

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒

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

For Quarter Ended: **September 30, 2025**
OR

☐

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number: **333-207889**

GROWGENERATION CORP.

(Exact name of registrant as specified in its charter)

Colorado

(State or other jurisdiction
of incorporation)

46-5008129

(IRS Employer
ID No.)

5619 DTC Parkway, Suite 900
Greenwood Village, Colorado 80111
(Address of principal executive offices)

(800) 935-8420
(Issuer's Telephone Number)

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	GRWG	The NASDAQ Stock Market LLC

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

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

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

Large accelerated filer	☐	Smaller reporting company	☒
Non-accelerated filer	☐	Emerging growth company	☐
Accelerated filer	☒		

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

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

As of November 3, 2025 there were 59,843,443 shares of the registrant's common stock issued and outstanding.

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PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

GROWGENERATION CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands, except shares)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 27,355	\$ 27,471
Marketable securities	20,955	28,984
Accounts receivable, net of allowance for credit losses of \$2,080 and \$2,177 at September 30, 2025 and December 31, 2024, respectively	12,980	7,361
Notes receivable, current, net of allowance for credit losses of \$187 and \$— at September 30, 2025 and December 31, 2024, respectively	832	1,056
Inventory	40,184	40,295
Prepaid income taxes	308	145
Prepaid and other current assets	9,183	7,896
Total current assets	111,797	113,208
Property and equipment, net	10,875	15,493
Operating leases right-of-use assets, net	29,462	34,453
Intangible assets, net	4,653	8,779
Goodwill	2,052	1,605
Other assets	766	814
TOTAL ASSETS	\$ 159,605	\$ 174,352
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 11,586	\$ 8,146
Accrued liabilities	3,399	2,358
Payroll and payroll tax liabilities	2,301	2,655
Customer deposits	4,203	2,404
Sales tax payable	1,060	1,313
Current maturities of operating lease liabilities	6,778	7,398
Total current liabilities	29,327	24,274
Operating lease liabilities, net of current maturities	25,139	29,633
Other long-term liabilities	435	352
Total liabilities	54,901	54,259
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock; \$0.001 par value; 100,000,000 shares authorized, 59,843,443 and 59,402,628 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	60	59
Additional paid-in capital	376,912	375,677
Accumulated deficit	(272,268)	(255,643)
Total stockholders' equity	104,704	120,093
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 159,605	\$ 174,352

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

GROWGENERATION CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net sales	\$ 47,254	\$ 50,006	\$ 123,920	\$ 151,430
Cost of sales (exclusive of depreciation and amortization shown below)	34,398	39,196	89,763	113,835
Gross profit	12,856	10,810	34,157	37,595
Operating expenses:				
Store operations and other operational expenses	7,245	10,032	23,904	30,876
Selling, general, and administrative	5,706	7,405	18,969	22,417
Estimated credit losses (recoveries)	98	272	353	(210)
Depreciation and amortization	2,649	4,972	8,921	12,329
Impairment loss	—	220	—	220
Total operating expenses	15,698	22,901	52,147	65,632
Loss from operations	(2,842)	(12,091)	(17,990)	(28,037)
Other income (expense):				
Other expense	—	(50)	—	(13)
Interest income	407	663	1,367	2,002
Interest expense	—	—	—	(70)
Total other income	407	613	1,367	1,919
Net loss before income taxes	(2,435)	(11,478)	(16,623)	(26,118)
(Provision) benefit for income taxes	(2)	43	(2)	(50)
Net loss	<u>\$ (2,437)</u>	<u>\$ (11,435)</u>	<u>\$ (16,625)</u>	<u>\$ (26,168)</u>
Net loss per share, basic	<u>\$ (0.04)</u>	<u>\$ (0.19)</u>	<u>\$ (0.28)</u>	<u>\$ (0.43)</u>
Net loss per share, diluted	<u>\$ (0.04)</u>	<u>\$ (0.19)</u>	<u>\$ (0.28)</u>	<u>\$ (0.43)</u>
Weighted average shares outstanding, basic	59,783	59,268	59,593	60,479
Weighted average shares outstanding, diluted	59,783	59,268	59,593	60,479

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

GROWGENERATION CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited, in thousands)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2024	59,403	\$ 59	—	\$ —	\$ 375,677	\$ (255,643)	\$ 120,093
Common stock issued for share-based compensation	84	—	—	—	—	—	—
Common stock withheld for employee payroll taxes	—	—	—	—	(60)	—	(60)
Share-based compensation	—	—	—	—	503	—	503
Net loss	—	—	—	—	—	(9,377)	(9,377)
Balance as of March 31, 2025	59,487	\$ 59	—	\$ —	\$ 376,120	\$ (265,020)	\$ 111,159
Common stock issued for share-based compensation	192	1	—	—	—	—	1
Common stock withheld for employee payroll taxes	—	—	—	—	(52)	—	(52)
Share-based compensation	—	—	—	—	315	—	315
Common stock issued in connection with acquisitions	93	—	—	—	109	—	109
Net loss	—	—	—	—	—	(4,811)	(4,811)
Balance as of June 30, 2025	59,772	\$ 60	—	\$ —	\$ 376,492	\$ (269,831)	\$ 106,721
Common stock issued for share based compensation	71	—	—	—	—	—	—
Common stock withheld for employee payroll taxes	—	—	—	—	(1)	—	(1)
Share-based compensation	—	—	—	—	421	—	421
Net loss	—	—	—	—	—	(2,437)	(2,437)
Balance as of September 30, 2025	59,843	\$ 60	—	\$ —	\$ 376,912	\$ (272,268)	\$ 104,704

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2023	61,484	\$ 61	—	\$ —	\$ 373,433	\$ (200,099)	\$ 173,395
Common stock issued for share-based compensation	23	1	—	—	—	—	1
Common stock withheld for employee payroll taxes	—	—	—	—	(29)	—	(29)
Share-based compensation	—	—	—	—	778	—	778
Net loss	—	—	—	—	—	(8,837)	(8,837)
Balance as of March 31, 2024	61,507	\$ 62	—	\$ —	\$ 374,182	\$ (208,936)	\$ 165,308
Common stock issued for share-based compensation	181	—	—	—	—	—	—
Common stock withheld for employee payroll taxes	—	—	—	—	(99)	—	(99)
Share-based compensation	—	—	—	—	654	—	654
Repurchase of common stock	—	—	(1,739)	(4,190)	—	—	(4,190)
Cancellation of common stock	(800)	(1)	800	1,874	—	(1,873)	—
Net loss	—	—	—	—	—	(5,896)	(5,896)
Balance as of June 30, 2024	60,888	\$ 61	(939)	\$ (2,316)	\$ 374,737	\$ (216,705)	\$ 155,777
Common stock issued for share based compensation	71	—	—	—	—	—	—
Common stock withheld for employee payroll taxes	—	—	—	—	(2)	—	(2)
Share-based compensation	—	—	—	—	672	—	672
Repurchase of common stock	—	—	(778)	(1,847)	—	—	(1,847)
Cancellation of common stock	(1,717)	(2)	1,717	4,163	—	(4,161)	—
Net loss	—	—	—	—	—	(11,435)	(11,435)
Balance as of September 30, 2024	59,242	\$ 59	—	\$ —	\$ 375,407	\$ (232,301)	\$ 143,165

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

GROWGENERATION CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (16,625)	\$ (26,168)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	8,921	12,329
Share-based compensation	1,239	2,104
Estimated credit losses (recoveries)	353	(210)
Loss on asset disposition	757	440
Change in value of marketable securities	(647)	(1,041)
Impairment loss on operating lease right-of-use assets	—	220
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable	(5,748)	(2,026)
Inventory	387	16,827
Prepaid expenses and other assets	(1,392)	619
Accounts payable and accrued liabilities	4,453	(3,488)
Operating leases	(123)	(61)
Payroll and payroll tax liabilities	(354)	185
Customer deposits	1,783	(2,728)
Sales tax payable	(253)	125
Net cash and cash equivalents used in operating activities	(7,249)	(2,873)
Cash flows from investing activities:		
Acquisitions	(1,013)	—
Purchase of marketable securities	(25,032)	(41,878)
Maturities of marketable securities	33,708	50,344
Purchase of property and equipment	(433)	(1,880)
Proceeds from disposals of assets	15	131
Net cash and cash equivalents provided by investing activities	7,245	6,717
Cash flows from financing activities:		
Common stock withheld for employee payroll taxes	(112)	(129)
Common stock repurchased	—	(6,036)
Net cash and cash equivalents used in financing activities	(112)	(6,165)
Net decrease in cash and cash equivalents	(116)	(2,321)
Cash and cash equivalents at the beginning of period	27,471	29,757
Cash and cash equivalents at the end of period	<u>\$ 27,355</u>	<u>\$ 27,436</u>
Supplemental cash flow disclosures and non-cash investing and financing transactions:		
Cash paid for income taxes	\$ 203	\$ 44
Right-of use assets obtained in exchange for new or modified operating lease liabilities	\$ 1,049	\$ 3,506
Fair value of common stock issued in business combination	\$ 109	\$ —
Fair value of contingent consideration	\$ 83	\$ —
Cash paid for interest	\$ —	\$ 70
Cancellation of common stock	\$ —	\$ 6,036

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

GROWGENERATION CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025
(Unaudited)

1. GENERAL

GrowGeneration Corp. (together with its direct and indirect wholly-owned subsidiaries, collectively "GrowGeneration" or the "Company") was incorporated in Colorado in 2014. Since then, GrowGeneration has grown from a small chain of specialty retail hydroponic and organic garden centers to a multifaceted business with diverse assets. Today, GrowGeneration operates two major lines of business: its Cultivation and Gardening segment, composed of the Company's hydroponic and organic gardening business; and its Storage Solutions segment, composed of the Company's benching, racking, and storage solutions business.

As of September 30, 2025, GrowGeneration has 24 retail locations across 11 states in the U.S. The Company also operates an online superstore at growgeneration.com, as well as a wholesale distribution business for resellers and mass-market retailers, and a benching, racking, and storage solutions business, Mobile Media or MMI.

