

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

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

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

Date of report (Date of earliest event reported): October 19, 2021

GROVE, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

001-40535

(Commission File Number)

83-3378978

(I.R.S. Employer
Identification Number)

1710 Whitney Mesa Drive Henderson, NV 89014

(Address of principal executive offices)

(701) 353-5425

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

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

EXPLANATORY NOTE

This Amendment No. 1 to the Current Report on Form 8-K/A amends the Current Report on Form 8-K of Grove, Inc. (the “Company”) filed on October 21, 2021 (the “Original Report”). The Original Report was filed to report the completion of the Company’s acquisition of Interactive Offers, LLC, a Delaware corporation (“Interactive Offers”). In response to parts (a) and (b) of Item 9.01 of the Original Report, the Company stated that it would file the required financial information by amendment, as permitted by Items 9.01(a) and 9.01(b) of Form 8-K. The Company hereby amends the Original Report in order to provide part (a) and (b) of Item 9.01. This Amendment No. 1 does not amend any other items of the Original Report and all other information previously reported in or filed with the Original Report is hereby incorporated by reference to this Form 8-K/A.

The pro forma financial information included in this Amendment No. 1 has been presented for informational purposes only, as required by Form 8-K. It does not purport to represent the actual results of operations that the Company and Interactive Offers would have achieved had the companies been combined during the periods presented in the pro forma financial information and is not intended to project the future results of operations that the combined company may achieve after completion of the acquisition.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(a) **Financial Statements of Businesses Acquired**

The audited financial statements of Interactive Offers as of and for the years ended December 31, 2020, and 2019, and the related Independent Auditor’s Report are filed hereto as Exhibit 99.1 and incorporated herein by reference.

(b) **Financial Statements of Businesses Acquired**

The unaudited financial statements of Interactive Offers as of and for the nine months ended September 30, 2021, are filed hereto as Exhibit 99.2 and incorporated herein by reference.

(c) **Pro Forma Financial Information**

The unaudited Pro Forma Condensed Combined Balance Sheet of Grove, Inc. and Interactive Offers as of September 30, 2021, Unaudited Pro Forma Condensed Combined Statement of Income of Grove, Inc. and Interactive Offers for the year ended June 30, 2021, Unaudited Pro Forma Condensed Combined Statement of Income of Grove, Inc. and Interactive Offers for the three months ended September 30, 2021 are filed hereto as Exhibit 99.3 and incorporated herein by reference.

(d) **Exhibits**

Exhibit No.	Exhibit Description
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23.1	Consent of B F Borgers CPA PC
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99.1	Audited financial statements of Interactive Offers as of and for the years ended December 31, 2020, and 2021, and the related Independent Auditor’s Report
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99.2	The unaudited financial statements of Interactive Offers as of and for the nine months ended September 30, 2021.
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99.3	Unaudited Pro Forma Condensed Balance Sheet of Grove, Inc. and Interactive Offers as of September 30, 2021, Unaudited Pro Forma Condensed Combined Statement of Income of Grove, Inc. and Interactive offers for the year ended June 30, 2021, and the Unaudited Pro Forma Condensed Combined Statement of Income of Grove, Inc. and Interactive Offers for the three months ended September 30, 2021
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SIGNATURES

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

GROVE, INC.

Dated: December 30, 2021

/s/ Andrew J. Norstrud

Name: Andrew J. Norstrud

Title: Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation in this Form 8-K of our report dated December 30, 2021, relating to the financial statements of Interactive Offers LLC as of December 31, 2020 and 2019 and to all references to our firm included in this Registration Statement.

B F Boyer CPA PC

Certified Public Accountants
Lakewood, CO
December 30, 2021

Interactive Offers LLC

Financial Statements

Years Ended December 31, 2020 and 2019

Interactive Offers LLC

Financial Statements

Years Ended December 31, 2020 and 2019

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Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Interactive Offers LLC

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Interactive Offers LLC as of December 31, 2020 and 2019, the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations and has a significant accumulated deficit. In addition, the Company continues to experience negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/S/ BF Borgers CPA PC
BF Borgers CPA PC

We have served as the Company's auditor since 2021
Lakewood, CO
December 30, 2021

Interactive Offers LLC

Balance Sheets

December 31,
2020 2019

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 372,700	\$ 695,934
Accounts receivable	-	3,065

OTHER CURRENT ASSETS

Prepaid expenses and other assets	219,923	-
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PROPERTY AND EQUIPMENT

Computer equipment	1,390	-
Less accumulated depreciation	(1,390)	-
Net property and equipment	-	-

TOTAL ASSETS	\$ 592,623	\$ 698,999
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LIABILITIES AND MEMBERS' CAPITAL (DEFICIT)

CURRENT LIABILITIES

Accounts payable	\$ 219,085	\$ 262,148
Accrued expenses and other current liabilities	49,137	10,705
Due to officers, short-term	151,000	-
Paycheck Protection Program ("PPP") loan payable, current portion	4,438	-
Total current liabilities	423,660	272,853

NON-CURRENT LIABILITIES

Due to officers	519,000	-
Paycheck Protection Program ("PPP") loan payable, net of current portion	7,159	-
Total non-current liabilities	526,159	-

TOTAL LIABILITIES	949,819	272,853
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MEMBERS' CAPITAL (DEFICIT)	(357,196)	426,146
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TOTAL LIABILITIES AND MEMBERS' CAPITAL (DEFICIT)	\$ 592,623	\$ 698,999
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See Accompanying Notes to Financial Statements.

