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

FORM 8-K/A

CURRENT REPORT

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

Date of report (Date of earliest event reported): April 15, 2022

GROVE, INC.

(Exact name of registrant as specified in its charter)

Nevada	**001-40535**	**83-3378978**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

17129 US Hwy 19 N. Clearwater, FL 33760
(Address of principal executive offices)

(701) 353-5425
(Registrant's telephone number, including area code)

1710 Whitney Mesa Drive Henderson, NV 89014
(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 April 20, 2022 (the "Original Report"). The Original Report was filed to report the completion of the Company's acquisition of Cygnet Online, LLC, a Delaware corporation ("Cygnet"). 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 Cygnet 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 Cygnet as of and for the year ended December 31, 2021, 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 Cygnet as of and for the three months ended March 31, 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 Cygnet as of March 31, 2022, Unaudited Pro Forma Condensed Combined Statement of Income of Grove, Inc. and Cygnet for the year ended December 31, 2021, Unaudited Pro Forma Condensed Combined Statement of Income of Grove, Inc. and Cygnet for the three and nine months ended March 31, 2022 are filed hereto as Exhibit 99.3 and incorporated herein by reference.

(d) Exhibits

Exhibit No.	Exhibit Description
23.1	Consent of B F Borgers CPA PC
99.1	Audited financial statements of Cygnet as of and for the year ended December 31, 2021, and the related Independent Auditor's Report
99.2	The unaudited financial statements of Cygnet as of and for the three months ended March 31, 2022.
99.3	Unaudited Pro Forma Condensed Balance Sheet of Grove, Inc. and Cygnet as of March 31, 2022, Unaudited Pro Forma Condensed Combined Statement of Income of Grove, Inc. and Cygnet for the year ended March 31, 2022, and the Unaudited Pro Forma Condensed Combined Statement of Income of Grove, Inc. and Cygnet for the three months and nine ended March 31, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document).

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: June 30, 2022

/s/ Andrew J. Norstrud
Name: Andrew J. Norstrud
Title: Chief Financial Officer

EXHIBIT 23.1

BF Borgers CPA PC
Certified Public Accountants

5400 W Cedar Ave
Lakewood, CO 80226
Telephone: 303.953.1454
Fax: 303.945.7991

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation in this amendment to Form 8-K of our report dated June 30, 2022, relating to the financial statements of Cygnet Online LLC as of and for the year ended December 31, 2021, to all references to our firm included in this Form 8-K filed with the U.S. Securities and Exchange Commission on June 30, 2022.

/s/ B F Borgers CPA PC
Certified Public Accountants
Lakewood, Colorado
June 30, 2022

CYGNET ONLINE LLC

FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2021

AND

INDEPENDENT AUDITORS' REPORT

CYGNET ONLINE LLC

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of Cygnet Online LLC

We have audited the accompanying financial statements of Cygnet Online LLC, which comprise the balance sheets as of December 31, 2021, and the related statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cygnet Online LLC as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ B F Borgers CPA PC

Lakewood, Colorado

June 30, 2022

CYGNET ONLINE LLC
BALANCE SHEET

ASSETS

	December 31, 2021
Current assets	
Cash	$ 193,447
Accounts receivable	442,862
Inventories	3,176,925
Prepaid expenses and other assets	13,445
Total current assets	3,826,679
Intangible assets, net	5,062,737
Right of Use	430,722
Other	17,822
Total other assets	5,511,281
Total assets	$ 9,337,960
LIABILITIES AND MEMBERS' EQUITY	
Current liabilities	
Accounts payable and accrued liabilities	$ 50,426
Earnout liability	250,000
Current portion of operating lease payable	64,307
Current portion of notes payable	1,849,464
Total current liabilities	2,214,197
Operating lease payable, net of current portion	372,471
Notes payable, net of current portion	6,256,823
Total long term liabilities	6,629,294
Member's Equity	
Retained earnings	494,469
Total liabilities and members' equity	$ 9,337,960

See accompanying notes to financial statements.

Table of Contents

CYGNET ONLINE LLC
STATEMENT OF OPERATIONS

		For the Year Ended December 31, 2021
Revenue	$	6,284,855
Cost of revenue		6,280,019
Gross profit		4,836
Operating expenses		
General and administrative expenses		704,914
		704,914
Loss from operations		(700,078)
Other expense (income), net		
Interest expense		85,080
Other expense (income), net		85,080
Net loss	$	(785,158)

See accompanying notes to financial statements.

CYGNET ONLINE LLC
STATEMENT OF MEMBERS' EQUITY

MEMBERS' EQUITY, January 1, 2021	$	-
Net loss		(785,158)
Contribution from member		1,811,065
Distribution to member		(531,438)
MEMBERS' EQUITY, December 31, 2021	$	494,469

See accompanying notes to financial statements.

CYGNET ONLINE LLC
STATEMENT OF CASH FLOW

		For the Year Ended December 31, 2021
Cash flows from operating activities, net of assets acquired		
Net loss	$	(785,158)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization		440,238
Changes in assets and liabilities, net of assets acquired		
Accounts receivable		402,525
Inventories		455,081
Prepaid expenses		(13,445)
Other assets		(17,822)
Accounts payable and accrued liabilities		56,482
Net cash provided by operating activities		537,901
Cash flows from investing activities		
Acquisition of business		(6,006,823)
Net cash used in investing activities		(6,006,823)
Cash flows from financing activities		
Distribution to member		(531,438)
Contributions by member		1,811,065
Proceeds from the issuance SBA loan		4,436,900
Repayment of notes payable		(54,158)
Net cash provided by financing activities		5,662,369
Net increase in cash		193,447
Cash, beginning of period		-
Cash, end of period	$	193,447
Supplemental cash flow disclosures:		
Interest paid	$	67,069
Income tax paid	$	-
Issuance of debt for the acquisition of business	$	4,327,393

See accompanying notes to financial statements.