Basis of Presentation

The accompanying interim unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. These statements should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 ("2024 Form 10-K"). There were no significant changes to the Company's significant accounting policies as disclosed in the 2024 Form 10-K. The results reported in these unaudited Condensed Consolidated Financial Statements are not necessarily indicative of results for the full fiscal year.

All amounts included in the accompanying notes to the Condensed Consolidated Financial Statements, except per share data, are in thousands (000).

Use of Estimates

The preparation of the Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

2. RECENT ACCOUNTING PRONOUNCEMENTS

From time to time, the Financial Accounting Standard Board ("FASB") or other standard setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standards Codification are communicated through the issuance of an Accounting Standards Update ("ASU"). The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements. In addition to the accounting pronouncements discussed below, no other new accounting pronouncement issued or effective during the fiscal year had or is expected to have a material effect on the Company's Condensed Consolidated Financial Statements or disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740)—Improvements to income tax disclosures* ("ASU 2023-09"), expanding the disclosures requirement for income taxes primarily by requiring more detailed disclosure for income taxes paid and the effective tax rate reconciliation. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted, and adoption of ASU 2023-09 can be applied prospectively or retrospectively. The Company is currently evaluating the impact of this standard and will adopt this guidance in the fourth quarter of 2025 to provide additional disclosures as required.

GROWGENERATION CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025
(Unaudited)

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"), which requires disclosure on an annual and interim basis of disaggregated information about certain income statement expense line items in the notes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted, and adoption of ASU 2024-03 can be applied prospectively or retrospectively. The Company is currently evaluating the impact of this standard.

In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326)—Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"), which provides a practical expedient to measure credit losses on accounts receivable and contract assets. ASU 2025-05 is effective for annual periods beginning after December 15, 2025. Early adoption of ASU 2025-05 is permitted and should be applied prospectively. The Company is currently evaluating the impact of this standard and expects to adopt the standard for the annual period beginning January 1, 2026.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)—Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"), which amends current guidance for capitalizing internal use software costs by removing all references to prescriptive and sequential software development stages to better align with current iterative development methods. ASU 2025-06 is effective for interim and annual periods beginning after December 15, 2027. Early adoption is permitted as of the beginning of an annual reporting period, and ASU 2025-06 can be applied prospectively, retrospectively, or on a modified transition approach. The Company is currently evaluating the impact of this standard and expects to adopt the standard prospectively for the annual period beginning January 1, 2026.

3. FAIR VALUE MEASUREMENTS

Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell 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. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies, and similar techniques.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

GROWGENERATION CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025
(Unaudited)

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and all other current liabilities approximate fair values due to their short-term nature. The fair value of notes receivable approximates the outstanding balance net of reserves for expected credit loss. The marketable securities are classified as available-for-sale and are carried at fair value based on quoted market prices. Changes in fair value of marketable securities, principally derived from accretion of discounts, were \$0.2 million and \$0.6 million for the three and nine months ended September 30, 2025, respectively, and \$0.3 million and \$1.0 million for the three and nine months ended September 30, 2024, respectively. Changes in fair value of marketable securities are included in Interest income on the Condensed Consolidated Statements of Operations.

	Level	September 30, 2025	December 31, 2024
Cash equivalents	1	\$ 14,790	\$ 16,945
Marketable securities	2	\$ 20,955	\$ 28,984

4. REVENUE RECOGNITION

Disaggregation of Revenues

Net sales are disaggregated by the Company's segments, which represent its principal lines of business, as well as by major product line, including proprietary brands, non-proprietary brands, and commercial fixtures, and by product type, including consumable and durable products. Refer to Note 15, Segments, for disaggregated revenue disclosures.

Accounts Receivable and Contract Liabilities

Depending on the timing of when title of product transfers to a customer and when a customer makes payments for such product, the Company recognizes an accounts receivable or a customer deposit. The opening and closing balances of the Company's accounts receivables and customer deposits were as follows:

	Accounts Receivable, Net	Customer Deposits
Balance as of January 1, 2025	\$ 7,361	\$ 2,404
Balance as of September 30, 2025	12,980	4,203
Increase	<u>\$ 5,619</u>	<u>\$ 1,799</u>
Balance as of January 1, 2024	\$ 8,895	\$ 5,359
Balance as of September 30, 2024	10,324	2,631
Increase (decrease)	<u>\$ 1,429</u>	<u>\$ (2,728)</u>

Of the total amount of customer deposits as of January 1, 2025, \$0.1 million and \$1.7 million was reported as revenue during the three and nine months ended September 30, 2025, respectively. Of the total amount of customer deposits as of January 1, 2024, \$0.4 million and \$4.4 million was reported as revenue during the three and nine months ended September 30, 2024, respectively.

Notes receivable at September 30, 2025 and December 31, 2024 were as follows:

	September 30, 2025	December 31, 2024
Notes receivable	\$ 1,019	\$ 1,056
Allowance for credit losses	(187)	—
Notes receivable, net	<u>\$ 832</u>	<u>\$ 1,056</u>

During the nine months ended September 30, 2024, the Company received a \$0.3 million settlement related to a \$1.5 million note receivable, which had been fully reserved as of December 31, 2023. Refer to Note 13, Commitments and Contingencies, for additional information regarding the settlement.

GROWGENERATION CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025
(Unaudited)

5. PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2025 and December 31, 2024 consisted of the following:

	September 30, 2025	December 31, 2024
Vehicles	\$ 2,496	\$ 2,553
Building and land	2,121	2,121
Leasehold improvements	10,347	12,086
Furniture, fixtures and equipment	12,386	13,051
Capitalized software	9,137	16,446
Construction-in-progress	11	49
Total property and equipment, gross	36,498	46,306
Accumulated depreciation and amortization	(25,623)	(30,813)
Property and equipment, net	<u>\$ 10,875</u>	<u>\$ 15,493</u>

Depreciation and amortization expense related to property and equipment was \$1.1 million and \$4.3 million for the three and nine months ended September 30, 2025, respectively, and \$3.3 million and \$7.3 million for the three and nine months ended September 30, 2024, respectively. In conjunction with the Company's restructuring activities as discussed in Note 16, Restructuring, the Company retired certain capitalized software assets during the nine months ended September 30, 2025. Refer to Note 16, Restructuring, for additional information on the restructuring activities.

6. GOODWILL AND INTANGIBLE ASSETS

The carrying value of goodwill by segment was as follows:

	Cultivation and Gardening	Storage Solutions	Total
Balance as of December 31, 2024	\$ —	\$ 1,605	\$ 1,605
Additions & measurement period adjustments	447	—	447
Balance as of September 30, 2025	<u>\$ 447</u>	<u>\$ 1,605</u>	<u>\$ 2,052</u>

Accumulated impairment for goodwill related entirely to the Cultivation and Gardening segment and totaled \$31.9 million as of September 30, 2025 and December 31, 2024.

The changes in intangible assets by segment for the nine months ended September 30, 2025 were as follows:

	Cultivation and Gardening	Storage Solutions	Total
Balance as of December 31, 2024	\$ 6,881	\$ 1,898	\$ 8,779
Amortization	(4,070)	(526)	(4,596)
Acquisitions	470	—	470
Balance as of September 30, 2025	<u>\$ 3,281</u>	<u>\$ 1,372</u>	<u>\$ 4,653</u>

On June 6, 2025, the Company purchased substantially all of the assets of Hydro Generation Inc. (referred to as "Viagrow"), a domestic supplier of gardening and hydroponic equipment. The acquisition related intangible assets in the preceding table represent the preliminary estimated fair values of goodwill and identified intangible assets. As of September 30, 2025, the Company has not finalized its preliminary purchase price allocation. Refer to Note 12, Acquisitions, for additional information regarding the Viagrow acquisition.

GROWGENERATION CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025
(Unaudited)

Intangible assets on the Condensed Consolidated Balance Sheets consisted of the following:

	September 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade names	\$ 27,790	\$ (25,709)	\$ 2,081	\$ 27,790	\$ (21,908)	\$ 5,882
Customer relationships	13,338	(10,767)	2,571	12,869	(9,974)	2,895
Non-competes	860	(859)	1	860	(858)	2
Intellectual property	1,136	(1,136)	—	1,136	(1,136)	—
Patents, trademarks	69	(69)	—	69	(69)	—
Total	<u>\$ 43,193</u>	<u>\$ (38,540)</u>	<u>\$ 4,653</u>	<u>\$ 42,724</u>	<u>\$ (33,945)</u>	<u>\$ 8,779</u>

Amortization expense was \$1.5 million and \$4.6 million for the three and nine months ended September 30, 2025, respectively, and \$1.7 million and \$5.0 million for the three and nine months ended September 30, 2024, respectively.

Future amortization expense as of September 30, 2025 was as follows:

2025 (remainder of the year)	\$ 1,327
2026	2,067
2027	817
2028	135
2029	77
Thereafter	230
Total	<u>\$ 4,653</u>

7. INCOME TAXES

For the nine months ended September 30, 2025 and 2024, the effective tax rate was 0.0% and 0.2%, respectively. The effective tax rate for each of the nine months ended September 30, 2025 and 2024 was lower than the U.S. federal statutory rate of 21.0% primarily due to the Company's valuation allowance against deferred tax assets. As of September 30, 2025, the Company concluded that its deferred tax assets are not expected to be realizable, based on positive and negative evidence, therefore it has assigned a full valuation allowance against them.

On July 4, 2025, the "One Big Beautiful Bill Act", or "OBBBA", was signed into law, making several provisions of the Tax Cuts and Jobs Act permanent. Under Accounting Standards Codification Topic 740, *Income Taxes*, the effects of changes in tax laws must be recognized in the period of enactment. While the Company continues to evaluate the potential impact of OBBBA, the provisions of the new law have not had and are not expected to have a material impact on the Company's consolidated financial statements. No adjustments have been made to the financial statements as of September 30, 2025 as a result of the OBBBA.