Interactive Offers LLC

Statements of Operations

	Years Ended December 31,	
	2020	2019
COMMISSION REVENUE, NET OF COST OF SALES	\$ 1,790,714	\$ 1,255,131
GENERAL AND ADMINISTRATIVE EXPENSES	2,683,937	1,457,868
Net (loss) from operations	(893,223)	(202,737)
OTHER INCOME		
PPP loan forgiveness	109,881	-
Net (loss)	<u>\$ (783,342)</u>	<u>\$ (202,737)</u>

See Accompanying Notes to Financial Statements.

Interactive Offers LLC

Statements of Members' Capital (Deficit)

	Years Ended December 31,	
	2020	2019
MEMBERS' CAPITAL (DEFICIT), beginning of year	\$ 426,146	\$ (5,137)
Net (loss)	(783,342)	(202,737)
Contributions from members	-	800,000
Distributions to members	-	(165,980)
MEMBERS' CAPITAL (DEFICIT), end of year	<u>\$ (357,196)</u>	<u>\$ 426,146</u>

See Accompanying Notes to Financial Statements.

Interactive Offers LLC

Statements of Cash Flows

	Years Ended December 31,	
	2020	2019
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Net (loss)	\$ (783,342)	\$ (202,737)
Adjustments to reconcile net (loss) to net cash provided by (used for) operating activities		
Depreciation	1,390	-
(Increase) decrease in assets		
Accounts receivable	3,065	(3,065)
Prepaid expenses and other assets	(219,923)	-
Increase (decrease) in liabilities		
Accounts payable	(43,063)	69,148
Accrued expenses and other current liabilities	38,432	(25,319)
Due to officers	670,000	-
	<u>(333,441)</u>	<u>(161,973)</u>
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(1,390)</u>	-
	(1,390)	-
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Distributions to members	-	(115,980)
Contributions from members	-	800,000
Advances on Paycheck Protection Program ("PPP") loan payable	<u>11,597</u>	-
	11,597	684,020
Net increase (decrease) in cash and cash equivalents	(323,234)	522,047
CASH AND CASH EQUIVALENTS, beginning of year	695,934	173,887
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 372,700</u>	<u>\$ 695,934</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Member loan taken as distribution	<u>\$ -</u>	<u>\$ (50,000)</u>

See Accompanying Notes to Financial Statements.

Interactive Offers LLC

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies

a. Nature of Business

Interactive Offers LLC (the “Company”) is CPC (cost per click) platform that connects publishers and advertisers together. The platform consists of several campaigns where advertisers bid the amount they would like to offer a publisher, who can then choose to accept the offer or not. The platform provides advertisers options for Dedicated/Sponsorship Emails, SMS (text), Push, Co-Registration, and Display campaigns. Push notifications are automated messages sent by a publisher to a user when they are browsing other sites online. The Company’s office is located in Florida.

b. Accounting Policy

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as detailed in the Financial Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, (“ASC 606”).

c. Revenue Recognition

The Company’s performance obligation is to arrange for Creative Campaigns be available to publishers via the Interactive Offers Network. The Company posts available Campaigns/Creative on their website, which Publishers can view via their dashboard associated with their account. The listings display the number of clicks or other actions the Advertiser is willing to pay to achieve, along with the amount the Advertiser is offering to pay per click or other action. Publishers select an available Campaign and are given a 48-hour window in which to publish/distribute emails or text messages containing the Creative associated with the Campaign. The Company does not obtain control of a good or service before that good or service is transferred to the customer and splits the fees charged to advertisers 70/30 (Publisher/Interactive Offers, LLC) with the publisher. The Company satisfies its performance obligation and earns a commission revenue as the “Click” or other action is taken. As the Company is acting as an agent its commission is the net amount of consideration that it retains after paying the Publisher’s the consideration received in exchange for publishing the Campaigns/Creative. The Company does not offer volume rebates, chargebacks, or any other type of discount for their sales or services.

d. Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

e. Advertising and Promotion

The Company’s policy is to expense all advertising costs as incurred. Advertising and promotion expense for the years ended December 31, 2020 and 2019, was \$11,111 and \$47,182, respectively.

Interactive Offers LLC

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

f. Income Taxes

The Company, beginning in December 2019 elected to be taxed as a partnership under the Internal Revenue Code. Prior to the corporate restructuring which caused the conversion the Company was taxed as an S Corporation. No provision for federal, state, or local income taxes is made in the accounts of the Company, as any resulting tax liabilities are those of the member. The member is responsible for reporting its allocable share of the Company's income, deductions, gains, losses, and credits. Further, the member's capital account reflected in the accompanying financial statements may differ from amounts reported in the Company's federal income tax return due to differences in accounting methods adopted for financial and tax reporting purposes.

GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

g. Paycheck Protection Program ("PPP") Loan and Forgiveness

The Company has elected, based upon guidance of the American Institute of Certified Public Accountants ("AICPA"), to follow IAS 20 *Accounting for Government Grants*, to account for the PPP loan. The standard allows that the Company recognize government grants only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants recognized in income as a systematic basis over the periods in which the Company recognized the expenses as related costs for which the grants are intended to compensate. Prior to all expenses being incurred, the PPP loan would be reported as deferred income liability and released over time as the qualifying expenses are incurred. The forgiveness will be reported as other income for portion expected to be forgiven and a loan payable for the amount expected to be paid back.

h. Pending Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

Interactive Offers LLC

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

i. Subsequent Events

On April 3, 2021, Interactive Offers LLC repurchased membership interests from one of its investors. The Company paid them \$100,000 with two additional payments of \$95,000. The first payment is due on November 3, 2021 and the second payment is due on April 3, 2022. The investor's ownership interest of 20% is now owned by Interactive Offers LLC.

