therefore classified as liabilities on the condensed consolidated balance sheets.

As of September 30, 2026, the following liability-classified warrants were outstanding on an as-converted basis:

Warrant Type	Shares	Exercise Price
Public Warrants	1,460,146	$ 57.50
Private Placement Warrants	1,340,000	$ 57.50

Public Warrants

The Public Warrants became exercisable into shares of the Company's Class A common stock on July 16, 2022 and expire on July 16, 2027, or earlier upon redemption or liquidation. At the Closing Date, the Company assumed 8,050,000 public warrants. On June 16, 2023, the Company canceled749,291 Public Warrants at the request of certain holders.

The Company may redeem, with 30 days written notice, each whole outstanding Public Warrant for cash at a price of $0.01 per warrant if the Reference Value equals or exceeds $90.00 per share, subject to certain adjustments. The warrant holders have the right to exercise their outstanding warrants prior to the scheduled redemption date during the redemption period at an effective price of $57.50 per share, subject to certain adjustments. If the Company calls the Public Warrants for redemption, the Company will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis", as described in the warrant agreement. For purposes of the redemption, "Reference Value" shall mean the last reported sales price of the Company's Class A common stock for any 20 trading days within the 30 trading-day period ending on the third trading day prior to the date on which notice of the redemption is given.

Private Placement Warrants

The Private Placement Warrants are identical to the Public Warrants, except that the Private Placement Warrants were not transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Warrants are exercisable on a cashless basis and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, then such warrants will be redeemable by the Company and exercisable by the warrant holders on the same basis as the Public Warrants. At the Closing Date, the Company assumed 6,700,000 Private Placement Warrants.

Backstop Warrants

In connection with the Business Combination, the Company issued to Corvina Holdings Limited (the "Backstop Investor") equity-classified warrants to purchase 775,005 shares of the Company's Class A common stock with an exercise price of $0.05 per share (such warrants, the "Backstop Warrants"). The Backstop Warrants are exercisable by the Backstop Investor at any time on or before June 16, 2027, and are on terms customary for warrants of such nature. None of these warrants have been exercised as of September 30, 2026.

Standby Equity Purchase Agreement

On July 18, 2022, the Company entered into a Standby Equity Purchase Agreement (the "SEPA") with YA II PN, LTD ("Yorkville" or "SEPA Investor"), pursuant to which Yorkville has agreed to purchase up to $100.0 million of common stock from time to time over an original term of 36 months, subject to certain conditions. On July 8, 2025, the Company and Yorkville amended the SEPA (the "Amended SEPA") to extend the term to August 1, 2027 and amend the purchase price of any shares sold under the Amended SEPA. The shares of the Company's common stock that may be issued under the Amended SEPA may be sold to Yorkville at the Company's discretion from time to time and sales of the Company's common stock under the Amended SEPA will depend upon market conditions and other factors. Additionally, in no event may the Company sell more than 6,511,532 shares of common stock to Yorkville under the Amended SEPA, which number of shares is equal to 19.99% of the shares of the Company's common stock outstanding immediately prior to the execution of the Amended SEPA (the "Exchange Cap"), unless stockholder approval is obtained to issue shares of common stock in excess of the Exchange Cap in accordance with applicable NYSE rules or comply with certain other requirements as described in the Amended SEPA. As a result, unless the Company's stock price exceeds $ 15.33, the Company will be unable to sell the remaining full commitment to Yorkville without seeking stockholder approval to issue additional shares in excess of the Exchange Cap. Under the Amended SEPA, the purchase price per share for Class A common stock will be the lowest daily VWAP of the Company's Class A common stock over the Pricing Period, as defined by the agreement, less a discount of 2.45%. The Company has deferred an aggregate $0.7 million of transaction costs related to the SEPA and Amended SEPA and will offset these costs against proceeds of any sales under the Amended SEPA. As of September 30, 2026, the Company has sold 147,965 shares under the SEPA for total gross proceeds of $2.4 million. As of September 30, 2026, there were 6,363,567 shares available to be sold to Yorkville under the Exchange Cap.

Reserved for Issuance

The Company has the following shares of Class A common stock reserved for future issuance, on an as-if converted basis:

	September 30, 2026	December 31, 2025
Shares issuable upon conversion of redeemable convertible preferred stock	12,500,097	12,500,097
Shares available for issuance under 2022 Equity and Incentive Plan	7,068,365	6,338,929
Outstanding restricted stock units	4,140,398	3,835,924
Outstanding stock options	1,548,217	1,594,703
Public Warrants	1,460,146	1,460,146
Shares available for issuance under 2022 Employee Stock Purchase Plan	1,300,738	998,829
Private Placement Warrants	1,340,000	1,340,000
Backstop Warrants	775,005	775,005
Other outstanding common stock warrants	424,127	471,818
Total shares of common stock reserved	30,557,093	29,315,451

9. Redeemable Convertible Preferred Stock

On August 11, 2023 (the "Series A Preferred Stock Closing Date"), the Company entered into a subscription agreement (the "Series A Preferred Stock Subscription Agreement") with Volition Capital Fund IV, L.P. ("Volition") where the Company received gross proceeds of $ 10.0 million in exchange for 10,000 shares of the Company's Series A Redeemable Convertible Preferred Stock (the "Series A Preferred Stock"), the issuance of a warrant to purchase 1,579,778 shares of Grove's Class A common stock at an exercise price of $6.33 per share (the "Volition Warrant") and the issuance of a separate warrant to Volition to purchase 20,905 shares of Grove's Class A common stock at an exercise price of $0.01 per share (the "Volition Penny Warrant"). The Volition Warrant and the Volition Penny Warrant each had an expiration date dated on the three-year anniversary of the Series A Preferred Stock Closing Date and became exercisable six months following the Series A Preferred Stock Closing Date. The Series A Preferred Stock was redeemable, at the option of the holder, for the original issuance price plus any declared but unpaid dividends following the seventh anniversary of the Series A Preferred Stock Closing Date ("Optional Redemption").

On September 20, 2024, (the "Series A' Preferred Stock Closing Date"), the Company entered into another subscription agreement (the "Series A' Preferred Stock Subscription Agreement") with Volition where the Company received gross proceeds of $15.0 million in exchange for 15,000 shares of the Company's Series A' Redeemable

Convertible Preferred Stock (the "Series A' Preferred Stock" and together with the Series A Preferred Stock, the "Preferred Stock"). In connection with the issuance of the Series A' Preferred Stock, Volition and the Company agreed to cancel the Volition Warrants, cancel the Volition Penny Warrants and modified the redemption terms of the Series A Preferred Stock such that the Series A Preferred Stock is no longer subject to Optional Redemption.

The Company concluded that the issuance of the Series A' Preferred Stock, modification of terms to the Series A Preferred Stock and cancellation of the Volition Warrant should be accounted for as an extinguishment of the Series A Preferred Stock in exchange for new instruments. As such, the Company derecognized the $ 10.0 million carrying amount of the Series A Preferred Stock and the $0.3 million aggregate fair value of Volition Warrants and recorded both series of the Preferred Stock at their aggregate fair value of $24.8 million. On the Series A' Preferred Stock Closing Date, the Company recorded $0.5 million of transaction costs against the proceeds received for the Series A' Preferred Stock.

Significant terms of the Series A Preferred Stock and Series A' Preferred Stock are identical except as noted below and are summarized as follows:

Dividends

The holders of the outstanding shares of Preferred Stock shall be entitled to receive, only when, as and if declared by the board of directors, out of any funds and assets legally available therefor, dividends at the rate of 6% per annum of the original issuance price for each share of Preferred Stock, prior and in preference to any declaration or payment of any other dividend (other than dividends on shares of Class A Common Stock payable in shares of Class A Common Stock). The dividends on shares of the Preferred Stock accrue from day to day, whether or not declared, and shall be cumulative, provided, however, such accruing dividends shall be payable only when, as, and if declared by the Board of Directors and the Company shall be under no obligation to pay such accruing dividends. Total cumulative undeclared dividends on the Preferred Stock as of September 30, 2026 was $3.7 million.

Liquidation

Upon any liquidation transaction, whether voluntary or involuntary, each holder of outstanding shares of Preferred Stock shall be entitled to be paid out of the assets of the Company legally available for distribution to stockholders, whether such assets are capital, surplus or earnings, prior and in preference to any distribution of any of the assets of the Company to the holders of the Class A Common Stock or of any other stock or equity security, an amount in cash, equal to the greater of (i) the Preferred Stock original issuance price held by such holder plus any declared but unpaid dividends to which such holder of outstanding shares of the Preferred Stock is then entitled, if any, or (ii) the amount each holder of a share of the Preferred Stock would be entitled on an as-converted into Class A common stock basis, based on the then effective Conversion Price, as defined by the Amended and Restated Certificate of Designations of Series A Convertible Preferred Stock (without regard to any restrictions or limitations on conversion) immediately prior to such liquidation transaction. If, upon any Liquidation Transaction, as defined by the Amended and Restated Certificate of Designations of Series A Convertible Preferred Stock, the funds legally available for distribution to all holders of the Preferred Stock shall be insufficient to permit the payment to all such holders of the full liquidation preference amount, then the entire funds legally available for distribution shall be distributed ratably among the holders of the Preferred Stock in proportion to the full preferential amounts to which they are entitled.

Voting

Each holder of Preferred Stock is entitled to the number of votes equal to the number of shares of Class A Common Stock into which such shares of the Preferred Stock are then convertible based on the Conversion Price as of the record date for determining stockholders entitled to vote on such matter and shall have voting rights and powers equal to the voting rights and powers of the Class A Common Stock (except as otherwise expressly provided herein or as required by law, voting together with the Class A Common Stock as a single class) and shall be entitled to notice of any such stockholders' meeting in accordance with the Bylaws of the Company. For so long as an original purchaser of the Preferred Stock beneficially holds 20% or more of the shares of Class A Common Stock (calculated on as converted basis based on the Conversion Price (as adjusted for stock splits, combinations, stock dividends, recapitalizations and the like)) such purchaser acquired pursuant to the Preferred Stock Subscription Agreement, such purchaser shall have the right to designate up to one director for election to the Board of Directors as a Class I Director.

Conversion

At the option of the holder, each share of Preferred Stock is convertible into fully paid and non-assessable shares of Class A Common Stock equal to the sum of (i) the amount determined by dividing (x) the Preferred Stock original issuance price plus any declared but unpaid dividends to which such share of the Preferred Stock is then entitled by (y) $2.11, for shares of Series A Preferred Stock, or $1.9328 for Series A' Preferred Stock (as adjusted for stock splits, combinations, stock dividends, recapitalizations and the like) in effect on the date the certificate is surrendered for conversion or notice is provided for non-certificated shares and (ii) the Subsequent Issuance Share Adjustment, as defined by the Amended Certificate of Designations of Series A Convertible Preferred Stock.

The Company may, in its sole discretion, upon five business days prior written notice, force the conversion of all of the outstanding shares of the Preferred Stock (including any declared but unpaid dividends to which such shares of Preferred Stock are then entitled) at the conversion price upon certain events, as specified in the Amended and Restated Certificate of Designations of Series A Convertible Preferred Stock.

The Company classifies the Preferred Stock as temporary, or mezzanine, equity because the shares contain deemed liquidation rights that are a contingent redemption feature not solely within the control of the Company.

10. Stock-Based Compensation

Stock Options

Stock option activity under the Company's incentive plan is as follows (in thousands, except share and per share amounts):

	Options Outstanding			
	Number of Options	Weighted–Average Exercise Price	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Balance – December 31, 2025	1,594,703	$ 7.38	2.74	$ —
Cancelled/forfeited	(46,486)	$ 3.90		
Balance – September 30, 2026	1,548,217	$ 7.48	2.05	$ —
Options vested and exercisable – September 30, 2026	1,344,784	$ 5.76	1.70	$ —

The total grant date fair value of options that vested during the nine months ended September 30, 2026 and 2025 was nominal. No options were exercised during the nine months ended September 30, 2026 and 2025. The aggregate intrinsic value is the difference between the current fair value of the underlying common stock and the exercise price for in-the-money stock options.

Market-Based Stock Options

In February 2021, the Company granted 203,433 stock options with market and liquidity event-related performance-based vesting criteria with an exercise price of $18.85 per share. 100% of the stock options vest upon valuation of the Company's stock at a stated price upon occurrence of specified transactions. Fair value was determined using the probability weighted expected term method ("PWERM"), which involves the estimation of future potential outcomes as well as values and probabilities associated with each potential outcome. Two potential scenarios were used in the PWERM that utilized 1) the value of the Company's common equity, and 2) a Monte Carlo simulation to specifically value the award. The total grant date fair value of the award was determined to be $5.5 million. Since a liquidity event is not deemed probable until such event occurs, no compensation cost related to the performance condition was recognized prior to the Business Combination on June 16, 2022. Subsequently, the Company recorded stock-based compensation expense of $4.6 million for service periods completed prior to the Business Combination. As of September 30, 2026, the market-based vesting criteria had not been met and there is no unrecognized compensation expense related to these market-based stock options.

Restricted Stock Units (RSUs)

The following table summarizes the activity for all RSUs under all of the Company's equity incentive plans for the nine months ended September 30, 2026:

	Number of Shares	Weighted–Average Grant Date Fair Value Per Share
Balance – December 31, 2025	3,835,924	$ 1.61
Granted	2,485,813	$ 1.25
Vested	(1,449,971)	$ 1.68
Forfeited	(731,368)	$ 1.45
Balance – September 30, 2026	4,140,398	$ 1.40

CEO Award

In August 2023, the Company's Board of Directors granted its Chief Executive Officer an aggregate of 850,000 Class A common stock RSUs (the "CEO Award") separate from the Grove Collaborative Holdings, Inc. 2022 Equity and Incentive Plan. A portion of the CEO Award contains market based vesting requirements consisting of four tranches that vest separately upon the Company's public stock price meeting certain price thresholds. Additionally, the CEO Award also contains a service requirement with 25% of the shares vesting each year from the grant date for four years.

The CEO Award has a total aggregate value of $2.0 million. During the three and nine months ended September 30, 2026, the Company recorded $0.1 million and $0.3 million, respectively, of stock-based compensation expense related to the CEO Award. During the three and nine months ended September 30, 2025, the Company recorded $0.1 million and $0.4 million, respectively, of stock-based compensation expense related to the CEO Award.

Employee Stock Purchase Plan

In May 2022, the Company's board of directors adopted the 2022 Employee Stock Purchase Plan (the "ESPP"), which was subsequently approved by the Company's stockholders. The ESPP went into effect on November 16, 2022. Subject to certain limitations contained therein, the ESPP allows eligible employees to contribute, through payroll deductions, up to 20% of their eligible compensation to purchase the Company's Class A common stock at a discounted price per share.

Stock-Based Compensation Expense

The Company recognized a total of $0.7 million and $2.4 million of stock-based compensation expense for the three and nine months ended September 30, 2026, respectively, and $1.1 million and $3.5 million of stock-based compensation expense for the three and nine months ended September 30, 2025, respectively, primarily related to RSUs granted to employees and non-employees and the ESPP. Stock-based compensation expense was predominately recorded in selling, general and administrative expenses in the condensed consolidated statements of operations for each period presented. As of September 30, 2026, the total unrecognized compensation expense related to unvested options and RSUs was $4.1 million, which the Company expects to recognize over an estimated weighted average period of 2.0 years.

11. Segments

The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. The Company has determined that it operates in one operating segment as it only reports operating results on an aggregate basis to the CODM. Segment revenues are described in Note 2, *Significant Accounting Policies*. All company assets are located within the United States and all revenues are generated within the United States. All business activities are managed on a consolidated basis.

Grove Collaborative Holdings, Inc.
Notes to Condensed Consolidated Financial Statements (continued)
(Unaudited)

The CODM uses net income (net loss) as reported in the consolidated statements of operations to evaluate the Company's return on assets in deciding whether and how to invest into the Company's consolidated operations, such as to expand its product offerings or increase advertising expenditures. The CODM reviews segment assets as presented on its consolidated balance sheets.

The Company does not have intra-entity sales or transfers.

The table below is segment information for the periods presented and a reconciliation of segment information, including significant expenses, to consolidated net income (loss) (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Segment Revenue, Significant Expenses and Net Income (Loss):				
Total revenue, net	$ 36,821	$ 43,734	$ 109,614	$ 131,307
Cost of goods sold	16,268	20,412	49,621	60,526
Gross profit	20,553	23,322	59,993	70,781
Less significant expenses:				
Fulfillment costs	7,236	10,021	23,517	30,045
Advertising	1,789	3,154	4,186	8,683
Product development and other selling, general and administrative expenses[1]	10,178	11,348	30,183	37,039
Less other segment items:				
Interest income	(84)	(94)	(230)	(375)
Other segment items[2]	1,332	1,853	4,164	5,522
Consolidated net income (loss)	$ 102	$ (2,960)	$ (1,827)	$ (10,133)

(1) Includes all product development and selling, general and administrative expenses, excluding fulfillment costs, stock-based compensation and depreciation and amortization.

(2) Includes stock-based compensation, depreciation and amortization and all non-operating expenses, except interest income.

12. Net Loss Per Share Attributable to Common Stockholders

The following potentially dilutive shares were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented, because including them would have been anti-dilutive (on an as-converted basis):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Redeemable convertible preferred stock	12,500,097	12,500,097	12,500,097	12,500,097
Restricted stock units	4,140,398	4,795,228	4,140,398	4,795,228
Public Warrants and Private Placement Warrants	2,800,146	2,800,146	2,800,146	2,800,146
Earn-Out Shares	2,602,404	2,602,412	2,602,404	2,602,412
Options	1,548,217	1,618,369	1,548,217	1,618,369
Common Stock Warrants	424,127	471,818	424,127	471,818
ESPP Shares	121,701	103,855	121,701	103,855
Total	24,137,090	24,891,925	24,137,090	24,891,925

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q (this “Form 10-Q”), including, without limitation, statements under the headings "Management’s Discussion and Analysis of Financial Condition and Results of Operations," includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Generally, statements that are not historical facts, including statements concerning Grove Collaborative Holdings, Inc. (the “Company,” “we,” “us,” or “our”) possible or assumed future actions, business strategies, events, or results of operations, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "estimates," "anticipates," "expects," "intends," "plans," "may," "will," "potential," "projects," "predicts," "continue," or "should," or, in each case, their negative or other variations or comparable terminology. There can be no assurance that actual results will not materially differ from expectations. Examples of forward-looking statements in this Form 10-Q include statements relating to projections, estimates and assumptions used in preparing our financial statements, key factors affecting our future operating performance, future results of operations, future profitability/growth, future customer acquisition and brand awareness, future customer retention, our ability to raise funds and the sufficiency of our available resources to enable us to meet our obligations for at least one year.

The forward-looking statements contained in this Form 10-Q are based on our current expectations and beliefs concerning future developments and their potential effects on us. Future developments affecting us may not be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) and other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, without limitation, those factors described under Part II, Item 1A: "Risk Factors." 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. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. These risks and others described under Part II, Item 1A: "Risk Factors" may not be exhaustive.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and developments in the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-Q. In addition, even if our results or operations, financial condition and liquidity, and developments in the industry in which we operate are consistent with the forward-looking statements contained in this Form 10-Q, those results or developments may not be indicative of results or developments in subsequent periods.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations of Grove Collaborative Holdings, Inc. ("Grove," "we," "us," and "our") should be read with the condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025. This discussion and analysis contains forward-looking statements based upon current expectations that involve risks and uncertainties as described in the Cautionary Note Regarding Forward-Looking Statements above. Grove's actual results may differ materially from those anticipated in the forward-looking statements as a result of various factors, including those set forth under the section entitled "Risk Factors" herein or in our Annual Report on Form 10-K for the year ended December 31, 2025 or in other parts of this Quarterly Report on Form 10-Q. Grove's historical results are not necessarily indicative of the results that may be expected for any period in the future. Except as otherwise noted, all references to 2025 refer to the year ended December 31, 2025.

Overview

On June 16, 2022 (the "Closing Date"), we became a publicly traded company as a result of the consummation of Grove Collaborative, Inc.'s ("Legacy Grove") merger with Virgin Group Acquisition Corp. II, a Cayman-domiciled blank check company ("VGAC II"), which we refer to herein as the "Business Combination".

Grove is a sustainability and human health oriented consumer products company. We use our connection with consumers to create and curate authentic, disruptive brands and products. We build natural products that perform as well as or better than many leading consumer packaged goods ("CPG") brands (both conventional and natural), while being healthier for consumers and the planet.

We primarily operate an online direct-to-consumer website and mobile application ("DTC platform") where we both sell our Grove-owned brands ("Grove Brands") and other leading natural and mission-based CPG brands, providing consumers with a selection of curated products across many categories and brands. We refer to this part of our business as "DTC." In the fourth quarter of 2024, we made the decision to exit the business of selling Grove Co. products in brick and mortar retail channels and completed this exit in 2025.

