

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

FORM 8-K

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

Date of Report (Date of earliest event reported): July 16, 2020

DAVIDsTEA

DAVIDsTEA Inc.

(Exact name of registrant as specified in its charter)

Canada

(State or other jurisdiction of incorporation)

98-1048842

(I.R.S. Employer Identification Number)

001-37404

(Commission File Number)

**5430 Ferrier,
Town of Mount-Royal,
Québec, Canada**

(Address of principal executive offices)

H4P 1M2

(Zip Code)

(888) 873-0006

(Registrant's telephone number, including area code)

Not Applicable

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, no par value per share	DTEA	NASDAQ Global Market

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

Emerging growth company

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

Item 1.03 Bankruptcy or Receivership.

On July 16, 2020, the Québec Superior Court (the “Canadian Court”) issued an amended and restated initial order (the “Amended and Restated Initial Order”) in the proceedings of DAVIDsTEA Inc. (the “Company”), a corporation incorporated under the *Canada Business Corporations Act*, and its wholly-owned subsidiary, DAVIDsTEA (USA), Inc. under the *Companies’ Creditors Arrangement Act* (Canada) (the “CCAA”). The Amended and Restated Initial Order, among other things, extended to September 17, 2020 the application of the first day initial order issued by the Canadian Court on July 8, 2020, and addressed certain administrative matters.

Item 7.01 Regulation FD Disclosure.

On July 16, 2020, the Company issued a press release (i) announcing the Canadian Court entered the Amended and Restated Initial Order, and (ii) at the request of Nasdaq, confirming that the Company will not issue any new shares or create any new classes of stock in its restructuring under the CCAA and that the restructuring will not have an impact on the Company’s share structure.

A copy of the press release related to this announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference to this Item 7.01. The information contained in this Item, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for any purpose, and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, regardless of any general incorporation language in any such filing.

Item 8.01 Other Events.

On July 20, 2020, the Company issued a press release (the “Press Release”). The Press Release is required under Canadian law in connection with the 45-day extension for filing its Quarterly Report on Form 10-Q for the period ended May 2, 2020, originally due June 16, 2020, as set forth in the Company’s press release dated June 15, 2020, which was furnished as Exhibit 99.1 to the Company’s Current Report on Form 8-K dated June 15, 2020. The Company confirmed that since June 15, 2020, the only material business developments are as set out in the Company’s material change report filed on SEDAR on July 14, 2020, reporting (i) the events set forth in the Company’s press release dated July 8, 2020, which was attached as Exhibit 99.1 to the Company’s Current Report on Form 8-K dated July 9, 2020; (ii) the events set forth in the Company’s press release dated July 9, 2020, which was filed as Exhibit 99.1 to the Company’s Current Report on Form 8-K dated July 10, 2020; (iii) with regards to the Company’s brick and mortar network in Canada, negotiations with landlords for the remaining 100 stores have started, although at this time the outcome of such discussions remains uncertain; and (iv) that to the extent the Company cannot reach agreements with the landlords on more favorable lease terms, the Company may terminate the leases and permanently close additional stores.

A copy of the Press Release related to this announcement is filed as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference to this Item 8.01.

Cautionary Forward-Looking Statements

This Current Report on Form 8-K includes statements that express our opinions, expectations, beliefs, plans or assumptions regarding future events or future results and there are, or may be deemed to be, “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Act”). The following cautionary statements are being made pursuant to the provisions of the Act and with the intention of obtaining the benefits of the “safe harbor” provisions of the Act. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes”, “expects”, “may”, “will”, “should”, “approximately”, “intends”, “plans”, “estimates” or “anticipates” or, in each case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our restructuring process, the COVID-19 pandemic, our strategy of transitioning to e-commerce and wholesale sales, future sales through our e-commerce and wholesale channels, the closing of certain of our retail stores, future lease liabilities, our results of operations, financial condition, liquidity and prospects, the impact of the COVID-19 pandemic on the global macroeconomic environment, and our ability to avoid the delisting of the Company’s common stock by Nasdaq due to the restructuring or our inability to maintain compliance with Nasdaq listing requirements.