On May 7, 2021, Interactive Offers LLC entered into an agreement with an investor, subject to certain conditions, whereby the Company will merge with this investor. The new combined Company will aim to issue 70% of the outstanding shares and the Company's shareholders will aim to retain 30% of outstanding shares. The combined Company will have two members appointed by the investor and three members appointed by Interactive Offers LLC.

The Company has evaluated subsequent events for potential recognition or disclosure through August 16, 2021, the date the financial statements were available to be issued.

Note 2 - Paycheck Protection Program ("PPP") Loan Payable

In April 2020, the Company (the "Borrower"), was granted a loan (the "Loan") from Bank of America in the aggregate amount of \$121,478 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which was enacted March 27, 2020.

The Loan is in the form of a note dated April 14, 2020 issued by the Borrower and matures on March 14, 2022 and bears interest at a rate of 1% per annum. Pursuant to the CARES Act and the subsequent update under the Paycheck Protection Program Flexibility Act of 2020 ("Flexibility Act"), the Company has a period of ten months after the end of the loan forgiveness covered period to apply for forgiveness. In accordance with the Flexibility Act, the Company elected the 24-week loan forgiveness covered period which begins on the date the lender disbursed the PPP funds. Payments of principal and interest on the Loan are deferred during the ten-month period.

Funds from the Loan may only be used for qualified expenses which include payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Consolidated Appropriations Act of 2021 signed into law on December 27, 2020 expanded those eligible costs to include covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures. In accordance with the CARES Act and the PPP, if the loan proceeds are fully utilized to pay for qualified expenses, the full principal amount of the Loan, along with any accrued interest, may qualify for loan forgiveness, subject to potential reduction based on termination of full-time employees or decrease in salaries during the covered period.

The Company has submitted for forgiveness and received forgiveness on qualified expenses. The Company has recorded \$109,881 as other income and \$11,597 as a loan payable. The Small Business Administration ("SBA") reserves the right to audit these expenses for up to six years.

Interactive Offers LLC

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

Note 3 - Due to Officers

On January 1, 2020 employment and board member agreements were made with four individuals. These individuals have deferred their salaries and the amounts they are due have been recorded as debt. Payments will be based on the Company's available cashflow and therefore has be classified as long-term debt. As of the date the financial statements were made available to be issued \$151,000 has been repaid.

Note 4 - Lease Commitments

The Company leases office space in Boca Raton, FL. The lease includes payment for common area utilities and related sales and occupancy taxes. The current lease expires December 31, 2021. Total future maturities of lease commitments are:

2021	<u>\$ 37,295</u>
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Note 5 - Related Party Transactions

During 2020 and 2019, the Company paid \$430,014 and \$255,836 to a party related through common ownership as a reimbursement for outside labor.

The Company pays a management fee of \$24,000 a month to a party related through common ownership. During 2020 and 2019, these expenses totaled \$288,000 and \$24,000, respectively.

Interactive Offers LLC

Supplementary Information – Schedules of General and Administrative Expenses.

	Years Ended December 31,	
	2020	2019
Officers' salaries	\$ 670,000	\$ 202,500
Office salaries	439,306	273,570
Payroll taxes and employee benefits	38,254	36,248
Outside labor	477,951	286,839
Professional fees	103,340	57,510
Office expenses	193,376	66,090
Travel	67,538	154,010
Rent	26,162	36,752
Advertising	11,111	47,182
Meals and entertainment	3,995	3,903
Bank charges	7,995	8,609
Insurance	25,871	31,596
Tradeshow expense	2,488	49,847
Recruitment expense	26,616	15,204
Telephone	4,182	5,045
Subcontracted Services	405,370	158,569
Commissions	52,518	4,000
Depreciation	1,390	-
Miscellaneous	126,474	20,394
	<u>\$ 2,683,937</u>	<u>\$ 1,457,868</u>

See Independent Auditor's Report.

Interactive Offers LLC

Supplementary Information - Schedules of Commission Revenue and Related Cost of Sales

	Years Ended December 31,	
	2020	2019
MARKETING INCOME	\$ 5,746,214	\$ 5,213,724
COST OF SALES	3,955,500	3,958,593
Net commission revenue	<u>\$ 1,790,714</u>	<u>\$ 1,255,131</u>

See Independent Auditor's Report.

Interactive Offers LLC

Financial Statements

Nine Months Ended September 30, 2021

Interactive Offers LLC

Financial Statements

Nine Months Ended September 30, 2021

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Interactive Offers LLC

Balance Sheet

SEPTEMBER
30,
2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 255,416
Accounts receivable	25,674
Prepaid advertising	188,770
Total current assets	469,860

PROPERTY AND EQUIPMENT

Computer equipment	9,281
Furniture and fixtures	6,559
Less accumulated depreciation	(6,478)
Net property and equipment	9,362

OTHER ASSET

Deposit	9,156
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TOTAL ASSETS \$ 488,378

LIABILITIES AND MEMBERS' CAPITAL (DEFICIT)

CURRENT LIABILITIES

Accounts payable	\$ 25,770
Accrued expenses and other current liabilities	344,680
Due to former partner	190,000
Unearned revenue	478,386
Total current liabilities	1,038,836

NON-CURRENT LIABILITIES

Due to officers	1,221,500
Total non-current liabilities	1,221,500

TOTAL LIABILITIES 2,260,336

MEMBERS' DEFICIT (1,771,958)

TOTAL LIABILITIES AND MEMBERS' DEFICIT \$ 488,378

See Accompanying Notes to Financial Statements.