Grove is a public benefit corporation and a Certified B Corporation, meaning we adhere to third party standards for prioritizing social, environmental, and community well-being. We believe that improved innovation grows both revenue and, over the long term, can expand margins as our innovation has historically tended to be both market expanding and margin accretive. Since inception, we have invested heavily in building out both our ecommerce platform and Grove Brands, and over this period we have operated at a loss. We have an accumulated deficit of $662.1 million as of September 30, 2026.

Key Factors Affecting Our Operating Performance

We believe that our future business is dependent on many factors. While each of these factors presents significant opportunities for us, they also pose important challenges that we must successfully address to enable us to grow our business and improve our operations while staying true to our mission, including those discussed below and in the section entitled "Risk Factors".

Ability To Grow our Brand Awareness

Our brand is integral to the growth of our business and is essential to our ability to engage with our community. Our performance will depend on our ability to profitably attract new customers and encourage consumer spending across our product portfolio. We believe the core elements of continuing to grow our brand awareness in a manner that increases our market penetration are highlighting our products' qualities of being natural, healthy, sustainable and effective and the effectiveness of our marketing efforts.

Cost-Efficient Acquisition of New Customers and Retention of Existing Customers on our DTC Platform

Our ability to attract new customers is a key factor for our future growth. In recent years, changes in the algorithms used for targeting and purchasing online advertising, changes to privacy and online tracking, changes to our purchase flow and subscription processes, supply and demand dynamics in the market, and other factors have caused the cost of marketing on these channels to increase consistently. Failure to effectively adapt to changes in online marketing dynamics or changes to our internet platform, or to otherwise attract customers on a cost-efficient basis would adversely impact our path to revenue growth, our profitability and our operating results. Our ability to balance cost-efficient customer acquisitions while driving consumer awareness may impact the cost of our acquiring new customers, our profitability and our operating results.

The future activity level and profitability of our DTC customer base will depend on our ability to continue to offer a compelling value proposition to consumers including strong selection, pricing, and customer service, a smooth and compelling web and mobile application experience, a fast and reliable fulfillment, and curation within natural and sustainable products. Our success is also dependent on our ability to maintain relevance with our consumers on a regular basis through high performing products and a consumer-friendly refill and fulfillment process, and most importantly to provide consumers with products that consistently outperform their expectations. Our ability to execute on these key value-driving areas for consumers, and to remain competitive and compelling, are necessary for our future growth. A lack of success in these areas would materially impact our operating results and financial performance.

Ability to Achieve Profitable Growth; Positive Cash Flow and Scale

We believe we are in the early stages of realizing a substantial opportunity to transform the consumer products industry into a force for environmental and human good by creating and curating planet-first, high-performance brands and products. In recent years, we have substantially reduced our expense structure and operations in light of declining revenue, and as a result we have reduced our operating losses and cash consumption. To grow and achieve profitability over the longer term, we will need to re-invest to expand our DTC business and achieve a scale that will allow us to drive efficiencies in generating brand awareness, acquiring and retaining customers, creating operating leverage over headcount and other overhead, and fulfilling orders. Our recent gains in approaching profitability may not be sustainable in the near term due to the effects of steps we may take to drive growth or other factors. If we are unable to achieve profitable growth, our prospects may be materially and adversely affected.

Ability to Successfully Operate our Transitioned ecommerce platform

In March 2025, we began migrating our ecommerce platform from our legacy internally-developed solution to third party service providers that offer ecommerce solutions. We experienced a number of issues in connection with the migration that adversely impacted our business. This transition away from our legacy platform exposes us to vendor-specific risks, such as service disruptions, changes in pricing and inventory management, potential reduced flexibility in our ecommerce experience or alterations in the platform's features and execution and fulfillment risks. Our ability to realize the expected benefits of this transition is substantially dependent upon our ability to address these issues.

Key Operating and Financial Metrics

In addition to our financial performance, we assess the performance of our overall business using the following metrics and measures, among others. We use the metrics to aid us in identifying trends, formulating financial projections, making strategic decisions, assessing operational efficiencies and monitoring our business.

The following table presents key operating metrics for our business for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except DTC Net Revenue Per Order)	2026	2025	2026	2025
Financial and Operating Data				
DTC Total Orders	473	619	1,464	1,881
DTC Active Customers	458	660	458	660
DTC Net Revenue Per Order	$ 70.85	$ 66.76	$ 69.25	$ 66.14

DTC Total Orders

We determine the number of DTC Total Orders by counting the number of customer orders submitted through our website and mobile application that have been shipped within the period. The metric includes orders that have been refunded and excludes reshipments of customer orders for any reason including damaged and missing products. Refunded orders are included in DTC Total Orders as we believe this provides more meaningful order management performance metrics, including fulfillment cost efficacy and refund rates. Changes in DTC Total Orders in a reporting period capture both the inflow of new customers, changes in order frequency of existing customers and customer attrition. We view the number of Total DTC Orders as a key indicator of trends in our DTC platform, and our future success in this channel will depend in part on our ability to drive growth through new customer acquisition and by increasing existing customer engagement. In the three and nine months ended September 30, 2026, DTC Total Orders declined primarily due to a smaller active customer base than a year ago. The lower active customer base was partially offset by an increase in the frequency of orders per active customer in the presented periods.

DTC Active Customers

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. The change in active customers in a reporting period captures both the inflow of new customers as well as the outflow of customers who have not made a purchase in the last 364 days. We view the number of active customers as one of the key indicators of growth in our DTC channel. In the three and nine months ended September 30, 2026, DTC Active Customers declined primarily due to our lower advertising spend, resulting in fewer new customers and therefore fewer overall orders, and negative impacts from technology disruptions to our DTC platform throughout 2025.

DTC Net Revenue Per Order

We define DTC Net Revenue Per Order as our DTC Total Net Revenue in a given reporting period, divided by the DTC Total Orders in that period. We view DTC Net Revenue per Order as a key indicator of the performance of our DTC business. For the three and nine months ended September 30, 2026, DTC Net Revenue Per Order increased due to a more efficient promotional efforts following the introduction of our Green Rewards Loyalty Program and a larger mix of higher-priced items in customer orders, reflecting the Company's continued category expansion into a higher priced assortment.

Non-GAAP Financial Measures: Adjusted EBITDA and Adjusted EBITDA Margin

We prepare and present our financial statements in accordance with U.S. GAAP ("GAAP"). In addition, we believe that Adjusted EBITDA, when taken together with our financial results presented in accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. For these reasons, management uses Adjusted EBITDA in evaluating our operating performance and resource allocation and forecasting. As such, we believe Adjusted EBITDA provides investors with additional useful information in evaluating our performance.

We calculate Adjusted EBITDA as net income (loss), adjusted to exclude: stock-based compensation expense; depreciation and amortization; changes in fair values of derivative liabilities; interest income; interest expense; restructuring costs; transaction related costs related to certain strategic merger & acquisition projects; provision for income taxes and certain litigation and legal settlement expenses that we do not consider representative of our underlying operations. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by net revenue. Because Adjusted EBITDA excludes these elements that are otherwise included in our GAAP financial results, this measure has limitations when compared to net income (loss) determined in accordance with GAAP. Further, Adjusted EBITDA is not necessarily comparable to similarly titled measures used by other companies. For these reasons, investors should not consider Adjusted EBITDA in isolation from, or as a substitute for, net loss determined in accordance with GAAP.

The following table presents a reconciliation of net income (loss), the most directly comparable financial measure stated in accordance with GAAP, to Adjusted EBITDA, for each of the periods presented.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Reconciliation of net income (loss) to Adjusted EBITDA	(in thousands, except percentages)			
Net income (loss)	$ 102	$ (2,960)	$ (1,827)	$ (10,133)
Stock-based compensation	700	1,109	2,351	3,456
Depreciation and amortization	405	421	1,195	1,287
Changes in fair value of derivative liabilities	(58)	25	(229)	(189)
Interest income	(84)	(94)	(230)	(375)
Interest expense	280	292	826	943
Transaction related costs[(1)]	—	—	—	1,275
Provision for income taxes	5	6	21	25
Total Adjusted EBITDA	$ 1,350	$ (1,201)	$ 2,107	$ (3,711)
Net income (loss) margin	0.3 %	(6.8)%	(1.7)%	(7.7)%
Adjusted EBITDA margin (loss)	3.7 %	(2.7)%	1.9 %	(2.8)%

[(1)] Transaction related costs are costs and expenses primarily associated with the acquisition of Grab Green and the acquisition of 8Greens. These costs include costs of integrating the businesses and costs for third-party legal, accounting, consulting and other similar type professional services. These costs are considered incremental to our normal operating charges and were incurred solely as a result of the transactions.

Components of Results of Operations

Revenue, Net

We generate revenue primarily from the sale of both third-party and our Grove Brands products through our DTC platform. Customers purchase products through our website or mobile application through a combination of directly selecting items from the catalog, items that are suggested by our recommendation engine, and featured products that appear in marketing on-site, in emails and on our mobile application. Most customers purchase a combination of products recommended by us based on previous purchases and new products discovered through marketing or catalog browsing. Customers can opt to subscribe and have orders auto-shipped to them on a specified date or shipped immediately through an option available on the website and mobile application. We recognize revenue from the sale of our products through our DTC platform net of discounts, sales tax, customer service credits and estimated refunds. Sales tax collected from customers is not considered revenue and is included in accrued liabilities until remitted to the taxing authorities.

In December 2025, we introduced our Green Rewards customer loyalty program which enables our customers to earn rewards from purchases and other activities that these customers can apply to future purchases. We defer revenue when cash payments are received in advance of performance for unsatisfied obligations related to our Green Rewards customer loyalty program and Green Rewards VIP Membership.

Cost of Goods Sold

Cost of goods sold consists of the product costs of merchandise, inbound freight costs, vendor allowances, costs associated with inventory shrinkage and damages and inventory write-offs and related reserves.

Gross Profit and Gross Margin

Gross profit represents revenue less the cost of goods sold. Gross margin is gross profit expressed as a percentage of revenue. To help motivate first-time customers to purchase on our DTC platform, we generally offer higher discounts, and as a result, our overall margins can be adversely affected in periods of rapid new customer acquisition. Our gross margin also fluctuates from period-to-period based on promotional activity, product and channel mix, the timing of promotions and launches, and inbound transportation rates, among other factors. Our gross profit and gross margin may not be comparable with that of other retailers because we include certain fulfillment related costs in selling, general, and administrative expenses while other retailers may include these expenses in cost of goods sold.

Operating Expenses

Our operating expenses consist of advertising, product development, and selling, general and administrative expenses.

Advertising

Advertising costs are expensed as incurred and consist primarily of our customer acquisition costs associated with online advertising, as well as advertising on television, direct mail campaigns and other media. Costs associated with the production of advertising are expensed when the first advertisement is shown.

Product Development

Product development expenses are related to the ongoing support and maintenance of our DTC platform, as well as amortization of capitalized, internally developed software and the product and packaging innovation in our Grove Brands products. Product development expenses consist primarily of personnel-related expenses, including salaries, bonuses, benefits and stock-based compensation expense. Product development costs also include allocated facilities, equipment, depreciation and overhead costs.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of compensation and benefit costs for personnel involved in general corporate functions, including stock-based compensation expense, and certain fulfillment costs, as further outlined below. Selling, general and administrative expenses also include the allocated facilities, equipment, depreciation and overhead costs, marketing costs, costs associated with our customer service operation, and costs of environmental offsets.

Fulfillment costs represent those costs incurred in operating and staffing our fulfillment centers, including costs attributable to receiving, inspecting and warehousing inventories, picking, packing and preparing customer orders for shipment, shipping and handling expenses, packing materials costs and payment processing and related transaction costs. These costs are included within selling, general and administrative expenses in the statements of operations.

Non-operating expenses, net

Our non-operating expenses consist of interest expense, change in fair value of derivative liabilities, and other income, net.

Interest expense consists primarily of interest expense associated with our debt financing arrangement. To the extent there are changes in prevailing interest rates in future periods, we anticipate cash payments for interest and interest expense to fluctuate as interest rates change.

Change in fair values of derivative liabilities consists primarily of changes in fair values of Earn-Out Shares, Public Warrants and Private Placement Warrant. Changes in the fair value of our derivative liabilities may fluctuate significantly in future periods primarily due to fluctuations in the fair value of our common stock.

Other income, net consists primarily of interest income.

Provision for Income Taxes

We account for income taxes under the asset and liability method, whereby deferred tax assets and liabilities are determined based on the difference between the financial statements and income tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. We recognize the benefits of tax return positions in the financial statements when they are more likely than not to be sustained by the taxing authority, based on the technical merits at the reporting date. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments, and which may not accurately forecast actual outcomes. We recognize interest and penalties related to unrecognized tax benefits, if any, as income tax expense.

Results of Operations

The following table sets forth our results of operations for each period presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue, net	$ 36,821	$ 43,734	$ 109,614	$ 131,307
Cost of goods sold	16,268	20,412	49,621	60,526
Gross profit	20,553	23,322	59,993	70,781
Operating expenses:				
Advertising	1,789	3,154	4,186	8,683
Product development	1,486	1,626	4,434	5,612
Selling, general and administrative	17,033	21,273	52,812	66,215
Operating income (loss)	245	(2,731)	(1,439)	(9,729)
Non-operating expenses (income):				
Interest expense	280	292	826	943
Changes in fair value of derivative liabilities	(58)	25	(229)	(189)
Other income, net	(84)	(94)	(230)	(375)
Total non-operating expenses, net	138	223	367	379
Income (loss) before provision for income taxes	107	(2,954)	(1,806)	(10,108)
Provision for income taxes	5	6	21	25
Net income (loss)	$ 102	$ (2,960)	$ (1,827)	$ (10,133)

The following table sets forth our statements of operations data expressed as a percentage of revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue, net	100 %	100 %	100 %	100 %
Cost of goods sold	44	47	45	46
Gross profit	56	53	55	54
Operating expenses:				
Advertising	5	7	4	7
Product development	4	4	4	4
Selling, general and administrative	46	49	48	50
Operating income (loss)	1	(6)	(1)	(7)
Non-operating expenses (income):				
Interest expense	1	1	1	1
Changes in fair value of derivative liabilities	—	—	—	—
Other income, net	—	—	—	—
Total non-operating expenses, net	—	1	—	—
Income (loss) before provision for income taxes	—	(7)	(2)	(8)
Net income (loss)	— %	(7)%	(2)%	(8)%

Comparisons of the Three and Nine Months Ended September 30, 2026 and 2025

Revenue, Net

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	Amount	%	2026	2025	Amount	%
	(in thousands, except percentages)							
Revenue, net:								
Grove Brands	$ 16,631	$ 17,518	$ (887)	(5)%	$ 49,810	$ 52,956	$ (3,146)	(6)%
Third-party products	20,190	26,216	(6,026)	(23)	59,804	78,351	(18,547)	(24)
Total revenue, net	$ 36,821	$ 43,734	$ (6,913)	(16)%	$ 109,614	$ 131,307	$ (21,693)	(17)%

Revenue decreased by $6.9 million, or 16%, and $21.7 million, or 17%, for the three and nine months ended September 30, 2026, respectively, as compared to the three and nine months ended September 30, 2025. This decline was primarily driven by a decrease in DTC Total Orders from lower advertising expenses and disruptions related to the migration from our internally developed legacy ecommerce platform to third party service providers throughout 2025, partially offset by an increase in DTC Net Revenue Per Order, driven by a larger mix of higher-priced items in customer orders, improved promotional strategies resulting in reduced discounts offered to customers and an increase in shipping revenue per order.

Cost of Goods Sold and Gross Profit

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	Amount	%	2026	2025	Amount	%
	(in thousands, except percentages)							
Cost of goods sold	$ 16,268	$ 20,412	$ (4,144)	(20)%	$ 49,621	$ 60,526	$ (10,905)	(18)%
Gross profit	20,553	23,322	(2,769)	(12)%	59,993	70,781	(10,788)	(15)%
Gross margin	56 %	53 %			55 %	54 %		

Cost of goods sold decreased by $4.1 million, or 20%, and $10.9 million, or 18%, for the three and nine months ended September 30, 2026, respectively, as compared to the three and nine months ended September 30, 2025, primarily due to a decrease in DTC Total Orders.

Gross margin in the three months ended September 30, 2026 increased by 250 basis points, compared to the three months ended September 30, 2025, primarily due to tariff refunds and more targeted promotional strategies as a result of the launch of Green Rewards in the fourth quarter of 2025 partially offset by a larger mix of non-DTC revenue, which has a lower margin.

Gross margin in the nine months ended September 30, 2026 increased by 80 basis points, compared to the nine months ended September 30, 2025, primarily due to more targeted promotional strategies, as a result of the launch of Green Rewards in the fourth quarter of 2025, as well as tariff refunds.

Operating Expenses

Advertising Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	Amount	%	2026	2025	Amount	%
	(in thousands, except percentages)							
Advertising	$ 1,789	$ 3,154	$ (1,365)	(43)%	$ 4,186	$ 8,683	$ (4,497)	(52)%

Advertising expenses decreased by $1.4 million, or 43%, and $4.5 million, or 52% for the three and nine months ended September 30, 2026, respectively, compared to the three and nine months ended September 30, 2025 primarily driven by decreases in online advertising expenses.

Product Development Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	Amount	%	2026	2025	Amount	%
	(in thousands, except percentages)							
Product development	$ 1,486	$ 1,626	$ (140)	(9)%	$ 4,434	$ 5,612	$ (1,178)	(21)%

Product development expenses decreased by $0.1 million, or 9%, and $1.2 million, or 21%, for the three and nine months ended September 30, 2026, respectively, as compared to the three and nine months ended September 30, 2025, primarily due to reductions in headcount.

Selling, General and Administrative Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	Amount	%	2026	2025	Amount	%
	(in thousands, except percentages)							
Selling, general and administrative	$ 17,033	$ 21,273	$ (4,240)	(20)%	$ 52,812	$ 66,215	$ (13,403)	(20)%

Selling, general and administrative expenses decreased by $4.2 million, or 20%, for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025. Fulfillment costs decreased by $2.8 million due to a lower volume of orders and lower outbound shipping costs. Corporate salaries and related benefits decreased by $0.6 million and stock-based compensation decreased by $0.4 million, both primarily driven by reductions in headcount. Additionally, rent expense decreased by $0.3 million due to the subleasing one of our warehouses beginning in December 2025.

Selling, general and administrative expenses decreased by $13.4 million, or 20%, for the nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025. Fulfillment costs decreased by $6.5 million due to a lower volume of orders. Corporate salaries and related benefits decreased by $2.7 million and stock-based compensation decreased by $1.1 million, both primarily driven by reductions in headcount. Additionally, rent expense decreased by $1.0 million due to the subleasing of one of our warehouses beginning in December 2025; insurance costs decreased by $0.9 million; professional fees decreased by $0.6 million; and software costs decreased by $0.4 million.

Interest expense

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	Amount	%	2026	2025	Amount	%
	(in thousands, except percentages)							
Interest expense	$ 280	$ 292	$ (12)	(4)%	$ 826	$ 943	$ (117)	(12)%

Interest expense decreased by less than $0.1 million, or 4%, and $0.1 million, or 12%, for the three and nine months ended September 30, 2026, respectively, as compared to the three and nine months ended September 30, 2025, primarily due to lower interest rates on our outstanding debt.

Non-operating expenses, net

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	Amount	%	2026	2025	Amount	%
	(in thousands, except percentages)							
Changes in fair value of derivative liabilities	$ (58)	$ 25	$ (83)	**	$ (229)	$ (189)	$ (40)	**
Other income, net	(84)	(94)	10	(11)%	(230)	(375)	145	(39)%

**Change not meaningful

The change in the fair value of derivative liabilities for the three and nine months ended September 30, 2026, was not meaningful. The change in the fair value of derivative liabilities for the three and nine months ended September 30, 2025, was driven by the changes in our stock price from December 31, 2024 through September 30, 2025.

Other income decreased by less than $0.1 million, or 11%, and $0.1 million, or 39%, for the three and nine months ended September 30, 2026, respectively, as compared to the three and nine months ended September 30, 2025, due to lower interest income on reduced cash balances.

Liquidity, Capital Resources and Requirements

As of September 30, 2026, we had $8.0 million in unrestricted cash and cash equivalents (which excludes restricted cash of $3.1 million). We generated positive cash flows from operating activities of $0.8 million for the nine months ended September 30, 2026. We have incurred significant losses since inception and have an accumulated deficit of approximately $662.1 million. To date, we have funded our operations principally through redeemable convertible preferred stock and common stock financings, the incurrence of debt and the closing of the Business Combination. We have total outstanding indebtedness of $7.5 million as of September 30, 2026.

