



DAVIDsTEA

annual meeting

JUNE 15, 2022

cautionary forward-looking statements

THIS PRESENTATION includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections 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 generally can be identified by the use of forward-looking terminology, including the terms “believes,” “expects,” “may,” “will,” “should,” “could,” “seeks,” “projects,” “approximately,” “intends,” “plans,” “estimates,” or “anticipates,” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this presentation and include statements regarding our intentions, beliefs or current expectations concerning, among other things, the Company’s prospects, management’s turn-around strategy, plans for investment in marketing initiatives, changes to product offerings and assortment, and strategic plans.

While we believe these expectations and projections 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 the Company’s Annual Report or Form 10-K.

Actual results may differ materially from those in the forward-looking statements as a result of various factors, including but not limited to, the following: our ability to manage significant changes to our Board of Directors and leadership team; our efforts to expand beyond retail stores; our ability to maintain our brand image; significant competition within our industry; the effect of a decrease in customer traffic to the shopping malls and street locations where our stores are located; the results of our transfer pricing audit; our ability to attract and retain employees that embody our culture, including Tea Guides and store and district managers and regional directors; changes in consumer preferences and economic conditions affecting disposable income; our ability to source, develop and market new varieties of teas, tea accessories, food and beverages; our reliance upon the continued retention of key personnel; the impact from real or perceived quality or safety issues with our teas, tea accessories, food and

beverages; our ability to obtain quality products from third-party manufacturers and suppliers on a timely basis or in sufficient quantities; the impact of weather conditions, natural disasters and manmade disasters on the supply and price of tea; actual or attempted breaches of data security; the costs of protecting and enforcing our intellectual property rights and defending against intellectual property claims brought by others; adverse publicity as a result of public disagreements with our shareholders; fluctuations in exchange rates; and the seasonality of our business and other risks set forth in the Company’s Form 10-K.

All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. These statements are based upon information available to us as of the date of this presentation, 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, the forward-looking events discussed in this presentation might not occur, and investors are cautioned not to unduly rely upon these statements.



our vision

To become the world's
most innovative tea company,
inspiring greater wellness
and sustainability



our mission

To make tea fun and accessible to all



FY 2021 results

\$104.1M

Revenue

41.5%

Gross margin

\$78.4M

IFRS net earnings

\$5.3M

Adjusted EBITDA¹

¹Adjusted EBITDA is a non-IFRS measure and excludes the impact of stock-based compensation expenses and software implementation costs. See the Company's Form-10K for a full reconciliation to the most directly comparable measure calculated in accordance with IFRS.



key achievements in FY 2021



Exited CCAA with **solid working capital** position



Accelerated transition towards
digital-first omnichannel tea supplier



Ranked fourth overall for
best online experience in Canada








Centralized operations with a single,
world-class distribution centre



Recognized as a **Great Place to Work®**

board of directors and corporate governance

	 <p>JANE SILVERSTONE SEGAL</p> <p>Chair with long-term experience in retail industry.</p>	 <p>SARAH SEGAL</p> <p>Chief Executive Officer since 2020 and Chief Brand Officer since 2018 at DTEA.</p>	 <p>SUSAN L. BURKMAN^(1,2)</p> <p>Financial executive with 35 years of experience in investment banking.</p>	 <p>PATRICK DE MARCO^(1,2)</p> <p>Seasoned leader at Viau Food Products Inc. and financial expert.</p>	 <p>PETER ROBINSON⁽¹⁾</p> <p>Senior executive in business, government and non-profit sectors.</p>
Board of Directors	Chair	•	•	Lead Director	•
Audit Committee			•	Chair	•
Human Resources and Compensation Committee			Chair	•	•
Corporate Governance and Nominating Committee			•	•	Chair

¹Independent director

²Financial expert

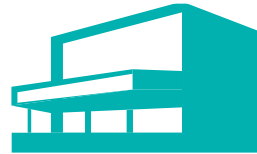
transformative initiatives

REALIGNED INVESTMENTS



DIGITAL

Focused on **digital-first growth strategy** with significant investments in technology



CANADA

Expanded wholesale footprint in Canada with big-box stores, grocery chains and pharmacies

