



DAVIDsTEA Accelerates Wholesale Expansion

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Introducing new fully compostable, individually wrapped tea sachets and growing footprint within store-in-store retail concept

MONTREAL, Oct. 13, 2022 (GLOBE NEWSWIRE) -- DAVIDsTEA Inc. (Nasdaq: DTEA) ("DAVIDsTEA" or the "Company"), a leading tea merchant in North America, announced today an accelerated wholesale strategy, highlighted by an increased footprint within its store-in-store concept and the introduction of a new fully compostable, individually wrapped tea sachet format.

Since entering the wholesale market four years ago, DAVIDsTEA has gradually grown its presence at grocery stores, pharmacies and big-box locations to over 3,800 doors in Canada, including over 250 store-in-store configurations. Last year, the Company launched its innovative store-in-store retail concept at Rexall and has since added London Drugs and Neighbourly to the growing number of doors, while showcasing an expanded assortment of teas. As a result, DAVIDsTEA now offers a curated selection of over 40 tea flavours, including organic, premium Garden to Cup and flavourful wellness-driven teas, plus accessories, through these doors.

To supplement this growth, the Company unveiled a new tea sachet format in September 2022 throughout its wholesale channel. The individually wrapped and fully biodegradable sachets, featuring new compostable overwraps, provide added convenience for consumers, while the thoughtfully redesigned packaging with increased product information enhances visibility on store shelves.

"It's our mission to make tea accessible for everyone and one of the ways we accomplish this is by ensuring our products are readily available in local communities where tea lovers do the majority of their everyday shopping," said Sarah Segal, Chief Executive Officer and Chief Brand Officer, DAVIDsTEA. "Our individually wrapped tea sachets with all-new compostable overwraps not only demonstrate we continue to make the necessary investments in product development to grow the market for specialty teas and elevate our brand, but that we are dedicated to leading the tea industry by example when it comes to sustainability."

"Our wholesale expansion strategy is unfolding nicely with increases in the number of doors, wellness-driven assortments and display concepts throughout Canada. We believe the innovation DAVIDsTEA brings to this channel is refreshing to retailers, expected from our loyal customer base, and welcomed by new prospective customers," said Frank Zitella, President and Chief Financial and Operating Officer, DAVIDsTEA. "Our Organic Cold 911 offering, for example, will be featured throughout the Canadian Costco network again this fall. Bolstered by 250 store-in-store retail concepts across Canada, trailing twelve-month revenues for our wholesale channel increased 130% over the prior twelve-month period."

Caution Regarding 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 strategy of transitioning to e-commerce and wholesale sales, future sales through our e-commerce and wholesale channels, our results of operations, financial condition, liquidity and prospects, and the impact of the COVID-19 pandemic on the global macroeconomic environment.

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 discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for our fiscal year ended January 29, 2022, filed with both the United States Securities and Exchange Commission and with the Autorité des marchés financiers, on April 29, 2022 which could materially affect our business, financial condition or future results.

About DAVIDsTEA

DAVIDsTEA offers a specialty branded selection of high-quality loose-leaf teas, pre-packaged teas, tea sachets, tea-related accessories and gifts through its e-commerce platform at www.davidstea.com, the Amazon Marketplace, its wholesale customers which include over 3,800 grocery stores and pharmacies, and 18 company-owned stores across Canada. It offers primarily proprietary tea blends that are exclusive to the Company, as well as traditional single-origin teas and herbs. The team's passion for and knowledge of tea permeates the Company's culture and is rooted in an excitement to explore the taste, health and lifestyle elements of tea. With a focus on innovative flavours, wellness-driven ingredients and organic tea, the Company launches seasonally driven "collections" with a mission of making tea fun and accessible to all. The Company is headquartered in Montréal, Canada.

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