On August 11, 2023 (the "Series A Preferred Stock Closing Date"), we entered into a subscription agreement with Volition Capital Fund IV, L.P. ("Volition") and received gross proceeds of $10.0 million in exchange for 10,000 shares of our Series A Redeemable Convertible Preferred Stock (the "Series A Preferred Stock"), a warrant to purchase 1,579,778 shares of our Class A common stock at an exercise price of $6.33 (the "Volition Warrants") and a warrant to purchase 20,905 shares of our Class A common stock at an exercise price of $0.01 per share (the "Volition Penny Warrants"). The Series A Preferred Stock was redeemable, at the option of the holder, for the original issuance price plus any declared but unpaid dividends following the seventh anniversary of the Series A Preferred Stock Closing Date ("Optional Redemption").

On September 20, 2024, (the "Series A' Preferred Stock Closing Date"), we entered into another subscription agreement with Volition where we received gross proceeds of $15.0 million in exchange for 15,000 shares of our Series A' Redeemable Convertible Preferred Stock (the "Series A' Preferred Stock" and together with the Series A Preferred Stock, the "Preferred Stock"). In connection with the issuance of the Series A' Preferred Stock, we agreed with Volition to cancel the Volition Warrants, cancel the Volition Penny Warrants and modify certain redemption terms of the Series A Preferred Stock already held by Volition, such that it is no longer subject to Optional Redemption. The holders of our outstanding Preferred Stock are entitled to receive cumulative dividends at the rate of 6% per annum of the original issuance price of each share. Such accruing dividends are payable only when, as and if declared by our Board of Directors.

On March 10, 2023, we entered into the Siena Revolver (defined below) with Siena Lending Group, LLC ("Siena") which permits us to receive funding through a revolving line of credit with an initial commitment of $35.0 million. The total borrowing capacity under the Siena Revolver is subject to certain conditions, including our inventory, accounts receivable balances and certain qualifying cash balances held with third party processors and other limitations as specified in the agreement. The Siena Revolver matures on April 10, 2028. Additional borrowing capacity from the Siena Revolver was $2.1 million as of September 30, 2026.

On July 18, 2022, we entered into the SEPA, whereby we had the right, but not the obligation, to sell to Yorkville up to $100.0 million of our shares of common stock at our request until July 18, 2025, subject to certain conditions. On July 8, 2025, we and Yorkville amended the SEPA (the "Amended SEPA") to extend the term to August 1, 2027. The shares of our common stock that may be issued under the Amended SEPA may be sold by us to Yorkville at our discretion from time to time and sales of our common stock under the Amended SEPA will depend upon market conditions and other factors. Additionally, in no event may we sell more than 6,511,532 shares of our common stock to Yorkville under the Amended SEPA, which number of shares is equal to 19.99% of the shares of our common stock outstanding immediately prior to the execution of the Amended SEPA (the "Exchange Cap"), unless we obtain stockholder approval to issue shares of common stock in excess of the Exchange Cap in accordance with applicable NYSE rules or comply with certain other requirements as described in the Amended SEPA. Unless our stock price exceeds $15.33, we will be unable to sell the full $100.0 million commitment to Yorkville without seeking stockholder approval to issue additional shares in excess of the Exchange Cap. As of September 30, 2026, we have sold 147,965 shares under the SEPA and there were 6,363,567 shares available to be sold to Yorkville under the Exchange Cap. As of October 31, 2026, under the terms of the Amended SEPA we would be able to raise additional gross proceeds of approximately $6.8 million.

Management believes that currently available resources will provide sufficient funds to enable us to meet our obligations for at least one year following the date these condensed consolidated financial statements are issued. Cash from operations could be affected by our customers and other risks detailed in the section titled "Risk Factors." In the event we raise additional capital to execute strategic initiatives and fund our operations, our ability to raise additional capital may be adversely impacted by the trading price of our common stock. We may seek access to additional funds by utilizing the SEPA. Additionally, we may seek additional funds through new public or private equity offerings or new debt financings, through partnering or other strategic arrangements, through the exercise of certain of our warrants, or a combination of the foregoing. There can be no assurance that any such new debt or new equity financing arrangements will be available on terms acceptable to us, or at all.

To the extent that we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. Debt financing arrangements may require us to pledge certain assets or enter into covenants that could restrict our operations or our ability to pay dividends or other distributions on our common stock or incur further indebtedness. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. In addition, our Class A Common Stock trading price may not exceed the respective exercise prices of our Public Warrants, Private Placement Warrants and/or our other outstanding warrants before the respective warrants expire, and therefore we may not receive any proceeds from the exercise of warrants to fund our operations. If we are unable to raise additional capital when desired, our business, results of operations, and financial condition could be materially and adversely affected.

Contractual Obligations and Other Commitments

Our most significant contractual obligations relate to our loan facility, purchase commitments on inventory and operating lease obligations on our fulfillment centers and corporate offices. As of September 30, 2026, we had $9.9 million of enforceable and legally binding inventory purchase commitments predominantly due within one year. For information on our contractual obligations for operating leases, see "Leases" in Note 7 of the Notes to our audited consolidated financial statements as of and for the years ended December 31, 2025 and December 31, 2024 included in Form 10-K filed with the SEC on March 5, 2026.

Loan Facility

On March 10, 2023, we entered into a Loan and Security Agreement (the "Siena Revolver") with Siena Lending Group, LLC which permits us to receive funding through a revolving line of credit with an initial commitment of $35.0 million. The borrowing capacity under the Siena Revolver is subject to certain conditions, including our inventory, accounts receivable balances and certain qualifying cash balances held with third party processors and other limitations as specified in the agreement. If at any time the amount of outstanding borrowings under the Siena Revolver exceeds the borrowing capacity, we are required to prepay borrowings sufficient to eliminate the excess. As of September 30, 2026, there was an outstanding principal amount of $7.5 million and additional borrowing capacity from the Siena Revolver was $2.1 million.

The interest rates applicable to borrowings under the Siena Revolver are based on a fluctuating rate of interest measured by reference to either, at our option, (i) a Base Rate plus 3.25% or (ii) the term Secured Overnight Financing Rate ("Term SOFR") then in effect plus 4.25%. The Base Rate is defined as the greatest of: (1) Prime Rate as published in the Wall Street Journal, (2) federal funds rate plus 0.50% and (3) 5.00% per annum. In accordance with the agreement, Siena has been provided with our periodic financial statements and updated projections to facilitate their ongoing assessment of us. The Siena Revolver matures on April 10, 2028.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Nine Months Ended September 30,		
	2026	2025	Change
	(in thousands)		
Net cash provided by (used in) operating activities	$ 838	$ (6,925)	**
Net cash used in investing activities	(714)	(3,968)	82.0 %
Net cash used in financing activities	(861)	(1,102)	21.9 %
Net decrease in cash, cash equivalents and restricted cash	$ (737)	$ (11,995)	

**Change not meaningful

Operating Activities

Net cash provided by operating activities of $0.8 million for the nine months ended September 30, 2026 was primarily attributable to our net loss of $1.8 million, non-cash adjustments of $3.5 million, offset by a net decrease in our operating assets and liabilities of $0.8 million. Non-cash adjustments consisted of a $2.4 million stock-based compensation expense, $1.2 million in depreciation and amortization and $0.2 million in non-cash interest expense, offset by $0.2 million of change in fair value of derivative liabilities. The change in operating assets and liabilities resulted from a $3.8 million

increase in inventory to support ongoing operations, a $0.7 million net increase in operating lease right-of-use assets and liabilities and a $0.3 million decrease in accrued expenses and accounts payable related to the timing of payments, offset primarily by a $2.4 million decrease in prepaid expenses and other assets related to the timing of collections on our accounts receivable and a $1.5 million increase in deferred revenue.

Net cash used in operating activities of $6.9 million for the nine months ended September 30, 2025 was primarily attributable to our net loss of $10.1 million, non-cash adjustments of $4.3 million, and a net increase in our operating assets and liabilities of $1.0 million. Non-cash adjustments consisted primarily of a $3.5 million stock-based compensation expense, $1.3 million in depreciation and amortization and $0.3 million in non-cash interest expense, offset by $0.6 million of inventory write-downs and $0.2 million of change in fair value of derivative liabilities. The change in operating assets and liabilities primarily resulted from a $3.2 million decrease in accounts payable and accrued expenses, a $1.2 million decrease in deferred revenue and a $0.2 million decrease in other liabilities, offset by a $2.0 million decrease in inventory, a $1.0 million decrease in prepaid expenses and other assets and a $0.6 million net decrease in operating lease right-of-use assets and liabilities .

Investing Activities

Net cash used in investing activities of $0.7 million for the nine months ended September 30, 2026 was due to the purchase of property and equipment.

Net cash used in investing activities of $4.0 million for the nine months ended September 30, 2025 was primarily due to $2.8 million of cash paid for strategic acquisitions and $1.1 million for the purchase of property and equipment.

Financing Activities

Net cash used in financing activities of $0.9 million for the nine months ended September 30, 2026 consists of payments related to stock-based award activities during the period and principal payments related to our financing arrangement for insurance offset by proceeds related to our employee stock purchase plan.

Net cash used in financing activities of $1.1 million for the nine months ended September 30, 2025 primarily consists of payments related to stock-based award activities during the period offset by proceeds related to our employee stock purchase plan.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financing arrangements, as defined in Item 303 of Regulation S-K, as of September 30, 2026.

Critical Accounting Estimates

There have been no significant changes to our critical accounting policies since December 31, 2025. For a description of critical accounting policies that affect our significant judgments and estimates used in the preparation of our unaudited condensed consolidated financial statements, refer to Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in our Annual Report on Form 10-K.

Emerging Growth Company Status

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. The JOBS Act permits companies with emerging growth company status to take advantage of an extended transition period to comply with new or revised accounting standards, delaying the adoption of these accounting standards until they apply to private companies. Following the closing of the Business Combination, we use this extended transition period to enable us to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with the new or revised accounting standards as of public company effective dates. We will continue to be an emerging growth company for the first five fiscal years after the VGAC II Initial Public Offering, which was March 25, 2021, unless any of the following events occur earlier: (i) we have more than $1.235 billion in annual revenue, (ii) we have more than $700.0 million in market value of our Class A Common Stock held by non-affiliates or (iii) we issue more than $1.0 billion of non-convertible debt securities over a three-year period.

Smaller Reporting Company Status

We are a "smaller reporting company" meaning that the market value of our stock held by non-affiliates is less than $250 million. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements in our Annual Report on Form 10-K, and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation. We will remain a smaller reporting company until the last day of the fiscal year in which (i) the market value of our common stock held by non-affiliates exceeds $250 million as of the end of that year's second fiscal quarter and our annual revenue exceeds $100 million during such completed fiscal year, or (ii) the market value of our common stock held by non-affiliates exceeds $700 million.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the chief executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. The Company evaluated, with the participation of the current chief executive officer and principal financial officer (the "Company's Certifying Officers"), the effectiveness of the Company's disclosure controls and procedures as of September 30, 2026, the end of the period covered by the Quarterly Report on Form 10-Q, pursuant to Rule 13a-15(b) under the Exchange Act. The Company's Certifying Officers concluded that our disclosure controls and procedures were effective as of September 30, 2026.

(b) Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended September 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

The Company does not expect that its disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Part II - Other Information

Item 1. Legal Proceedings

See Note 7, Commitments and Contingencies, to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In addition to the other information in this Form 10-Q and in other filings we make with the Securities and Exchange Commission, the following risk factors should be carefully considered in evaluating our business as they may have significant impact on our business, operating results and financial condition. If any of the following risks actually occurs, our business, financial condition, liquidity and results of operations and our future prospects could be materially and adversely affected. Because of the following factors, as well as other variables affecting our operating results, past financial performance should not be considered as a reliable indicator of future performance and investors should not use historical trends to anticipate results or trends in future periods.

Summary of Risk Factors

Below is a summary of some of the material factors that make an investment in our securities speculative or risky. Importantly, this summary does not address all of the risks and uncertainties that we face. The risk factors summarized are qualified in their entirety by those more complete discussions of such risks and uncertainties that follow. You should consider carefully the risks and uncertainties described in this Part II, Item 1A, “Risk Factors” in this Form 10-Q as part of your evaluation of an investment in our securities.

Risks Related to Our Business

- We rely on consumer discretionary spending, which may be adversely affected by macroeconomic conditions.
- Advertising inaccuracies or product mislabeling may have an adverse effect on our business.
- Our revenue has declined for three consecutive years. If we are unable to achieve profitable growth in the future, our business could be adversely affected.
- Disruptions as a result of our outsourcing our ecommerce platform to third-party service providers could adversely affect our business, financial condition and results of operations.
- Our quarterly operating results fluctuate, which could cause our stock price to decline.
- We have incurred significant losses since inception, we expect to incur losses in the future, and we may not be able to generate sufficient revenue to achieve and maintain profitability.
- We may require additional financing, which may not be available. Failure to obtain this necessary capital when needed could adversely impact us.
- We may not be able to compete successfully.
- We must find sustainable solutions that support our brand and long-term growth.
- If we fail to cost-effectively acquire new customers or retain our existing customers, our business could be adversely affected.
- Our reduction in advertising and marketing spending to achieve profitability may adversely affect our brand awareness and our business.
- Our brand and reputation may be diminished due to real or perceived quality, safety, efficacy or environmental impact issues with our products.
- Failure to introduce new products that meet the expectations of our customers may adversely affect us.
- Unfavorable changes in or failure by us to comply with government regulation of the Internet and ecommerce could have an adverse effect on our business.
- We may become subject to product liability claims, which could materially harm our business and liquidity.
- We are subject to a number of laws and regulations, which could impact our business.
- We may pursue acquisitions to expand our business, and if any of those acquisitions are unsuccessful, our business may be harmed.
- We may experience damage or destruction to our distribution centers, which may harm our business.
- We are dependent on our management team, and the loss of one or more key employees could harm our business.
- Our corporate cost-cutting initiatives and headcount reductions could disrupt our business and may not achieve our objectives.
- Labor-related matters, including labor disputes, may adversely affect our operations.
- Our business is subject to risks associated with outsourcing, manufacturing, warehousing, distribution, infrastructure and logistics to third-party providers, and the loss of any of our key suppliers or logistical service providers could negatively impact our business.

- If we or our distribution partners do not successfully manage our warehouse fulfillment centers, our business could be adversely affected.
- Shipping is a critical part of our business and any changes in our shipping arrangements or any interruptions in shipping could adversely affect our operating results.
- Risks associated with the outsourcing of our customer interface platform, fulfillment process and other technology-related functions could materially and adversely affect our business.
- We are subject to risks related to online payment methods, including third-party payment processing-related risks.
- We may be unable to adequately obtain, maintain, protect, defend and enforce our intellectual property rights.
- We rely on trademark, copyright, and patent law, trade secret protection, and confidentiality and/or license agreements with our employees, customers, and others to protect our proprietary rights.
- We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties.
- Indemnity provisions in various agreements to which we are party potentially expose us to substantial liability for infringement, misappropriation or other violation of intellectual property rights.
- We must successfully maintain, scale and upgrade our information technology systems, and our failure to do so could have an adverse effect on our business.
- If we (or our vendors) are unable to protect against or adequately respond to mitigate the impacts of a service interruption, data corruption, or cybersecurity attack, our operations could be disrupted, our reputation may be harmed and we could face significant costs to remediate the incident and defend against claims by business partners, customers, or regulators.
- We use open source software in our platform, which may subject us to additional risks and harm our intellectual property.
- The actual or perceived failure by us or our vendors to comply with applicable privacy and data protection laws, regulations or industry standards could have an adverse effect on our business, financial condition, results of operations and prospects.
- Artificial intelligence and machine learning solutions, including our use of such solutions and use of such solutions by our competitors, could result in reputational harm, competitive harm, or legal liability, and could adversely affect our results of operations.
- Changes in existing laws or regulations or related official guidance, or the adoption of new laws or regulations or guidance, including the implementation of tariffs, may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.
- Failure by our network of ecommerce partners, suppliers or manufacturers to comply with laws and regulations, or with the specifications and requirements of our products, may adversely affect our business.
- Our status as a public benefit corporation and a Certified B Corporation may not result in anticipated benefits.
- As a public benefit corporation, our duty to balance a variety of interests may result in actions that do not maximize stockholder value.
- As a public benefit corporation, we may be subject to increased derivative litigation concerning our duty to balance stockholder and public benefit interests, the occurrence of which may have an adverse impact on our financial condition and results of operations.
- We and our directors and executive officers may be subject to litigation.

Risks Related to Ownership of Our Securities

- The price of our Class A Common Stock and our warrants may be volatile.
- Warrants are or may become exercisable for shares of our common stock, and additional shares of our common stock may become issuable, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.
- The Public Warrants may never be in the money, and they may expire worthless and the terms of the Public Warrants may be amended in a manner adverse to a holder if holders of at least 65% of the then-outstanding public warrants approve of such amendment.
- We may redeem unexpired Public Warrants prior to their exercise at a time that is disadvantageous to holders of the Public Warrants, thereby making the Public Warrants worthless.
- Our taking advantage of certain exemptions from disclosure requirements available to “emerging growth companies” could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.
- We may incur debt or assume contingent or other liabilities or dilute our stockholders in connection with acquisitions or strategic alliances.
- We may not be able to maintain compliance with the NYSE’s continued listing requirements and rules, and the NYSE may delist our securities from trading on its exchange, which could negatively impact investors’ ability to make transactions in our securities and subject us to additional trading restrictions.
- Future sales, or the perception of future sales, by us or our stockholders in the public market could cause the market price for our Class A Common Stock to decline.

- We have no current plans to pay cash dividends on our Class A Common Stock for the foreseeable future, and holders of our Class A Common Stock may not receive any return on their investment.
- The Series A Preferred Stock and Series A′ Preferred Stock contain rights, preferences and privileges that may limit our business flexibility or reduce the value of our Class A Common Stock.
- Covenants and other provisions in our loan agreements restrict our business and operations, and if we do not effectively manage our covenants, our financial conditions and results of operations could be adversely affected. In addition, our operations may not provide sufficient cash to meet the repayment obligations of our debt.
- If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.
- We face significant expenses and administrative burdens as a public company, which could have an adverse effect on our business, financial condition and results of operations.
- If we are unable to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy of our reported financial information and this may lead to a decline in our stock price.
- Delaware law and our governing documents contain certain provisions, including anti-takeover provisions, that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.
- Our Certificate of Incorporation, as amended, designates a state or federal court located within the State of Delaware as the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum.

Risks Related to Our Business

We rely on consumer discretionary spending, which may be adversely affected by economic downturns and other macroeconomic conditions or trends.

Our business depends on consumer discretionary spending. Some of the factors that may negatively influence consumer spending include high levels of unemployment; higher consumer debt levels; reductions in net worth, declines in asset values, and related market uncertainty; home foreclosures and reductions in home values; fluctuating interest rates and credit availability; fluctuating fuel and other energy costs; tariffs; fluctuating commodity prices; the rate of inflation and general uncertainty regarding the overall future political and economic environment. Furthermore, any increases in consumer discretionary spending during times of crisis may be temporary, such as those related to government stimulus programs or remote-work environments, and consumer spending may decrease when those programs or circumstances end. In addition, economic conditions in certain regions may be affected by natural disasters, such as hurricanes, tropical storms, earthquakes, and wildfires; other public health crises; and other major unforeseen events. Consumer purchases of discretionary items, including the merchandise that we offer, generally decline during recessionary periods or periods of economic uncertainty, when disposable income is reduced or when there is a reduction in consumer confidence. Any decline in consumer discretionary spending could negatively impact our revenue, which could have a material adverse effect on our business, financial condition and results of operations.

Advertising inaccuracies or product mislabeling may have an adverse effect on our business by exposing us to lawsuits, product recalls or regulatory enforcement actions, increasing our operating costs and reducing demand for our product offerings.

Many products that we sell are labeled and advertised with claims as to their origin, ingredients or health, wellness, environmental or other benefits, including, by way of example, the use of the term "natural", "organic", "clean", or "sustainable", or similar synonyms or implied statements relating to such benefits. Grove's brand as a whole is marketed using similar language. The Federal Trade Commission's ("FTC") Guides For The Use Of Environmental Marketing Claims, or the "Green Guides," provide guidance on how to use environmental marketing claims, provide specific guidance for certain terms (e.g. "recyclable"), and recommend against using unqualified statements about environmental benefits such as "eco-friendly". The Food and Drug Administration ("FDA") and the U.S. Department of Agriculture ("USDA") each have issued statements regarding the appropriate use of the word "natural," but there is no single, U.S. government regulated definition of the term "natural" for use in the consumer and personal care industry. This is also true for many other claims common in the clean conscious product industry.