Interactive Offers LLC

Statements of Operations

**Nine Month's
Ended
September 30,
2021**

COMMISSION REVENUE, NET OF COST OF SALES	\$ 1,744,407
GENERAL AND ADMINISTRATIVE EXPENSES	2,869,169
NET LOSS	\$ (1,124,762)

See Accompanying Notes to Financial Statements.

Interactive Offers LLC

Statements of Members' Capital (Deficit)

	Nine Month's Ended September 30, 2021
MEMBERS' (DEFICIT), beginning of period	\$ (357,196)
Net loss	(1,124,762)
Repurchase of shareholder's equity	(290,000)
MEMBERS' (DEFICIT), end of period	<u>\$ (1,771,958)</u>

See Accompanying Notes to Financial Statements.

Interactive Offers LLC

Statements of Cash Flows

Nine Month's
Ended
September 30,
2021

CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES

Net loss	\$ (1,124,762)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities	
Depreciation	5,088
(Increase) decrease in assets	
Accounts receivable	(25,674)
Prepaid expenses and other assets	21,997
Increase (decrease) in liabilities	
Accounts payable	(193,315)
Accrued expenses and other current liabilities	295,543
Unearned revenue	478,386
Due to officers	551,500
	<u>8,763</u>

CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES

Purchase of property and equipment	(14,450)
	<u>(14,450)</u>

CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES

Repurchase of shareholder's interest	(100,000)
Repayment on Paycheck Protection Program ("PPP") loan payable	(11,597)
	<u>(111,597)</u>

Net decrease in cash and cash equivalents (117,284)

CASH AND CASH EQUIVALENTS, beginning of year 372,700

CASH AND CASH EQUIVALENTS, end of year \$ 255,416

See Accompanying Notes to Financial Statements.

Interactive Offers LLC

Notes to Financial Statements

Nine Months Ended September 30, 2021

Note 1 - Organization and Summary of Significant Accounting Policies

a. Nature of Business

Interactive Offers LLC (the "Company") is CPC (cost per click) platform that connects publishers and advertisers together. The platform consists of several campaigns where advertisers bid the amount they would like to offer a publisher, who can then choose to accept the offer or not. The platform provides advertisers options for Dedicated/Sponsorship Emails, SMS (text), Push, Co-Registration, and Display campaigns. Push notifications are automated messages sent by a publisher to a user when they are browsing other sites online. The Company's office is located in Florida.

b. Accounting Policy

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, ("ASC 606").

c. Revenue Recognition

The Company's performance obligation is to arrange for Creative Campaigns be available to publishers via the Interactive Offers Network. The Company posts available Campaigns/Creative on their website, which Publishers can view via their dashboard associated with their account. The listings display the number of clicks or other actions the Advertiser is willing to pay to achieve, along with the amount the Advertiser is offering to pay per click or other action. Publishers select an available Campaign and are given a 48-hour window in which to publish/distribute emails or text messages containing the Creative associated with the Campaign. The Company does not obtain control of a good or service before that good or service is transferred to the customer and splits the fees charged to advertisers 70/30 (Publisher/Interactive Offers, LLC) with the publisher. The Company satisfies its performance obligation and earns a commission revenue as the "Click" or other action is taken. As the Company is acting as an agent its commission is the net amount of consideration that it retains after paying the Publisher's the consideration received in exchange for publishing the Campaigns/Creative. The Company does not offer volume rebates, chargebacks, or any other type of discount for their sales or services. The Company will also receive payments in advance of performing services. Amounts received in advance are reflected as unearned revenue and adjusted into revenue as services are performed.

d. Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

e. Advertising and Promotion

The Company's policy is to expense all advertising costs as incurred. Advertising and promotion expense for the nine months ended September 30, 2021 was \$25,819.

Interactive Offers LLC

Notes to Financial Statements

Nine Months Ended September 30, 2021

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

f. Income Taxes

The Company is taxed as a partnership under the Internal Revenue Code. No provision for federal, state, or local income taxes is made in the accounts of the Company, as any resulting tax liabilities are those of the member. The member is responsible for reporting its allocable share of the Company's income, deductions, gains, losses, and credits. Further, the member's capital account reflected in the accompanying financial statements may differ from amounts reported in the Company's federal income tax return due to differences in accounting methods adopted for financial and tax reporting purposes.

GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

g. Pending Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

Interactive Offers LLC

Notes to Financial Statements

Nine Months Ended September 30, 2021

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

The Company has evaluated subsequent events for potential recognition or disclosure through December 29, 2021, the date the financial statements were available to be issued. See Note 7 for disclosure of subsequent events.

Note 2 - Paycheck Protection Program ("PPP") Loan Payable

In April 2020, the Company (the "Borrower"), was granted a loan (the "Loan") from Bank of America in the aggregate amount of \$121,478 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which was enacted March 27, 2020.