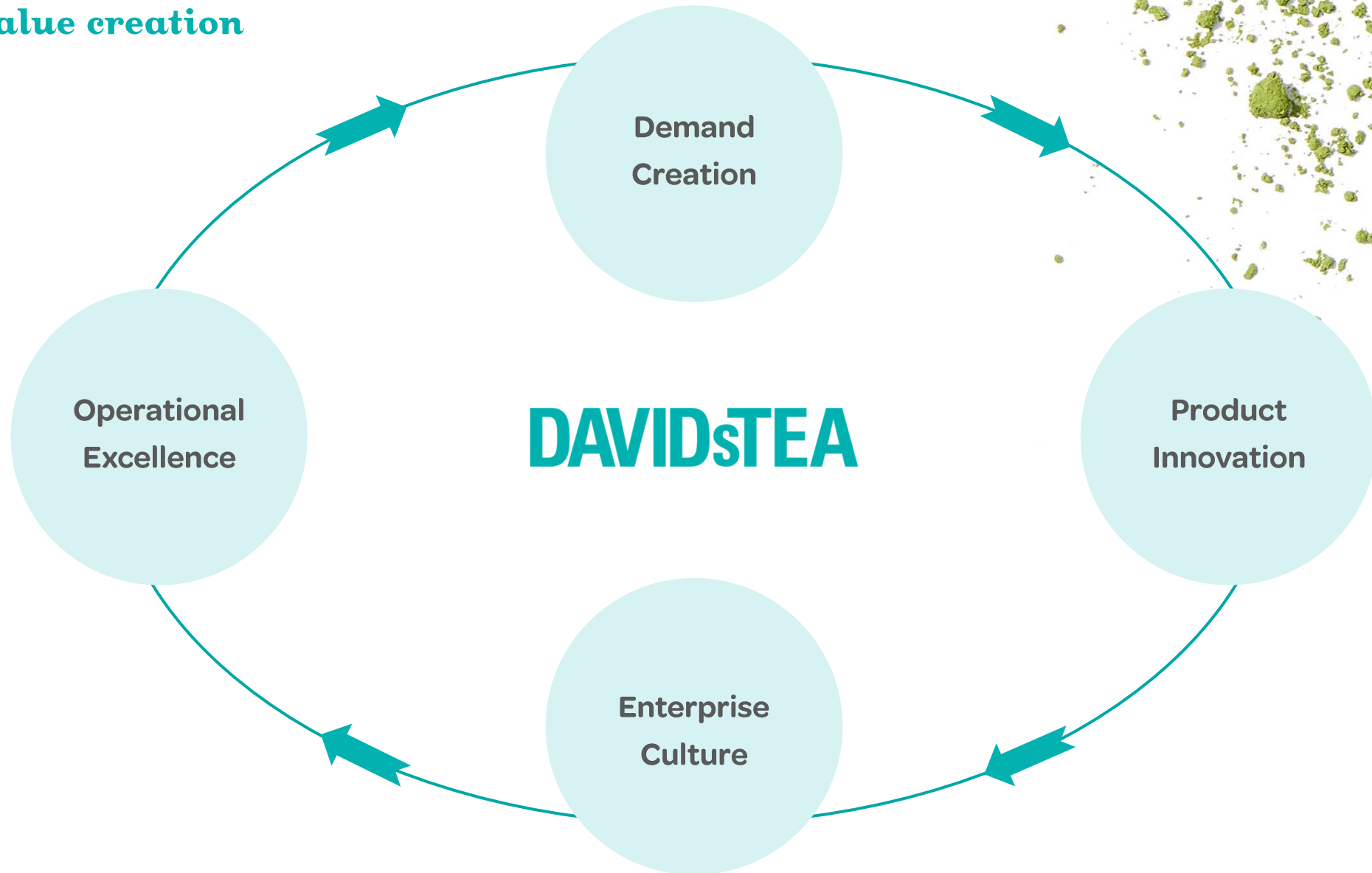


FULFILLMENT

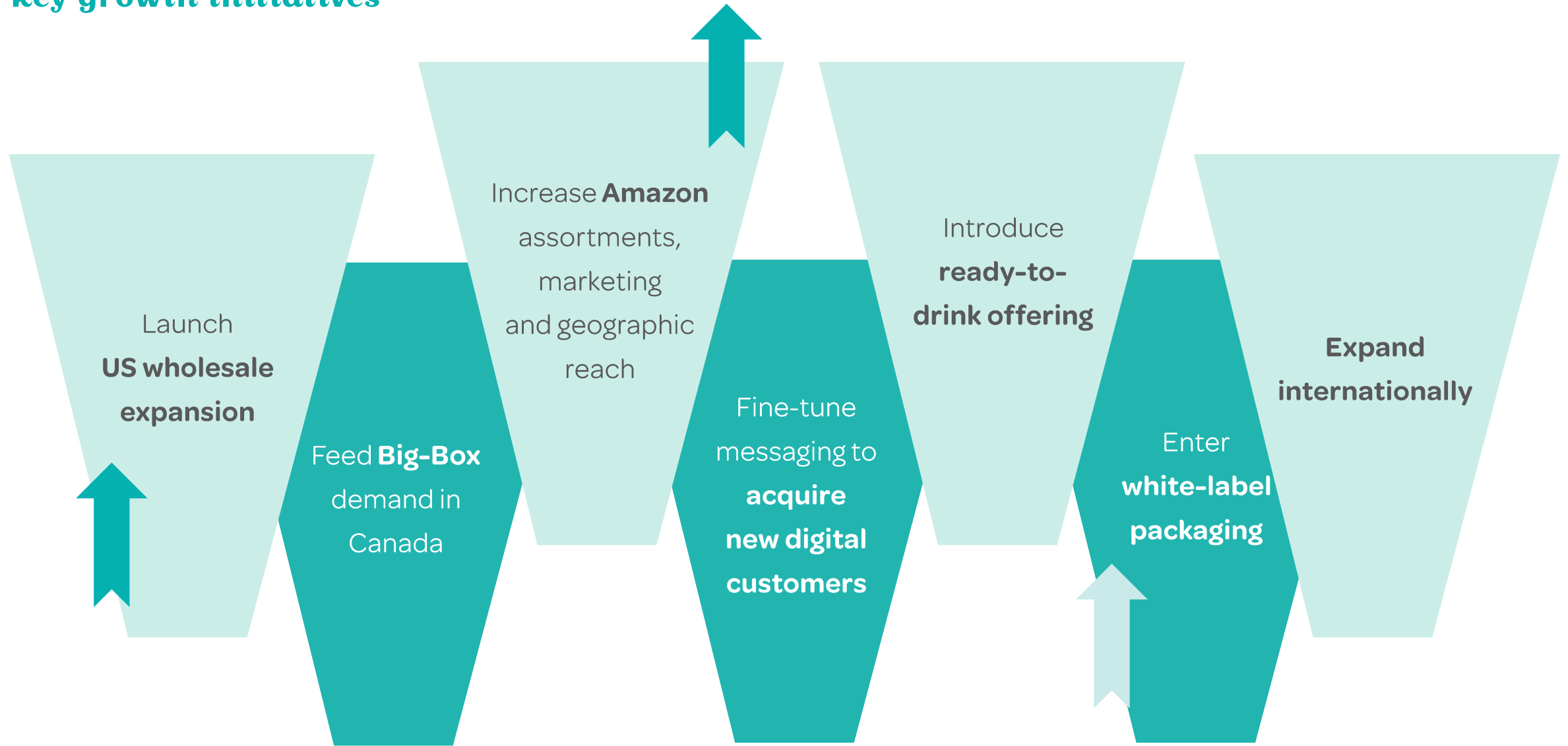
Leveraged 3PL partner to enable frictionless customer service and improved profitability