Consumer class actions, actions from industry groups such as the National Advertising Division of the Better Business Bureau, and public enforcement actions have been brought against numerous companies that market "natural," "sustainable," or other ecologically conscious products or ingredients, asserting false, misleading and deceptive advertising and labeling claims. These suits often identify ingredients or components of a product for which certain marketing claims may not be fully accurate and claim that their presence in the product renders the statements false and deceptive. For example, some actions concerning "natural" claims have focused on the presence of genetically modified and/or synthetic ingredients or components in products, including synthetic forms of otherwise natural ingredients.

Many of our products are subject to regulatory enforcement:

- The FDA regulates product labels and other product claims for the consumer products subject to its jurisdiction and has the authority to challenge product labels and claims that it believes are non-compliant or false or misleading, through the use of a variety of enforcement tools (e.g., Warning Letters, untitled letters, and seizure actions). In limited circumstances, the FDA has taken regulatory action against products labeled "natural" but that nonetheless contain synthetic ingredients or components.

- The FTC has the authority to challenge claims made in product advertising and requires that such claims are adequately substantiated prior to use. The FTC similarly has enforcement tools that it uses to challenge advertising claims that it deems non-compliant with the law.

- The USDA enforces federal standards for organic production and use of the term "organic" on product labeling. These laws prohibit a company from selling or labeling products as organic unless they are produced and handled in accordance with the applicable federal law. Failure to comply with these requirements may subject us to liability or regulatory enforcement. Consumers may also pursue state law claims challenging use of the organic label as being intentionally mislabeled or misleading or deceptive to consumers.

- In addition, certain products, including the disinfectant products, we sell may require approval from and registration with the EPA and state regulatory agencies prior to sale. Products that expressly or impliedly claim to control microorganisms that pose a threat to human health may be subject by additional regulatory scrutiny and need to be supported by additional efficacy data. Should we advertise or market these regulated products with claims that are not permitted by the terms of their registration or are otherwise false or misleading, the EPA and states may be authorized to take enforcement action to prevent the sale or distribution of disinfectant products.

State and local enforcers also have the authority to prosecute false advertising cases, including relating to environmental marketing claims. Current and potential competitors may make similar claims, which may result in litigation and inquiries from state and federal regulators and governments.

Should we become subject to actions regarding our branding or product marketing, consumers may avoid purchasing products from us or seek alternatives, even if the basis for the claim is unfounded. Moreover, any regulatory or government enforcement actions may trigger class action lawsuits under state consumer protection laws. Adverse publicity about these matters may discourage consumers from buying our products. The cost of defending against any such claims could be significant and we may incur substantial costs remediating product claims in labeling and advertising if we are unsuccessful in defending such actions. Any loss of confidence on the part of consumers in the truthfulness of our labeling, advertising or ingredient claims would be difficult and costly to overcome and may significantly reduce our brand value. Any of these events could adversely affect our reputation and brand and decrease our sales, which could have an adverse effect on our business, financial condition, results of operations and prospects.

False or misleading marketing claims concerning a product's registration or its efficacy may also create the risk for challenges under federal or state law.

In recent years we have seen substantial declines in our revenues and business operations, particularly as we have shifted our operating strategy in an effort to become Adjusted EBITDA profitable. If we are unable to achieve profitable growth in the future, our business prospects and our stock price could be adversely affected.

Beginning in 2022, we have experienced a decline in revenues. In response to these business declines and in an effort to stabilize our business, we have undertaken a series of measures to cut our operating expenses and achieve Adjusted EBITDA profitability. These changes in our business model have placed significant demands on our management, financial, operational, technological and other resources. Our ability to achieve profitable growth in the future depends on a number of factors, including our ability to increase awareness of our brand and successfully compete with other companies; price our products effectively so that we are able to attract new consumers and expand sales to our existing consumers; continue to innovate and introduce new products; maintain and improve our technology platform supporting our ecommerce business; expand our supplier and fulfillment capacities; drive operational efficiency; and maintain quality control over our product offerings. These challenges have been compounded by recent trends in the macroeconomic environment, with tariffs, increased inflationary pressure on consumer spending, increased interest rates and reduced access to capital constraining liquidity, all of which may cause us to reduce spending in areas that historically drive growth and which could materially and adversely affect our business.

Any investments that we make may not result in the growth of our business. Even if our investments do result in the growth of our business, if we do not effectively manage our growth, we may not be able to execute on our business plan, respond to competitive pressures, take advantage of market opportunities, satisfy consumer requirements or maintain high-

quality product offerings, any of which could adversely affect our business, financial condition, results of operations and prospects. We are also required to manage numerous relationships with vendors and other third parties, our operations, vendor base, fulfillment centers, information technology systems or internal controls and procedures may not be adequate to support our operations. If we are unable to manage the growth of our organization effectively, our business, financial condition, results of operations and prospects may be adversely affected. If we are unable to successfully re-ignite growth and achieve sustainable profitability, our business prospects will be materially and adversely affected.

We have transitioned the operation of our e-commerce platform to third-party technology service providers, and continued or any new disruption of or interference with the platform or the use of these services would adversely affect our business, financial condition and results of operations.

Historically, we relied on a homegrown ecommerce platform that required ongoing investment to stay current with industry trends and consumer expectations. To, among other anticipated benefits, streamline operations, provide customers with a better shopping experience, free up resources that had been used to maintain standard ecommerce functionality, support brand growth by improving onsite conversion and unlock continuous innovation, we migrated the operation of our legacy platform to third-party technology providers. In effecting the transition, we experienced disruptions to platform operations, including user experience, inventory management, fulfillment operations and payment processing, among others. If we continue to experience delays, disruptions or interferences with respect to significant aspects of the new ecommerce platform and related services, our business and results of operations may be materially and adversely affected.

Our transition to third-party ecommerce platform, and related technology service providers comes with our inability to exercise control over their operations, priorities and other matters, which increases our vulnerability to problems with the services. The failure of our third-party commerce platform providers to meet our capacity and other requirements could result in interruption in the availability or functionality of our website and mobile applications, which would adversely affect our business and results of operations.

We have in the past and could in the future experience disruptions or interference with the use of the third-party ecommerce platform and related services. If our customers are unable to purchase products within a reasonable amount of time or at all, then our business, financial condition and results of operations could be adversely affected. In some instances, we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to our customers. Any of the above circumstances or events may possibly cause customers to stop purchasing our products, impair our ability to increase revenue from existing customers, impair our ability to grow our customer base and otherwise harm our business, financial condition and results of operations.

Our quarterly operating results fluctuate, which could cause our stock price to decline.

Our quarterly operating results fluctuate for a variety of reasons, many of which are beyond our control. Our revenue could fluctuate for a variety of reasons, including the seasonality of market transactions; our success in attracting new and maintaining relationships with existing ecommerce partners; our success in executing on our strategy and the impact of any changes in our strategy; the timing and success of product launches, including new products that we may introduce; the success of our marketing efforts; general market conditions; disruptions or defects in our technology platform, such as privacy or data security breaches, errors in our software or other incidents that impact the availability, reliability, or performance of our platform; the impact of competitive developments and our response to those developments; supply chain issues; and our ability to recruit and retain employees.

Fluctuations in our quarterly operating results may cause those results to fall below our financial guidance or other projections, or the expectations of analysts or investors, which could cause the price of our common stock to decline. Fluctuations in our results could also cause other problems, including, for example, analysts or investors changing their models for valuing our common stock. We could experience short-term liquidity issues, our ability to retain or attract key personnel may diminish, and other unanticipated issues may arise. We believe that our quarterly operating results may vary in the future and that period-to-period comparisons of our operating results may not be meaningful. Any seasonal effects may change or become more pronounced over time, which could also cause our operating results to fluctuate. You should not rely on the results of any given quarter or period as an indication of future performance.

We have incurred significant losses since inception, we expect to incur losses in the future, and we may not be able to generate sufficient revenue to achieve and maintain profitability.

We have incurred significant losses since our inception. For the years ended December 31, 2025 and 2024 we incurred net losses of $11.7 million and $27.4 million, respectively. While we reported net income of $0.1 million for the three months ended September 30, 2026, we recorded a net loss of $1.8 million for the nine months ended September 30, 2026. As of September 30, 2026, we had an accumulated deficit of $662.1 million.

We expect to continue to incur significant expenses and to incur operating losses for the foreseeable future. We may not succeed in increasing our revenues in a manner that will be sufficient to offset these expenses. Any failure to increase our revenues as we implement initiatives to grow our business could prevent us from achieving sustained profitability. We may not achieve profitability on a quarterly or annual basis. If we are unable to address these risks and difficulties as we encounter them, our business, financial condition and results of operations may suffer.

We may require additional financing, and a failure to obtain this necessary capital when needed could force us to delay, limit, or reduce our investments in advertising and other strategic initiatives planned for future growth.

We expect to continue to incur significant expenses for the foreseeable future. We believe that our existing cash and cash equivalents will be sufficient to fund our planned operations for at least the next 12 months. However, the terms of our debt facility and our longer term operating plan will require us to obtain additional financing.

In July 2022, we entered into a Standby Equity Purchase Agreement (the "SEPA") with YA II PN, Ltd. ("Yorkville"), whereby we have the right, but not the obligation, to sell to Yorkville up to $100.0 million of our shares of common stock from time to time over an original term of 36 months, subject to certain conditions. On July 8, 2025, the Company and Yorkville amended the SEPA (the "Amended SEPA") to extend the term to August 1, 2027 and amend the purchase price of any shares sold under the Amended SEPA. The shares of our common stock that may be issued under the Amended SEPA may be sold by us to Yorkville at our discretion from time to time and sales of our common stock under the Amended SEPA will depend upon market conditions and other factors. Additionally, in no event may we sell more than 6,511,532 shares of our common stock to Yorkville under the Amended SEPA, which number of shares is equal to 19.99% of the shares of the Company's common stock outstanding immediately prior to the execution of the Amended SEPA (the "Exchange Cap"), unless we obtain stockholder approval to issue shares of common stock in excess of the Exchange Cap in accordance with applicable NYSE rules or comply with certain other requirements as described in the Amended SEPA. As a result, unless our stock price exceeds $15.33, we will be unable to sell the full $100.0 million commitment to Yorkville without seeking stockholder approval to issue additional shares in excess of the Exchange Cap. Under the Amended SEPA, the purchase price per share for Class A common stock will be the lowest daily volume weighted average price ("VWAP") of the Company's Class A common stock over the Pricing Period, as defined by the agreement, less a discount of 2.45%. As of October 31, 2026, under the terms of the Amended SEPA we would be permitted to raise gross proceeds of approximately $6.8 million, although the amount we could actually raise is based on the market price of our stock and historical trading volume. We may ultimately decide to sell all or some of the shares of our common stock that may be available for us to sell pursuant to the Amended SEPA. Because the purchase price per share to be paid by Yorkville for the shares of common stock that we may elect to sell under the Amended SEPA will fluctuate based on the market prices of our common stock during the applicable pricing period for each of those sales, it is not possible for us to predict, as of the date of this report and prior to any such sales, the number of shares of common stock that we will sell under the Amended SEPA, the purchase price per share or the aggregate gross proceeds that we will receive from those purchases under the Amended SEPA. Further, the resale by Yorkville of a significant number of shares at any given time, or the perception that these sales may occur, could cause the market price of our common stock to decline and to be highly volatile.

While we may opportunistically seek access to additional funds by utilizing the Amended SEPA, through additional public or private equity offerings or debt financings, through partnering or other strategic arrangements, or a combination of the foregoing, additional funds may not be available when we need them on terms that are acceptable to us, or at all. To the extent that we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. Debt financing arrangements may require us to pledge certain assets or enter into covenants that could restrict our operations or our ability to pay dividends or other distributions on our common stock or incur further indebtedness. Our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide, including the trading price of common stock. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce our investments in advertising and other strategic initiatives planned for future growth, which could have a material adverse effect on our business, results of operations, financial condition, and prospects.

We may not be able to compete successfully.

The markets in which we compete are evolving rapidly and intensely competitive, and we face a broad array of competitors from many different industry sectors.

Our business includes a variety of product types and delivery channels. Our current and potential competitors include: (1) companies that sell household and personal care products online and in physical stores; (2) physical, ecommerce, and omnichannel retailers, vendors, distributors, and manufacturers of the products we offer and sell to consumers; and (3) web search engines, comparison shopping websites, social networks, and other online and app-based

means of discovering, using, or acquiring goods, either directly or in collaboration with other retailers. We compete based on various product attributes, including sustainability, price, and quality.

We compete with producers of household and personal care products and ecommerce and traditional sales outlets for these products. Some of our competitors are also our partners and we distribute their products. Some of our current and potential competitors have longer operating histories, larger fulfillment infrastructures, better established wholesale and retail distribution networks, faster shipping times, lower-cost shipping, lower operating costs, larger customer bases, and greater control over inputs critical to our business such as financial, marketing, institutional and other resources. They may secure better terms from suppliers, adopt more aggressive pricing, pursue restrictive distribution agreements that restrict our access to supply, direct consumers to their own offerings instead of ours, and devote more resources to research and development, technology, infrastructure, fulfillment, and marketing and develop products or services that are similar to ours or that achieve greater market acceptance. The Internet facilitates competitive entry and comparison shopping, which enhances the ability of new, smaller, or lesser-known businesses to compete against us. Our business is subject to rapid change, the development of new business models and the entry of new and well-funded competitors. Other companies also may enter into business combinations or alliances that strengthen their competitive positions. Competition may adversely affect our business, operating results and financial condition.

Competition in the natural, sustainable and wellness consumer products markets presents an ongoing threat to the success of our business.

The number of companies entering the natural, sustainable and wellness consumer products markets with offerings similar to ours continues to increase. We believe that our ability to compete depends upon many factors both within and beyond our control, including the size of our customer base; the timing and market acceptance of products, including the developments and enhancements to those products and services that we or our competitors offer; customer service and support efforts, selling and marketing efforts, ease of use, performance, price and reliability of the products and services that we and our competitors develop, and our brand strength relative to our competitors. Some of our current and potential competitors have longer operating histories and greater financial, technical, marketing and other resources than we do. These factors may allow our competitors to respond more quickly or efficiently than we can to new or emerging technologies. These competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns and adopt more aggressive pricing policies, which may allow them to build larger customer bases than ours or greater market acceptance than us.

We must find sustainable solutions that support our brand and long-term growth.

We are committed to making meaningful gains throughout our business practices as it relates to sustainability. In the current landscape of diminishing resources amidst dramatically increasing demand for these resources, it is critical we adopt more sustainable business practices through product innovation and sustainable sourcing. To succeed, we are dependent on the efforts of partners and various certification bodies. Our failure to continuously adopt leading sustainable business practices could limit business growth and profit potential and damage our corporate reputation.

If we fail to cost-effectively acquire new consumers or retain our existing consumers, our business could be adversely affected.

Our success depends on our ability to attract new customers and engage existing customers cost-effectively. To acquire and engage customers, we must, among other things, promote and sustain our platform and provide high-quality products, user experiences, and customer service. If customers do not perceive our ecommerce service or products to be reliable, sustainable and of high quality, if we fail to introduce new and improved products and services, or if we introduce new products or services that are not favorably received by the market, we may not be able to attract or retain customers.

We have historically acquired a significant number of our customers through digital advertising on social media channels owned by Meta and Alphabet that may, along with other social media platforms we may engage, terminate their agreements with us at any time or introduce factors beyond our control, such as adjustments to algorithms that may decrease user engagement or negatively affect our ability to reach a broad audience; increase pricing; and change their policies which may have the effect of negatively impacting advertising through these channels, all of which could impact our ability to attract new customers.

Customer acquisition costs may fluctuate and rise on the channels that have been successful for us historically and on new channels that we are introducing. Rising costs may limit our ability to expand or maintain our acquisition efforts, which could negatively affect our results of operations.

Changes to our DTC business designed to attract new customers and retain existing customers, including, but not limited to expanded shopping personalization, non-subscription options, and user generated and editorial content may not

perform as well as our historical DTC platform, which could negatively impact our results of operations. We recently updated our ecommerce experience to remove gated access and default subscriptions. We also later transitioned the operation of our ecommerce platform to third parties. Our implementation of these changes resulted in a decline in the number of orders and our revenue as a result of ecommerce experience and other issues. We have made improvements in the customer experience on our platform after these implementations and intend to make additional changes. Our efforts to improve the performance of our ecommerce platform may not be successful and we may continue to have increased difficulty in acquiring customers cost-effectively. As a result, our business, operating results and financial condition will be further harmed.

Other factors may reduce our ability to acquire, maintain and further engage with customers, including the effectiveness of our marketing efforts and other expenditures we make to continue to acquire new customers and maintain and increase engagement with existing customers; system updates to app stores and advertising platforms; changes in search algorithms by search engines; the development of new search engines or social media sites that reduce traffic on existing search engines and social media sites; and changes in consumer behavior.

Moreover, consumer preferences may change, and customers may not purchase through our marketplace as frequently or spend as much with us as historically has been the case. As a result of these potential changes, the revenue generated from customer transactions may not be as high as revenue generated from transactions historically.

Maintaining consumer awareness of our brand, building brand loyalty and generating interest in our products requires substantial spending on advertising and marketing, and our reduction in this spending to achieve profitability may adversely affect our brand awareness.

To remain competitive, expand and keep market share for our products across our various channels, we need to devote substantial resources to marketing and advertising. Our reduction in advertising and promotional expenditures to achieve profitability in recent years may harm our brand's market position. We are adopting new marketing and advertising strategies in efforts to improve efficiency of our marketing spend, but these efforts may not prove successful. Any increase in our marketing and advertising efforts may not maintain our current reputation, lead to increased brand awareness, or attract new customers. If we are unable to maintain and promote a favorable perception of our brand and products on a cost-effective basis, our business, financial condition, results of operations and prospects could be adversely affected.

Our brand and reputation may be diminished due to real or perceived quality, safety, efficacy or environmental impact issues with our products, which could have an adverse effect on our business, financial condition, results of operations and prospects.

We believe our consumers rely on us to provide them with clean, sustainable, well-designed, and effective products. Any loss of confidence on the part of consumers in our products or the ingredients used in our products, whether related to actual or perceived product contamination, product safety or quality failures, environmental impacts, or inclusion of prohibited ingredients, or ingredients that are perceived to be "toxic," could tarnish the image of our brand and could cause consumers to choose other products. Allegations of contamination or other adverse effects on product safety, efficacy or suitability for use by a particular consumer or on the environment, even if untrue, may require us to expend significant time and resources responding to such allegations and could, from time to time, result in a recall of a product from any or all of the markets in which the affected product was distributed. Any such issues or recalls could negatively affect our ability to achieve or maintain profitability and brand image.

If our products are found to be, or perceived to be, defective or unsafe, or if they otherwise fail to meet our consumers' expectations, our relationships with consumers could suffer, the appeal of our brand could be diminished, we may need to recall some of our products and/or become subject to regulatory action, and we could lose sales or market share or become subject to boycotts or liability claims. In addition, safety or other defects in our competitors' products or products using the Grove name in other consumer categories, could reduce consumer confidence in or demand for our own products if consumers view them to be similar. Any such adverse effect could be exacerbated by our market positioning as a purveyor of clean, sustainable, well-designed, and effective products and may significantly reduce our brand value. Issues regarding the safety, efficacy, quality or environmental impact of any of our products, regardless of the cause, may have an adverse effect on our brand, reputation and operating results.

Further, our customers may engage with us online through social media platforms by providing feedback and public commentary about all aspects of our business. Information concerning us, whether accurate or not, may be posted on social media platforms at any time and may have a disproportionately adverse impact on our brand, reputation, or business. The harm may be immediate without affording us an opportunity for redress or correction and could have a material adverse effect on our business, results of operations, financial condition, and prospects.

Failure to introduce new products that meet the expectations of our customers may adversely affect our ability to grow.

We have a limited history introducing new products and services to our customers. New potential products and services may fail at any stage of development or commercialization, including after launch, and if we determine that any of our current or future products are unlikely to succeed, we may abandon them without any return on our investment. In addition, any unsuccessful effort may adversely affect our brand and reputation. If our efforts to attract new customers and engage existing customers with new and enhanced products are unsuccessful or if such efforts are more costly than we expect, our business may be harmed and our potential for growth may be impaired.

Government regulation of the Internet and ecommerce is evolving, and unfavorable changes or failure by us to comply with these regulations could have an adverse effect on our business, financial condition, results of operations and prospects.