8. LEASES

The right-of-use assets and corresponding liabilities related to the Company's operating leases were as follows:

	September 30, 2025	December 31, 2024
Operating leases right-of-use assets, net	\$ 29,462	\$ 34,453
Current maturities of operating lease liability	\$ 6,778	\$ 7,398
Operating lease liability, net of current maturities	25,139	29,633
Total lease liability	<u>\$ 31,917</u>	<u>\$ 37,031</u>

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The weighted-average remaining lease terms and weighted-average discount rates for operating leases were as follows:

	September 30,	
	2025	2024
Weighted average remaining lease term	5.1 years	5.7 years
Weighted average discount rate	6.2 %	6.2 %

The components of lease costs were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease costs	\$ 2,262	\$ 2,441	\$ 6,859	\$ 7,535
Variable lease costs	407	641	1,571	1,656
Short-term lease costs	95	102	281	295
Sublease income	(413)	(276)	(1,194)	(827)
Total operating lease costs	<u>\$ 2,351</u>	<u>\$ 2,908</u>	<u>\$ 7,517</u>	<u>\$ 8,659</u>

Future maturities of the Company's operating lease liabilities and receipts from subleases as of September 30, 2025 were as follows:

	Lease Payments	Sublease Receipts
2025 (remainder of the year)	\$ 2,144	\$ (320)
2026	8,275	(1,351)
2027	6,744	(1,391)
2028	6,310	(1,432)
2029	5,473	(1,474)
Thereafter	8,170	(1,882)
Total lease payments (receipts)	\$ 37,116	\$ (7,850)
Less: imputed interest	(5,199)	
Operating lease liability as of September 30, 2025	<u>\$ 31,917</u>	

Supplemental and other information related to leases was as follows:

	Nine Months Ended September 30,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flow from operating leases	\$ 7,036	\$ 7,574

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9. EARNINGS PER SHARE

The following table sets forth the composition of the weighted average shares (denominator) used in the basic and diluted loss per share computation for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (2,437)	\$ (11,435)	\$ (16,625)	\$ (26,168)
Weighted average shares outstanding, basic	59,783	59,268	59,593	60,479
Effect of dilutive outstanding restricted stock units and stock options	—	—	—	—
Adjusted weighted average shares outstanding, diluted	59,783	59,268	59,593	60,479
Basic loss per share	\$ (0.04)	\$ (0.19)	\$ (0.28)	\$ (0.43)
Diluted loss per share	\$ (0.04)	\$ (0.19)	\$ (0.28)	\$ (0.43)

Diluted loss per share calculations for the three and nine months ended September 30, 2025 excluded 1.3 million and 1.4 million non-vested restricted stock units, respectively. In addition, for the nine months ended September 30, 2025, 8 thousand shares of common stock issuable upon exercise of stock options were excluded that would have been anti-dilutive. Diluted loss per share calculations for the three and nine months ended September 30, 2024 excluded 0.7 million and 0.8 million non-vested restricted stock units, respectively. In addition, for each of the three and nine months ended September 30, 2024, 0.5 million shares of common stock issuable upon exercise of stock options that would have been anti-dilutive.

10. SHARE-BASED PAYMENTS

The Company maintains a long-term incentive plan, the Second Amended and Restated 2018 Equity Incentive Plan (the "2018 Equity Incentive Plan"), for employees, non-employee members of its Board of Directors (the "Board"), and consultants. The 2018 Equity Incentive Plan allows the Company to grant equity-based compensation awards, including stock options, stock appreciation rights, performance share units, restricted stock units, restricted stock awards, common stock warrants, or a combination of awards (collectively, "share-based awards").

The Company accounts for share-based payments through the measurement and recognition of compensation expense for share-based awards made to employees, non-employee members of the Board, and consultants of the Company, including stock options and restricted stock units. The Company recorded share-based compensation expense of \$0.4 million and \$1.2 million in the three and nine months ended September 30, 2025, respectively, and \$0.7 million and \$2.1 million in the three and nine months ended September 30, 2024, respectively.

Restricted Stock Units

The Company issues restricted stock units to eligible employees, which are subject to forfeiture until the end of an applicable vesting period. The awards generally vest annually or biannually over three to five years following the date of grant, subject to the employee's continuing employment as of that date. Restricted stock units are valued using the market value on the grant date.

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Restricted stock unit activity for the nine months ended September 30, 2025 is presented in the following table:

	Units	Weighted Average Grant Date Fair Value
Nonvested as of December 31, 2024	1,403	\$ 2.57
Granted	448	\$ 1.34
Vested	(441)	\$ 2.56
Forfeited	(136)	\$ 2.27
Nonvested as of September 30, 2025	1,274	\$ 2.17

As of September 30, 2025, the Company had approximately \$2.0 million of unrecognized share-based compensation related to restricted stock units, which is expected to be recognized over a weighted average period of approximately 2.2 years. During the nine months ended September 30, 2024, 672 thousand restricted stock units were granted at a weighted average grant date fair value of \$2.29.

Performance Stock Units

During the nine months ended September 30, 2025, the Board granted 90 thousand short-term, performance stock units with a weighted average grant date fair value of \$0.91 to its named executive officers under the 2018 Equity Incentive Plan. The number of shares issuable as a result of the performance stock units vesting ranges from 0% and 125% and is determined based on Company-specific net sales targets to be achieved for fiscal year 2025 as well as service conditions.

Although no awards vest until the Company attains the performance conditions described above, compensation will be recorded based on an assessment of the probability of meeting the performance conditions. During the nine months ended September 30, 2025, the Company concluded that the probability of attaining the performance conditions under the awards to be remote. Therefore, no expense was recognized related to the performance stock units. If the performance conditions are probable of being achieved, the Company will begin recognizing the associated non-cash, share-based compensation expense.

Stock Options

Stock option activity for the nine months ended September 30, 2025 is presented in the following table:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2024	16	\$ 4.63	0.36	\$ 2.56
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited or expired	(16)	4.63	—	2.56
Outstanding as of September 30, 2025	—	\$ —	—	\$ —
Vested and exercisable as of September 30, 2025	—	\$ —	—	\$ —

11. STOCKHOLDERS' EQUITY

On March 20, 2024, the Board authorized a share repurchase program, whereby the Company could repurchase up to \$6.0 million worth of its common stock in open market transactions pursuant to Rule 10b-18 of the Exchange Act and a 10b5-1 trading plan. The program began on April 1, 2024 and as of December 31, 2024, the Company completed all purchases available under the stock repurchase program. This share repurchase program was intended to enhance long-term shareholder value. The program did not obligate the Company to acquire any specific number of shares or to acquire any shares over any specific period of time. The timing and amount of any repurchases was dependent upon factors such as the stock price, trading

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volumes, market conditions, and regulatory requirements. The stock repurchase program could be amended, suspended, or discontinued at any time by the Company.

During the three and nine months ended September 30, 2024, the Company repurchased 0.8 million and 2.5 million shares of common stock at an average price of \$2.36 and \$2.38 per share, respectively, exclusive of incremental direct costs. The Company recognized the common stock repurchased as treasury stock at the amount paid to repurchase its shares, including the incremental direct costs to repurchase the common stock, as a reduction to stockholders' equity on the Condensed Consolidated Balance Sheets.

The Company retired 1.7 million and 2.5 million shares of treasury stock under the repurchase program in the three and nine months ended September 30, 2024, respectively. The retirement of treasury stock was recognized as a deduction from common stock for the shares' par value and any excess cost over par value was recognized as a deduction from retained earnings. Treasury stock is retired on a first in, first out basis. The Company retired all shares of treasury stock acquired under the share repurchase program during the year ended December 31, 2024. The shares were returned to the status of authorized but unissued shares.

12. ACQUISITIONS

On June 6, 2025, the Company purchased substantially all of the assets of Viagrow, a domestic supplier of gardening and hydroponic equipment. The acquisition further diversifies the Company's home gardening and hydroponic gardening proprietary brand product offerings as well as expands the Company's outreach to significant new customers through relationships with major home improvement mass-market retailers and e-commerce platforms.

The total consideration for the purchase of Viagrow was \$1.2 million including cash paid and common stock issued on the date of acquisition, with certain additional amounts to be paid in future periods. The preliminary estimated purchase price includes deferred equity consideration to be issued upon settling any discrepancies of net assets acquired, and contingent consideration to be paid in cash over three years, dependent on the achievement of certain performance goals.

During the three months ended September 30, 2025, the preliminary purchase price allocation was adjusted, resulting in a decrease to intangible assets and an increase to acquired goodwill of \$0.4 million, which represents the expected value of organic growth and an opportunity for the Company to expand into a new market. As of September 30, 2025, the Company has not finalized its preliminary purchase price allocation. The preliminary purchase price allocation may be adjusted as a result of the finalization of the purchase price allocation procedures related to the assets acquired and liabilities assumed. Measurement period adjustments are recognized in the reporting period in which adjustments are determined and calculated as if the accounting had been completed at the acquisition date. The final fair value determination of the assets acquired and liabilities assumed will be completed prior to one year from the transaction completion.

The table below details the consideration paid, and the preliminary estimated allocation of the purchase price to the acquired net assets during the nine months ended September 30, 2025.

	Viagrow
Consideration	
Cash	\$ 1,013
Common stock	109
Contingent consideration	83
Deferred equity consideration	23
Total consideration	1,228
Assets and liabilities acquired	
Inventory	276
Prepays and other current assets	10
Property and equipment	41
Intangible assets	470
Goodwill	447
Customer deposits	(16)
Total	\$ 1,228

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The following table represents the preliminary estimates of the fair values of identified intangible assets and their related estimated remaining useful lives.

	Estimated Fair Value	Estimated Useful Life
Customer relationships	\$ 470	9.0 years

The following table represents the revenue and earnings included in the Condensed Consolidated Statement of Operations from the date of acquisition for the three and nine months ended September 30, 2025.

	Viagrow	
	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
Net sales	\$ 353	\$ 475
Net income	\$ 63	\$ 88

The following table represents the pro forma Condensed Consolidated Statement of Operations as if the acquisition was completed on January 1, 2024.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Unaudited)	2025	2024	2025	2024
Net sales	\$ 47,254	\$ 50,534	\$ 125,194	\$ 153,695
Net loss	\$ (2,437)	\$ (11,443)	\$ (16,323)	\$ (26,116)

The pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the Viagrow acquisition had been consummated as of the beginning of the periods presented or of results that may occur in the future.

13. COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time, the Company has been, and may again become involved in legal proceedings arising in the ordinary course of its business, including the initiation and defense of proceedings related to contract and employment disputes. It is the Company's opinion that these claims individually and in the aggregate are not expected to have a material adverse effect on its financial condition, results of operations or cash flows.

In December 2021, the Company was sued in the U.S. District Court for the Southern District of Texas related to a Promissory Note & Asset Acquisition Rights Option ("Note & Option") with TGC Systems, LLC ("Total Grow"). The case was dismissed and the parties submitted the matter to arbitration pursuant to the arbitration clause of the Note & Option. Among other claims, Total Grow alleged that the Company was liable to Total Grow for failing to consummate the acquisition of Total Grow by the Company. The Company asserted counterclaims for repayment of \$1.5 million in principal loaned by the Company to Total Grow pursuant to the Note & Option, plus interest and certain costs. In July 2023, the arbitrator rendered an arbitration award denying all of Total Grow's claims and defenses and awarding the Company more than \$2.0 million in total, consisting of principal, interest, and certain costs. Total Grow voluntarily filed for bankruptcy in October 2023. In February 2024, the Company received \$0.3 million from the bankruptcy proceedings, which it recorded as a recovery on the \$1.5 million Note & Option. The remainder of the Note & Option, which were fully reserved, were written off during the nine months ended September 30, 2024.

There can be no assurance that future developments related to pending claims or claims filed in the future, whether as a result of adverse outcomes or as a result of significant defense costs, will not have a material effect on the Company's financial condition, results of operations or cash flows. The Company believes that its assessment of contingencies is reasonable and that

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the related accruals, in the aggregate, are adequate; however, there can be no assurance that the final resolution of these matters will not have a material effect on the Company's financial condition, results of operations or cash flows.

Indemnifications

In the ordinary course of its business, the Company makes certain indemnities under which it may be required to make payments in relation to certain transactions. As of September 30, 2025, the Company did not have any liabilities associated with indemnities.

In addition, the Company, as permitted under Colorado law and in accordance with its amended and restated certificate of incorporation and amended and restated bylaws, in each case, as amended to date, indemnifies its officers and directors for certain events or occurrences, subject to certain limits, while the officer or director is or was serving at the Company's request in such capacity. The duration of these indemnifications varies. The Company has a director and officer insurance policy that may enable it to recover a portion of any future amounts paid. The Company accrues for losses for any known contingent liability, including those that may arise from indemnification provisions, when future payment is probable. No such losses have been recorded to date.

14. RELATED PARTIES

The Company has engaged with a firm that employs an immediate family member of an officer of the Company as partner. The firm provides certain legal services. Amounts paid to that firm in total were \$0.1 million and \$0.2 million for the three and nine months ended September 30, 2025, respectively, and were \$0.1 million and \$0.2 million for the three and nine months ended September 30, 2024. As of September 30, 2025 and December 31, 2024, there was an immaterial amount outstanding due to the firm.

15. SEGMENTS

The Company has two operating segments, each its own reportable segment, based on its major lines of business: the Cultivation and Gardening segment, composed of the Company's hydroponic and organic gardening business; and the Storage Solutions segment, composed of the Company's benching, racking, and storage solutions business.

In addition to sales by operating segment, which represent the Company's principal lines of business, the chief operating decision maker ("CODM") evaluates the Company's operations by regularly reviewing sales by major product line, including proprietary brands, non-proprietary brands, and commercial fixtures, and by product type, including consumable and durable products. Profit measures are evaluated for each reportable segment based on income from operations with identifiable expenses allocated to each reporting unit from which the expense line item was derived.

The CODM compares actual results to prior year and current year budgeted income statements to identify areas for improvement and make capital allocation decisions. The CODM uses gross profit measures to evaluate pricing decisions and product mix, also reviewing proprietary brand versus non-proprietary brand sales to assess the Company's progress with key performance initiatives. The Company's CODM is the chief executive officer.

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Disaggregated revenue by segment is presented in the following tables:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net sales				
Cultivation and Gardening				
Proprietary brand sales	\$ 12,112	\$ 9,856	\$ 32,498	\$ 29,513
Non-proprietary brand sales	26,262	31,521	69,648	101,082
Total Cultivation and Gardening	38,374	41,377	102,146	130,595
Storage Solutions				
Commercial fixture sales	8,880	8,629	21,774	20,835
Total Storage Solutions	8,880	8,629	21,774	20,835
Total	\$ 47,254	\$ 50,006	\$ 123,920	\$ 151,430

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net sales				
Cultivation and Gardening				
Consumables	\$ 25,524	\$ 30,338	\$ 74,206	\$ 94,196
Durables	12,850	11,039	27,940	36,399
Total Cultivation and Gardening	38,374	41,377	102,146	130,595
Storage Solutions				
Durables	8,880	8,629	21,774	20,835
Total Storage Solutions	8,880	8,629	21,774	20,835
Total	\$ 47,254	\$ 50,006	\$ 123,920	\$ 151,430

Selected information by segment is presented in the following tables for the three and nine months ended:

	Three Months Ended September 30, 2025			
	Cultivation & Gardening	Storage Solutions	Corporate	Total
Net sales	\$ 38,374	\$ 8,880	\$ —	\$ 47,254
Cost of sales	29,373	5,025	—	34,398
Gross profit	9,001	3,855	—	12,856
Operating expenses				
Store operations and other operational expenses:				
Employee costs	2,292	680	—	2,972
Facilities	2,530	304	—	2,834
External service providers	69	15	—	84
Other segment items ⁽¹⁾	1,149	206	—	1,355
Total store operations and other operational expenses	6,040	1,205	—	7,245
Other operating expenses				
Selling, general, and administrative	—	—	5,706	5,706
Estimated credit losses	—	—	98	98
Depreciation and amortization	—	—	2,649	2,649
Total operating expenses	6,040	1,205	8,453	15,698
Income (loss) from operations	2,961	2,650	(8,453)	(2,842)
Other income	—	—	407	407
Net income (loss) before income taxes	\$ 2,961	\$ 2,650	\$ (8,046)	\$ (2,435)

⁽¹⁾ Other segment items for each reportable segment include travel expenses, transaction fees, and other miscellaneous expenses.

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	Nine Months Ended September 30, 2025			
	Cultivation & Gardening	Storage Solutions	Corporate	Total
Net sales	\$ 102,146	\$ 21,774	\$ —	\$ 123,920
Cost of sales	77,076	12,687	—	89,763
Gross profit	25,070	9,087	—	34,157
Operating expenses				
Store operations and other operational expenses:				
Employee costs	7,433	2,119	—	9,552
Facilities	7,931	1,100	—	9,031
External service providers	411	31	—	442
Other segment items ⁽¹⁾	4,226	653	—	4,879
Total store operations and other operational expenses	20,001	3,903	—	23,904
Other operating expenses				
Selling, general, and administrative	—	—	18,969	18,969
Estimated credit losses	—	—	353	353
Depreciation and amortization	—	—	8,921	8,921
Total operating expenses	20,001	3,903	28,243	52,147
Income (loss) from operations	5,069	5,184	(28,243)	(17,990)
Other income	—	—	1,367	1,367
Net income (loss) before income taxes	\$ 5,069	\$ 5,184	\$ (26,876)	\$ (16,623)

⁽¹⁾ Other segment items for each reportable segment include travel expenses, transaction fees, and other miscellaneous expenses.

	Three Months Ended September 30, 2024			
	Cultivation & Gardening	Storage Solutions	Corporate	Total
Net sales	\$ 41,377	\$ 8,629	\$ —	\$ 50,006
Cost of sales	34,207	4,989	—	39,196
Gross profit	7,170	3,640	—	10,810
Operating expenses				
Store operations and other operational expenses:				
Employee costs	3,477	747	—	4,224
Facilities	3,304	315	—	3,619
External service providers	117	31	—	148
Other segment items ⁽¹⁾	1,820	221	—	2,041
Total store operations and other operational expenses	8,718	1,314	—	10,032
Other operating expenses				
Selling, general, and administrative	—	—	7,405	7,405
Estimated credit losses	—	—	272	272
Depreciation and amortization	—	—	4,972	4,972
Impairment loss	—	—	220	220
Total operating expenses	8,718	1,314	12,869	22,901
(Loss) income from operations	(1,548)	2,326	(12,869)	(12,091)
Other income	—	—	613	613
Net (loss) income before income taxes	\$ (1,548)	\$ 2,326	\$ (12,256)	\$ (11,478)

⁽¹⁾ Other segment items for each reportable segment include travel expenses, transaction fees, and other miscellaneous expenses.

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	Nine Months Ended September 30, 2024			
	Cultivation & Gardening	Storage Solutions	Corporate	Total
Net sales	\$ 130,595	\$ 20,835	\$ —	\$ 151,430
Cost of sales	102,164	11,671	—	113,835
Gross profit	28,431	9,164	—	37,595
Operating expenses				
Store operations and other operational expenses:				
Employee costs	10,729	2,273	—	13,002
Facilities	10,142	957	—	11,099
External service providers	947	58	—	1,005
Other segment items ⁽¹⁾	5,088	682	—	5,770
Total store operations and other operational expenses	26,906	3,970	—	30,876
Other operating expenses				
Selling, general, and administrative	—	—	22,417	22,417
Estimated credit recoveries	—	—	(210)	(210)
Depreciation and amortization	—	—	12,329	12,329
Impairment loss	—	—	220	220
Total operating expenses	26,906	3,970	34,756	65,632
Income (loss) from operations	1,525	5,194	(34,756)	(28,037)
Other income	—	—	1,919	1,919
Net income (loss) before income taxes	\$ 1,525	\$ 5,194	\$ (32,837)	\$ (26,118)

⁽¹⁾ Other segment items for each reportable segment include travel expenses, transaction fees, and other miscellaneous expenses.

The Company does not evaluate segments by assets or capital expenditures as it is not practical and does not inform any of its decision making processes. The CODM neither reviews nor requests this information.