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS

Description of the Business

Cygnet Online LLC (the "Company") a Delaware limited liability company that began operations in September of 2021. The Company is an Amazon Aggregator with the primary purpose of acquiring multiple brands to consolidate them under a single business.

The Company's first Amazon aggregation business purchase was an asset purchase and closed on October 8, 2021. The acquired business does not manufacture or brand its own products, the business's primary focus is on the acquisition of over the counter (OTC) products and nutritional supplement through various liquidation vendors. The products are processed and sold through Amazon and other distributors.

Pursuant to the terms and conditions of the Agreement, the Company agreed to purchase substantially all of the assets of the Seller as of October 8, 2021. Under the purchase method of accounting, the transaction was valued at an estimated fair value of $9,980,368. The purchase price for the sale consists of $5,402,975 in cash, seller notes of $4,327,393 and an earnout of $250,000 that is expected to be paid and is accrued as earnout liability. The Company has paid $651,106 of these seller liabilities as of December 31, 2021 and has paid $2,168,467 of principal and interest to the sellers through June 30, 2022.

The intangibles will be recorded, based on the Company's preliminary estimate of fair value, which are expected to consist primarily of customer lists with an estimated life of five to ten years and goodwill. Upon completion of a purchase price allocation, the allocation intangible assets will be adjusted accordingly.

The assets and liabilities are recorded at their preliminary 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 8, 2021, the effective closing date.

Tangible Assets	$ 4,477,393
Intangible Assets	
Goodwill	5,502,975
Liabilities Acquired	-
Total Purchase Price	$ 9,980,368

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results may differ from these estimates. Significant estimates include the valuation of inventory and the allowance for doubtful accounts.

Fair Value of Financial Instruments

The Company adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures," which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value, and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The Company has no assets or liabilities valued at fair value on a recurring basis.

Cash

For purposes of the statements of cash flows, the Company considers amounts held by financial institutions and short-term investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Inventory

Inventory is stated at lower of cost or market, with cost being determined using the first-in, first-out ("FIFO"). Cost includes costs directly related to the acquisition and the landed costs such as vendor commissions and freight to transport the purchased inventory to the processing facility. The inventory includes inventory that is paid and in transit to the Company's processing facility, inventory at the processing facility and inventory at third party distributors.

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

The Company performs an assessment of inventory obsolescence to measure inventory at the lower of cost or net realizable value. Factors considered in the determination of obsolescence include slow-moving or non-marketable items. There was no obsolete inventory written off during the year ended December 31, 2021.

Impairment of Long-Lived Assets

In accordance with ASC Topic 360, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of property and equipment is measured by comparing its carrying value to the undiscounted projected future cash flows that the asset(s) are expected to generate. If the carrying amount of an asset is not recoverable, the Company recognizes an impairment loss based on the excess of the carrying amount of the long-lived asset over its respective fair value, which is generally determined as the present value of estimated future cash flows or at the appraised value. The impairment analysis is based on significant assumptions of future results made by management, including revenue and cash flow projections. Circumstances that may lead to impairment of property and equipment include a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition and a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset including an adverse action or assessment by a regulator. As of December 31, 2021 the Company determined that long-lived assets were not impaired.

Revenue Recognition

The Company follows the guidance of the Accounting Standards Codification ("ASC") Topic 606, "Revenue from Contracts with Customers."

Most of the Company's revenue contracts represent a single performance obligation related to the fulfillment of customer orders for the purchase of its dietary supplements, cosmeceuticals and homeopathic products. Net sales reflect the transaction prices for these contracts based on the Company's selling list price, which is then reduced by estimated costs for trade promotional programs, consumer incentives, and allowances and discounts used to incentivize sales growth and build brand awareness.

Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company recognizes revenue at the point in time that control of the ordered product is transferred to the customer, which is typically upon shipment to the customer or other customer-designated delivery point. Sales taxes collected from customers that are remitted to governmental agencies are accounted for on a net basis and not included as revenue.

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

Sales returns from wholesale customers must be completed within 60 days from the date of purchase and are subject to a restocking fee. E-Commerce product returns must be completed within 60 days of the date of purchase. The Company does not accrue for estimated sales returns as historical sales returns have been minimal.

Shipping and handling fees billed to customers are included in revenue. Shipping and handling fees associated with freight are generally included in cost of revenue.

Income Taxes

The Company is treated as a single member LLC and a disregarded entity for federal income tax and state tax income tax purposes. Under these elections, the Company is not a taxpaying entity for federal and state income tax purposes and, accordingly, no provision has been made for such income taxes, except for a minimum state corporate business tax. The member's allocable share of the Company's income or loss is reportable on his or her income tax returns.

3. INVENTORY

Inventory as of December 31, 2021, is comprised of finished goods and consists of the following:

Prepaid inventory in transit	$ 1,199,187
Inventory at processing center	513,900
Inventory at third party distributor	1,463,838
	$ 3,176,925

4. LEASES

During October 2021, the Company entered into a lease for a Florida facility that commenced on October 8, 2021 and recorded a right of use asset and corresponding lease liability. The lease expires on October 8, 2026. The Company uses this leased facility for office space. The Company is responsible for real estate taxes, utilities, and repairs under the terms of certain of the operating leases. Therefore, all lease and non-lease components are combined and accounted for as single lease component. Lease expense was $19,500 for the year ended December 31, 2021.