We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and ecommerce, including consumer protection regulations that regulate retailers and govern the promotion and sale of merchandise. Existing and future regulations and laws could impede the growth of the Internet, ecommerce or mobile commerce, which could in turn adversely affect our growth. These regulations and laws may involve taxes, tariffs, privacy and data security, anti-spam, content protection, electronic contracts and communications, consumer protection, sales practices, subscription programs and Internet neutrality. For example, the current presidential administration's implementation of tariffs has negatively impacted us and could negatively impact us in the future if the tariff applies to goods we source or manufacture in other countries. For example, we have manufacturing relationships in China, Mexico and Canada. It is possible that general business regulations and laws, or those specifically governing the Internet or ecommerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities, customers, suppliers or others. Any such proceeding or action could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business, decrease the use of our website and mobile applications by customers and suppliers and may result in the imposition of monetary liabilities and burdensome injunctions that could, for example, require changes to our business practices. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of noncompliance with any such laws or regulations. As a result, adverse developments with respect to these laws and regulations could have an adverse effect on our business, financial condition, results of operations and prospects.

We may become subject to product liability claims, which could materially harm our reputation, financial condition, and liquidity if we are not able to successfully defend or insure against such claims.

Selling consumer product goods and personal care products involves inherent legal and other risks, and there is increasing governmental scrutiny of, and public awareness regarding, product safety. Such products are highly regulated by numerous government agencies. Some of the products we sell or manufacture expose us to product liability claims relating to personal injury or illness, death, or environmental or property damage, and can require product recalls or other actions. Third parties who sell products using our services also expose us to product liability claims. Our liability insurance coverage may not be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. In addition, some of our agreements with our vendors and sellers do not indemnify us from product liability. Adverse reactions, including illnesses, injury or death related to ingredients, allergens, or foreign material contamination in our products or other product safety incidents or efficacy failures with our products, or involving our suppliers, could result in the disruption or discontinuance of sales of these products or our relationships with such suppliers, or otherwise result in increased operating costs, regulatory enforcement actions (e.g., seizure), and harm to our reputation.

Shipment of adulterated, misbranded or expired products, even if inadvertent or the fault of a third-party supplier, can result in criminal or civil liability. Such incidents could also expose us to product liability, negligence or other lawsuits, including consumer class action lawsuits. Any claims brought against us may exceed or be outside the scope of our existing or future insurance policy coverage or limits. Any judgment against us that is more than our policy limits or not covered by our policies or not subject to insurance would have to be paid from our cash reserves, which would reduce our capital resources.

The occurrence of adverse reactions, ineffectiveness or other safety incidents associated with our products could also adversely affect the price and availability of affected ingredients or products, resulting in higher costs, disruptions in supply and a reduction in our sales. Furthermore, any safety, contamination, defects, or regulatory noncompliance issues, whether or not caused by our actions, could compel us, our suppliers or our consumers, depending on the circumstances, to conduct

a recall in accordance with requests from the FDA, the CPSC, the USDA, the EPA or other federal, state or local authorities. Product recalls could result in significant losses due to their costs, the destruction of product inventory, lost sales due to the unavailability of the product for a period of time, potential loss of existing ecommerce partners or consumers, negative publicity and a potential negative impact on our ability to attract new consumers due to negative consumer experiences or because of an adverse impact on our brand and reputation. The costs of a recall could be outside the scope of our existing or future insurance policy coverage or limits.

Companies that sell consumer and personal care products have also been subject to targeted, large-scale tampering as well as to opportunistic, individual product tampering, and we, like any such company, could be a target for product tampering. Forms of tampering could include the introduction of foreign material, chemical contaminants and pathological organisms into products, as well as product substitution. Governmental regulations require companies like us to analyze, prepare and implement mitigation strategies specifically to address tampering designed to inflict widespread public health harm. If we do not adequately address the possibility, or any actual instance, of product tampering, we could face possible seizure or recall of our products and the imposition of civil or criminal sanctions, which could have an adverse effect on our business, financial condition, results of operations and prospects.

We are subject to a number of other laws and regulations, which could impact our business.

We are subject to a broad range of federal, state, local, and foreign laws and regulations intended to protect public and worker health and safety, natural resources, the environment and consumers. Our operations are subject to regulation by the Occupational Safety and Health Administration, the FDA, the CPSC, the USDA, the FTC, EPA, and by various other federal, state, local and foreign authorities regarding the manufacture, processing, packaging, storage, sale, order fulfillment, advertising, labeling, import and export of our products. In addition, we and our manufacturing partners are subject to additional regulatory requirements, including environmental, health and safety laws and regulations administered by the EPA, state, local and foreign environmental, health and safety legislative and regulatory authorities and the National Labor Relations Board, covering such areas as discharges and emissions to air and water, the use, management, disposal and remediation of, and human exposure to, hazardous materials and wastes, and public and worker health and safety, and Current Good Manufacturing Practice requirements, or GMPs, enforced by the FDA. In addition, as the provider of products with a subscription-based element, a variety of laws and regulations govern the ability of users to cancel subscriptions and auto-payment renewals. California's automatic renewal law in particular has been the basis for both consumer class actions and government enforcement. Violations of or liability under any of these laws and regulations may result in administrative, civil or criminal fines, penalties or sanctions against us, revocation or modification of applicable permits, licenses or authorizations, environmental, health and safety investigations or remedial activities, voluntary or involuntary product recalls, warning or untitled letters or cease and desist orders against operations that are not in compliance, among other things. Such laws and regulations generally have become more stringent over time and may become more so in the future, and we may incur (directly, or indirectly through our manufacturing partners) material costs to comply with current or future laws and regulations or in any required product recalls. For example, in the last few years, California, New York, Illinois, Delaware, and Colorado all enacted more robust requirements regulating subscription programs.

Liabilities under, and/or costs of compliance, and the impacts on us of any non-compliance, with or investigations under any such laws and regulations could have a material adverse effect on our business, financial condition, results of operations and prospects. For example, the Consumer Protection Division of the Santa Clara County District Attorney's Office, in conjunction with other county and city prosecutors, is currently investigating our automatic subscription renewal practices. Addressing concerns raised in the investigation has resulted in significant changes to our DTC business model, and the liability resulting from finally resolving their investigation could be material. We may be subject to future claims under auto-payment renewal laws and regulations that could have a material adverse effect on our business. In addition, changes in the laws and regulations to which we are subject, or in the prevailing interpretations of such laws and regulations by courts and enforcement authorities, could impose significant limitations and require changes to our business, which may increase our compliance expenses, make our business more costly and less efficient to conduct, and compromise our growth strategy, which could have an adverse effect on our business, financial condition, results of operations and prospects.

Our products are also subject to state laws and regulations, such as California's Proposition 65 ("Prop 65"), which requires a specific warning on any product that causes an exposure to a substance listed by the State of California as known to cause cancer, birth defects or other reproductive harm, unless the exposure is below the warning level. We have in the past been subject to lawsuits brought under Prop 65, and if we fail to comply with Prop 65 in the future, it may result in lawsuits and regulatory enforcement that could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects. Further, the inclusion of warnings on our products to comply with Prop 65 could also reduce overall consumption of our products or leave consumers with the perception (whether or not valid) that our products do not meet their health and wellness needs, all of which could adversely affect our reputation, business, financial condition, results of operations and prospects.

Our business of selling dietary supplements and human and pet foods are subject to laws and regulations that govern the warehousing of such products. Complying with these laws and regulations increases the cost of our selling these products. If we are not able to maintain an acceptable cost or if we are found not to be in compliance with these laws and regulations, our business, operating results, and financial condition may be harmed.

We have pursued and may in the future pursue acquisitions to expand our business, and if any of those acquisitions are unsuccessful, our business may be harmed.

Our strategy has included and may in the future include the expansion of our business through the acquisition of other businesses, products or technologies, or through strategic alliances. Acquisitions involve numerous risks, including the possibility that we will pay more than the value we derive from the acquisitions which could result in future non-cash impairment charges, and incremental operating losses; difficulties in integration of the operations, technologies and products of the acquired companies, which may require significant attention of our management that otherwise would be available for the ongoing development of our business; the assumption of certain known and unknown liabilities of the acquired companies; difficulties in retaining key relationships with employees, customers, collaborators, vendors and suppliers of the acquired company; and in the case of acquisitions outside of the jurisdictions where we currently operate, the need to address the particular economic, currency, political, and regulatory risks associated with specific countries, particularly those related to our collection of sensitive data, regulatory approvals, and tax management, which may result in significant additional costs or management overhead for our business. Failure to successfully address any of these or other unforeseen challenges would adversely affect our business.

We may experience damage or destruction to our distribution centers, which may harm our business, results of operations and financial condition.

Our distribution centers, as well as our headquarters, are located in areas that have a history of natural disasters, including severe weather events, rendering our distribution centers vulnerable to damage. Any large-scale damage, to or catastrophic loss of products stored in our distribution centers due to natural disasters or man-made disasters such as arson, theft, power disruptions, computer viruses, data security breaches or terrorism, could result in the reduction in value of our inventory and a significant disruption in our business. Further, natural disasters such as earthquakes, hurricanes, tornadoes, fires, floods and other adverse weather and climate conditions; unforeseen health crises, such as pandemics and epidemics, political crises, such as terrorist attacks, war and other political instability; or other catastrophic events, could disrupt our operations in any of our offices, our remote workforce and distribution centers. Such events may in the future slow or temporarily halt our operations and harm our business, results of operations and financial condition.

We are dependent on our management team, and the loss of one or more key employees or groups could harm our business and prevent us from implementing our business plan in a timely manner.

Our success depends substantially upon the continued services of our executive officers and other key members of management, particularly our Chief Executive Officer. From time to time, there may be changes relating to our executive management team and key employees resulting from the hiring or departure of executives and key employees. For example, the employment of our Chief Financial Officer terminated in August 2026. We also recently hired a Chief Technology Officer and have implemented reductions in force that resulted in the loss of executives and key employees. Such changes may be disruptive to our business. We do not have employment agreements with any of our executive officers or key management and, therefore, they could terminate their employment with us at any time. We do not maintain key person life insurance policies on any of our employees. The loss of one or more of our key employees or groups could seriously harm our business.

Our corporate cost-cutting initiatives and headcount reductions could disrupt our business and may not achieve our objectives.

We have undertaken several cost-saving initiatives over the past two years, including most recently a reduction in our corporate workforce of approximately 30% in November 2025 to reduce our sales, general and administrative expenses. The cost-saving initiatives we have taken are intended to decrease expenses and to help us conserve cash. Our cost-saving initiatives may be disruptive to our operations and there is no guarantee that they will achieve the intended benefits. For example, our headcount reductions could result in negative consequences and costs, such as increased difficulties in implementing our business strategy due to the loss of expertise and institutional knowledge, attrition beyond the intended number of employees, and decreased morale among our remaining employees. We may also be unsuccessful in distributing to remaining employees duties and obligations of departing employees that are still important to our business. The reduction in workforce could also make it difficult for us to pursue, or prevent us from pursuing, new opportunities and initiatives or require us to incur additional and unanticipated costs to hire new personnel to pursue such opportunities or initiatives. Moreover, any employee litigation related to the headcount reductions could be costly and prevent management

from fully concentrating on the business. In sum, while our cost-saving initiatives are meant to benefit our business, they could negatively impact our business, financial condition and results of operations.

Labor-related matters, including labor disputes, may adversely affect our operations.

None of our employees are currently represented by a union. If our employees decide to form or affiliate with a union, we cannot predict the negative effects such future organizational activities will have on our business and operations. If we were to become subject to work stoppages, we could experience disruption in our operations, including delays in merchandising operations and shipping, and increases in our labor costs, which could harm our business, results of operations and financial condition.

Our business is subject to risks associated with sourcing, manufacturing, warehousing, distribution, infrastructure and logistics and the loss of any of our key suppliers or logistical service providers could negatively impact our business.

A significant portion of the products we offer are supplied or manufactured by a limited number of third-party suppliers and manufacturers, and as a result, we may be subject to price fluctuations or supply disruptions. Our operating results would be negatively impacted by increases in the costs of our products, and we have no guarantees that costs will not rise. In addition, as we expand into new categories and product types, we expect that we may not have strong purchasing power in these new areas, which could lead to higher costs than we have historically seen in our current categories. We may not be able to pass increased costs on to consumers, which could adversely affect our operating results. Moreover, in the event of a significant disruption in the supply of the materials used to manufacture the products we offer, we and the vendors that we work with might not be able to locate alternative suppliers of materials of comparable quality at an acceptable price. Furthermore, our reliance on suppliers and manufacturers outside of the United States, many of which are located in China, complicates our efforts to comply with customs duties and excise taxes and any failure to comply could adversely affect our business. It also subjects us to new tariffs that have been implemented, which could cause disruption in our business, increased costs and reduced demand as a result of increased prices.

In addition, products and merchandise we receive from manufacturers and suppliers may not be of sufficient quality or free from damage, or such products may be damaged during shipping, while stored in our warehouse fulfillment centers or with third-party ecommerce or retail customers or when returned by consumers. We may incur additional expenses and our reputation could be harmed if consumers believe that our products do not meet their expectations, are not properly labeled or are damaged. Quality control problems could also result in regulatory action, such as FDA Warning Letters, restrictions on importation, product liability litigation, product seizures, products of inferior quality or product stock outages or shortages, harming our sales and creating inventory write-downs for unusable products.

We purchase significant amounts of product from a limited number of suppliers with limited supply capabilities. There can be no assurance that our current suppliers will be able to accommodate our demand or continue to supply current quantities at preferential prices. In the past, we have experienced supply shortages of certain goods that have resulted in lost sales. We generally do not maintain long-term supply contracts with any of our suppliers and any of our suppliers could discontinue selling to us at any time. An inability of our existing suppliers to provide materials in a timely or cost-effective manner could impair our growth and have an adverse effect on our business, financial condition, results of operations and prospects.

We rely on SaaS technologies from third parties in order to operate critical functions of our business, including financial management services, payment processing, customer relationship management services, website platform services, ecommerce services, email services, supply chain services and data storage services. If these services become unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices or for any other reason, or if we fail to migrate successfully to new services, our expenses could increase, our ability to manage our finances could be interrupted, our processes for managing sales of our offerings and supporting our consumers could be impaired, our ability to communicate with our suppliers could be weakened and our ability to access or save data stored to the cloud may be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could have an adverse effect on our business, financial condition, results of operations and prospects.

We utilize cloud services from third-party data center facilities. Any damage to, failure of or interference with cloud services we use, whether as a result of our actions, actions by the third-party data centers, actions by other third parties, or acts of God, could result in interruptions in our cloud service and/or the loss of our or our customers' data, including personal information. Impairment of, or interruptions in, our cloud services may subject us to claims and litigation and adversely affect our ability to attract new customers. Our business will also be harmed if our customers and potential customers believe our services are unreliable. Additionally, any limitation of the capacity of our data centers could impede our ability to scale, onboard new customers or expand the usage of existing customers, which could adversely affect our

business, financial condition and results of operations. Our disaster recovery preparations and data redundancy measures may not be adequate to account for disasters or similar events that may occur in the future and may not effectively permit us to continue operating in the event of any problems with respect to our systems or those of our third-party data centers or any other third-party facilities and our business interruption insurance may not be sufficient to compensate us for the losses that could occur.

If any of our key suppliers becomes insolvent, ceases or significantly reduces its operations or experiences financial distress, or if any environmental, economic or other outside factors impact their operations, our operations could be substantially disrupted. If we are unable to identify or enter into distribution relationships with new suppliers or to replace the loss of any of our existing suppliers, we may experience a competitive disadvantage, our business may be disrupted and our business, financial condition, results of operations and prospects could be adversely affected.

If our third-party suppliers and manufacturers do not comply with ethical business practices or with applicable laws and regulations, our reputation, business, financial condition, results of operations and prospects could be harmed.

We continually seek to expand our base of suppliers, especially as we identify new products that necessitate new or additional materials. We also require our new and existing suppliers to meet our ethical and business partner standards. Suppliers may also have to meet governmental and industry standards and any relevant standards required by our consumers, which may require additional investment and time on behalf of suppliers and us.

Our reputation and our consumers' willingness to purchase our products depend in part on our suppliers', manufacturers', and vendor partners' compliance with ethical employment practices, such as with respect to child labor, wages and benefits, forced labor, discrimination, safe and healthy working conditions, and with all legal and regulatory requirements relating to the conduct of their businesses. We do not exercise control over our suppliers, manufacturers, and vendor partners and cannot guarantee their compliance with ethical and lawful business practices. If our suppliers, manufacturers, or vendor partners fail to comply with applicable laws, regulations, safety codes, employment practices, human rights standards, quality standards, environmental standards, production practices, or other obligations, norms, or ethical standards, our reputation and brand image could be harmed, and we could be exposed to litigation, investigations, enforcement actions, monetary liability, and additional costs that would harm our reputation, business, financial condition, results of operations and prospects.

If we or our distribution partners do not successfully optimize, operate and manage our warehouse fulfillment centers, our business, financial condition, results of operations and prospects could be adversely affected.

We operate warehouse fulfillment centers located in Reno, Nevada and Elizabethtown, Pennsylvania. We closed our St. Peters, Missouri location in the second quarter of 2024 to optimize for cost and operational efficiencies. If we do not optimize and operate our warehouse fulfillment centers successfully and efficiently, it could result in excess or insufficient fulfillment capacity, an increase in costs or impairment charges or harm our business in other ways. In addition, if we do not have sufficient fulfillment capacity or experience a problem fulfilling orders in a timely manner, our consumers may experience delays in receiving their purchases, which could harm our reputation and our relationship with our consumers.

We have designed and established our own fulfillment center infrastructure, including customizing inventory and package handling software systems, which is tailored to meet the specific needs of our business. If we add fulfillment and warehouse capabilities, add new businesses or categories with different fulfillment requirements or change the mix in products that we sell, our fulfillment network will become increasingly complex and operating it will become more challenging.

Shipping is a critical part of our business and any changes in our shipping arrangements or any interruptions in shipping could adversely affect our operating results.

We have relied on several vendors for our shipping requirements. If we are not able to negotiate acceptable pricing and other terms with these vendors or if they experience performance problems or other difficulties, it could negatively impact our operating results and our consumer experience. Rising shipping costs and the imposition of surcharges from time to time could negatively impact our operating results. In addition, our ability to receive inbound inventory and ship products to consumers and retailers may be negatively affected by inclement weather, fire, flood, power loss, earthquakes, labor disputes, acts of war or terrorism, trade embargoes, customs and tax requirements and similar factors. For example, escalating tensions in the Middle East, including attacks on commercial vessels transiting the Red Sea and the Strait of Hormuz, have caused ocean carriers to reroute shipments around the Cape of Good Hope, lengthening transit times and increasing our fuel-related and freight costs, and existing and potential tariffs on products sourced from Southeast Asia and China have required us to extend lead times, increase on-hand inventory, and, in some cases, absorb costs we may not be able to fully pass on to consumers. We are also subject to risks of damage or loss during delivery by our shipping vendors. If our products are not delivered in a timely fashion or are damaged or lost during delivery, our consumers could become

dissatisfied and cease shopping on our site or retailer or third-party ecommerce sites that carry our products, which could have an adverse effect on our business, financial condition, operating results and prospects.

Risks associated with the outsourcing of our fulfillment process and other technology-related functions could materially and adversely affect our business, financial condition, and results of operations.

We have outsourced portions of our fulfillment process, as well as certain technology-related functions, to third-party service providers. Specifically, we rely on third parties in a number of foreign countries and territories. We are dependent on third-party vendors for credit card processing and use third-party hosting and networking providers to host our sites. The failure of one or more of these entities to provide the expected services on a timely basis, or at all, or at the prices we expect, or the costs and disruption incurred in changing these outsourced functions to be performed under our management and direct control or that of a third party, could have an adverse effect on our business, financial condition, results of operations and prospects. We are not party to long-term contracts with some of our ecommerce partners, and upon expiration of these existing agreements, we may not be able to renegotiate the terms on a commercially reasonable basis, or at all.

We are subject to risks related to online payment methods, including third-party payment processing-related risks.

We currently accept payments using a variety of methods, including credit card, debit card, and gift cards. As we offer new payment options to consumers, we may be subject to additional regulations, compliance requirements, fraud and other risks. We also rely on third parties to provide payment processing services, and for certain payment methods, we pay interchange and other fees, which may increase over time and raise our operating costs and affect our ability to achieve or maintain profitability. We are also subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard, or PCI-DSS, and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we (or a third party processing payment card transactions on our behalf) suffer a security breach affecting payment card information, we may be subject to lawsuits, have to pay onerous and significant fines, penalties and assessments arising out of the major card brands' rules and regulations, contractual indemnifications or liability contained in merchant agreements and similar contracts, and we may lose our ability to accept payment cards for payment for our goods and services, any of which could materially impact our operations and financial performance.

Furthermore, as our business changes, we may be subject to different rules under existing standards, which may require new assessments that involve costs above what we currently pay for compliance. If we offer new payment options to consumers, including by way of integrating emerging mobile and other payment methods, we may be subject to additional regulations, compliance requirements and fraud. If we fail to comply with the rules or requirements of any provider of a payment method we accept, if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept, or if a data breach occurs relating to our payment systems, we may, among other things, be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, our ability to accept credit card payments from consumers or facilitate other types of online payments. In addition, our customers could lose confidence in certain payment types, which may result in a shift to other payment types or potential changes to our payment systems that may result in higher costs.