The Loan is in the form of a note dated April 14, 2020 issued by the Borrower and matures on March 14, 2022 and bears interest at a rate of 1% per annum. Pursuant to the CARES Act and the subsequent update under the Paycheck Protection Program Flexibility Act of 2020 ("Flexibility Act"), the Company has a period of ten months after the end of the loan forgiveness covered period to apply for forgiveness. In accordance with the Flexibility Act, the Company elected the 24-week loan forgiveness covered period which begins on the date the lender disbursed the PPP funds. Payments of principal and interest on the Loan are deferred during the ten-month period.

Funds from the Loan may only be used for qualified expenses which include payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Consolidated Appropriations Act of 2021 signed into law on December 27, 2020 expanded those eligible costs to include covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures. In accordance with the CARES Act and the PPP, if the loan proceeds are fully utilized to pay for qualified expenses, the full principal amount of the Loan, along with any accrued interest, may qualify for loan forgiveness, subject to potential reduction based on termination of full-time employees or decrease in salaries during the covered period.

The Company has submitted for forgiveness and received forgiveness on \$109,881. The remaining balance of \$11,597 has been repaid as of September 30, 2021.

Interactive Offers LLC

Notes to Financial Statements

Nine Months Ended September 30, 2021

Note 3 - Due to Former Partner

On April 3, 2021, Interactive Offers LLC repurchased 20% membership interests from one of its investors. The Company paid them \$290,000. The first payment of \$100,000 was made in the second quarter of 2021, with two additional payments of \$95,000. The first payment is due on November 3, 2021 and the second payment is due on April 3, 2022. The investor's ownership interest of 20% is now owned by Interactive Offers LLC.

Note 4 - Due to Officer

On January 1, 2020 employment and board member agreements were made with four individuals. These individuals have deferred their salaries and the amounts they are due have been recorded as debt. Payments will be based on the Company's available cashflow and therefore has been classified as long-term debt.

Note 5 - Lease Commitments

The Company leases office space in Boca Raton, FL. The lease includes payment for common area utilities and related sales and occupancy taxes. The current lease was terminated on August 1, 2021.

On June 30, 2021 the Company entered into an agreement to lease new office space beginning July 1, 2021 and terminates September 30, 2024 with no renewal option. Under the terms of the lease, the Company is responsible for rent which escalates over the lease and its share of operating costs for the space.

Total future maturities of lease commitments are:

Future minimum lease requirements

2021	\$ 29,865
2022	39,820
2023	39,820
2024	6,637
Total Future Minimum Lease Payments	<u>\$ 116,142</u>

Note 6 - Related Party Transactions

During the nine months ended September 30, 2021, the Company paid \$248,100 to a party related through common ownership as a reimbursement for outside labor.

The Company pays a management fee of \$30,000 a month to a party related through common ownership. During the nine months ended September 30, 2021 these expenses totaled \$270,000.

Interactive Offers LLC

Notes to Financial Statements

Nine Months Ended September 30, 2021

Note 7 – Subsequent Events

On October 19, 2021 (Closing Date), the Company and the owners entered into an Equity Interest Purchase Agreement (the “**I/O Agreement**”) with Grove, Inc. a Nevada corporation. All of the membership interests in Interactive Offers, LLC, a Delaware limited liability company (“Interactive”) were sold to Grove, Inc. Grove Inc’s CEO and Chairman, Allan Marshall, is the controlling stockholder and the president of MFA Holdings Corp. MFA Holdings Corp. owned twenty percent of the outstanding membership interests in Interactive.

Pursuant to the terms and conditions of the I/O Agreement, the owners of the Company agreed to sell all the outstanding membership interests of Interactive as of October 1, 2021. The purchase price for the sale was \$6,100,000, which consists of 666,667 shares of common stock of Grove, Inc. and a cash payment of \$2,100,000. Additionally, the owners of the Company will be paid up to an additional cash payment of \$600,000 in the form of an earnout payment based on certain revenue milestone in accordance with and subject to the terms and conditions of the I/O Agreement.

At October 1, 2021 there was \$190,000 owed for the repurchase of the Raging Bull interest in the Company. The Company paid \$95,000 of this liability on October 6, 2021 and the remaining liability was paid at the close of the transaction from the proceeds of the sale.

At October 1, 2021 there was \$1,221,500 accrued as deferred compensation to the officers and directors of the Company. The liability was not assumed by Grove, Inc. in the transaction and the liability was extinguished between the owners as part of the transaction closing.

Interactive Offers LLC

Supplementary Information – Schedules of General and Administrative Expenses.

**Nine Month's
Ended
September 30,
2021**

Officers' salaries	\$ 660,000
Office salaries	621,601
Payroll taxes and employee benefits	127,432
Research and development	385,950
Professional fees	245,037
Office expenses	44,665
Travel	79,809
Rent	27,009
Advertising	25,819
Meals and entertainment	13,074
Bank charges	14,523
Insurance	34,815
Tradeshaw expense	18,779
Recruitment expense	15,009
Telephone	6,669
Subcontracted Services	324,401
Commissions	114,916
Depreciation	5,088
Miscellaneous	104,573
	<u>\$ 2,869,169</u>

GROVE, INC.
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information is based on the historical financial statements of Grove, Inc. (the “Company”) and Interactive Offers, LLC (“Interactive Offers”), after giving effect to the Company’s acquisition of Interactive Offers. The notes to the unaudited pro forma financial information describe the reclassifications and adjustments to the financial information presented.