The Company's weighted average remaining lease term and weighted average discount rate for the operating lease as of December 31, 2021 are:

Weighted average remaining lease term	57 Months
Weighted average incremental borrowing rate	5.0%

For the year ended December 31, 2021, the components of lease expense, included in general and administrative expenses and interest expense in the statement of operations are as follows:

Operating lease cost:		
Operating lease cost	$	25,557
Amortization of ROU assets		20,183
Interest expense		5,374
Total lease cost	$	51,114

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

The table below reconciles the undiscounted future minimum lease payments (displayed by year and in the aggregate) under noncancelable operating leases with terms of more than one year to the total operating lease liabilities recognized in the balance sheet as of December 31, 2021:

2022	$ 103,693
2023	118,893
2024	118,547
2025	117,931
2026	32,575
Total undiscounted future minimum lease payments	491,639
Less: Imputed interest	(54,861)
Present value of operating lease obligation	$ 436,778

5. NOTES PAYABLE

	Maturity Date	December 31, 2021
SBA note payable, 30-year term note, 6% interest rate and collateralized with all assets of the Company	October 6, 2031	$ 4,382,742
Inventory consignment note, 60 monthly payments, with first payment due June 30, 2022, 3.5% interest rate and no security interest in the assets of the business	June 30, 2027	1,500,000
Amazon receivable note, 14 weekly payments, with first payment due October 29, 2021, 3.5% interest rate and no security interest in the assets of the business	January 28, 2022	241,539
Excess inventory note, 19 weekly payments, with first payment due February 4, 2022, 3.5% interest rate and no security interest in the assets of the business	May 13, 2022	1,132,006
Seller note, 6 annual payments, with first payment due December 31, 2022, 3.5% interest rate and no security interest in the assets of the business	November 7, 2026	850,000
Total notes payable		8,106,287
Less current portion of notes payable		1,849,464
Notes payable, net of current portion		$ 6,256,823

As of June 30, 2022, the Amazon receivable note, and the excess inventory note were fully paid.

Future payments on notes payable are as follows:

For the year ended December 31:	
2022	$ 1,849,464
2023	772,057
2024	808,244
2025	847,527
2026	888,211
Thereafter	2,940,784
	$ 8,106,287

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

6. RISKS AND UNCERTAINTIES

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Company is unable to predict with certainty the potential impact of COVID-19 on its business, results of operations, financial condition and cash flows.

7. SUBSEQUENT EVENT

Subsequent to March 31, 2022, the owner of the Company entered into a Securities Purchase Agreement to sell the Company to Grove, Inc., a Nevada corporation effective as of April 1, 2022. The owner sold 55% of the equity membership in the business with a purchase price of $6,050,000. The consideration consisted of $1,500,000 in cash, $2,550,000 or 555,489 shares of restricted common stock and a non-negotiable convertible promissory note in the original principal amount of $2,000,000, which can be converted into common stock of the Company at a price of $6.00 per share and is payable in full, to the extent not previously converted, on February 15, 2023. The purchase price is subject to a two-way adjustment based on the amount of Closing Working Capital, as defined in the agreement.

Additionally, the owner of the Company will be paid up to $700,000 in the form of an earn-out payment based on 7% of Cygnet’s net revenue during the earn-out period, in accordance with and subject to the terms and conditions of the agreement. The earn-out payment, if any, will be paid 50% in immediately available funds and 50% in Grove, Inc. restricted common stock.

The Agreement contains customary confidentiality, non-competition, and non-solicitation provisions for the Seller and Seller’s affiliates.

In addition, the Grove, Inc. has the right to purchase the remaining membership interests in the Company. Commencing on October 10, 2022, and continuing for 180 days thereafter, Grove, Inc. has the right, but not the obligation, to cause the owner of the Company to sell 15% of the membership interests in Cygnet for $1,650,000 in immediately available funds. Commencing on the date that Grove, Inc. completes its financial statements for the year ended December 31, 2023, and continuing for 120 days thereafter, Grove, Inc. has the right, but not the obligation, to cause the owner of the Company to sell the remaining 30% of the membership interests in the Company for 30% of the amount equal to four times the Company’s Adjusted EBITDA (as defined in the Call Agreement) for calendar year 2023, payable by wire transfer of immediately available funds equal to at least 50% of said purchase price with the balance payable through the issuance to the owner of the Company of shares of restricted common stock of Grove, Inc.

The owner of the Company has the right, but not the obligation, at any time commencing on the date that is 120 days after the Comapny completes Cygnet’s financial statements for the year ended December 31, 2023, and continuing for 90 days thereafter, to cause Grove, Inc. to purchase all of the owners’ remaining membership interests in the Company or a purchase price equal to the product of (i) four times the Company’s Adjusted EBITDA (as defined in the Put Agreement) for calendar year 2023, and (ii) the percentage of the membership interests being sold, payable in shares of restricted common stock of Grove, Inc.

Grove, Inc. has loaned the Company $600,000 through June 30, 2022.

EXHIBIT 99.2

CYGNET ONLINE LLC

FINANCIAL STATEMENTS

THREE MONTH’S ENDED MARCH 31, 2022

CYGNET ONLINE LLC

TABLE OF CONTENTS

Financial Statements

CYGNET ONLINE LLC
BALANCE SHEET (UNAUDITED)

		March 31, 2022
ASSETS		
Current assets		
Cash	$	471,237
Accounts receivable		860,882
Inventories		2,337,508
Prepaid expenses and other assets		52,181
Total current assets		3,721,808
Intangible assets, net		4,622,499
Right of use		410,366
Other		17,822
Total other assets		5,050,687
TOTAL ASSETS	$	8,772,495
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$	127,095
Earnout liability		250,000
Current portion of operating lease payable		50,008
Current portion of notes payable		1,041,529
Total current liabilities		1,468,632
Non-current liabilities		
Operating lease payable, net of current portion		372,472
Notes payable, net of current portion		6,256,823
Total Non-current liabilities		6,629,295
TOTAL LIABILITIES		8,097,927
Members' Equity		
Retained earnings		674,568
TOTAL LIABILITIES AND MEMBERS' EQUITY	$	8,772,495

See accompanying notes to financial statements.