We receive orders placed with fraudulent data and we may ultimately be held liable for the unauthorized use of a cardholder's card number and be required by card issuers to pay charge-back fees. Charge-backs result not only in our loss of fees earned with respect to the payment, but also leave us liable for the underlying money transfer amount. If our charge-back rate becomes excessive, card associations also may require us to pay fines or refuse to process our transactions. In addition, we may be subject to additional fraud risk if third-party service providers or our employees fraudulently use consumer information for their own gain or facilitate the fraudulent use of such information. Overall, we may have little recourse if we process a criminally fraudulent transaction. If we fail to adequately control fraudulent credit card transactions, we may face civil liability, diminished public perception of our security measures, and significantly higher credit card-related costs, each of which could harm our business, results of operations and financial condition.

We may be unable to adequately obtain, maintain, protect, defend and enforce our intellectual property rights.

Our ability to compete effectively is dependent in part upon our ability to obtain, maintain, protect, defend and enforce our intellectual property and other proprietary rights, including our proprietary technology. We establish and protect our intellectual property and proprietary rights, including our proprietary information and technology, through a combination of confidentiality procedures and other contractual provisions, as well as through patent, trademark, copyright, trade secret and other intellectual property laws in the United States and similar laws in certain other jurisdictions. However, the steps we take to obtain, maintain, protect, defend and enforce our intellectual property and proprietary rights may be inadequate. These protections may not be available in all cases or will be adequate to prevent our competitors or

other third parties from copying, reverse engineering, accessing or otherwise obtaining and using our technology, intellectual property or proprietary rights or solutions without our permission.

We pursue the registration of certain aspects of our intellectual property in the U.S. and other countries. As we apply to register our unregistered trademarks in the U.S. and other countries, our applications may not be allowed for registration in a timely fashion or at all, and our registered trademarks may not be maintained or enforced. In addition, third parties may oppose our trademark and service mark applications or trademark registrations, or otherwise challenge our use of the trademarks and service marks. In certain countries outside of the U.S., trademark registration is required to enforce trademark rights. If we do not secure registrations for our trademarks, we may encounter more difficulty in enforcing them against third parties than we otherwise would. We also may not be able to acquire or maintain appropriate domain names in all countries in which we do business. Furthermore, regulations governing domain names may not protect our trademarks and similar proprietary rights. We may be unable to prevent third parties from acquiring domain names that are similar to, infringe upon, or diminish the value of our intellectual property.

Worldwide, we have 21 issued patents and five patent applications pending. We cannot offer any assurances about which, if any, patents will be issued from our applications, the breadth of any such patents, or whether any issued patents will be found invalid and unenforceable or will be threatened by third parties. Any successful opposition to these patents or any other patents owned by or, if applicable in the future, licensed to us could deprive us of rights necessary for the successful commercialization of products that we may develop. Since patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we were the first to file on the technologies covered in several of the patent applications related to our technologies or products. Furthermore, a derivation proceeding can be provoked by a third party, or instituted by the U.S. Patent and Trademark Office (USPTO), to determine who was the first to invent any of the subject matter covered by the patent claims of our applications.

Enforcement of our intellectual property rights may be difficult and may require considerable resources. We are not always able to discover or determine the extent of any unauthorized use of our intellectual property. Moreover, the steps we take to protect our intellectual property do not always adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights. We also cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or other intellectual property rights. In addition, any of our intellectual property rights may be challenged or circumvented by others or invalidated or held unenforceable through administrative process or litigation in the U.S. or in foreign jurisdictions.

The laws of some foreign countries do not protect intellectual property rights to the same level of protection as the laws of the U.S., and we may encounter difficulties in protecting and defending such rights in foreign jurisdictions. To the extent we expand our international activities, our exposure to unauthorized copying and use of our intellectual property and proprietary information may increase. Consequently, we may not be able to prevent third parties from infringing on our intellectual property in all countries outside the U.S., or from selling or importing products made using our intellectual property in and into the U.S. or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and may also export infringing products to territories where we have patent protection, but enforcement of patents and other intellectual protection is not as strong as that in the U.S. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

If we move into new markets and expand our products or services offerings, incumbent participants in such markets may assert their intellectual property and other proprietary rights against us as a means of slowing our entry into such markets or as a means to extract substantial license and royalty payments from us. In addition, our agreements with some of our customers, suppliers or other entities with whom we do business require us to defend or indemnify these parties to the extent they become involved in infringement claims, including the types of claims described above. As a result, we could incur significant costs and expenses that could adversely affect our business, operating results or financial condition.

If the protection of our proprietary rights is inadequate to prevent use or appropriation by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our service and methods of operations. With respect to any intellectual property rights claim, we may have to seek a license to continue practices found to be in violation of third parties' rights, which may not be available on reasonable terms and may significantly increase our operating expenses. A license to continue such practices may not be available to us at all.

Litigation may be necessary to enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of the proprietary rights of others. Any litigation of this nature, regardless of outcome or merit, may be time-consuming and could incur substantial costs and expenses, substantial liability for damages, or could require us to stop our development and commercialization efforts for our products and services. Our efforts to enforce our intellectual property and proprietary rights might be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property and proprietary rights, and if such defenses, counterclaims or countersuits are

successful, we could lose valuable intellectual property and proprietary rights. Furthermore, many of our current and potential competitors may be in a position to dedicate substantially greater resources to enforce their intellectual property and proprietary rights than us. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing, misappropriating or otherwise violating our intellectual property and proprietary rights. Additionally, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Moreover, the outcome of any such litigation might not be favorable to us, even when our rights have been infringed, misappropriated or otherwise violated. If we do not prevail, we may be required to pay significant money damages, suffer losses of significant revenues, be prohibited from using the relevant systems, processes, technologies or other intellectual property (temporarily or permanently), be required to cease offering certain products or services, incur significant license, royalty or technology development expenses, or be required to comply with other unfavorable terms. Even if we were to prevail, such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on our business, operating results or financial condition. We may also be required to enter into license agreements that may not be available on commercially reasonable terms or at all. In addition, although in some cases a third party may have agreed to indemnify us for such costs, but such an indemnifying party may refuse or be unable to uphold its contractual obligations. In other cases, insurance may not cover potential claims of this type adequately or at all, and we may be required to pay monetary damages, which may be significant.

We rely on trademark, copyright, and patent law, trade secret protection, and confidentiality and/or license agreements with our employees, customers, and others to protect our proprietary rights.

We rely and expect to continue to rely on a combination of confidentiality, invention assignment and other agreements with our employees, consultants and third parties with whom we have relationships and who may have access to confidential or patentable aspects of our research and development output, as well as trademark, copyright, patent and trade secret protection laws, to protect our proprietary rights. However, any of these parties may breach their agreements with us and disclose information improperly. In addition, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information, know-how and trade secrets or each party that has developed intellectual property on our behalf. Moreover, these agreements may not be effective in controlling access to, distribution, use, misuse, misappropriation, reverse engineering or disclosure of our proprietary information, know-how and trade secrets, platform or confidential information. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our offerings. These agreements may be insufficient or breached, and we may not have adequate remedies for any such breach. Additionally, such agreements may not effectively prevent unauthorized access to or unauthorized use, disclosure, misappropriation or reverse engineering of, our confidential information, intellectual property, or technology. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret or know-how is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, trade secrets and know-how can be difficult to protect and some courts inside and outside the U.S. are less willing or unwilling to protect trade secrets and know-how. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us, and our competitive position would be materially and adversely harmed.

Additionally, individuals not subject to invention assignment agreements may make adverse ownership claims to our current and future intellectual property. For example, we may be subject to claims that former employees, collaborators or other third parties have an interest in our owned or in-licensed patents, trade secrets or other intellectual property as an inventor or co-inventor. Ownership disputes may arise, for example, from conflicting obligations of employees, consultants or others who are involved in developing our future products and services.

We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

We employ, and expect to employ in the future, individuals who were previously employed at universities or other companies, including our competitors or potential competitors. We may be subject to claims that our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers or other third parties, or to claims that we have improperly used or obtained such trade secrets. Litigation may be necessary to defend against these claims. In defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or key personnel, which could adversely impact our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management and other employees.

Indemnity provisions in various agreements to which we are party potentially expose us to substantial liability for infringement, misappropriation or other violation of intellectual property rights.

Our agreements may include indemnification provisions under which we agree to indemnify or otherwise be liable for losses suffered or incurred as a result of claims of infringement, misappropriation or other violation of intellectual property rights or other liabilities relating to or arising from our products, our acts or omissions under such agreements or other contractual obligations. Some of these indemnity agreements provide for uncapped liability and some indemnity provisions survive termination or expiration of the applicable agreement. As we continue to grow, the possibility of infringement claims and other intellectual property rights against us may increase. For any intellectual property rights indemnification claim against us or our customers, we will incur significant legal expenses and may have to pay damages, settlement fees, license fees or stop using products or technology found to be in violation of the third party's rights. Large indemnity payments could harm our business, financial condition and results of operations.

We attempt to contractually limit our liability with respect to indemnity obligations; however, we are not always successful and we may still incur substantial liability related to them. We may be required to cease use of certain functions of our platform or cease selling certain products as a result of any such claims. Any dispute with a customer or other third party with respect to such indemnification obligations could have adverse effects on our relationship with such customer or other third party and other existing or current and prospective customers, subject us to costly and time-consuming litigation, expensive remediation and licenses, divert management attention and financial resources, reduce demand for our products and adversely affect our brand, reputation, business, financial conditions and results of operations. Our insurance may not be adequate to indemnify us for all liability that may be imposed or otherwise protect us from liabilities or damages with respect to claims alleging compromises of customer data, and any such coverage may not continue to be available to us on acceptable terms or at all.

We must successfully maintain, scale and upgrade our information technology systems, and our failure to do so could have an adverse effect on our business, financial condition, results of operations and prospects.

We continue to invest in and implement upgrades to our systems and procedures, including building new policies, procedures, training programs and monitoring tools. There are inherent costs and risks associated with replacing and changing these systems, including potential disruptions in our business operations, and additional operating or capital costs that could have an adverse effect on our business, financial condition, results of operations and prospects.

If we (or our vendors) are unable to protect against or adequately respond to mitigate the impacts of a service interruption, data corruption, or cybersecurity attack, our operations could be disrupted, our reputation may be harmed and we could face significant costs to remediate the incident and defend against claims by business partners, customers, or regulators. Such security breaches or other cybersecurity incidents may harm our reputation and expose us to loss of consumers and business.

We rely on information technology networks and systems and data processing (a large portion of which are managed by third-party service providers) to market, sell and deliver our products and services, to fulfill orders, to collect, receive, store, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, share and otherwise process personal information, confidential or proprietary information, financial information and other information, to manage a variety of business processes and activities, for financial reporting purposes, to operate our business, process orders and to comply with regulatory, legal and tax requirements. These information technology networks and systems, and the processing they perform, may be susceptible to damage, disruptions or shutdowns, software or hardware vulnerabilities, security incidents, ransomware attacks, unauthorized activity and access, malicious code (such as malware, viruses and worms), acts of vandalism, employee or contractor theft, misplaced or lost data, fraud, misconduct or misuse, social engineering attacks and denial of service attacks, supply-side attacks, phishing and spear phishing attacks, organized cyberattacks, programming or human errors, failures during the process of upgrading or replacing software, databases or components, power outages, fires, natural disasters, hardware failures, telecommunication failures, user errors or catastrophic events, any of which could result in the loss or disclosure of confidential customer information or our own proprietary information, software, methodologies and business information.

In addition, our personnel are often working remotely and relying on their own equipment, which may pose additional data security risks to networks, systems and data. Any material disruption of our networks, systems or data processing activities, or those of our third-party service providers, could disrupt our ability to undertake, and cause a material adverse impact to our business, reputation and financial condition. If our information technology networks and systems or data processing (or those of our third-party service providers) suffers damage, security breaches, vulnerabilities, disruption or shutdown (including, for example, cyberattacks or other attacks on global networking infrastructure carried out by Russia following its invasion of Ukraine in February 2022), and we do not effectively resolve the issues in a timely manner, we could experience a material adverse impact to our business, reputation and financial condition. Our DTC and ecommerce operations are critical to our business and our financial performance. Our website serves as an effective

extension of our marketing strategies by exposing potential new consumers to our brand, product offerings and enhanced content. Due to the importance of our website and DTC operations, any material disruption of our networks, systems or data processing activities related to our websites and DTC operations could reduce DTC sales and financial performance, damage our brand's reputation and materially adversely impact our business.

The recovery systems, security protocols, network protection mechanisms and other security measures that we have integrated into our systems, networks and physical facilities, which are designed to protect against, detect and minimize security breaches, may not be adequate to prevent or detect service interruption, system failure data loss or theft, or other material adverse consequences. We and our third-party service providers regularly defend against and respond to cybersecurity incidents. No security solution, strategy, or measures can address all possible security threats or block all methods of penetrating a network or otherwise perpetrating a security incident, and our incident response procedures may be inadequate to fully contain, mitigate, or remediate a data security incident. Moreover, notwithstanding any contractual rights or remedies we may have, because we do not control our third-party service providers, including their security measures and their processing of data, we cannot ensure the integrity or security of measures they take to protect customer information and prevent data loss.

The risk of unauthorized circumvention of our security measures or those of our third-party providers, has been heightened by the increased use of the Internet and telecommunications technologies (including mobile and other connected devices) to conduct financial and other business transactions, advances in computer and software capabilities and the increasing sophistication of hackers who employ complex techniques, including without limitation, the theft or misuse of personal and financial information, counterfeiting, "phishing" or social engineering incidents, ransomware, extortion, publicly announcing security breaches, account takeover attacks, denial or degradation of service attacks, malware, fraudulent payment and identity theft. Because the techniques used by hackers change frequently, we may be unable to anticipate these techniques or implement adequate preventive measures. Our applications, systems, networks, software and physical facilities could have material vulnerabilities, be breached, or personal or confidential information could be otherwise compromised due to employee error or malfeasance, such as where third parties fraudulently induce our personnel or our consumers to disclose information or usernames and/or passwords, or otherwise compromise the security of our networks, systems and/or physical facilities. Third-party criminals regularly attempt to exploit vulnerabilities in, or obtain unauthorized access to, platforms, software, applications, systems, networks, sensitive information, and/or physical facilities utilized by us or our vendors. Improper access to our systems or databases could result in the theft, publication, deletion or modification of personal information, confidential or proprietary information, financial information and other information. An actual or perceived breach of our security systems or those of our third-party service providers may require notification under applicable data privacy regulations or contractual obligations, or for consumer relations or publicity purposes, which could result in reputational harm, costly litigation (including class action litigation), material contract breaches, liability, settlement costs, loss of sales, regulatory scrutiny, actions or investigations, a loss of confidence in our business, systems and processing, a diversion of management's time and attention, and significant fines, penalties, assessments, fees and expenses.

As is common in the digital world we operate in, we and our third-party service providers have experienced security incidents involving unauthorized access to our account credentials; however, all such incidents have been remediated and we are not aware of any significant impact resulting from such incidents. Our defense measures against cybersecurity threats and attacks and efforts to contain, mitigate and remediate a data security incident may not be successful, resulting in unexpected interruptions, delays, cessation of service, negative publicity, and other harm to our business and our competitive position. The costs to respond to a significant security breach or security vulnerability, including to provide breach notification where required, can be substantial. We may have to notify stakeholders of security breaches, which may harm our reputation and expose us to loss of consumers and business. Breach notification can lead to negative publicity, may cause our consumers to lose confidence in the effectiveness of our security measures, and could require us to expend significant capital and other resources to respond to and/or alleviate problems caused by the actual or perceived security breach. A security breach could lead to claims by our customers, or other relevant stakeholders that we have failed to comply with our legal or contractual obligations. As a result, we could be subject to legal action or our customers could end their relationships with us. The limitations of liability in our contracts may not be enforceable or adequate or would otherwise protect us from liabilities or damages. We could be required to fundamentally change our business activities and practices in response to a security breach or related regulatory actions or litigation, which could have an adverse effect on our business. We may not have, or in the future be able to obtain, adequate insurance coverage for security incidents or breaches, including fines, judgments, settlements, penalties, costs, attorney fees and other impacts that arise out of incidents or breaches. Any incidents may result in loss of, or increased costs of, our cybersecurity insurance. We also cannot ensure that our existing insurance coverage will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims related to a security incident or breach, or that the insurer will not deny coverage as to any future claim. If the impact of a security incident or breach or the successful assertion of one or more large claims against us exceeds our available insurance coverage or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), it could have an adverse effect on our business, financial condition, reputation and results of operations.

We use open source software in our platform, which may subject us to additional risks and harm our intellectual property.

We use open source software in our platform and expect to continue to use open source software in the future. There are risks and uncertainties regarding the proper interpretation of and compliance with open source software licenses. Some open source software licenses require those who distribute open source software as part of their own software product to publicly disclose all or part of the source code to such software product or to make available any derivative works of the open source code on unfavorable terms or at no cost, and we may be subject to such terms. Consequently, there is a risk that the owners of the copyrights in such open source software may claim that the open source licenses governing their use impose certain conditions or restrictions on our ability to use the software that we did not anticipate. Such owners may seek to enforce the terms of the applicable open source license, including by demanding release of the source code for the open source software, derivative works of such software, or, in some cases, our proprietary source code that uses or was developed using such open source software. These claims could also result in litigation, subject us to significant damages, require us to purchase costly third-party licenses, require us to devote additional research and development resources to change our products or discontinue the sale of our proprietary products, any of which could result in reputational harm and would be disruptive to our business. In addition, if the license terms for the open source software we utilize change, we may be forced to re-engineer our platform or incur additional costs to comply with the changed license terms or to replace the affected open source software. Furthermore, if we were to combine our proprietary platform with open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary platform to the public or offer our platform to users at no cost. This could allow our competitors to create similar platforms with lower development effort and time and ultimately could result in a loss of sales for us.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or assurance of title or controls on origin of the software. There is typically no support available for open source software, and we cannot ensure that the authors of such open source software will implement or push updates to address security risks or will not abandon further development and maintenance.

We cannot be certain that we have not incorporated open source software in our platform in a manner that is inconsistent with such policies. Therefore, we may inadvertently use open source in a manner that we do not intend or that could expose us to claims for breach of contract or intellectual property infringement, misappropriation or other violation. Any of the foregoing could have a material adverse effect on our business, financial condition, prospects and results of operations.

The actual or perceived failure by us or our vendors to comply with applicable privacy and data protection laws, regulations or industry standards could have an adverse effect on our business, financial condition, results of operations and prospects.

We collect, store, share, use, retain, safeguard, transfer, analyze and otherwise process, and our vendors process on our behalf, personal information, confidential information and other information necessary to provide and deliver our products through our ecommerce channel to operate our business, for legal and marketing purposes, and for other business-related purposes. Collection and use of this information might raise privacy and data protection concerns, which could negatively impact our business. Data privacy and information security has become a significant issue in the United States, countries in Europe, and in many other countries. The legal and regulatory framework for privacy and security issues is rapidly evolving and is expected to increase our compliance costs and exposure to liability. There are numerous federal, state, local, and international laws, orders, codes, rules, regulations and regulatory guidance regarding privacy, information security and processing (which we collectively refer to as "Data Protection Laws"), the number and scope of which is changing, subject to differing applications and interpretations, and which may be inconsistent among jurisdictions, or in conflict with other rules, laws or obligations (which we collectively refer to as "Data Protection Obligations"). Therefore, the regulatory framework for privacy and data protection worldwide is, and is likely to remain, uncertain and complex for the foreseeable future, and our actual or perceived failure to address or comply with applicable Data Protection Laws and Data Protection Obligations could have an adverse effect on our business, financial condition, results of operations and prospects. We also expect that there will continue to be new Data Protection Laws and Data Protection Obligations, and we cannot yet determine the impact such future Data Protection Laws and Data Protection Obligations may have on our business. Any significant change to Data Protection Laws and Data Protection Obligations, including without limitation, regarding the manner in which the express or implied consent of consumers for processing is obtained, could increase our costs and require us to modify our operations, possibly in a material manner, which we may be unable to complete and may limit our ability to store and process consumer data and operate our business.

We are or may also be subject to the terms of our external and internal privacy and security policies, codes, representations, certifications, industry standards, publications and frameworks (which we collectively refer to as "Privacy Policies") and contractual obligations to third parties related to privacy, information security and processing, including contractual obligations to indemnify and hold harmless third parties from the costs or consequences of non-compliance with Data Protection Laws or Data Protection Obligations.