The unaudited pro forma combined balance sheet as of September 30, 2021, and unaudited statements of operations for the year ended June 30, 2021, and the three months ended September 30, 2021, are presented as if the acquisition of Interactive Offers had occurred on July 1, 2020 and were carried forward through each of the periods presented.

The unaudited statement of operations for the year ended June 30, 2021 is the consolidation of the Grove, Inc. statement of operations for the year ended June 30, 2021 and the Interactive Offers statement of operations for the year ended December 31, 2020.

The allocation of the purchase price used in the unaudited pro forma combined financial information is based upon the respective fair values of the assets and liabilities of Interactive Offers as of the date on which the Interactive Offers Equity Purchase agreement was signed.

The unaudited pro forma combined financial information is not intended to represent or be indicative of the Company’s consolidated results of operations or financial position that the Company would have reported had the Interactive Offers acquisition been completed as of the dates presented and should not be taken as a representation of the Company’s future consolidated results of operation or financial position.

The unaudited pro forma combined financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes of the Company included in the annual report on form 10-K for the year ended June 30, 2021 and the quarterly report filed on form 10-Q for the quarter ended September 30, 2021.

GROVE, INC.
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 2021
(UNAUDITED)

	<u>Grove, Inc.</u>	<u>Interactive Offers</u>	<u>PROFORMA ADJUSTMENTS</u>	<u>PROFORMA</u>
ASSETS				
Current assets				
Cash	\$ 13,034,699	\$ 255,416	\$ (2,100,000) (1)	\$ 11,190,115
Accounts receivable, net of allowance for doubtful accounts	1,103,246	25,674		1,128,920
Inventory	3,091,744	-		3,091,744
Prepaid expenses and other receivables	559,445	188,770		748,215
Total current assets	17,789,134	469,860		16,158,994
Property and equipment, net	2,893,185	9,362		2,902,547
Intangible assets, net	3,218,783	-	2,388,000 (2)	5,606,783
Goodwill	3,685,593	-	5,860,794 (3)	9,546,387
Deferred tax asset	1,252,269	-		1,252,269
Other assets	49,068	9,156		58,224
Right-of-use asset	323,942	-		323,942
Total other assets	11,422,840	18,518		19,690,152
Total assets	\$ 29,211,974	\$ 488,378		\$ 35,849,146
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	\$ 1,038,031	\$ 25,770		\$ 1,063,801
Accrued compensation	859,324	-		859,324
Deferred revenue	864,698	478,386		1,343,084
Accrued liabilities	276,372	344,680		621,052
Acquisition payable	74,589	190,000	505,000 (4) (5)	769,589
Current portion of notes payable	1,000,000	-		1,000,000
Convertible notes payable	-	-		-
Current portion of operating lease payable	136,889	-		136,889
Total current liabilities	4,249,903	1,038,836		5,793,739
Accrued compensation long-term	-	1,221,500	(1,221,500) (6)	-
Operating lease payable, net of current portion	183,673	-		183,673
Total long-term liabilities	183,673	1,221,500		183,673
Commitments and contingencies	-	-		-
Stockholders' equity				
Preferred stock	500	-		500
Common stock	15,711	-	667 (7)	16,378
Additional paid in capital	28,420,512	-	5,092,669 (7)	33,513,181
Accumulated (deficit) retained earnings	(3,658,325)	(1,771,958)	1,771,958 (8)	(3,658,325)
Total stockholders' equity attributable to Grove, Inc.	24,778,398	(1,771,958)		29,871,734
Non-controlling interest in subsidiary	-	-		-
Total stockholders' equity	24,778,398	(1,771,958)		29,871,734
Total liabilities and stockholders' equity	\$ 29,211,974	\$ 488,378		\$ 35,849,146

Adjustments to the Pro Forma Consolidated Balance Sheet

- (1) Represents that \$2,100,000 in cash paid to the owners of Interactive Offers
- (2) Represents the management estimated intangible asset as of closing date, to be verified post acquisition with full purchase price allocation
- (3) Represents the management estimated goodwill as of closing date, to be verified post acquisition with full purchase price allocation
- (4) Represents the estimated \$600,000 future acquisition payment
- (5) Represents the \$95,000 due to shareholder for equity purchase not assumed
- (6) Represents the elimination of accrued compensation not assumed in transaction
- (7) Represents that 666,667 shares of Grove, Inc. common stock issued at closing and valued at the market price of \$7.64 per common share
- (8) Elimination of Interactive Offer's capital stock and retained earnings as part of purchase accounting

See notes to unaudited pro forma combined financial information

GROVE, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Year ended June 30, 2021
Year ended December 31, 2020