CYGNET ONLINE LLC
STATEMENT OF OPERATIONS (UNAUDITED)

	Three Months Ended March 31, 2022
Revenue	$ 7,527,927
Cost of revenue	6,372,432
Gross profit	1,155,495
Operating expenses	
General and administrative expenses	695,574
Income from operations	459,921
Other expense (income), net	
Gain on settlement	(15,000)
Interest expense	92,264
Other expense (income), net	77,264
Net income	$ 382,657

See accompanying notes to financial statements.

CYGNET ONLINE LLC
STATEMENT OF MEMBERS' EQUITY (UNAUDITED)

MEMBERS' EQUITY, December 31, 2021	$ 494,469
Net income	382,657
Contribution from members	-
Distribution to members	(202,558)
MEMBERS' EQUITY, March 31, 2022	$ 674,568

See accompanying notes to financial statements.

CYGNET ONLINE LLC
STATEMENT OF CASH FLOW (UNAUDITED)

	Three Months Ended March 31, 2022
Cash flows from operating activities	
Net income	$ 382,657
Adjustments to reconcile net income to net cash provided by operating activities:	
Amortization	440,238
Changes in assets and liabilities	
Accounts receivable	(418,020)
Inventories	839,417
Prepaid expenses	(32,678)
Accounts payable and accrued liabilities	76,669
Net cash provided by operating activities	1,288,283
Cash flows from investing activities	
Acquisition of property and equipment	(743,480)
Net cash used in investing activities	(743,480)
Cash flows from financing activities	
Distribution to shareholder	(202,558)
Repayment of notes payable	(64,455)
Net cash used in financing activities	(267,013)
Net increase in cash	277,790
Cash, beginning of period	193,447
Cash, end of period	$ 471,237
Supplemental cash flow disclosures:	
Interest paid	$ 61,796
Income tax paid	$ -

See accompanying notes to financial statements.

CYGNET ONLINE LLC
NOTES TO (UNAUDITED) FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS

Description of the Business

Cygnet Online LLC (the "Company") a Delaware limited liability company that began operations in September of 2021. The Company is an Amazon Aggregator with the primary purpose of acquiring multiple brands to consolidate them under a single business.

The Company's first Amazon aggregation business purchase was an asset purchase and closed on October 8, 2021. The acquired business does not manufacture or brand its own products, the business's primary focus is on the acquisition of over the counter (OTC) products and nutritional supplement through various liquidation vendors. The products are processed and sold through Amazon and other distributors.

Pursuant to the terms and conditions of the Agreement, the Company agreed to purchase substantially all of the assets of the Seller as of October 8, 2021. Under the purchase method of accounting, the transaction was valued at an estimated fair value of $9,980,368. The purchase price for the sale consists of $5,402,975 in cash, seller notes of $4,327,393 and an earnout of $250,000, that never expires and is to be paid as the Company meets certain earnings criteria as defined in the asset purchase agreement. The Company has paid $1,328,465 of these seller liabilities as of March 31, 2022 and has paid $2,168,467 of principal and interest to the sellers through June 30, 2022.

The intangibles will be recorded, based on the Company's preliminary estimate of fair value, which are expected to consist primarily of customer lists with an estimated life of five to ten years and goodwill. Upon completion of a purchase price allocation, the allocation intangible assets will be adjusted accordingly.

The assets and liabilities are recorded at their preliminary 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 8, 2021, the effective closing date.

Tangible Assets	$	4,477,393
Intangible Assets		5,502,975
Goodwill		-
Liabilities Acquired		-
Total Purchase Price	$	9,980,368

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results may differ from these estimates. Significant estimates include the valuation of inventory and the allowance for doubtful accounts.

Fair Value of Financial Instruments

The Company adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures," which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value, and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The Company has no assets or liabilities valued at fair value on a recurring basis.

Cash

For purposes of the statements of cash flows, the Company considers amounts held by financial institutions and short-term investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Inventory

Inventory is stated at lower of cost or market, with cost being determined using the first-in, first-out ("FIFO"). Cost includes costs directly related to the acquisition and the landed costs such as vendor commissions and freight to transport the purchased inventory to the processing facility. The inventory includes inventory that is paid and in transit to the Company's processing facility, inventory at the processing facility and inventory at third party distributors.

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

The Company performs an assessment of inventory obsolescence to measure inventory at the lower of cost or net realizable value. Factors considered in the determination of obsolescence include slow-moving or non-marketable items. There was no obsolete inventory written off during the three months ended March 31, 2022.

Impairment of Long-Lived Assets

In accordance with ASC Topic 360, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of property and equipment is measured by comparing its carrying value to the undiscounted projected future cash flows that the asset(s) are expected to generate. If the carrying amount of an asset is not recoverable, the Company recognizes an impairment loss based on the excess of the carrying amount of the long-lived asset over its respective fair value, which is generally determined as the present value of estimated future cash flows or at the appraised value. The impairment analysis is based on significant assumptions of future results made by management, including revenue and cash flow projections. Circumstances that may lead to impairment of property and equipment include a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition and a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset including an adverse action or assessment by a regulator. As of March 31, 2022 the Company determined that long-lived assets were not impaired.

Revenue Recognition

The Company follows the guidance of the Accounting Standards Codification ("ASC") Topic 606, "Revenue from Contracts with Customers."

Most of the Company's revenue contracts represent a single performance obligation related to the fulfillment of customer orders for the purchase of its dietary supplements, cosmeceuticals and homeopathic products. Net sales reflect the transaction prices for these contracts based on the Company's selling list price, which is then reduced by estimated costs for trade promotional programs, consumer incentives, and allowances and discounts used to incentivize sales growth and build brand awareness.

Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company recognizes revenue at the point in time that control of the ordered product is transferred to the customer, which is typically upon shipment to the customer or other customer-designated delivery point. Sales taxes collected from customers that are remitted to governmental agencies are accounted for on a net basis and not included as revenue.

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

Sales returns from wholesale customers must be completed within 60 days from the date of purchase and are subject to a restocking fee. E-Commerce product returns must be completed within 60 days of the date of purchase. The Company does not accrue for estimated sales returns as historical sales returns have been minimal.

Shipping and handling fees billed to customers are included in revenue. Shipping and handling fees associated with freight are generally included in cost of revenue.

Income Taxes

The Company is treated as a single member LLC and a disregarded entity for federal income tax and state tax income tax purposes. Under these elections, the Company is not a taxpaying entity for federal and state income tax purposes and, accordingly, no provision has been made for such income taxes, except for a minimum state corporate business tax. The member's allocable share of the Company's income or loss is reportable on his or her income tax returns.

3. INVENTORY

Inventory as of March 31, 2022, is comprised of finished goods and consists of the following:

Prepaid inventory in transit	$ 819,985
Inventory at the processing center	680,956
Inventory at third party distributor	836,567
	$ 2,337,508

4. LEASES

During October 2021, the Company entered into a lease for a Florida facility that commenced on October 8, 2021 and recorded a right of use asset and corresponding lease liability. The lease expires on October 8, 2026. The Company uses this leased facility for office space. The Company is responsible for real estate taxes, utilities, and repairs under the terms of certain of the operating leases. Therefore, all lease and non-lease components are combined and accounted for as single lease component. Lease expense was $19,500 for the three month's ended March 31, 2022.

The Company's weighted average remaining lease term and weighted average discount rate for the operating lease as of March 31, 2022 are:

Weighted average remaining lease term	54 Months
Weighted average incremental borrowing rate	5.0%

For the three month's ended March 31, 2022, the components of lease expense, included in general and administrative expenses and interest expense in the statements of operations, are as follows:

Operating lease cost:	
Operating lease cost	$ 25,557
Amortization of ROU assets	20,356
Interest expense	5,201
Total lease cost	$ 51,114

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

The table below reconciles the undiscounted future minimum lease payments (displayed by year and in the aggregate) under noncancelable operating leases with terms of more than one year to the total operating lease liabilities recognized in the balance sheet as of March 31, 2022:

2022	$ 78,992
2023	118,893
2024	118,547
2025	117,931
2026	37,777
Total undiscounted future minimum lease payments	472,140
Less: Imputed interest	(49,660)
Present value of operating lease obligation	$ 422,480

5. NOTES PAYABLE

	Maturity Date	March 31, 2022
SBA note payable, 30-year term note, 6% interest rate and collateralized with all assets of the Company	October 6, 2031	$ 4,299,424
Inventory consignment note, 60 monthly payments, with first payment due June 30, 2022, 3.5% interest rate and no security interest in the assets of the business	June 30, 2027	1,500,000
Excess inventory note, 19 weekly payments, with first payment due February 4, 2022, 3.5% interest rate and no security interest in the assets of the business	May 13, 2022	648,928
Seller note, 6 annual payments, with first payment due December 31, 2022, 3.5% interest rate and no security interest in the assets of the business	November 7, 2026	850,000
Total notes payable		7,298,352
Less current portion of notes payable		1,041,529
Notes payable, net of current portion		$ 6,256,823

As of June 30, 2022, the excess inventory note was fully paid.

Future payments on notes payable are as follows:

For the year ended December 31:	
2022	$ 1,041,529
2023	772,057
2024	808,244
2025	847,527
2026	888,211
Thereafter	2,940,784
	$ 7,298,358

CYGNET ONLINE LLC
NOTES TO FINANCIAL STATEMENTS

6. RISKS AND UNCERTAINTIES

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Company is unable to predict with certainty the potential impact of COVID-19 on its business, results of operations, financial condition and cash flows.

7. SUBSEQUENT EVENT

Subsequent to March 31, 2022, the owner of the Company entered into a Securities Purchase Agreement to sell the Company to Grove, Inc., a Nevada corporation effective as of April 1, 2022. The owner sold 55% of the equity membership in the business with a purchase price of $6,050,000. The consideration consisted of $1,500,000 in cash, $2,550,000 or 555,489 shares of restricted common stock and a non-negotiable convertible promissory note in the original principal amount of $2,000,000, which can be converted into common stock of the Company at a price of $6.00 per share and is payable in full, to the extent not previously converted, on February 15, 2023. The purchase price is subject to a two-way adjustment based on the amount of Closing Working Capital, as defined in the agreement.

Additionally, the owner of the Company will be paid up to $700,000 in the form of an earn-out payment based on 7% of Cygnet's net revenue during the earn-out period, in accordance with and subject to the terms and conditions of the agreement. The earn-out payment, if any, will be paid 50% in immediately available funds and 50% in Grove, Inc. restricted common stock.

The Agreement contains customary confidentiality, non-competition, and non-solicitation provisions for the Seller and Seller's affiliates.

In addition, the Grove, Inc. has the right to purchase the remaining membership interests in the Company. Commencing on October 10, 2022, and continuing for 180 days thereafter, Grove, Inc. has the right, but not the obligation, to cause the owner of the Company to sell 15% of the membership interests in Cygnet for $1,650,000 in immediately available funds. Commencing on the date that Grove, Inc. completes its financial statements for the year ended December 31, 2023, and continuing for 120 days thereafter, Grove, Inc. has the right, but not the obligation, to cause the owner of the Company to sell the remaining 30% of the membership interests in the Company for 30% of the amount equal to four times the Company's Adjusted EBITDA (as defined in the Call Agreement) for calendar year 2023, payable by wire transfer of immediately available funds equal to at least 50% of said purchase price with the balance payable through the issuance to the owner of the Company of shares of restricted common stock of Grove, Inc.