While we believe these opinions and expectations are based on reasonable assumptions, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about us, including the risk factors set forth in our annual report on Form 10-K for the fiscal year ended February 1, 2020, filed with the United States Securities and Exchange Commission on June 16, 2020.

These statements are based upon information available to us as of the date of this Current Report on Form 8-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially-available relevant information. In light of these risks, uncertainties and assumptions, investors are cautioned not to unduly rely upon these statements.

Except as required under federal securities laws and the rules and regulations of the SEC, we do not have any intention to update any forward-looking statements to reflect events or circumstances arising after the date of this Current Report on Form 8-K, whether as a result of new information, future events or otherwise.

2

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated July 16, 2020
99.2	Press Release, dated July 20, 2020

3

SIGNATURE

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

DAVIDsTEA INC.

Date: July 20, 2020

By: /s/ Frank Zitella

Name: Frank Zitella

Title: Chief Financial and Operating Officer

4

DAVIDsTEA Obtains Amended and Restated Court Order under CCAA

MONTREAL, July 16, 2020 - DAVIDsTEA Inc. (Nasdaq:DTEA) (“DAVIDsTEA” or the “Company”), a leading tea merchant in North America, announces that the Québec Superior Court today issued an Amended and Restated Initial Order extending to September 17, 2020 the application of the Initial Order obtained by DAVIDsTEA on July 8, 2020 under the *Companies’ Creditors Arrangement Act* (Canada) (“CCAA”). The Amended and Restated Initial Order also deals with certain administrative matters. The Amended and Restated Initial Order and related documents will be available at www.pwc.com/ca/davidstea.

At the request of Nasdaq, DAVIDsTEA also confirms that it will not issue any new shares or create any new classes of stock in its restructuring under the CCAA and that the restructuring will not have an impact on DAVIDsTEA’s share structure.

As previously announced, DAVIDsTEA’s restructuring efforts under the CCAA are focused primarily on exiting unprofitable stores and right-sizing its Canadian brick and mortar footprint in the context of an increasingly challenging retail environment, further exacerbated by the COVID-19 pandemic. DAVIDsTEA’s objective is to create a leaner and more efficient company and to accelerate its transition to an online retailer and wholesaler of high-quality tea and accessories, better positioned for long-term growth.

The Company will continue to provide updates throughout the restructuring process as events warrant.

Cautionary Forward-Looking Statements

This press release includes statements that express our opinions, expectations, beliefs, plans or assumptions regarding future events or future results and there are, or may be deemed to be, “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Act”). The following cautionary statements are being made pursuant to the provisions of the Act and with the intention of obtaining the benefits of the “safe harbor” provisions of the Act. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes”, “expects”, “may”, “will”, “should”, “approximately”, “intends”, “plans”, “estimates” or “anticipates” or, in each case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our restructuring process, the COVID-19 pandemic, our strategy of transitioning to e-commerce and wholesale sales, future sales through our e-commerce and wholesale channels, the closing of certain of our retail stores, future lease liabilities, our results of operations, financial condition, liquidity and prospects, the impact of the COVID-19 pandemic on the global macroeconomic environment, and our ability to avoid the delisting of the Company’s common stock by Nasdaq due to the restructuring or our inability to maintain compliance with Nasdaq listing requirements.

While we believe these opinions and expectations are based on reasonable assumptions, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about us, including the risk factors set forth in our annual report on Form 10-K for the fiscal year ended February 1, 2020, filed with the United States Securities and Exchange Commission and with the Autorité des marchés financiers.

About DAVIDsTEA

DAVIDsTEA is a leading online retailer and growing mass wholesaler of specialty tea, offering a differentiated selection of proprietary loose-leaf teas, pre-packaged teas, tea sachets and tea-related gifts and accessories through over 100 company-owned and operated retail stores in Canada, as well as its e-commerce platform at www.davidstea.com. A selection of DAVIDsTEA products is also available in over 2,500 grocery stores and pharmacies across Canada. The Company is headquartered in Montréal, Canada.