	<u>GROVE, INC.</u>	<u>INTERACTIVE OFFERS</u>	<u>PROFORMA ADJUSTMENTS</u>	<u>PROFORMA</u>
Revenue				
Product revenue	\$ 24,095,025	\$ -		\$ 24,095,025
Technology Revenue, net	-	1,790,714		1,790,714
	<u>24,095,025</u>	<u>1,790,714</u>		<u>25,885,739</u>
Product costs	12,196,123			12,196,123
	-	-		-
	<u>12,196,123</u>	<u>-</u>		<u>12,196,123</u>
Gross profit	11,898,902	1,790,714		13,689,616
Operating expenses				
Sales and marketing	2,388,211			2,388,211
General and administrative expenses	8,083,954	2,683,937	531,000(a)	11,298,891
	<u>10,472,165</u>	<u>2,683,937</u>		<u>13,687,102</u>
Income (loss) from operations	1,426,737	(893,223)		2,514
Other expense (income), net				
Interest expense (income), net	530,449			530,449
Gain on sale of assets	(8,708)	-		(8,708)
Gain on SBA PPP loan extinguishment	(403,277)	(109,881)		(513,158)
Settlement of cancelled lease	(387,860)	-		(387,860)
Impairment of cancelled lease expense	-	-		-
Other expense (income), net	(269,396)	(109,881)		(379,277)
Income (loss) before income tax	1,696,133	(783,342)		381,791
Income tax benefit	1,282,815	-	-(c)	1,282,815
Net income (loss)	<u>2,978,948</u>	<u>(783,342)</u>		<u>1,664,606</u>
Net loss attributable to noncontrolling interest	-	-		-
Deemed dividend related to the issuance of Series A Preferred Stock	(50,000)	-		(50,000)
Net income (loss) attributable to Grove, Inc.	<u>\$ 2,928,948</u>	<u>\$ (783,342)</u>		<u>\$ 1,614,606</u>
Basic income (loss) per share	<u>\$ 0.25</u>	<u>\$ -</u>		<u>\$ 0.13</u>
Diluted income (loss) per share	<u>\$ 0.21</u>	<u>\$ -</u>		<u>\$ 0.11</u>
Weighted average shares outstanding	<u>11,930,378</u>	<u>-</u>	666,667(b)	<u>12,597,045</u>
Fully diluted weighted average shares outstanding	<u>14,257,934</u>	<u>-</u>	666,667(b)	<u>14,924,601</u>

(a) Represents estimated amortization of intangible assets

(b) Represents additional shares issued related to the acquisition.

(c) No adjustment made for income taxes as this represents the elimination of the valuation allowance for Grove, Inc.

See notes to unaudited pro forma combined financial information.

GROVE, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021
(UNAUDITED)

Three-months ended September 30, 2021

	<u>GROVE, INC.</u>	<u>INTERACTIVE OFFERS</u>	<u>PROFORMA ADJUSTMENTS</u>	<u>PROFORMA</u>
Revenue				
Product revenue	\$ 8,449,754	\$ -		\$ 8,449,754
Technology Revenue, net	-	416,700		416,700
	<u>8,449,754</u>	<u>416,700</u>		<u>8,866,454</u>
Product costs	3,067,376	-		3,067,376
	-	-		-
	<u>3,067,376</u>	<u>-</u>		<u>3,067,376</u>
Gross profit	5,382,378	416,700		5,799,078
Operating expenses				
Sales and marketing	1,511,687			1,511,687
General and administrative expenses	3,435,148	795,507	132,750(a)	4,363,405
	4,946,835	795,507		5,875,092
Income (loss) from operations	435,543	(378,807)		(76,014)
Other expense (income), net				
Interest (expense) income, net	(15,956)			(15,956)
Gain on sale of assets	-	-		-
Gain on SBA PPP loan extinguishment	300,995	-		300,995
Settlement of cancelled lease	-	-		-
Impairment of cancelled lease expense	-	-		-
Other expense (income), net	285,039	-		285,039
Income (loss) before income tax	720,582	(378,807)		209,025
Income tax expense	(208,871)	-	126,450(b)	(82,421)
Net income (loss)	511,711	(378,807)		126,604
Net loss attributable to noncontrolling interest	-	-		-
Deemed dividend related to the issuance of Series A Preferred Stock	-	-		-
Net income (loss) attributable to Grove, Inc.	<u>\$ 511,711</u>	<u>\$ (378,807)</u>		<u>\$ 126,604</u>
Basic income (loss) per share	<u>\$ 0.03</u>	<u>\$ -</u>		<u>\$ 0.01</u>
Diluted income (loss) per share	<u>\$ 0.03</u>	<u>\$ -</u>		<u>\$ 0.01</u>
Weighted average shares outstanding	<u>15,452,453</u>	<u>-</u>	666,667(c)	<u>16,119,120</u>
Fully diluted weighted average shares outstanding	<u>17,220,564</u>	<u>-</u>	666,667(c)	<u>17,887,231</u>

- (a) Represents estimated amortization of intangible assets
(b) Represents the reduction of tax provision change for pro-forma income
(c) Represents additional shares issued related to the acquisition.

See notes to unaudited pro forma combined financial information.

GROVE, INC.
NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

1. BASIS OF PRO FORMA PRESENTATION

The unaudited pro forma combined balance sheet as of September 30, 2021, and the unaudited pro forma statements of operations for the year ended June 30, 2021, and the unaudited pro forma statements of operations for the three-months ended September 30, 2021, are based on the historical financial statements of the Company and Interactive Offers after giving effect to the Company's acquisition of Interactive Offers and reclassification and adjustments described in the accompanying notes to the unaudited pro forma combined financial information. The unaudited statement of operations for the year ended June 30, 2021 is the consolidation of the Grove, Inc. statement of operations for the year ended June 30, 2021 and the Interactive Offers statement of operations for the year ended December 31, 2020.

The Company accounts for its business combinations using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the acquisition date fair values of the assets transferred and liabilities assumed by the Company to the seller's cash consideration and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. The excess of (i) the total costs of acquisition over (ii) the fair value of the identifiable net assets of the acquiree is recorded as identifiable intangible assets and goodwill.

