



DAVIDsTEA Expands Tea Footprint in Canadian Wholesale Market

December 5, 2023

Launches series of go-to-market initiatives with new and existing partners

MONTREAL, December 5, 2023 – DAVIDsTEA Inc. (TSX-Venture: DTEA) (“DAVIDsTEA” or the “Company”), a leading tea merchant in North America, announced today a series of go-to-market initiatives to expand its footprint among Canadian wholesalers.

DAVIDsTEA, renowned for its premium specialty tea products and already present in over 3,800 stores, continues to increase its presence in the Canadian market by adding new storefronts, expanding its store-in-store concept and launching new products within existing accounts.

The Company recently introduced six tea sachet flavors at 220 Staples Canada stores, showcasing organic options such as David’s Breakfast Blend, Cream of Earl Grey, Silk Dragon Jasmine, and herbal, caffeine-free blends Cold 911 and Cinnamon Rooibos Chai. The assortment also features a popular coffee replacement black tea, Vanilla Cappuccino. Additionally, DAVIDsTEA has brought eight popular tea flavors to 47 Farm Boy grocery stores in Ontario.

In Quebec, DAVIDsTEA entered the Jean Coutu and Brunet pharmacy accounts through the release of “12 Holiday Teas” and “12 Winter Classics” tea discovery gifts. These seasonal products will be available at select pharmacies during the holiday season with potential expansion of the offering in the coming months.

DAVIDsTEA also launched its best-selling Matcha Variety Packs at over 800 Shoppers Drug Mart/Pharmaprix locations and introduced four additional flavours, including Matcha varieties, at Sobeys stores across Canada.

Finally, DAVIDsTEA increased its store-in-store count by expanding within 40 Neighbourly Pharmacy locations last month. The Company will also be adding 15 store-in-store concepts within the Rexall Pharmacy Group in December to raise its total of similar configurations to 382 locations in Canada.

Altogether, these go-to-market initiatives will increase DAVIDsTEA wholesale presence to more than 4,000 locations in Canada.

“Increasing our wholesale presence in Canada represents a key component of our omni-channel growth strategy,” said Sarah Segal, Chief Executive Officer and Chief Brand Officer, DAVIDsTEA. “Although we have established a strong foothold in the Canadian market, there is plenty of room for expansion as reflected by the securing of new accounts at Staples Canada, Farm Boy grocery stores and Jean Coutu and Brunet pharmacies. Likewise, we keep growing our presence at existing accounts with innovative product introductions at Shoppers Drug Mart and Sobeys, along with the continued development of our store-in-store concept at Neighbourly and Rexall. Our intent is to offer our customers convenience when they are not near a DAVIDsTEA location. Our strong brand recognition and many tea options, from classic, to functional to decadent blends, should drive revenue growth through our wholesale partners, while helping to make tea fun and accessible to all.”

About DAVIDsTEA

DAVIDsTEA offers a specialty branded selection of high-quality proprietary loose-leaf teas, pre-packaged teas, tea sachets, tea-related accessories and gifts through its e-commerce platform at www.davidstea.com and the Amazon Marketplace, its wholesale customers which include over 4,000 grocery stores and pharmacies, and 18 company-owned stores across Canada and 170 grocery stores in the United States. The Company offers primarily proprietary tea blends that are exclusive to the Company, as well as traditional single-origin teas and herbs. Our passion for and knowledge of tea permeates our 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.

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 Management’s Discussion and Analysis of Financial Condition and Results of Operations for our fiscal year ended January 28, 2023, filed with the Autorité des marchés financiers, on April 28, 2023 which could materially affect our business, financial condition or future results.

Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

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