Investor Contact

MaisonBrison Communications
Pierre Boucher
514-731-0000
investors@davidstea.com

Media Contact

PELICAN PR
Lyla Radmanovich
514-845-8763
media@rppelican.ca



DAVIDsTEA Provides Update on Filing of Q1 Financial Statements

MONTREAL, July 20, 2020 - DAVIDsTEA Inc. (Nasdaq:DTEA) (“DAVIDsTEA” or the “Company”), a leading tea merchant in North America, announced on June 5, 2020 that it is availing itself of the 45-day blanket extension granted by the Canadian securities regulatory authorities for the filing of financial statements and management’s discussion and analysis for its first quarter ended May 2, 2020. As previously announced, DAVIDsTEA intends to file the first quarter financial statements and related documents no later than July 31, 2020.

As required by the Canadian blanket order, DAVIDsTEA confirms that since June 5, 2020, the only material business developments are as set out in the Company’s: (A) material change report filed on SEDAR on July 14, 2020, reporting that: (i) the Company obtained an Initial Order on July 8, 2020 pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “CCAA”) from the Québec Superior Court in order to implement a restructuring plan, which Initial Order provides, among other things, for the appointment of PwC as Monitor in the CCAA proceedings; (ii) on July 9, 2020, the United States Bankruptcy Court for the District of Delaware entered an order in favour of DAVIDsTEA and DAVIDsTEA (USA) Inc., its wholly-owned U.S. subsidiary, under Chapter 15 of the United States *Bankruptcy Code*, provisionally recognizing the proceedings under the CCAA and enforcing the initial order issued by the Québec Superior Court, in effect providing protection to DAVIDsTEA and DAVIDsTEA (USA) Inc. from creditor action against their assets in the United States; (iii) further to obtaining the Initial Order, the Company sent notices to terminate leases for 82 of its retail stores in Canada and all 42 of its retail stores in the United States, which lease terminations will take effect 30 days from the deemed date of receipt; (iv) with regards to DAVIDsTEA’s brick and mortar network in Canada, negotiations with landlords for the remaining 100 stores have started, although at this time the outcome of such discussions remains uncertain; and (v) to the extent DAVIDsTEA cannot reach agreements with the landlords on more favourable lease terms, DAVIDsTEA may terminate the leases and permanently close additional stores; and (B) press release issued on July 16, 2020, reporting that the Québec Superior Court issued an Amended and Restated Initial Order extending to September 17, 2020 the application of the Initial Order obtained on July 8, 2020, and dealing with certain administrative matters.

Cautionary Forward-Looking Statements

This press release includes statements that express our opinions, expectations, beliefs, plans or assumptions regarding future events or future results and there are, or may be deemed to be, “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Act”). The following cautionary statements are being made pursuant to the provisions of the Act and with the intention of obtaining the benefits of the “safe harbor” provisions of the Act. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes”, “expects”, “may”, “will”, “should”, “approximately”, “intends”, “plans”, “estimates” or “anticipates” or, in each case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our restructuring process, the COVID-19 pandemic, our strategy of transitioning to e-commerce and wholesale sales, future sales through our e-commerce and wholesale channels, the closing of certain of our retail stores, future lease liabilities, our results of operations, financial condition, liquidity and prospects, the impact of the COVID-19 pandemic on the global macroeconomic environment, and our ability to avoid the delisting of the Company’s common stock by Nasdaq due to the restructuring or our inability to maintain compliance with Nasdaq listing requirements.

While we believe these opinions and expectations are based on reasonable assumptions, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about us, including the risk factors set forth in our annual report on Form 10-K for the fiscal year ended February 1, 2020, filed with the United States Securities and Exchange Commission and with the Autorité des marchés financiers.

About DAVIDsTEA

DAVIDsTEA is a leading online retailer and growing mass wholesaler of specialty tea, offering a differentiated selection of proprietary loose-leaf teas, pre-packaged teas, tea sachets and tea-related gifts and accessories through over 100 company-owned and operated retail stores in Canada, as well as its e-commerce platform at www.davidstea.com. A selection of DAVIDsTEA products is also available in over 2,500 grocery stores and pharmacies across Canada. The Company is headquartered in Montréal, Canada.

Investor Contact

MaisonBrison Communications
Pierre Boucher
514-731-0000
investors@davidstea.com

Media Contact

PELICAN PR
Lyla Radmanovich
514-845-8763
media@rppelican.ca