Same great product quality and service—different focus on distribution channels

path to value creation



key growth initiatives



profitable growth goals



FY 2021

\$104.1M

Sales

5.0%

Adjusted EBITDA¹ margin

FY 2025

Sales

Low double-digit growth per year

~10%

Adjusted EBITDA¹ margin

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premium product offering



100+ world class
signature blends



classic teas



organic



fair trade



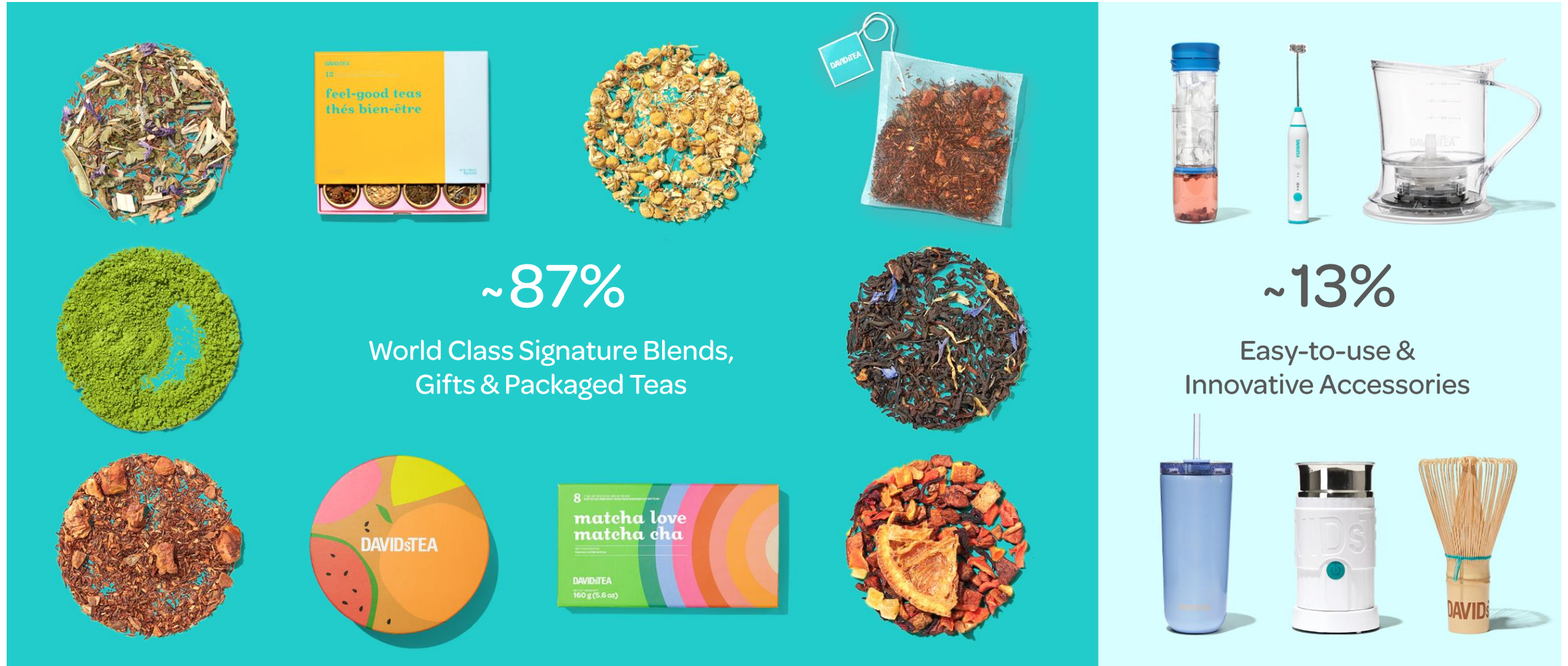
garden direct



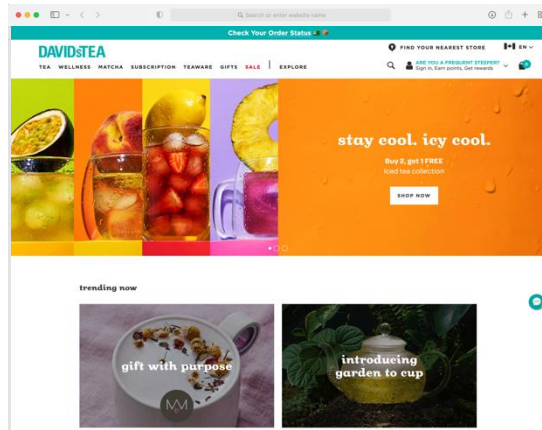
ethical sourcing

Ethical Tea
Partnership

product mix



go-to-market strategy



DIGITAL PLATFORM

Digital-first strategy to grow borderless purchasing environment

Recreating sensory store experience online with virtual tea guide and AI

Broad brand-name recognition supporting digital shift



WHOLESALE PARTNERS

Partnerships with Big Box wholesalers, high-end grocery stores and pharmacies in Canada (+3500 locations)

Successful store-in-store deployments (+300 doors)

Targeting U.S. expansion in 2022 (high-volume play)

Gradual rollout focused on execution



FLAGSHIP STORES

Strengthening 18 flagship stores in Canada

Positive store experience creates spillover effect on online sales

Supplemented by seasonal pop-up booths to heighten visibility

specialty tea market



Market growing ~5% driven by perceived health properties of specialty teas



Strong demand for fruit/herbal and loose-leaf black tea blends among younger demographic group



Consumers increasingly seeking healthier alternative to fruit juices and soft drinks



Specialty tea retailers growing at expense of traditional suppliers



Highly fragmented market with plenty of headroom for share gains

competitive advantages



global headwinds

Inflationary pressure impacting tea industry

Supply-chain issues affecting availability of various teas and accessories

Labour shortages and rising salaries placing a further strain on industry

COVID-19 pandemic expected to subside in 2022

Q1 2022 results

\$20.4M

Revenue

43.9%

Gross margin

(\$2.0M)

IFRS net loss

\$0.1M

Adjusted EBITDA¹

¹Adjusted EBITDA is a non-IFRS measure and excludes the impact of stock-based compensation expenses and software implementation costs. See the Company's Form-10K for a full reconciliation to the most directly comparable measure calculated in accordance with IFRS.

key takeaways

- ✓ Solid FY 2021 financial results
- ✓ Accelerating transition towards becoming a digital-first, omnichannel tea supplier
- ✓ Clear path to value creation: demand creation, product innovation, enterprise culture and operational excellence
- ✓ Preparing expansion into US by replicating success in Canada
- ✓ Targeting low double-digit sales growth annually until end of 2025 and adjusted EBITDA margin of 10.0% during same period
- ✓ Disciplined management team committed to delivering profitable growth



to *infinitea*

and beyond