16. RESTRUCTURING

On July 22, 2024, the Company announced a strategic restructuring plan focused on long-term profitability and advancing growth initiatives in key areas of its Cultivation and Gardening segment such as its proprietary brands, commercial sales, and e-commerce business. The restructuring plan primarily included reductions in cost structure by closing and consolidating 12 redundant or underperforming retail locations, workforce reductions, and other operational improvements in inventory management, sales and marketing, and administrative activities.

The Company's restructuring and restructuring-related charges consisted of inventory disposal costs, retail location closure costs including related contract termination costs and fixed asset disposals, employee termination benefits, asset impairments including the impairment of operating lease right-of-use assets, and other associated costs.

The Company substantially completed its restructuring activities as of March 31, 2025. Overall, the Company incurred aggregate restructuring and restructuring-related costs of \$3.5 million, of which \$1.1 million were incurred during the nine months ended September 30, 2025, and \$2.1 million were incurred during the three and nine months ended September 30, 2024.

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These costs are presented on the Condensed Consolidated Statements of Operations in the following table. The Company does not expect to incur significant additional restructuring and restructuring-related costs in future periods.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cultivation and Gardening segment:				
Cost of sales ⁽¹⁾	\$ —	\$ 1,039	\$ —	\$ 1,039
Gross profit	—	(1,039)	—	(1,039)
Store operations and other operational expenses ⁽²⁾	—	658	765	658
Segment operating loss	—	(1,697)	(765)	(1,697)
Corporate expenses:				
Selling, general, and administrative ⁽³⁾	—	88	376	88
Impairment loss ⁽⁴⁾	—	220	—	220
Other expense ⁽⁵⁾	—	50	—	50
Total restructuring and restructuring-related charges	\$ —	\$ (2,055)	\$ (1,141)	\$ (2,055)

⁽¹⁾ Includes inventory disposal costs

⁽²⁾ Costs consist primarily of property and equipment disposals, lease contract termination costs and employee termination benefits

⁽³⁾ Costs consist of corporate operational and administrative contract terminations and employee termination benefits

⁽⁴⁾ Consists of asset impairments for operating lease right-of-use assets

⁽⁵⁾ Includes non-operating losses related to retail location closures

In conjunction with the Company's restructuring activities related to operational and administrative improvements, the Company reassessed and shortened the estimated useful life of certain capitalized software assets. These capitalized software assets became fully amortized and were retired during the nine months ended September 30, 2025.

The liabilities associated with restructuring costs were included in Accrued liabilities and Payroll and payroll tax liabilities on the Condensed Consolidated Balance Sheets. Activities related to liabilities incurred under the restructuring plan were as follows:

	Retail Location Closures	Termination Benefits	Total
Balance as of January 1, 2025	\$ 115	\$ 9	\$ 124
Additions	765	—	765
Payments and other adjustments	(880)	(9)	(889)
Balance as of September 30, 2025	\$ —	\$ —	\$ —

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements and related notes that appear elsewhere in this report as well as our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 13, 2025. We caution readers that this Quarterly Report of GrowGeneration Corp. on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to risks and uncertainties. Forward-looking statements generally can be identified through the use of words such as "guidance," "outlook," "projected," "may," "likely," "anticipates," "believes," "expects," "estimates," "plans," "intends," "objectives," and similar expressions. These statements reflect management's best judgment based on factors known at the time of such statements. Actual events or results may differ materially from those discussed herein. The forward-looking statements contained in this report have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements. The assumptions used for purposes of the forward-looking statements contained in this report represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements, except as required by federal securities laws. There may be additional risks, uncertainties, and other factors that we do not currently view as material or that are not necessarily known. Dollars in tabular format are presented in thousands unless otherwise indicated.

BUSINESS OVERVIEW AND RECENT DEVELOPMENTS

GrowGeneration Corp. (together with all of its direct and indirect wholly owned subsidiaries, collectively "GrowGeneration" or the "Company") was incorporated in Colorado in 2014. Since then, GrowGeneration has grown from a small chain of specialty retail hydroponic and organic garden centers to a multifaceted business with diverse assets. Today, GrowGeneration operates two major lines of business: our Cultivation and Gardening segment, composed of our hydroponic and organic gardening business; and our Storage Solutions segment, composed of our benching, racking, and storage solutions business.

GrowGeneration sources certain proprietary branded products and components used in our Cultivation & Gardening segment, including coir substrates, nutrients, irrigation parts, and lighting components, from suppliers located in India, Mexico, China, and other jurisdictions outside the United States. Beginning in the first quarter of 2025, the United States announced changes to U.S. trade policy, including increasing tariffs on imports, in some cases significantly, and potentially negotiating or terminating existing trade agreements. In April 2025, the United States announced changes to its trade policy, including a 10% baseline tariff on imports and additional country-specific tariffs for select trading partners. These new measures, implemented under Executive Order 14257, reflect a markedly more dynamic tariff environment. The policies create potential cost and supply chain impacts for importers and providers of international goods. These actions have resulted in cost increases for certain imported products that collectively represent less than 10% of total company cost of goods sold. We have partially offset these cost pressures through (i) improved purchasing leverage and volume-based supplier discounts, (ii) targeted price adjustments on affected product categories, and (iii) a continuing shift in sourcing toward lower-tariff regions, including the United States and Southeast Asia. We are also expanding domestic manufacturing, assembly and packaging for select proprietary brands to reduce reliance on high-tariff import categories. We continue to actively monitor these developments and explore strategies to mitigate these risks and potential negative effects on our business and results from operations. Management believes these initiatives will enhance long-term supply-chain flexibility and margin stability.

On June 6, 2025, we purchased substantially all of the assets of Hydro Generation Inc. (referred to as "Viagrow"), a domestic supplier of gardening and hydroponic equipment. The acquisition further diversifies our home gardening and hydroponic gardening proprietary brand product offerings as well as expands our outreach to significant new customers through relationships with major home improvement mass-market retailers and e-commerce platforms. Refer to Note 12, Acquisitions, of our Notes to Unaudited Condensed Consolidated Financial Statements in this report for additional information regarding the Viagrow acquisition.

MARKETS AND BUSINESS SEGMENTS

We have two operating segments, each its own reportable segment, based on our major lines of business: the Cultivation and Gardening segment and the Storage Solutions segment. We recognize specifically identifiable operating costs such as cost of sales, distribution expenses, and store operations and other operational expenses within each segment. Selling, general, and administrative expenses, such as administrative and management expenses, salaries, and benefits, share-based compensation, director fees, legal expenses, accounting and consulting expenses, and technology costs, are not allocated to specific segments and are reflected in the enterprise results.

Cultivation and Gardening Segment

We are a leading developer, marketer, retailer, and distributor of products for both indoor and outdoor hydroponic and organic gardening. Our main business strategy within the hydroponic and organic gardening sector has been to consolidate assets within the fragmented hydroponics industry to leverage efficiencies of a centralized organization.

We sell a variety of hydroponic and organic gardening related products, including nutrients, additives, growing media, lighting, environmental control systems, and other products for indoor and outdoor cultivation. Our products include proprietary brands such as Charcoir, Drip Hydro, Power Si, Ion lights, The Harvest Company, Viagrow, and more, the development and expansion of which are a key component of the Company's growth strategy. Our target customers include commercial, craft, and home growers in the plant-based medicine market, as well as commercial and home gardeners who grow organic herbs, fruits, and vegetables. Additionally, through our wholesale division, we distribute many of our proprietary products to customers that are wholesalers, resellers, major home improvement mass-market retailers, and retailers in the specialty retail hydroponic and organic gardening industry.

We make our products available to growers through a variety of channels, including our hydroponic retail locations, a commercial sales division that provides white glove service to commercial cultivators, a wholesale division that markets to mass-market retailers and independent resellers in both the hydroponic and traditional gardening markets, and an online platform at growgeneration.com, which includes a B2B customer portal for commercial and wholesale customers. Management believes that the Company has the largest chain of specialty retail hydroponic and organic garden centers in the U.S., with 24 retail locations across 11 states as of September 30, 2025. We closed five and seven retail locations during the three and nine months ending September 30, 2025, respectively. We continue to evaluate our retail footprint to identify cost redundancies and optimize coverage by leveraging nearby locations and our online sales platforms.

Storage Solutions Segment

Our Storage Solutions business, branded as "Mobile Media" or "MMI," provides customized storage solutions designed to enhance profitability, productivity, and efficiency for our customers by allowing them to save space and increase storage capacity. We cater to diverse markets with our products and services, including agriculture, retail, warehousing, office and administrative, food service, hospitality, golf and country clubs, and more. Our products include high-density mobile storage systems, static shelving, and other accessories such as desks, lockers, safes, and secured storage, offering a solution for every storage need. MMI also offers a wide variety of services, including site surveys, floor plan designs, capacity analysis, seismic calculations, permitting, and installation, in order to provide a comprehensive, turnkey solution for customers. Based in the Hudson Valley, New York, the MMI team has decades of experience successfully completing projects throughout the U.S., Canada, and Mexico.

Our target customers generally include small, mid-size, and large businesses seeking vertical space-saving solutions that are custom tailored to their space and brand in an effort to maximize storage capacity or gain space in their real estate footprint. Many of our customers are involved in the construction and design industries and include retailers, general contractors, and architects involved in new constructions and remodels for retail stores and fulfillment centers. Our customer base also includes the golf industry, specifically country clubs needing to store more club bags and optimize their existing space, as well as controlled environment agriculture (CEA) operators that cultivate indoors with vertical or rolling benching and racking.

Strategic Restructuring Plan

In July 2024, we announced a strategic restructuring plan focused on long-term profitability and advancing growth initiatives in key areas of our Cultivation and Gardening segment such as our proprietary brands, commercial sales, and e-commerce business. The restructuring plan primarily included product development costs, digital transformation initiatives, reductions in cost structure by closing and consolidating 12 redundant or underperforming retail locations, in addition to the 7 retail locations closed in the first half of 2024, workforce reductions, and other operational improvements in inventory management, sales and marketing, and administrative activities.

As of March 31, 2025, we had substantially completed our restructuring activities. As of September 30, 2025, there was no outstanding restructuring liability, and we do not expect to incur significant additional restructuring and restructuring-related costs in future periods. Overall, we incurred a total of approximately \$3.5 million in restructuring and restructuring-related costs, including \$1.1 million during the nine months ended September 30, 2025 and \$2.4 million previously incurred in fiscal year 2024. As a result of these restructuring activities, we expect improvement in our gross profit margin and profitability while generating annualized cost savings of approximately \$12.0 million.