The owner of the Company has the right, but not the obligation, at any time commencing on the date that is 120 days after the Company completes Cygnet's financial statements for the year ended December 31, 2023, and continuing for 90 days thereafter, to cause Grove, Inc. to purchase all of the owners' remaining membership interests in the Company or a purchase price equal to the product of (i) four times the Company's Adjusted EBITDA (as defined in the Put Agreement) for calendar year 2023, and (ii) the percentage of the membership interests being sold, payable in shares of restricted common stock of Grove, Inc.

Grove, Inc. has loaned the Company $600,000 through June 30, 2022.

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 Cygnet Online LLC ("Cygnet"), after giving effect to the Company's acquisition of Cygnet. 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 March 31, 2022, and statements of operations for the year ended March 31, 2022 and the three and nine months ended March 31, 2022 are presented as if the acquisition of Cygnet had occurred on April 1, 2021 and were carried forward through each of the periods presented.

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 Cygnet as of the date on which the Cygnet Stock 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 Cygnet 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.

GROVE, INC.
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF MARCH 31, 2022
(UNAUDITED)

	Grove, Inc.	Cygnet	PROFORMA ADJUSTMENTS	PROFORMA
ASSETS				
Current assets				
Cash	$ 4,502,986	$ 471,237	$ (1,500,000)(1)	$ 3,474,223
Accounts receivable, net of allowance for doubtful accounts of $57,500	1,481,137	860,882		2,342,019
Inventory	3,560,955	2,337,508		5,898,463
Prepaid expenses and other receivables	716,129	52,181		768,310
Total current assets	10,261,207	3,721,808		12,483,015
Property and equipment, net	7,681,640	-		7,681,640
Intangible assets, net	4,771,685	4,622,499	7,377,501(2)	16,771,685
Goodwill	8,533,923	-	6,396,151(3)	14,930,074
Deferred tax asset	1,247,387	-		1,247,387
Other assets	69,068	17,822		86,890
Right-of-use asset	588,133	410,366		998,499
Total other assets	22,891,836	5,050,687		41,716,175
Total assets	$ 33,153,043	$ 8,772,495		$ 54,199,190
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	$ 1,289,218	$ 127,095		$ 1,416,313
Accrued compensation	722,060	-		722,060
Deferred revenue	257,018	-		257,018
Accrued liabilities	755,704	-		755,704
Acquisition payable	600,000	250,000	1,903,184(5)(4)	2,753,184
Current portion of notes payable	506,275	1,041,529	2,000,000(6)	3,547,804
Current portion of operating lease payable	242,866	50,008		292,874
Total current liabilities	4,373,141	1,468,632		9,744,957
Notes payable, net of current portion	338,241	6,256,823		6,595,064
Operating lease payable, net of current portion	25,167	372,472		397,639
Total long-term liabilities	363,408	6,629,295		6,992,703
Commitments and contingencies	-	-		-
Stockholders' equity				
Preferred stock, $0.001 par value, 100,000,000 shares authorized, and 500,000 and 0 shares issued and outstanding, respectively	500	-		500
Common stock, $0.001 par value, 100,000,000 shares authorized, and 16,378,006 shares issued and outstanding, respectively	16,108	-	555(7)	16,663
Additional paid in capital	32,046,045	-	2,549,445(7)	34,595,490
Accumulated (deficit) retained earnings	(3,646,159)	674,568	(674,568)(8)	(3,646,159)
Total stockholders' equity attributable to Grove, Inc.	28,416,494	674,568		30,966,494
Non-controlling interest in subsidiary	-	-	6,495,036(9)	6,495,036
Total stockholders' equity	28,416,494	674,568		37,461,530
Total liabilities and stockholders' equity	$ 33,153,043	$ 8,772,495		$ 54,199,190

Adjustments to the Pro Forma Combined Balance Sheet

(1) Represents that $1,500,000 in cash paid to the owner of Cygnet
(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 working capital surplus to be paid to the owners of Cygnet
(5) Represents the earn-out accrual for the purchase of Cygnet
(6) Represents the Convertible Note delivered to the owner of Cygnet at closing
(7) Represents that 555,489 shares of Grove, Inc. common stock issued at closing and valued at the market price of $4.82 per common share
(8) Represents the elimination of retained earnings in the Cygnet subsidiary
(9) Represents the non-controlling interest in subsidiary

See notes to unaudited pro forma combined financial information

GROVE, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022
(UNAUDITED)

	Grove Inc.	Cygnet	PROFORMA ADJUSTMENTS	PROFORMA
Revenue				
Revenue	$ 40,033,298	$ 30,111,708		$ 70,145,006
Cost of revenue	16,600,370	25,489,728		42,090,098
Gross profit	23,432,928	4,621,980		28,054,908
Operating expenses				
Sales and marketing	6,059,850	1,021,344		7,081,194
General and administrative expenses	11,224,884	-		11,224,884
Share-based compensation	2,491,436	-		2,491,436
Amortization of identifiable intangible assets	1,267,359	1,760,952	1,275,048(a)	4,303,359
Depreciation	481,941	-		481,941
	21,525,470	2,782,296		25,582,814
Income (loss) from operations	1,907,458	1,839,684		2,472,094
Other (expense) income, net				
Interest expense, net	(458,867)	(369,056)	(120,000)(f)	(927,923)
Gain on sale of assets	20,500	-		20,500
Gain on SBA PPP loan extinguishment	403,277	-		
Gain on settlement	300,995	15,000		315,995
Other (expense) income, net	265,905	(354,056)		(611,428)
Income (loss) before income tax	2,173,363	1,485,628		1,860,666
Income tax benefit (expense)	1,069,252	-	(54,405)(b)	522,847
Net income (loss)	3,242,615	1,485,628		2,383,513
Net income attributable to non-controlling interest			(480,006)(c)	(480,006)
Deemed dividend related to the issuance of Series A Preferred Stock	(50,000)	-		(50,000)
Net income (loss) attributable to Grove, Inc.	$ 3,192,615	$ 1,485,628		$ 1,853,507
Basic income (loss) per share	$ 0.20	$ -		$ 0.11
Diluted income (loss) per share	$ 0.18	$ -		$ 0.10
Weighted average shares outstanding	16,080,699	-	555,489(d)	16,636,188
Fully diluted weighted average shares outstanding	17,586,030	-	888,823(e)	18,474,853