We may not be successful in achieving compliance if our employees, partners or vendors do not comply with applicable Data Protection Laws, Privacy Policies and Data Protection Obligations. If we or our vendors fail (or are perceived to have failed) to comply with applicable Data Protection Laws, Privacy Policies and Data Protection Obligations, or if our Privacy Policies are, in whole or part, found to be inaccurate, incomplete, deceptive, unfair, or misrepresentative of our actual practices, our business, financial condition, results of operations and prospects could be adversely affected.

In the United States, our obligations include rules and regulations promulgated under the authority of the FTC, the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the CCPA and other state and federal laws relating to privacy and data security. The CCPA, requires companies that process information of California residents to make disclosures to consumers about their data collection, use and sharing practices, allows consumers to opt out of the sale of personal information with third parties and prohibits covered businesses from discriminating against California residents (for example, charging more for services) for exercising any of their rights under the CCPA. The law also provides a private right of action and statutory damages for certain data breaches. In addition, the CPRA significantly modifies the CCPA, and imposes additional data protection obligations on companies doing business in California, resulting in further complexity. The law, among other things, gives California residents the ability to limit the use of their sensitive information, provides for penalties for CPRA violations concerning California residents under the age of 16, and establishes a new California Privacy Protection Agency to implement and enforce the law. The effects of this legislation are potentially far-reaching and have impacted our business. The increase in the number of privacy laws and obligations could increase our potential liability and adversely affect our business, financial condition, results of operations and prospects.

Other jurisdictions in the United States have already passed or are considering laws similar to the CCPA and CPRA, with potentially greater penalties and more rigorous compliance requirements relevant to our business. Many state legislatures have already adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, data breaches and the protection of sensitive and personal information. For example, on March 2, 2021, Virginia enacted the Virginia Consumer Data Protection Act (the "CDPA"), a comprehensive privacy statute that shares similarities with the CCPA, CPRA, and legislation proposed in other states. The CDPA, which became effective on January 1, 2023, has required and will require us to incur additional costs and expenses in an effort to comply with it. Colorado also has a similar law, the Colorado Privacy Act, which became effective on July 1, 2023. Many other states have adopted or are currently considering proposed comprehensive data privacy legislation and all 50 states have passed at least some form of data privacy legislation (for example, all 50 states have enacted laws requiring disclosure of certain personal data breaches). At the federal level, the United States Congress is also considering various proposals for comprehensive federal data privacy legislation and, while no comprehensive federal data privacy law currently exists, we are subject to applicable existing federal laws and regulations, such as the rules and regulations promulgated under the authority of the FTC, which regulates unfair or deceptive acts or practices, including with respect to data privacy and security. These state statutes, and other similar state or federal laws, may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses.

We rely on a variety of marketing techniques and practices, including email and social media marketing, online targeted advertising, cookie-based processing, and postal mail to sell our products and services and to attract new consumers, and we, and our vendors, are subject to various current and future Data Protection Laws and Data Protection Obligations that govern marketing and advertising practices. Governmental authorities continue to evaluate the privacy implications inherent in the use of third-party "cookies" and other methods of online tracking for behavioral advertising and other purposes, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. Additionally, some providers of consumer devices, web browsers and application stores have implemented, or announced plans to implement, means to make it easier for Internet users to prevent the placement of cookies or to block other tracking technologies, require additional consents, or limit the ability to track user activity, which could if widely adopted result in the use of third-party cookies and other methods of online tracking becoming significantly less effective. Laws and regulations regarding the use of these cookies and other current online tracking and advertising practices or a loss in our ability to make effective use of services that employ such technologies could increase our costs of operations and limit our ability to acquire new

consumers on cost-effective terms, which, in turn, could have an adverse effect on our business, financial condition, results of operations and prospects.

Artificial intelligence and machine learning solutions, including our use of such solutions and use of such solutions by our competitors, could result in reputational harm, competitive harm, or legal liability, and could harm our business and adversely affect our results of operations.

We are increasingly incorporating artificial intelligence ("AI") and data analytics into our platform and operations. Our ability to compete effectively depends in part on our capacity to adopt these technologies in a timely and responsible manner. If we fail, or are perceived to have failed, to keep pace with competitors' or retail partners' use of AI to improve operating efficiencies, develop commercial insights, or anticipate consumer preferences, our competitive position, market share, and financial results could be adversely affected. The adoption of AI technologies (including generative AI and autonomous or "agentic" AI systems) also introduces operational risks. AI systems may produce inaccurate, biased, or unreliable outputs that could lead to, among other things, errors in demand forecasting, procurement, pricing, inventory management, or fulfillment, or inaccurate or misleading customer-facing content, including with respect to product ingredients, benefits, or sustainability attributes, which could expose us to consumer protection claims. We rely on third-party AI platforms and service providers, and disruptions, errors, security vulnerabilities, or other issues in those systems could harm (including interrupt) our operations and otherwise expose us to liability. Additionally, the use of AI tools by our employees, contractors, service providers, or other third parties with whom we work may inadvertently disclose confidential information, compromise trade secrets, or generate content that infringes third-party rights (including intellectual property). Outputs generated by AI tools, and our use of AI itself—including its associated energy, water, and other environmental impacts—could be, or could be perceived to be, inconsistent with our brand values, our sustainability commitments, or our status as a public benefit corporation and Certified B Corporation, and any failure to satisfy our publicly announced commitments to measure, mitigate, and report the environmental impact of our AI adoption could harm our reputation and erode customer trust.

The rapid evolution of AI technologies has in the past and may in the future intensify cybersecurity risks, as threat actors increasingly use AI to develop more sophisticated attacks, including enhanced phishing, malware, deepfake impersonation, and social engineering techniques. Cybersecurity incidents involving AI systems and/or data processed through such systems, including personal information of our customers and subscribers, could result in, among other things, business disruption, reputational harm, regulatory penalties, and loss of customer trust. In addition, the legal and regulatory environment for AI is evolving rapidly across multiple jurisdictions. Governments have in the past and may in the future enact laws governing the development, deployment, and use of AI, including requirements related to transparency, algorithmic accountability, automated decision-making, consumer protection, data privacy, and bias mitigation. Compliance with these diverse and potentially conflicting requirements has in the past and may in the future increase our costs, limit how we (or the third parties with whom we work) deploy AI technologies, and expose us to enforcement actions, litigation, reputational harm and other consequences.

Intellectual property rights related to AI-generated content remain uncertain. We may face claims that our use of AI tools infringes third-party copyrights, patents, or other intellectual property, and we may have limited ability to obtain intellectual property protection for AI-generated outputs. These uncertainties could affect our ability to protect our brand and proprietary information. In addition, shifts in consumer behavior driven by AI, including the emergence of AI-powered shopping, search experiences, and recommendation systems, could change how consumers discover and purchase household, personal care, and wellness products, reduce traffic to our DTC platform, favor competitors' or lower-priced offerings, or diminish the value of our direct consumer relationships and first-party data. We may also be required to invest significant resources to develop, acquire, or integrate AI-driven and agentic technologies, and there can be no assurance that such investments will be successful, cost-effective, or result in increased demand for our offerings. Our failure, or perceived failure, to effectively leverage AI to understand and respond to changing consumer preferences could erode our market position.

We are pursuing a strategy of using artificial intelligence ("AI") tools to develop internal software to replace certain third-party software-as-a-service functionality with the goal of reducing our operating expenses. We may not achieve the cost savings we anticipate or develop functionality that adequately replaces the third-party provided functionality. The costs of developing, securing, and maintaining internally built software, including AI tool fees, personnel, infrastructure, and migration, may exceed our estimates and offset the costs we expect to eliminate. Software developed with AI assistance may contain undetected errors or security vulnerabilities, may be harder to maintain than commercially supported software, and may lack the functionality, reliability, or compliance capabilities of the platforms it replaces. A delayed or unsuccessful transition could disrupt our operations or internal controls and divert management attention and resources. If any of these risks materialize, we could incur unanticipated expenses, experience operational disruptions, or fail to realize the benefits of this strategy, any of which could adversely affect our business, financial condition, and results of operations.

Changes in existing laws or regulations or related official guidance, or the adoption of new laws or regulations or guidance, may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

The regulatory environment in which we operate has changed in the past and could change significantly and adversely in the future. For example, in December 2009, the FTC substantially revised its Guides Concerning the Use of Endorsements and Testimonials in Advertising ("Endorsement Guides") to eliminate a safe harbor principle that formerly recognized that advertisers could publish consumer testimonials that conveyed truthful but extraordinary results from using the advertiser's product as long as the advertiser clearly and conspicuously disclosed that the endorser's results were not typical. Similarly, in 2012, the FTC announced revisions to its Green Guides discussed above, which assist advertisers in avoiding the dissemination of false or deceptive environmental claims for their products. The Green Guides revisions introduced new and proscriptive guidance regarding advertisers' use of product certifications and seals of approval, "recyclable" claims, "renewable materials" claims, "carbon offset" claims and other environmental benefit claims. In October 2021, California passed a new environmental marketing law banning recyclability claims unless a product and/or its packaging meets specifically enumerated benchmarks focused on the practical realities of the recycling process; the benchmarks may be more stringent than those currently imposed by the FTC's Green Guides. In 2022, the FTC issued the "Health Products Compliance Guide" which provides guidance from the FTC on how companies can ensure that claims about the benefits and safety of health-related products are truthful, not misleading, and supported by science. In particular, the FTC Guide sets out the FTC's expectations regarding the substantiation of health-related claims, including that claim substantiation will require randomized, controlled human clinical testing. California has enacted a law and the FTC has proposed regulations pertaining to the disclosure of all components of the cost of products to consumers, including mandatory fees and charges other than taxes and fees imposed by a government and reasonably and actually incurred postage or shipping charges. We anticipate that additional states will enact similar laws. We charge amounts that are subject to the disclosure requirements of the California law and FTC proposed regulation. These laws may negatively impact consumer shopping behavior on our website and our operating results, which could adversely impact our business and financial results.

In addition, on December 23, 2022, Congress passed the Food and Drug Omnibus Reform Act of 2022, as part of the Consolidated Appropriation Act of 2023, which included the Modernization of Cosmetics Regulation Act of 2022 ("MOCRA"). MOCRA provides FDA with additional authority to regulate cosmetic products including with respect to the reporting of serious adverse events, cosmetic facility registration and product listing, the maintenance of safety substantiation files and the establishment of good manufacturing practices for cosmetics.

We may not always anticipate or timely identify changes in regulation or official guidance that could impact our business, with the result that we could be subject to litigation and enforcement actions that could adversely affect our business, financial condition, results of operations and prospects. Future changes in laws, regulations, and related official agency guidance, such as the Endorsement Guides, Green Guides, and Health Products Compliance Guide (or state automatic renewal laws, discussed above), could also introduce new restrictions that impair our ability to market our products effectively and place us at a competitive disadvantage with competitors who, for example, depend less than we do on environmental marketing claims and social media influencer relationships.

Additionally, any major changes in tax or trade policy, such as the imposition of additional tariffs or duties on imported products, or trade sanctions, between the U.S. and countries from which we source merchandise, directly or indirectly, could require us to take certain actions, such as raising prices on our offerings or seeking alternative sources of supply from vendors with whom we have less familiarity, which could adversely affect our reputation, revenue, and our results of operations.

The recent enactment of tariffs by the U.S. government, along with the unpredictability of the rates, poses a significant risk to our business operations and may materially increase our costs and reduce our margins. The tariffs have and may in the future lead to higher pricing for our products or to seeking alternative sources of supply with whom we have familiarity, potentially reducing customer demand and impacting our sales volume. Given the uncertainty regarding scope and duration of the current and potential tariffs, and the potential for additional actions by the U.S. or other countries, the specific impact to our business, results of operations, cash flows and financial condition is uncertain and could be material.

Moreover, any change in laws, regulations or guidance relating to manufacturing, advertising, labeling or packaging for our products may lead to an increase in costs or interruptions in production, either of which could adversely affect our business, financial condition, results of operations and prospects. New or revised government laws, regulations or guidelines could result in additional compliance costs and, in the event of non-compliance, civil remedies, including fines, injunctions, withdrawals, recalls or seizures and confiscations, as well as potential criminal sanctions, any of which could have an adverse effect on our business, financial condition, results of operations and prospects. We cannot, for example,

predict additional costs or other impacts of MOCRA, which among other things, requires FDA rulemaking for the implementation of key provisions.

Failure by our network of partners, suppliers or manufacturers to comply with product safety, environmental or other laws and regulations, or with the specifications and requirements of our products, may disrupt our supply of products and adversely affect our business.

If our network of partners, suppliers or manufacturers fail to comply with environmental, health and safety or other laws and regulations, or face allegations of non-compliance, their operations may be disrupted and our reputation could be harmed. Additionally, our partners, suppliers and manufacturers are required to maintain the quality of our products and to comply with our standards and specifications. In the event of actual or alleged non-compliance, we might be forced to find alternative partners, suppliers or manufacturers and we may be subject to lawsuits and/or regulatory enforcement actions related to such non-compliance. As a result, our supply of products could be disrupted or our costs could increase, which could adversely affect our business, financial condition, results of operations and prospects. The failure of any partner, supplier or manufacturer to produce products that conform to our standards could adversely affect our reputation in the marketplace and result in product recalls, product liability claims, government or third-party actions and economic loss. For example, a manufacturer's failure to meet GMPs, could result in the delivery of a product that is subject to a product recall, product liability litigation, or government investigations and enforcement. Additionally, actions we may take to mitigate the impact of any disruption or potential disruption in our supply of materials or finished inventory, including increasing inventory in anticipation of a potential supply or production interruption, could have an adverse effect on our business, financial condition, results of operations and prospects.

Our status as a public benefit corporation and a Certified B Corporation may not result in the benefits that we anticipate.

We are a public benefit corporation incorporated under Delaware law. As a public benefit corporation, we are required to balance the financial interests of our stockholders with the best interests of those stakeholders materially affected by our conduct, including particularly those affected by the specific benefit purposes set forth in our Certificate of Incorporation, as amended ("Charter"). In addition, the expected positive impact from being a public benefit corporation may not be realized. Accordingly, being a public benefit corporation and complying with our related obligations could negatively impact our ability to provide the highest possible return to our stockholders.

As a public benefit corporation, we are required to disclose to stockholders a report at least biennially on our overall public benefit performance and on our assessment of our success in achieving our specific public benefit purpose. If we are not timely or are unable to provide this report, or if the report is not viewed favorably by parties doing business with us or regulators or others reviewing our credentials, our reputation and status as a public benefit corporation may be harmed.

While not required by Delaware law or the terms of our Charter, we have elected to have our social and environmental performance, accountability and transparency assessed against the proprietary criteria established by an independent non-profit organization. As a result of this assessment, we have been designated as a "Certified B Corporation," which refers to companies that are certified as meeting certain levels of social and environmental performance, accountability and transparency. The standards for Certified B Corporation certification are set by an independent organization and may change over time. Our reputation could be harmed if we lose our status as a Certified B Corporation, whether by our choice or by our failure to continue to meet the certification requirements, if that failure or change were to create a perception that we are more focused on financial performance and are no longer as committed to the values shared by Certified B Corporations. Likewise, our reputation could be harmed if our publicly reported Certified B Corporation score declines.

As a public benefit corporation, our duty to balance a variety of interests may result in actions that do not maximize stockholder value.

As a public benefit corporation, our board of directors has a duty to balance (i) the pecuniary interest of our stockholders, (ii) the best interests of those materially affected by our conduct and (iii) specific public benefits identified in our governing documents. In balancing these interests, our board of directors may take actions that do not maximize stockholder value. Any benefits to stockholders resulting from our public benefit purposes may not materialize within the timeframe we expect or at all and may have negative effects. For example, we may choose to revise our policies in ways that we believe will be beneficial to our stakeholders, including customers, suppliers, employees and local communities, even though the changes may be costly; we may be influenced to pursue programs and services to demonstrate our commitment to the communities we serve even though there is no immediate return to our stockholders; or in responding to a possible proposal to acquire the Company, our board of directors may be influenced by the interests of our stakeholders, including suppliers and local communities, whose interests may be different from the interests of our stockholders. We may be unable or slow to realize the benefits we expect from actions taken to benefit our stakeholders, including suppliers and

local communities, which could adversely affect our business, financial condition and results of operations, which in turn could cause our stock price to decline.

As a public benefit corporation, we may be subject to increased derivative litigation concerning our duty to balance stockholder and public benefit interests, the occurrence of which may have an adverse impact on our financial condition and results of operations.

As a Delaware public benefit corporation, our stockholders (if they, individually or collectively, own at least 2% of our outstanding capital stock or shares having at least $2 million in market value (whichever is less)) are entitled to file a derivative lawsuit claiming that our directors failed to balance stockholder and public benefit interests. This potential liability does not exist for traditional corporations. Therefore, we may be subject to the possibility of increased derivative litigation, which would require the attention of management and, as a result, may adversely impact management's ability to effectively execute our strategy. Any such derivative litigation may be costly and have an adverse impact on our financial condition and results of operations.

We and our directors and executive officers may be subject to litigation for a variety of claims, which could harm our reputation and adversely affect our business, results of operations and financial condition.

In the ordinary course of business, we may face allegations, lawsuits, and regulatory inquiries, audits, and investigations regarding labor and employment, wage and hour, consumer protection, commercial, antitrust, alleged securities law violations or other investor claims, claims that our employees or independent contractors have wrongfully disclosed or we have wrongfully used proprietary information of our employees' or independent contractors' former employers and other matters, data privacy, security, consumer protection, and intellectual property infringement, acquisitions, or business practices. The number and significance of these potential claims and disputes may increase. Further, our general liability insurance may not cover all potential claims made against us or be sufficient to indemnify us for all liability that may be imposed. Any claim against us, regardless of its merit, could be costly, divert management's attention and operational resources, and harm our reputation.

Our directors and executive officers may also be subject to litigation. The limitation of liability and indemnification provisions that are included in our amended and restated Charter, our Amended and Restated Bylaws ("Bylaws") and indemnification agreements that we entered into with our directors and executive officers provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law and may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. Such provisions may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be harmed to the extent that we pay the costs of settlement and damage awards against our directors and executive officers as required by these indemnification provisions. We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law. These insurance policies may not cover all potential claims made against our directors and executive officers, may not be available to us in the future at a reasonable rate and may not be adequate to indemnify us for all liability that may be imposed. As litigation is inherently unpredictable, potential claims or disputes may harm our business, results of operations and financial condition.

The results of regulatory proceedings, litigation, claims, and audits cannot be predicted with certainty, and determining reserves for pending litigation and other legal, regulatory and audit matters requires significant judgment. Regardless of the outcome of any litigation, the litigation itself can have an adverse impact on us because of legal costs, diversion of management resources and other factors.

Risks Related to Ownership of Company Securities

The price of our Class A Common Stock and our warrants may be volatile.

The value of our securities, including our Class A Common Stock and our warrants, may fluctuate due to a variety of factors, including:

- changes in the industries in which we and our customers operate;
- variations in our operating performance, disruptions to our operations or the performance of our competitors in general;
- actual or anticipated fluctuations in our quarterly or annual results of operations;
- publication of research reports by securities analysts about us or our competitors or our industry;

- the public's reaction to our press releases, our other public announcements, and our filings with the SEC;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- additions and departures of key personnel;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, or the cost of resolving government investigations or litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of our Class A Common Stock available for public sale; and
- general economic and political conditions such as recessions, interest rates, fuel prices and general inflationary pressures, foreign currency fluctuations, international tariffs, social, political, and economic risks, and acts of war or terrorism.

These market and industry factors may materially reduce the market price of our Class A Common Stock and our warrants regardless of our operating performance.

Warrants are or may become exercisable for shares of our common stock, and additional shares of our common stock may become issuable, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

Outstanding Public Warrants and Private Placement Warrants to purchase an aggregate of 2,800,146 shares of our Class A Common Stock may become exercisable in accordance with the terms of the warrant agreement governing those securities with an exercise price of $57.50 per share. However, the Public Warrants or the Private Placement Warrants may not be in the money prior to their expiration, and as such, the Public Warrants and the Private Placement Warrants may expire worthless.

Certain warrants issued prior to the Business Combination to purchase an aggregate of 111,895 shares of Class A Common Stock (the "Legacy Grove Warrants") may become exercisable in accordance with the terms of the warrant agreements governing those securities, the forms of which have been filed as Exhibit 4.5 through Exhibit 4.12 of the Company's Current Report on Form 8-K filed with the SEC on June 23, 2022. The exercise prices of the Legacy Grove Warrants are set forth in such warrant agreements, as subsequently adjusted pursuant to the Business Combination and reverse stock split effected in June 2023.

Outstanding Backstop Warrants to purchase an aggregate of 775,005 shares of our Class A Common Stock are exercisable in accordance with the terms of that certain subscription agreement by and between VGAC II and Corvina Holdings Limited, dated as of March 31, 2022 governing those securities with an exercise price of $0.05 per share.