Our restructuring and restructuring-related charges consisted of inventory disposal costs, retail location closure costs including related contract termination costs and fixed asset disposals, employee termination benefits, asset impairments including the impairment of operating lease right-of-use assets, and other associated costs. Restructuring and restructuring-related costs incurred during the three and nine months ended September 30, 2025 and 2024 were presented on the Condensed Consolidated Statements of Operations as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cultivation and Gardening segment:				
Cost of sales ⁽¹⁾	\$ —	\$ 1,039	\$ —	\$ 1,039
Gross profit	—	(1,039)	—	(1,039)
Store operations and other operational expenses ⁽²⁾	—	658	765	658
Segment operating loss	—	(1,697)	(765)	(1,697)
Corporate expenses:				
Selling, general, and administrative ⁽³⁾	—	88	376	88
Impairment loss ⁽⁴⁾	—	220	—	220
Other expense ⁽⁵⁾	—	50	—	50
Total restructuring and restructuring-related charges	\$ —	\$ (2,055)	\$ (1,141)	\$ (2,055)

⁽¹⁾ Includes inventory disposal costs

⁽²⁾ Costs consist primarily of property and equipment disposals, lease contract termination costs and employee termination benefits

⁽³⁾ Costs consist of corporate operational and administrative contract terminations and employee termination benefits

⁽⁴⁾ Consists of asset impairments for operating lease right-of-use assets

⁽⁵⁾ Includes non-operating losses related to retail location closures

In conjunction with our restructuring activities to support operational and administrative improvements, we reassessed and shortened the estimated useful life of certain capitalized software assets. These capitalized software assets became fully amortized and were retired during the nine months ended September 30, 2025.

Refer to Note 16, Restructuring, of our Notes to Unaudited Condensed Consolidated Financial Statements in this report for additional information regarding restructuring activities.

GROWTH STRATEGIES

Our main growth strategy has been to consolidate assets within the fragmented hydroponics industry to leverage efficiencies of a centralized organization. As a result, we have built a business that is driven by a wide selection of products, a strong portfolio of proprietary brands, a solutions-driven staff located in strategic markets around the country, and pick, pack, ship distribution and fulfillment capabilities.

Since our founding in 2014, we have acquired or opened numerous specialty hydroponic and organic gardening center locations. Management believes that GrowGeneration has the largest chain of specialty retail hydroponic and organic garden centers in the U.S., with 24 retail locations across 11 states as of September 30, 2025. We have also acquired several other types of businesses within or complimentary to the hydroponic industry, such as online retailers, proprietary products, our wholesale distribution business, and our benching, racking, and storage solutions business, MMI. We regularly seek and evaluate accretive acquisition opportunities with similar or complimentary businesses to those businesses it already operates, such as the Viagrow acquisition, which further diversifies our home gardening and hydroponic gardening proprietary brand product offerings as well as expands our outreach to significant new customers through relationships with major home improvement mass-market retailers and e-commerce platforms.

Our main growth strategies for the Storage Solutions segment include expanding the types of customers and industries to which we sell our Storage Solutions products, including greater penetration in controlled environment agriculture, industrial and country club verticals.

COMPONENTS OF RESULTS OF OPERATIONS

Net Sales

We primarily generate net sales from the selling and distribution of proprietary and non-proprietary brand hydroponic and organic gardening products. In addition to our hydroponic and organic gardening product sales, we sell and install commercial fixtures through our benching, racking, and storage solutions business. Net sales reflect the amount of consideration that we expect to receive, which is derived from a list price reduced by variable consideration, including applicable sales discounts and estimated expected sales returns.

These sales vary by the type of product: consumables, such as nutrients, additives, growing media, and supplies that are subject to regular replenishment; and durables, such as lighting, environmental control systems, and storage solutions. Generally, in new markets where legalization of plant-based medicines is recent and licensors are starting new grow operations, there is an initial increase of durable product purchases for facility build-outs, which decrease over time as growers establish their operations. Thereafter, we tend to observe cultivators focus their purchasing patterns to consumables as the primary source of product need. In more mature markets, the sales patterns tend to favor higher percentages of consumable purchasing in comparison to emerging markets.

Cost of Sales

Cost of sales includes cost of goods and shipping costs. Cost of goods consists of cost of merchandise, inbound freight, and other inventory-related costs, such as shrinkage costs and lower of cost or market adjustments. Occupancy expenses of our retail locations and distribution centers, which consist of payroll, rent, and other lease required costs, including common area maintenance and utilities, are included as a component of operating expenses within Store operations and other operational expenses in the Condensed Consolidated Statements of Operations.

Gross Profit

We calculate gross profit as net sales less cost of sales. Gross profit excludes depreciation and amortization, which are presented separately as a component of operating expenses in the Condensed Consolidated Statements of Operations. Our gross profit as a percentage of net sales, or gross profit margin, varies with our product mix, in particular the percentage of sales of proprietary brand products compared to non-proprietary brand products and of consumable products compared to durable products. Proprietary products typically have higher gross margins compared to non-proprietary products, and consumable products typically have higher gross margins compared to durable products.

Operating Expenses

Operating expenses are comprised of the following components: store operations and other operational expenses; selling, general, and administrative; estimated credit losses; depreciation and amortization; and impairment losses. Store operations and other operational expenses consist primarily of payroll, rent and utilities, and allocated corporate overhead costs. Selling, general, and administrative expenses consist of corporate salaries, stock-based compensation, advertising and promotions, travel and entertainment, professional fees, insurance, and other corporate administrative costs. Selling, general, and administrative expenses as a percentage of net sales typically does not increase commensurate with an increase in net sales. Our largest expenses are generally related to employee compensation and leases, which are primarily fixed and not variable. Our advertising and marketing expenses are largely controllable and variable depending on the particular market.

RESULTS OF OPERATIONS

Comparison of the Unaudited Results for the Three Months Ended September 30, 2025 and 2024

The following table presents, for the periods indicated, selected information from our unaudited Condensed Consolidated Statements of Operations, including information presented as a percentage of net sales:

	Three Months Ended September 30,				Year-to-Year Variance				
	2025		2024						
Net sales	\$	47,254	100.0 %	\$	50,006	100.0 %	\$	(2,752)	(5.5)%
Cost of sales		34,398	72.8 %		39,196	78.4 %		(4,798)	(12.2)%
Gross profit		12,856	27.2 %		10,810	21.6 %		2,046	18.9 %
Operating expenses		15,698	33.2 %		22,901	45.8 %		(7,203)	(31.5)%
Loss from operations		(2,842)	(6.0)%		(12,091)	(24.2)%		9,249	76.5 %
Other income		407	0.9 %		613	1.2 %		(206)	(33.6)%
Net loss before income taxes		(2,435)	(5.2)%		(11,478)	(23.0)%		9,043	78.8 %
(Provision) benefit for income taxes		(2)	— %		43	0.1 %		(45)	(104.7)%
Net loss	\$	(2,437)	(5.2)%	\$	(11,435)	(22.9)%	\$	8,998	78.7 %

Net Sales

Net sales for the three months ended September 30, 2025 were \$47.3 million, a decrease of \$2.8 million or 5.5% as compared to net sales of \$50.0 million for the three months ended September 30, 2024.

The decrease in net sales was primarily related to our Cultivation and Gardening segment, which had net sales of \$38.4 million for the three months ended September 30, 2025 compared to \$41.4 million for the three months ended September 30, 2024. This decrease in net sales was primarily due to the closure of 19 retail locations during 2024, which included the 12 redundant or underperforming retail locations consolidated in the second half of 2024 in conjunction with the restructuring plan, as well as the closure of seven retail locations to date in fiscal 2025. This decrease was partially offset by improvements in durable product sales driven by increased demand for capital investments by our customers in the three months ended September 30, 2025. As a result, the ratio of consumables net sales as a percentage of Cultivation and Gardening net sales was 66.5% in the three months ended September 30, 2025, as compared to consumables net sales representing 73.3% of Cultivation and Gardening net sales in the three months ended September 30, 2024. Proprietary brand sales as a percentage of Cultivation and Gardening net sales for the three months ended September 30, 2025 increased to 31.6% as compared to 23.8% for the three months ended September 30, 2024, largely driven by our strategic initiatives to increase sales mix of our expanded portfolio of proprietary brands and various product launches.

Net sales of commercial fixtures within our Storage Solutions segment increased to \$8.9 million for the three months ended September 30, 2025 compared to \$8.6 million for the three months ended September 30, 2024.

Cost of Sales

Cost of sales for the three months ended September 30, 2025 was \$34.4 million, a decrease of \$4.8 million or 12.2% compared to \$39.2 million for the three months ended September 30, 2024. The decrease in cost of sales largely corresponds to the 5.5% decrease in net sales, as previously discussed, in addition to \$1.0 million of inventory disposal costs incurred in connection with our restructuring plan in the three months ended September 30, 2024. The remaining decrease in cost of sales relates to the sales mix of proprietary brands compared to non-proprietary brands and consumables compared to durables, as discussed below.

Gross Profit

Gross profit was \$12.9 million for the three months ended September 30, 2025 compared to \$10.8 million for the three months ended September 30, 2024, an increase of \$2.0 million or 18.9%. The increase in gross profit was primarily related to the Cultivation and Gardening segment, which increased \$1.8 million, or 25.5%, for the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, as a result of margin improvement due to a greater proportionate mix of proprietary brand sales in the three months ended September 30, 2025 as well as the comparison to the effects of the strategic

restructuring plan in the three months ended September 30, 2024, which included an estimated \$0.9 million in inventory sales discounts and \$1.0 million of inventory disposal costs. Additionally, gross profit from our Storage Solutions segment increased \$0.2 million or 5.9% in the three months ended September 30, 2025 compared to the three months ended September 30, 2024.