(a) Represents estimated amortization of intangible assets, net of Cygnet amortization
(b) Represents the estimated tax expense or benefit on a consolidated basis
(c) Represents the income attributable to non-controlling interest
(d) Represents additional shares issued related to the acquisition.
(e) Represents additional shares issued related to acquisition and convertible note
(f) Represents the interest expense attributable to the $2,000,000 convertible note with an interest rate of 6%

See notes to unaudited pro forma combined financial information.

GROVE, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2022
(UNAUDITED)

	Grove Inc.	Cygnet	PROFORMA ADJUSTMENTS	PROFORMA
Revenue				
Revenue	$ 29,388,123	$ 22,583,781		$ 51,971,904
Cost of revenue	11,208,516	19,117,296		30,325,812
Gross profit	18,179,607	3,466,485		21,646,092
Operating expenses				
Sales and marketing	5,152,494	766,008		5,918,502
General and administrative expenses	8,725,566	-		8,725,566
Share-based compensation	2,333,306	-		2,333,306
Amortization of identifiable intangible assets	1,085,481	1,320,714	956,286(a)	3,362,481
Depreciation	390,116	-		390,116
	17,686,963	2,086,722		20,729,971
Income from operations	492,644	1,379,763		916,121
Other (expense) income, net				
Interest expense, net	(61,699)	(276,792)	(90,000)(f)	(428,491)
Gain on sale of assets	5,500	-		5,500
Gain on settlement	300,995	15,000		315,995
Other (expense) income, net	244,796	(261,792)		(106,996)
Income (loss) before income tax	737,440	1,117,971		809,125
Income tax expense	213,563	-	13,801(b)	227,364
Net income (loss)	523,877	1,117,971		1,036,489
Net income attributable to non-controlling interest	-	-	(361,216.43)(c)	(361,216)
Net income (loss) attributable to Grove, Inc.	$ 523,877	$ 1,117,971		$ 675,273
Basic income (loss) per share	$ 0.03	$ -		$ 0.04
Diluted income (loss) per share	$ 0.03	$ -		$ 0.04
Weighted average shares outstanding	16,080,699	-	555,489(d)	16,636,188
Fully diluted weighted average shares outstanding	17,586,030	-	888,823(e)	18,474,853

(a) Represents estimated amortization of intangible assets, net of Cygnet amortization
(b) Represents the estimated tax expense or benefit on a consolidated basis
(c) Represents the income attributable to non-controlling interest
(d) Represents additional shares issued related to the acquisition.
(e) Represents additional shares issued related to acquisition and convertible note
(f) Represents the interest expense attributable to the $2,000,000 convertible note with an interest rate of 6%

See notes to unaudited pro forma combined financial information.

GROVE, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(UNAUDITED)

	Grove Inc.	Cygnet	PROFORMA ADJUSTMENTS	PROFORMA
Revenue				
Revenue	$ 10,271,588	$ 7,527,927		$ 17,799,515
Cost of revenue	4,184,782	6,372,432		10,557,214
Gross profit	6,086,806	1,155,495		7,242,301
Operating expenses				
Sales and marketing	1,788,689	255,336		2,044,025
General and administrative expenses	2,734,777	-		2,734,777
Share-based compensation	1,062,753	-		1,062,753
Amortization of identifiable intangible assets	417,549	440,238	609,762(a)	1,467,549
Depreciation	143,537	-		143,537
	6,147,305	695,574		7,452,641
Income (loss) from operations	(60,499)	459,921		(210,340)
Other (expense) income, net				
Interest expense, net	(19,138)	(92,264)	(30,000)(f)	(141,402)
Gain on sale of assets	5,500	-		5,500
Gain on settlement	-	15,000		15,000
Other (expense) income, net	(13,638)	(77,264)		(120,902)
Income (loss) before income tax	(74,137)	382,657		(331,242)
Income tax benefit	21,470	-	71,609(b)	93,079
Net income (loss)	(95,607)	382,657		(238,163)
Net income attributable to non-controlling interest	-	-	(123,636.48)(c)	(123,636)
Net income (loss) attributable to Grove, Inc.	$ (95,607)	$ 382,657		$ (361,799)
Basic income (loss) per share	$ (0.01)	$ -		$ (0.02)
Diluted income (loss) per share	$ (0.01)	$ -		$ (0.02)
Weighted average shares outstanding	16,426,399	-	555,489(d)	16,981,888
Fully diluted weighted average shares outstanding	17,821,810	-	888,823(e)	18,710,633

(a) Represents estimated amortization of intangible assets, net of Cygnet amortization
(b) Represents the estimated tax expense or benefit on a consolidated basis
(c) Represents the income attributable to non-controlling interest
(d) Represents additional shares issued related to the acquisition.
(e) Represents additional shares issued related to acquisition and convertible note
(f) Represents the interest expense attributable to the $2,000,000 convertible note with an interest rate of 6%

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 March 31, 2022, and the unaudited pro forma statements of operations for the year ended March 31, 2022 and the three and nine month's ended March 31, 2022, are based on the historical financial statements of the Company and Cygnet Online, LLC ("Cygnet") after giving effect to the Company's acquisition of Cygnet and reclassification and adjustments described in the accompanying notes to the unaudited pro forma combined financial information.