To the extent any of the Public Warrants, Private Placement Warrants, Legacy Grove Warrants, or Backstop Warrants are exercised, additional shares of our Class A Common Stock will be issued, which will result in dilution to the holders of our Class A Common Stock and an increase in the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised or shares be issued, as applicable, could adversely affect the prevailing market prices of our Class A Common Stock.

The Public Warrants may never be in the money, and they may expire worthless and the terms of the Public Warrants may be amended in a manner adverse to a holder if holders of at least 65% of the then-outstanding public warrants approve of such amendment.

The Public Warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the Public Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision or correct any mistake, but requires the approval by the holders of at least 65% of the then-outstanding Public Warrants to make any change that adversely affects the interests of the registered holders of Public Warrants. Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 65% of the then-outstanding Public Warrants approve of such amendment. Our ability to amend the terms of the Public Warrants with the consent of at least 65% of the then-outstanding Public Warrants is unlimited; however, examples of such amendments could be amendments to, among other things, increase the exercise price of the Warrants, convert the Warrants into cash, shorten the exercise period, or decrease the number of shares of our Class A Common Stock purchasable upon exercise of a Warrant.

We may redeem unexpired Public Warrants prior to their exercise at a time that is disadvantageous to holders of the Public Warrants, thereby making the Public Warrants worthless.

We have the ability to redeem outstanding Public Warrants at any time after they become exercisable and prior to their expiration, at a price of $0.01 per warrant, provided that the last reported sales price of our Class A Common Stock equals or exceeds $90.00 per share (as adjusted for share subdivisions, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations, and the like) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. If and when the Public Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Public Warrants could force holders of Public Warrants to: (i) exercise the Public Warrants and pay the exercise price therefor at a time when it may be disadvantageous for such holder to do so; (ii) sell the Public Warrants at the then-current market price when the holder of such Public Warrant might otherwise wish to hold their Public Warrants; or (iii) accept the nominal redemption price which, at the time the outstanding Public Warrants are called for redemption, is likely to be substantially less than the market value of such Public Warrants.

In addition, we may redeem the Public Warrants at any time after they become exercisable and prior to their expiration at a price of $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their Public Warrants prior to redemption for a number of our Class A Common Stock determined based on the redemption date and the fair market value of our Class A Common Stock. The value received upon exercise of the Public Warrants (1) may be less than the value the holders would have received if they had exercised their Public Warrants at a later time where the underlying share price is higher and (2) may not compensate the holders for the value of the Public Warrants. None of the Private Placement Warrants will be redeemable by us, subject to certain circumstances, so long as they are held by the Sponsor or its permitted transferees.

Our taking advantage of certain exemptions from disclosure requirements available to "emerging growth companies" under the Securities Act of 1933, as amended, could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may not have access to certain information they may deem important. We will remain an emerging growth company under the JOBS Act until the earliest of (a) December 31, 2026, (b) the last date of our fiscal year in which we have total annual gross revenue of at least $1.235 billion, (c) the date on which we are deemed to be a "large accelerated filer" under the rules of the SEC with at least $700.0 million of outstanding securities held by non-affiliates or (d) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the previous three years. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We may incur debt or assume contingent or other liabilities or dilute our stockholders in connection with acquisitions or strategic alliances.

We may issue equity securities to pay for future acquisitions or strategic alliances or otherwise, which could be dilutive to existing stockholders. We may also incur debt or assume contingent or other liabilities in connection with acquisitions and strategic alliances, which could impose restrictions on our business operations and harm our operating results. Further, any additional equity financing, debt financing, or credit facility used for such acquisitions may not be on favorable terms, and any such financing or facility may place restrictions on our business. In addition, to the extent that the

economic benefits associated with any of our acquisitions diminish in the future, we may incur incremental operating losses, and we may be required to record additional write downs of goodwill, intangible assets or other assets associated with such acquisitions, which would adversely affect our operating results.

We may not be able to maintain compliance with the NYSE's continued listing requirements and rules, and the NYSE may delist our securities from trading on its exchange, which could negatively impact investors' ability to make transactions in our securities and subject us to additional trading restrictions.

Currently, our Class A Common Stock is publicly traded on the NYSE under the symbol GROV. We cannot assure you that our securities will continue to be listed on the NYSE. In order to continue listing our securities on the NYSE, we must maintain certain financial, distribution, market capitalization and share price levels. Generally, we must maintain a minimum number of holders of our securities (400 public holders). For example, the average closing price of our Class A Common Stock must not be below $1.00 over a consecutive 30 trading-day period. In addition, our average global market capitalization over a consecutive 30-day trading period and stockholders' equity must be also $50 million or more. On May 15, 2025, we received a notice from the NYSE that we were not in compliance with the requirement of Section 802.01B of the NYSE Manual that we have an average market capitalization of not less than $50 million over a consecutive 30 trading-day period or stockholders' equity of not less than $50 million. Pursuant to the NYSE Notice, we were subject to the procedures set forth in Sections 801 and 802 of the NYSE Manual and submitted a business plan on June 27, 2025 that demonstrated how we expected to return to compliance with this continued listing standard within 18 months of receipt of the NYSE notice. While we received a notice from the NYSE on March 17, 2026 that we had regained compliance with the exchange's listing standards, we subsequently received an additional notice from the NYSE on August 7, 2026 that indicated we had again fallen out of compliance with the same rule. The most recent notice required us to submit a business plan within 45 days of the notice that demonstrates how we expect to return to compliance within nine months of receipt of the most recent NYSE notice (the "Cure Period"). On November 4, 2026 the NYSE notified us that it had determined that the plan we submitted made a reasonable demonstration of an ability to conform to the relevant standards in the Cure Period.

If we fail to comply with the plan or do not meet the minimum market capitalization standard by the end of the Cure Period, we will be subject to NYSE's prompt initiation of suspension and delisting procedures. If the NYSE delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A Common Stock is a "penny stock" which will require brokers trading in our Class A Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage;
- a decreased ability to issue additional securities or obtain additional financing in the future; and
- the triggering of an Event of Default as defined in the debt facility that we are a party to.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." Since our Class A Common Stock is listed on the NYSE, they are covered securities. Accordingly, the states are preempted from regulating the sale of our securities, however, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. If we were no longer listed on the NYSE, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities.

Future sales, or the perception of future sales, by us or our stockholders in the public market could cause the market price for our Class A Common Stock to decline.

The sale of shares of our Class A Common Stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Class A Common Stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As any restrictions on resale end, the market price of our Class A Common Stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our Class A Common Stock or other securities.

In addition, our Class A Common Stock reserved for future issuance under our equity incentive plans will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements, and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable. As of September 30, 2026, the aggregate number of shares of our Class A Common Stock reserved for future issuance under our Incentive Equity Plan is7,068,365. The Compensation Committee of the board of directors may determine the exact number of shares to be reserved for future issuance under our equity incentive plans at its discretion. We have filed one or more registration statements on Form S-8 under the Securities Act to register shares of our Class A Common Stock or securities convertible into or exchangeable for shares of our Class A Common Stock issued pursuant to our Equity Incentive Plan. Shares registered under such registration statements will be available for sale in the open market.

Because there are no current plans to pay cash dividends on our Class A Common Stock for the foreseeable future, holders of our Class A Common Stock may not receive any return on investment unless such holders sell their Class A Common Stock for a price greater than that which such holder paid for it.

We intend to retain future earnings, if any, for future operations, expansion and debt repayment and there are no current plans to pay any cash dividends for the foreseeable future. The declaration, amount and payment of any future dividends on shares of our Class A Common Stock will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions, implications on the payment of dividends by us to our stockholders or by our subsidiary to us and such other factors as our board of directors may deem relevant. In addition, our ability to pay dividends is limited by covenants of our existing and outstanding indebtedness and may be limited by covenants of any future indebtedness we incur. Our outstanding Series A Preferred Stock and Series A ' Preferred Stock also are entitled to receive cumulative dividends if dividends are declared by our board of directors. As a result of our current circumstances, holders of our Class A Common Stock may not receive any return on an investment in our Class A Common Stock unless such holder sells the Class A Common Stock for a price greater than that which such holder paid for it.

The Series A Preferred Stock and Series A Preferred Stock contain rights, preferences and privileges that may limit our business flexibility or reduce the value of our Class A Common Stock.

In connection with any sale or liquidation of Grove, holders of our Series A Preferred Stock and Series A' Preferred Stock (collectively, "Preferred Stock") are entitled to receive the greater of (i) an aggregate of $25 million plus declared but unpaid dividends, if any, and (ii) the amount they would have received had the converted their Preferred Stock into Class A Common Stock prior and in preference to any distributions to holders of Class A Common Stock, which may limit the value of Class A Common Stock in any such transaction. In addition, for so long as at least 50% of the shares of Preferred Stock remain outstanding, we may not, without first obtaining the approval of the holders of at least a majority of the Preferred Stock take certain actions including amending our Charter or Bylaws in a manner that adversely affects the Preferred Stock, increasing or decreasing the authorized number of shares of Preferred Stock or issuing stock that is senior to the Preferred Stock, which may limit our flexibility to raise additional equity capital or take other corporate actions. There is no guarantee that the holders of Preferred Stock would approve any such restricted action, even where such an action would be in the best interests of our stockholders. Any failure to obtain such approval could harm our business and result in a decrease in value of our Class A Common Stock. In addition, the Preferred Stock is convertible into our Class A Common Stock at the option of the holders thereof. Accordingly, any conversion of Preferred Stock would dilute the ownership of our holders of our Class A Common Stock. The potential dilutive effect of the conversion of shares of Preferred Stock may also adversely affect our ability to obtain additional financing on favorable terms or at all.

Covenants and other provisions in our loan agreements restrict our business and operations in many ways, and if we do not effectively manage our covenants, our financial conditions and results of operations could be adversely affected. In addition, our operations may not provide sufficient cash to meet the repayment obligations of our debt incurred under our loan agreements.

We are a party to that certain Loan and Security Agreement, dated as of March 10, 2023, with, inter alia, Siena Lending Group LLC (as amended or modified from time to time, the "Siena Revolver"). Under the Siena Revolver, Grove is subject to various representations and warranties, covenants and events of default. Material misrepresentations of representations and warranties, the breach of certain covenants and the occurrence of other stated events result in an immediate event of default, which give the lenders party to the Siena Revolver the right to take certain remedial measures with respect to Grove and the collateral pledged pursuant to the Siena Revolver, which would harm our business, financial condition and results of operations. The pledge of these assets and other restrictions imposed in the Siena Revolver may limit our ability to incur additional indebtedness or impair our ability to sell or dispose of assets to raise capital, which could have an adverse effect on our financial flexibility.

If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

The trading market for our Class A Common Stock relies in part on the research and reports that industry or financial analysts publish about us or our business. If an analyst who does cover us downgrades our stock or industry, or the stock of any of our competitors, or publishes inaccurate or unfavorable research about our business, the price of our stock could decline. If an analyst ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

We face significant expenses and administrative burdens as a public company, which could have an adverse effect on our business, financial condition and results of operations.

As a publicly-traded company, we now face increased legal, accounting, administrative and other costs and expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002 or the Sarbanes-Oxley Act, including the requirements of Section 404, to the extent applicable to us, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, the PCAOB and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements may increase costs and make certain activities more time consuming.

If we are unable to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy of our reported financial information and this may lead to a decline in our stock price.

We have in the past identified material weaknesses and significant deficiencies in our internal controls. All previously identified material weaknesses have been remediated, however, our discovery of additional material weaknesses or significant deficiencies in our internal control over financial reporting could harm our operating results, adversely affect our reputation, or result in inaccurate financial reporting. Furthermore, should any such deficiencies arise we could be subject to lawsuits, sanctions or investigations by regulatory authorities, including SEC enforcement actions and we could be required to restate our financial results, any of which would require additional financial and management resources.

Even if we do not detect deficiencies, our internal control over financial reporting will not prevent or detect all errors and fraud, and individuals, including employees and contractors, could circumvent such controls. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

In addition, we may encounter difficulties in the timely and accurate reporting of our financial results, which would impact our ability to provide our investors with information in a timely manner. Should we encounter such difficulties, our investors could lose confidence in the reliability of our reported financial information and the trading price of our common stock could be negatively impacted.

Delaware law and our governing documents contain certain provisions, including anti-takeover provisions, that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.

Our governing documents and the DGCL contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by the board of directors and therefore depress the trading price of our Class A Common Stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of the board of directors or taking other corporate actions. Among other things, our governing documents include provisions regarding:

- a classified board of directors;
- the ability of the board of directors to issue shares of preferred stock, including “blank check” preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the limitation of the liability of, and the indemnification of, our directors and officers;
- the requirement that a special meeting of stockholders may only be called by a majority of the entire board of directors, the Chairman of the board of directors, our Chief Executive Officer or when requested in writing by the holders of not less than 20% of all votes entitled to be cast at the meeting, which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors;
- controlling the procedures for the conduct and scheduling of board of directors and stockholder meetings;

- the ability of the board of directors to amend the Bylaws, which may allow the board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the Bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to the board of directors or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the board of directors, and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in the board of directors or management that stockholders may consider to be in their best interests.

Our Certificate of Incorporation, as amended, designates a state or federal court located within the State of Delaware as the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, stockholders, employees, or agents.

Our Charter provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, or agent of the Company to us or our stockholders, (iii) any action arising pursuant to any provision of the DGCL or our Charter or Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against us governed by the internal affairs doctrine. The foregoing provisions do not apply to any claims arising under the Securities Act and, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for resolving any action asserting a claim arising under the Securities Act.

These choice of forum provisions in our Charter may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' governing documents has been challenged in legal proceedings. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find the choice of forum provision contained in our Charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits.

Exhibit Number	Description
2.1†	Agreement and Plan of Merger, dated as of December 7, 2021, by and among Virgin Group Acquisition Corp. II, Treehouse Merger Sub, Inc. and Grove Collaborative, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Form 8-K, filed with the SEC on December 8, 2021).
2.2†	Amended and Restated Agreement and Plan of Merger, dated as of March 31, 2022, by and among Virgin Group Acquisition Corp. II, Treehouse Merger Sub, Inc., Treehouse Merger Sub II, LLC and Grove Collaborative, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Form 8-K, filed with the SEC on April 4, 2022).
3.1	Certificate of Incorporation of Grove Collaborative Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed with the SEC on June 23, 2022).
3.2	Certificate of Amendment to Certificate of Incorporation of Grove Collaborative Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on June 5, 2023).
3.3	Amended and Restated Bylaws of Grove Collaborative Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed with the SEC on November 30, 2023)
3.4	Amended and Restated Certificate of Designations of Series A Convertible Preferred Stock of Grove Collaborative Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on September 23, 2024)
3.5	Certificate of Retirement of Class B Common Stock of Grove Collaborative Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed with the SEC on April 18, 2025).
4.1	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-1 filed by the Registrant on March 15, 2021).
4.2	Warrant Agreement, dated as of March 22, 2021, between Virgin Group Acquisition Corp. II and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by the Registrant on March 25, 2021).
4.3	Certificate of Corporate Domestication of Virgin Group Acquisition Corp. II (incorporated by reference to Exhibit 4.3 of the Company's Form 8-K filed with the SEC on June 23, 2022).
4.4	Warrant Agreement, dated June 16, 2022, between Grove Collaborative Holdings, Inc. and Corvina Holdings Limited (incorporated by reference to Exhibit 4.4 of the Company's Form 8-K filed with the SEC on June 23, 2022).
4.5	Specimen Warrant to Purchase Shares of Common Stock of Grove Collaborative, Inc. (incorporated by reference to Exhibit 4.5 of the Company's Form 8-K filed with the SEC on June 23, 2022).
4.6	Specimen Warrant to Purchase Shares of Common Stock of Grove Collaborative, Inc. (incorporated by reference to Exhibit 4.6 of the Company's Form 8-K filed with the SEC on June 23, 2022).

Exhibit Number	Description
4.7	Specimen Warrant to Purchase Shares of Common Stock of Grove Collaborative, Inc. (incorporated by reference to Exhibit 4.7 of the Company's Form 8-K filed with the SEC on June 23, 2022).
4.8	Specimen Warrant to Purchase Shares of Common Stock of Grove Collaborative, Inc. (incorporated by reference to Exhibit 4.8 of the Company's Form 8-K filed with the SEC on June 23, 2022).
4.9	Specimen Warrant to Purchase Shares of Series A Preferred Stock of Grove Collaborative, Inc. (incorporated by reference to Exhibit 4.9 of the Company's Form 8-K filed with the SEC on June 23, 2022).
4.10	Specimen Warrant to Purchase Shares of Series B Preferred Stock of Grove Collaborative, Inc. (incorporated by reference to Exhibit 4.10 of the Company's Form 8-K filed with the SEC on June 23, 2022).
4.11	Specimen Warrant to Purchase Shares of Series C Preferred Stock of Grove Collaborative, Inc. (incorporated by reference to Exhibit 4.11 of the Company's Form 8-K filed with the SEC on June 23, 2022).
4.12	Specimen Warrant to Purchase Shares of Series D Preferred Stock of Grove Collaborative, Inc. (incorporated by reference to Exhibit 4.12 of the Company's Form 8-K filed with the SEC on June 23, 2022).
4.13	Warrant Agreement, dated November 10, 2022, between Grove Collaborative Holdings, Inc. and HCI Grove Management LLC (incorporated by reference to Exhibit 4.13 of the Company's Form 10-Q, filed with the SEC on November 10, 2022).
4.14	Amendment No. 3 to Loan and Security Agreement, dated as of May 8, 2025, by and among Grove Collaborative Holdings, Inc., Grove Collaborative, Inc. and Siena Lending Group LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 9, 2025)
4.15	Amendment to Standby Equity Purchase Agreement, dated July 8, 2025, by and between the Company and Yorkville (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on July 8, 2025)
4.16	Amendment No. 4 to Loan and Security Agreement, dated as of September 26, 2025, by and among Grove Collaborative Holdings, Inc., Grove Collaborative, Inc. and Siena Lending Group LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 30, 2025)
10.1+	Agreement for the Payment of Benefits Following Termination of Employment dated as of August 16, 2023, by and between Grove Collaborative Holdings, Inc. and Jeff Yurcisin (incorporated by reference to Exhibit 5.1 of the Company's Form 10-Q filed with the SEC on November 9, 2023)
10.2+	Employee Inducement Performance Based Restricted Stock Unit Award Notice dated as of August 16, 2023, by and between Grove Collaborative Holdings, Inc and Jeff Yurcisin (incorporated by reference to Exhibit 5.2 of the Company's Form 10-Q filed with the SEC on November 9, 2023)
10.3+	Employee Inducement Restricted Stock Unit Award Notice dated as of August 16, 2023, by and between Grove Collaborative Holdings, Inc and Jeff Yurcisin (incorporated by reference to Exhibit 5.3 of the Company's Form 10-Q filed with the SEC on November 9, 2023)
10.4+	Letter of Transition by and between Grove Collaborative Holdings, Inc. and Stuart Landesberg (incorporated by reference to Exhibit 5.4 of the Company's Form 10-Q filed with the SEC on November 9, 2023)
10.5+	Form of Director Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.5 of the Company's Form 10-Q, filed with the SEC on November 13, 2025)
10.6	Subscription Agreement, dated as of August 11, 2023, by and between Grove Collaborative Holdings, Inc., and Volition Capital Fund IV, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 14, 2023)
10.7	Subscription Agreement, dated as of September 20, 2024, by and between Grove Collaborative Holdings, Inc., and Volition Capital Fund IV, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 23, 2024)
10.8+	Agreement for the Payment of Benefits Following Termination of Employment dated as of October 23, 2025, by and between Grove Collaborative Holdings, Inc and Scott Giesler (incorporated by reference to Exhibit 10.8 of the Company's Form 10-Q, filed with the SEC on May 7, 2026)
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit Number	Description
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline Instance Document.
101.SCH	Inline Taxonomy Extension Schema Document.
101.CAL*	Inline Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
\+ Indicates management contract or compensatory plan or arrangement.
† Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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 thereunto duly authorized.

Date: November 10, 2026

GROVE COLLABORATIVE HOLDINGS, INC.

By: /s/ Flip van den Bosch
Name: Flip van den Bosch
Title: Principal Financial and Accounting Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeff Yurcisin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Grove Collaborative Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2026

By: /s/ Jeff Yurcisin
Jeff Yurcisin
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Flip van den Bosch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Grove Collaborative Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2026

By: /s/ Flip van den Bosch
Flip van den Bosch
Principal Financial and Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Grove Collaborative Holdings, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeff Yurcisin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2026 By: /s/ Jeff Yurcisin
Jeff Yurcisin
Chief Executive Officer

In connection with the Quarterly Report of Grove Collaborative Holdings, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Flip van den Bosch, Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2026 By: /s/ Flip van den Bosch
Flip van den Bosch
Principal Financial and Accounting Officer