Gross profit margin was 27.2% for the three months ended September 30, 2025, an increase of 560 basis points from a gross profit margin of 21.6% for the three months ended September 30, 2024. The increase in gross profit margin was largely driven by the Cultivation and Gardening segment, which had a gross profit margin of 23.5% for the three months ended September 30, 2025 as compared to 17.3% for the three months ended September 30, 2024. This increase was primarily driven by our strategic initiatives to increase sales mix of our expanded portfolio of proprietary brands in the three months ended September 30, 2025, as well as additional cost of sales and inventory sales discounts incurred in the three months ended September 30, 2024 as a result of the restructuring plan discussed above. The Storage Solutions gross profit margin also slightly increased to 43.4% in the three months ended September 30, 2025 from 42.2% in three months ended September 30, 2024.

Operating Expenses

Operating expenses are comprised of store operations and other operational expenses, selling, general, and administrative, estimated credit losses, depreciation and amortization expense, and impairment loss. Operating expenses were \$15.7 million for the three months ended September 30, 2025 and \$22.9 million in the three months ended September 30, 2024, a decrease of \$7.2 million or 31.5%.

Store operating costs and other operational expenses, which consisted primarily of payroll, rent and utilities, and allocated corporate overhead costs, were \$7.2 million for the three months ended September 30, 2025 compared to \$10.0 million for the three months ended September 30, 2024, a decrease of \$2.8 million or 27.8%. The decrease in store operating costs was primarily due to the 19 retail locations closed during 2024, including the 12 redundant or underperforming retail locations consolidated in the second half of 2024 in conjunction with the restructuring plan, as well as the closure of seven retail locations to date in fiscal 2025.

Total corporate overhead, which is comprised of selling, general, and administrative expense, estimated credit losses, and depreciation and amortization expense, was \$8.5 million for the three months ended September 30, 2025 compared to \$12.6 million for the three months ended September 30, 2024. Selling, general, and administrative costs decreased by \$1.7 million or 22.9% for the three months ended September 30, 2025 primarily due to cost rationalization initiatives, which resulted in decreased professional fees and corporate expenses, and lower share-based compensation. Depreciation and amortization costs decreased by \$2.3 million or 46.7% for the three months ended September 30, 2025, primarily as a result of asset retirements in conjunction with the restructuring plan.

In conjunction with our strategic restructuring activities, we assessed the right-of-use assets of certain closed retail locations for impairment when we anticipated the total remaining lease cost for the term to be greater than the anticipated sublease income, which resulted in an impairment loss of \$0.2 million in the three months ended September 30, 2024.

Other Income

Other income was \$0.4 million for the three months ended September 30, 2025 compared to \$0.6 million for the three months ended September 30, 2024, a decrease of \$0.2 million or 33.6%. The decrease in other income was primarily attributable to decreased investment income on our marketable securities.

Comparison of the Unaudited Results for the Nine Months Ended September 30, 2025 and 2024

The following table presents, for the periods indicated, selected information from our unaudited Condensed Consolidated Statements of Operations, including information presented as a percentage of net sales:

	Nine Months Ended September 30,					
	2025		2024		Year-to-Year Variance	
Net sales	\$ 123,920	100.0 %	\$ 151,430	100.0 %	\$ (27,510)	(18.2)%
Cost of sales	89,763	72.4 %	113,835	75.2 %	(24,072)	(21.1)%
Gross profit	34,157	27.6 %	37,595	24.8 %	(3,438)	(9.1)%
Operating expenses	52,147	42.1 %	65,632	43.3 %	(13,485)	(20.5)%
Loss from operations	(17,990)	(14.5)%	(28,037)	(18.5)%	10,047	35.8 %
Other income	1,367	1.1 %	1,919	1.3 %	(552)	(28.8)%
Net loss before income taxes	(16,623)	(13.4)%	(26,118)	(17.2)%	9,495	36.4 %
Provision for income taxes	(2)	— %	(50)	— %	48	96.0 %
Net loss	\$ (16,625)	(13.4)%	\$ (26,168)	(17.3)%	\$ 9,543	36.5 %

Net Sales

Net sales for the nine months ended September 30, 2025 were \$123.9 million, a decrease of \$27.5 million or 18.2% as compared to net sales of \$151.4 million for the nine months ended September 30, 2024.

The decrease in net sales was primarily related to our Cultivation and Gardening segment, which had net sales of \$102.1 million for the nine months ended September 30, 2025 compared to \$130.6 million for the nine months ended September 30, 2024. This decrease in net sales was primarily due to the closure of 19 retail locations during 2024, which included the 12 redundant or underperforming retail locations consolidated in the second half of 2024 in conjunction with the restructuring plan, as well as the closure of seven retail locations to date in fiscal 2025. Additionally, the Cultivation and Gardening segment experienced slowness in its net sales in the first half of 2025 related to declines in consumer confidence and uncertainty surrounding the potential macroeconomic and market impacts of tariffs. Proprietary brand sales as a percentage of Cultivation and Gardening net sales for the nine months ended September 30, 2025 increased to 31.8% as compared to 22.6% for the nine months ended September 30, 2024, largely driven by our strategic initiatives to increase sales mix of our expanded portfolio of proprietary brands and various product launches. The percentage of Cultivation and Gardening net sales related to consumable products for the nine months ended September 30, 2025 was 72.6%, an increase from 72.1% for the nine months ended September 30, 2024.

Net sales of commercial fixtures within our Storage Solutions segment increased to \$21.8 million for the nine months ended September 30, 2025 compared to \$20.8 million for the nine months ended September 30, 2024.

Cost of Sales

Cost of sales for the nine months ended September 30, 2025 was \$89.8 million, a decrease of \$24.1 million or 21.1% compared to \$113.8 million for the nine months ended September 30, 2024. The decrease in cost of sales largely corresponds to the 18.2% decrease in net sales, as previously discussed, in addition to \$1.0 million of inventory disposal costs incurred in connection with our restructuring plan in the nine months ended September 30, 2024.

Gross Profit

Gross profit was \$34.2 million for the nine months ended September 30, 2025 compared to \$37.6 million for the nine months ended September 30, 2024, a decrease of \$3.4 million or 9.1%. The decrease in gross profit was primarily related to the Cultivation and Gardening segment, which decreased \$3.4 million, or 11.8%, for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, driven largely by reduced sales volume due to store consolidations. This period-over-period decrease was partially offset by the comparable effects of the strategic restructuring plan incurred in the nine months ended September 30, 2024, which included an estimated \$0.9 million in inventory sales discounts as well as \$1.0 million of inventory disposal costs incurred in the nine months ended September 30, 2024. Gross profit from our Storage Solutions segment decreased \$0.1 million, or 0.8%, in the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024.

Gross profit margin was 27.6% for the nine months ended September 30, 2025, an increase of 280 basis points from a gross profit margin of 24.8% for the nine months ended September 30, 2024. The increase in gross profit margin was largely driven by the Cultivation and Gardening segment, which had a gross profit margin of 24.5% for the nine months ended September 30, 2025 as compared to 21.8% for the nine months ended September 30, 2024. The improvement in the Cultivation and Gardening segment gross profit margin was primarily driven by our strategic initiatives to increase sales mix of our expanded portfolio of proprietary brands in the nine months ended September 30, 2025 as well as the comparison to the effects of the additional cost of sales and inventory sales discounts incurred with the strategic restructuring plan in the nine months ended September 30, 2024. The Storage Solutions gross profit margin decreased to 41.7% in the nine months ended September 30, 2025 from 44.0% in nine months ended September 30, 2024 due to industry pricing compression.

Operating Expenses

Operating expenses are comprised of store operations and other operational expenses, selling, general, and administrative, estimated credit losses, depreciation and amortization expense, and impairment loss. Operating expenses were \$52.1 million for the nine months ended September 30, 2025 and \$65.6 million in the nine months ended September 30, 2024, a decrease of \$13.5 million or 20.5%.

Store operating costs and other operational expenses, which consisted primarily of payroll, rent and utilities, and allocated corporate overhead costs, were \$23.9 million for the nine months ended September 30, 2025, compared to \$30.9 million for the nine months ended September 30, 2024, a decrease of \$7.0 million or 22.6%. The decrease in store operating costs was primarily due to the 19 retail locations closed during 2024, including the 12 redundant or underperforming retail locations consolidated in the second half of 2024 in conjunction with the restructuring plan, as well as the closure of seven retail locations to date in fiscal 2025.

Total corporate overhead, which is comprised of selling, general, and administrative expense, estimated credit losses, and depreciation and amortization expense, was \$28.2 million for the nine months ended September 30, 2025, compared to \$34.5 million for the nine months ended September 30, 2024. Selling, general, and administrative costs decreased by \$3.4 million or 15.4% for the nine months ended September 30, 2025 primarily due to cost rationalization initiatives, which resulted in decreased professional fees, corporate expenses, and employee costs, and lower share-based compensation. This decrease in selling, general, and administrative expense was partially offset by a net \$0.6 million increase in estimated credit losses in the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024, primarily due to a \$0.3 million credit recovery settlement received in bankruptcy proceedings related to a note receivable in the nine months ended September 30, 2024. Additionally, depreciation and amortization costs decreased by \$3.4 million or 27.6% for the nine months ended September 30, 2025, primarily as a result of asset retirements in conjunction with the restructuring plan.

In conjunction with our strategic restructuring activities, we assessed the right-of-use assets of certain closed retail locations for impairment when we anticipated the total remaining lease cost for the term to be greater than the anticipated sublease income, which resulted in an impairment loss of \$0.2 million in the nine months ended September 30, 2024.

Other Income (Expense)

Other income was \$1.4 million for the nine months ended September 30, 2025 compared to \$1.9 million for the nine months ended September 30, 2024, a decrease of \$0.6 million or 28.8%. The decrease in other income was primarily attributable to decreased investment income on our marketable securities.