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 Cygnet'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 Cygnet 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.

Accounting Periods Presented

The unaudited pro forma combined balance sheet as of March 31, 2022, and the statements of operations for the year ended March 31, 2022, for the three months ended March 31, 2022 and for the nine months ended March 31, 2022 are presented as if the acquisition of Cygnet had occurred on April 1, 2021 and were carried forward through each of the periods presented.

Reclassifications

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

Income Taxes

Cygnet was treated as a single member LLC and a disregarded entity for federal income tax and state tax income tax purposes. Under these elections, the Company is not a taxpaying entity for federal and state income tax purposes and, accordingly, no provision has been made for such income taxes, except for a minimum state corporate business tax. The member's allocable share of the Company's income or loss is reportable on his or her income tax returns. Effective April 1, 2022 Cygnet was no longer a single member LLC for federal income tax and state tax purposes.

2. ACQUISITION OF CYGNET

Grove, Inc. into a Securities Purchase Agreement to purchase Cygnet Online, LLC, ("Seller") a Delaware limited liability company effective as of April 1, 2022. The Company purchased 55% of the equity in the business with a purchase price of $6,050,000. The consideration consisted of $1,500,000 in cash, $2,550,000 or 555,489 shares of restricted common stock and a non-negotiable convertible promissory note in the original principal amount of $2,000,000, which can be converted into common stock of the Company at a price of $6.00 per share and is payable in full, to the extent not previously converted, on February 15, 2023. The purchase price is subject to a two-way adjustment based on the amount of Closing Working Capital, as defined in the agreement.

Additionally, Seller will be paid up to $700,000 in the form of an earn-out payment based on 7% of Seller's net revenue during the earn-out period, in accordance with and subject to the terms and conditions of the agreement. The earn-out payment, if any, will be paid 50% in immediately available funds and 50% in Company restricted common stock.

The Agreement contains customary confidentiality, non-competition, and non-solicitation provisions for the Seller and Seller's affiliates.

In addition, the Company has the right to purchase Seller's remaining membership interest in Cygnet. Commencing on October 10, 2022 and continuing for 180 days thereafter, the Company has the right, but not the obligation, to cause the Seller to sell 15% of the membership interest in Cygnet for $1,650,000 in immediately available funds. Commencing on the date that the Company completes its financial statements for the year ended December 31, 2023, and continuing for 120 days thereafter, the Company has the right, but not the obligation, to cause the Seller to sell the remaining 30% of the membership interest in Cygnet for 30% of the amount equal to four times Cygnet's Adjusted EBITDA (as defined in the Call Agreement) for calendar year 2023, payable by wire transfer of immediately available funds equal to at least 50% of said purchase price with the balance payable through the issuance to Seller of shares of restricted common stock of the Company.

The Seller has the right, but not the obligation, at any time commencing on the date that is 120 days after the date the Company completes Cygnet's financial statements for the year ended December 31, 2023, and continuing for 90 days thereafter, to cause the Company to purchase all of the Seller's remaining membership interests in Cygnet for a purchase price equal to the product of (i) four times Cygnet's Adjusted EBITDA (as defined in the Put Agreement) for calendar year 2023, and (ii) the percentage of Cygnet membership interest being sold, payable in shares of restricted common stock of the Company.

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

Under the purchase method of accounting, the transaction was valued for accounting purposes at an estimated $7,953,184, which was the estimated fair value of the consideration paid by the Company, after it was determined post-closing excess net working capital was approximately $1,203,184. The estimate was based on the consideration paid of 555,489 shares of common stock valued at $2,550,000 based on the closing price on April 1, 2022 of $4.59 per share, cash of $1,500,000 and $2,000,000 convertible note payable based on terms of the agreement and the net assets received. An additional acquisition liability of $1,203,184 was recorded based on the estimated net working capital being higher than the $1,100,000.

The assets and liabilities of Cygnet will be recorded at their estimated respective fair values as of the closing date of the Agreement, and the following table summarizes these values based on the estimated balance sheet at April 1, 2022.

Tangible Assets	$ 3,739,630
Intangible Assets	12,000,000
Goodwill	6,396,151
Liabilities Acquired	(7,675,447)
Total Value	14,460,334
Interest Purchased	55%
Purchase Price	$ 7,953,184

The acquisition of Cygnet provided the Company with expertise in the Amazon Aggregator business, additional product distribution, additional geographical distribution points and expected improved gross margin and profitability through synergies recognized with the consolidation of the two companies' administrative functions and product distribution. These are the factors of the goodwill recognized in the acquisition.

3. PRO FORMA ADJUSTMENTS

(1) Represents that $1,500,000 in cash paid to the owner of Cygnet
(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 working capital surplus to be paid to the owners of Cygnet
(5) Represents the earnout accrual for the purchase of Cygnet
(6) Represents the Convertible Note delivered to the owner of Cygnet at closing
(7) Represents that 555,489 shares of Grove, Inc. common stock issued at closing and valued at the market price of $4.82 per common share
(8) Represents the elimination of retained earnings in the Cygnet subsidiary
(9) Represents the non-controlling interest in subsidiary

(a) Represents estimated amortization of intangible assets, net of Cygnet amortization
(b) Represents the estimated tax expense or benefit on a consolidated basis
(c) Represents the income attributable to non-controlling interest
(d) Represents additional shares issued related to the acquisition.
(e) Represents additional shares issued related to acquisition and convertible note
(f) Represents the interest expense attributable to the $2,000,000 convertible note with an interest rate of 6%