The fair values assigned to Interactive Offers's assets acquired and liabilities assumed are based on management's estimates and assumptions. The estimated fair values of these assets acquired and liabilities assumed are considered preliminary and are based on the information that was available as of the date of acquisition. The Company believes that the information provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, but is waiting for additional information, primarily related to estimated values of current and non-current income taxes payable and deferred taxes, which are subject to change, pending the finalization of certain tax returns. The Company expects to finalize the valuation of the assets and liabilities as soon as practicable, but not later than one year from the acquisition date.

The unaudited pro forma combined financial information is not intended to represent or be indicative of the Company's consolidated results of operations or financial position that the Company would have reported had the Interactive Offers acquisition been completed as of the dates presented and should not be taken as a representation of the Company's future consolidated results of operation or financial position.

The unaudited pro forma combined financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes of the Company included in the annual report on Form 10-K for the year ended June 30, 2021 and the quarterly report filed on Form 10-Q for the quarter ended September 30, 2021.

Accounting Periods Presented

The unaudited pro forma combined balance sheet as of September 30, 2021, the statements of operations of Grove, Inc. for the year ended June 30, 2021 and the statement of operations of Interactive Offers for the year ended December 31, 2020 and the three-months ended September 30, 2021 of both Grove, Inc. and Interactive offers, are presented as if the acquisition of VitaMedica had occurred on July 1, 2020 and were carried forward through each of the periods presented.

Reclassifications

The Company reclassified certain accounts in the presentation of Interactive Offers's historical financial statements to conform to the Company's presentation.

2. ACQUISITION OF INTERACTIVE OFFERS

Effective October 1, 2021 (Closing Date), the Company entered into an Equity Interest Purchase Agreement (the "I/O Agreement") with Gyprock Holdings LLC, a Delaware limited liability company, MFA Holdings Corp., a Florida corporation and Sherwood Ventures, LLC, a Texas limited liability company (each a "I/O Seller" and collectively called "I/O Sellers"). The I/O Sellers own all the membership interests in Interactive Offers, LLC, a Delaware limited liability company ("Interactive Offers"). The Company's CEO and Chairman, Allan Marshall, is the controlling stockholder and the president of MFA Holdings Corp. MFA Holdings Corp. owns twenty percent of the outstanding membership interests in Interactive. Interactive provides programmatic advertising with its SAAS platform which allows for programmatic advertisement placement automatically on any partners' sites from a simple dashboard.

Pursuant to the terms and conditions of the I/O Agreement, the Company agreed to purchase all the outstanding membership interests of Interactive offers as of October 1, 2021. The consideration for the acquisition consists of 666,667 shares of common stock of the Company and a cash payment of \$2,100,000. Additionally, Sellers will be paid up to an additional cash payment of \$600,000 in the form of an earnout payment based on certain revenue milestone in accordance with and subject to the terms and conditions of the Agreement. Sellers are prohibited from transferring, assigning, or selling any of the Shares for a period of twelve months from the Closing Date.

The assets acquired primarily consist of accounts receivable, inventory, prepaid expenses, fixed assets, and other current assets.

Under the purchase method of accounting, the transaction was valued for accounting purposes at an estimated \$8,248,821, which was the estimated fair value of the consideration paid by the Company, after it was determined post-closing net liabilities assumed were approximately \$455,485. The estimate was based on the consideration paid of 666,667 shares of common stock valued at \$5,093,336 based on the closing price on October 19, 2021, of \$7.64 per share, cash of 2,100,000, and \$600,000 in the form of an earnout payment and the net liabilities assumed.

The assets and liabilities of Interactive Offers will be recorded at their respective fair values as of the closing date of the Agreement, and the following table summarizes these values based on the estimated balance sheet on October 1, 2021.

The assets and liabilities of Interactive Offers are recorded at their respective fair values as of the closing date of the Agreement, and the following table summarizes these values based on the balance sheet on October 1, 2021, the effective closing date.

Tangible Assets	\$ (488,351)
Intangible Assets	2,388,000
Goodwill	5,860,794
Liabilities Acquired	943,836
Total Purchase Price	<u>\$ 8,248,821</u>

The acquisition of Interactive Offers provided the Company with a technology platform to expand its business model into the marketing of products the Company sells, products of other companies, additional marketing opportunities and expected improved gross margin and profitability through synergies recognized with the consolidation of the two companies' administrative functions and other resources. These are the factors of the goodwill recognized in the acquisition.

3. PRO FORMA ADJUSTMENTS

- (1) Represents that \$2,100,000 in cash paid to the owners of Interactive Offers
- (2) Represents the management estimated intangible asset as of closing date, to be verified post acquisition with full purchase price allocation
- (3) Represents the management estimated goodwill as of closing date, to be verified post acquisition with full purchase price allocation
- (4) Represents the estimated \$600,000 future acquisition payment
- (5) Represents the \$95,000 due to shareholder for equity purchase not assumed
- (6) Represents the elimination of accrued compensation not assumed in transaction
- (7) Represents that 666,667 shares of Grove, Inc. common stock issued at closing and valued at the market price of \$7.64 per common share
- (8) Elimination of Interactive Offer's capital stock and retained earnings as part of purchase accounting
 - (a) Represents estimated amortization of intangible assets
 - (b) Represents additional shares issued related to the acquisition.
 - (c) No adjustment made for income taxes as this represents the elimination of the valuation allowance for Grove, Inc.