Use of Non-GAAP Financial Information

The following non-GAAP financial measures of EBITDA and Adjusted EBITDA are not in accordance with, or an alternative for, generally accepted accounting principles ("GAAP") and should be considered in addition to, and not as a substitute for, the most directly comparable GAAP financial measures. We believe these non-GAAP financial measures, when used in conjunction with their most directly comparable GAAP financial measures, net income (loss), provide meaningful supplemental information to both management and investors, facilitating the evaluation of performance across reporting periods, identify trends affecting our business, and project future performance. Management uses these non-GAAP financial measures for internal planning and reporting purposes, and we believe that these non-GAAP financial measures may be useful to investors in their assessment of our operating performance, our ability to generate cash, and valuation. In addition, these non-GAAP financial measures address questions routinely received from analysts and investors and, in order to ensure that all investors have access to the same data, we have determined that it is appropriate to make this data available to all investors. These non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP financial measures commonly used in our industry and should not be construed in isolation as substitutions to net income (loss) as indicators of operating performance or as alternatives to cash flow provided by operating activities as a measure of liquidity (each as determined in accordance with GAAP). GrowGeneration defines EBITDA as net income (loss) before interest income, interest expense, income tax expense, depreciation and amortization, and Adjusted EBITDA as further adjusted to exclude certain items such as stock-based compensation, impairment losses, restructuring and corporate rationalization costs, and other non-core or non-recurring expenses and to include income from our marketable securities as these investments are part of our operational business strategy and increase the cash available to us.

Set forth below is a reconciliation of EBITDA and Adjusted EBITDA to net loss (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (2,437)	\$ (11,435)	\$ (16,625)	\$ (26,168)
Provision for income taxes	2	(43)	2	50
Interest income	(407)	(663)	(1,367)	(2,002)
Interest expense	—	—	—	70
Depreciation and amortization	2,649	4,972	8,921	12,329
EBITDA	\$ (193)	\$ (7,169)	\$ (9,069)	\$ (15,721)
Share-based compensation	421	672	1,239	2,104
Investment income	407	623	1,379	1,921
Acquisition transaction costs	9	—	59	—
Impairment loss ⁽¹⁾	—	220	—	220
Restructuring plan	—	2,699	1,141	2,699
Consolidation and other charges ⁽²⁾	694	567	1,257	2,375
Adjusted EBITDA	\$ 1,338	\$ (2,388)	\$ (3,994)	\$ (6,402)

⁽¹⁾ Impairment loss related to the restructuring plan for operating lease right-of-use assets impairments

⁽²⁾ Consists primarily of expenditures related to the activity of store and distribution consolidation, one-time severances outside of the restructuring plan announced July 2024, and other non-core or non-recurring expenses

LIQUIDITY AND CAPITAL RESOURCES

Overview

As of September 30, 2025, we had working capital of \$82.5 million compared to working capital of \$88.9 million as of December 31, 2024, a decrease of \$6.5 million. The decrease in working capital from December 31, 2024 to September 30, 2025 was due primarily to a net decrease in cash, cash equivalents, and marketable securities as a result of net cash used in operating activities.

As of September 30, 2025, we had cash, cash equivalents, and marketable securities of \$48.3 million. Currently, we are not aware of any extraordinary demands, commitments, or uncertainties that would materially reduce our current working capital. Our material future cash requirements from contractual and other obligations relate primarily to our operating leases. Refer to Note 8, Leases, of the Condensed Consolidated Financial Statements for additional information regarding leases.

On June 6, 2025, we purchased substantially all of the assets of Viagrow, a domestic supplier of gardening and hydroponic equipment. The total consideration for the purchase of Viagrow was \$1.2 million, including \$1.0 million cash paid and \$0.1 million common stock issued on the date of acquisition, with certain additional amounts to be paid in future periods. Refer to Note 12, Acquisitions, of our Notes to Unaudited Condensed Consolidated Financial Statements in this report for additional information regarding the Viagrow acquisition.

We may need additional financing through equity offerings and/or debt financings in the future to continue to expand our business consistent with our growth strategies. However, management believes that the Company is adequately funded to support current and future operations in the next twelve months. To date we have financed our operations through the issuance of common stock, convertible notes, and warrants, as well as cash generated from operations.

Cash Flows

The following discussion sets forth the major sources and uses of cash for the nine months ended September 30, 2025 and 2024.

Operating Activities

Net cash and cash equivalents used in operating activities for the nine months ended September 30, 2025 was \$7.2 million compared to net cash used in operating activities of \$2.9 million for the nine months ended September 30, 2024. The changes in operating cash were primarily driven by changes in gross profit and operating expenses, excluding non-cash changes such as share-based compensation and depreciation and amortization, as previously discussed in the Results of Operations section, changes in working capital due to timing, as well as store consolidations and the effects of the strategic restructuring plan.

Investing Activities

Net cash and cash equivalents provided by investing activities for the nine months ended September 30, 2025 was \$7.2 million compared to net cash provided by investing activities of \$6.7 million for the nine months ended September 30, 2024. Investing activities for the nine months ended September 30, 2025 were primarily attributable to investment of excess cash into marketable securities of \$25.0 million, \$1.0 million of cash paid for the Viagrow acquisition, and purchases of property and equipment of \$0.4 million, offset by maturity of marketable securities of \$33.7 million. Investing activities for the nine months ended September 30, 2024 were primarily attributable to investment of excess cash into marketable securities of \$41.9 million and purchases of property and equipment of \$1.9 million, offset by maturity of marketable securities of \$50.3 million.

Financing Activities

Net cash and cash equivalents used in financing activities was \$0.1 million for the nine months ended September 30, 2025 and was attributable to common stock withheld for employee payroll taxes. Net cash and cash equivalents used in financing activities for the for the nine months ended September 30, 2024 was \$6.2 million and was primarily attributable to common stock repurchased under our share repurchase program.

Critical Accounting Policies, Judgments, and Estimates

For a summary of the Company's critical accounting policies, judgments, and estimates, please refer to Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024.

Off Balance-Sheet Arrangements

We do not have any off-balance sheet arrangements (as that term is defined in Item 303 of Regulation S-K) that are reasonably likely to have a current or future material effect on our financial condition, revenue or expenses, results of operations, liquidity, capital expenditures, or capital resources.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a summary of the Company's quantitative and qualitative disclosures about market risk, please refer to Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are controls and other procedures designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Company's Consolidated Financial Statements would be prevented or detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

As of September 30, 2025, an evaluation was conducted under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Management concluded that as of September 30, 2025, our disclosure controls and procedures were not effective because of the material weakness in our internal control over financial reporting identified by management as of December 31, 2024 as described below. Management does not believe that this material weakness resulted in material misstatements as of September 30, 2025, the material weakness creates a reasonable possibility that a material misstatement of account balances or disclosures in annual or interim consolidated financial statements may not be prevented or detected in a timely manner.

Material Weakness in Internal Control over Financial Reporting - Storage Solutions Segment

Due to segregation of duties conflicts and the lack of precise manual monitoring controls over the system data, we did not maintain effective internal control over financial reporting within a separate enterprise resource planning ("ERP") system, Navision, used exclusively for our Storage Solutions segment, branded as "MMI." As such, information derived from the system could not be relied upon, resulting in management's inability to assess control activities at a precision level to reasonably prevent or detect errors.

Plan to Remediate Material Weakness in Internal Control over Financial Reporting - MMI

The Company, with oversight by the Audit Committee of the Board, has been implementing the following initiatives as part of its comprehensive remediation plan during the third quarter of 2025 and plans to continue the implementation and remediation into the fourth quarter of 2025:

- Transitioning MMI off the Navision system and onto NetSuite, our integrated ERP and general ledger system used by all our other business channels.
- Removing administrative capabilities within the ERP system from operational roles.
- Performing segregation of duties analysis over new integrated users and roles within NetSuite.
- Consolidating our enterprise-wide shared service processes with the migration of the MMI business's accounts payable and accounts receivable functions onto the NetSuite system.
- Developing and/or enhancing information technology general and application controls and business process controls specific to MMI.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting, except for the continued implementation of the remediation plan to address the material weakness discussed above, during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

For a summary of the Company's risk factors, please refer to Item 1A of our Form 10-K for the year ended December 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following exhibits are included and filed with this report.

Exhibit	Exhibit Description
3.1	Certificate of Incorporation of GrowGeneration Corp. (Incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 as filed on November 9, 2015)
3.2	Bylaws of GrowGeneration Corp. (Incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-1 as filed on November 9, 2015)
31.1	Rule 13a-14(a)/15d-14(a) certification of Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) certification of principal financial and accounting officer
32.1	Section 1350 certification of Chief Executive Officer*
32.2	Section 1350 certification of principal financial and accounting officer*
101	Interactive Data Files
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Definition

* Furnished and not filed.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on November 6, 2025.

GrowGeneration Corp.

By: /s/ Darren Lampert
Darren Lampert, Chief Executive Officer
(Principal Executive Officer)

By: /s/ Gregory Sanders
Gregory Sanders, Chief Financial Officer
(Principal Accounting Officer and
Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Darren Lampert, certify that:

1. I have reviewed this Form 10-Q for the fiscal quarter ended September 30, 2025 of GrowGeneration Corp.;

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

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

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

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

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

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

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

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

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

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

November 6, 2025

By: /s/ Darren Lampert
Darren Lampert, Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gregory Sanders, certify that:

1. I have reviewed this Form 10-Q for the fiscal quarter ended September 30, 2025 of GrowGeneration Corp.;

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

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

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

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

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

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

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

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

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

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

November 6, 2025

By: /s/ Gregory Sanders
Gregory Sanders, Chief Financial Officer
(Principal Financial Officer)

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

In connection with the accompanying Quarterly Report on Form 10-Q of GrowGeneration Corp. (the “Company”) for the fiscal quarter ended September 30, 2025, I, Darren Lampert, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

1. Such Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2025, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such Quarterly Report on Form 10-Q for the fiscal quarter September 30, 2025, fairly presents, in all material respects, the financial condition and results of operations of GrowGeneration Corp.

November 6, 2025

By: /s/ Darren Lampert
Darren Lampert, Chief Executive Officer
(Principal Executive Officer)

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

In connection with the accompanying Quarterly Report on Form 10-Q of GrowGeneration Corp. (the “Company”) for the fiscal quarter ended September 30, 2025, I, Gregory Sanders, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

1. Such Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2025, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2025, fairly presents, in all material respects, the financial condition and results of operations of GrowGeneration Corp.

November 6, 2025

By: /s/ Gregory Sanders
Gregory Sanders, Chief Financial Officer
(Principal Financial Officer)