# 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): June 15, 2022



(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)

	ck the appropriate box below if the Form 8-K filing is in owing provisions:	ntended to simultaneously satisfy the fil	ing obligation of the registrant under any of the						
	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						
	cate by check mark whether the registrant is an emergin oter) or Rule 12b-2 of the Securities Exchange Act of 19		05 of the Securities Act of 1933 (§230.405 of this						
			Emerging growth company $\square$						
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									

#### Item 7.01 Regulation FD Disclosure.

On June 15, 2022, DAVIDSTEA Inc. (the "Company"), a corporation incorporated under the Canada Business Corporations Act (the "Act"), held its annual shareholders' meeting. The Company delivered a presentation at the annual meeting, which was also made available on its website. A copy of the presentation is being furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information contained in this Item, including the Exhibit 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 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	
No.	Description

99.1 <u>Annual Meeting Presentation of DAVIDsTEA Inc., dated June 15, 2022.</u>

104 Cover Page Interactive Data File (embedded within the Inline XBRL Document)

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: June 22, 2022

By: // SFrank Zitella
Name: Frank Zitella
Title: President, Chief Financial and Operating Officer



### cautionary forward-looking statements

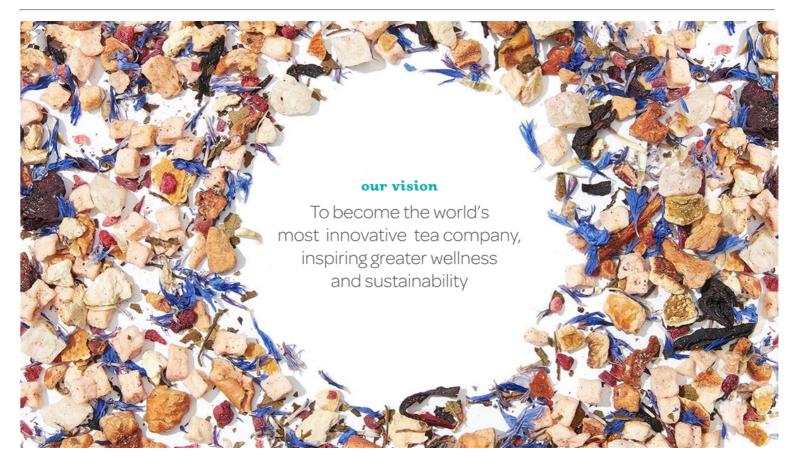
THIS PRESENTATION includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and there are, or may be deemed to be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform 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.

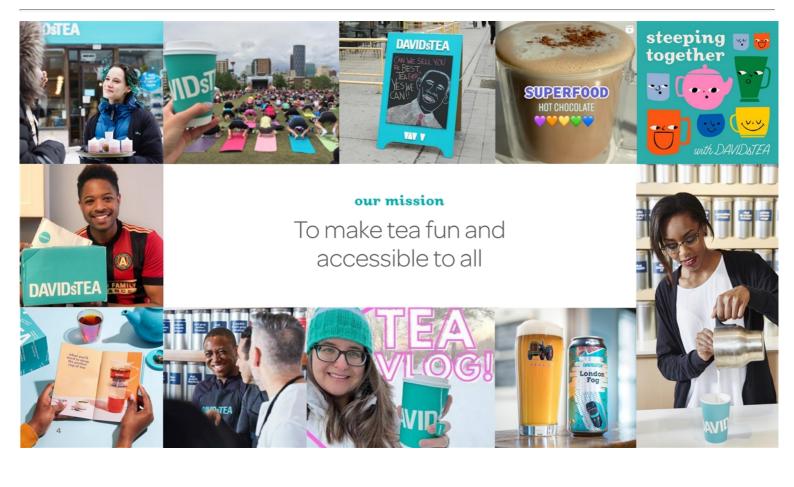
While we believe these expectations and projections are based on reasonable assumptions, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about us, including the risk factors set forth in the Company's Annual Report or Form 10-K.

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.





# FY 2021 results



<sup>1</sup>Adjusted 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.





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



# JANE SILVERSTONE



SARAH SEGAL



SUSAN L. BURKMAN<sup>(1,2)</sup>



PATRICK DE MARCO<sup>(1,2)</sup>



PETER ROBINSON<sup>(1)</sup>

	Chair with long-term experience in retail industry.	Chief Executive Officer since 2020 and Chief Brand Officer since 2018 at DTEA.	Financial executive with 35 years of experience in investment banking.	Seasoned leader at Viau Food Products Inc. and financial expert.	Senior executive in business, government and non-profit sectors.
Board of Directors	Chair	•	•	Lead Director	•
Audit Committee			•	Chair	•
Human Resources and Compensation Committee			Chair	•	•
Corporate Governance and Nominating Committee			•	•	Chair

<sup>&</sup>lt;sup>1</sup> Independent director <sup>2</sup> Financial 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

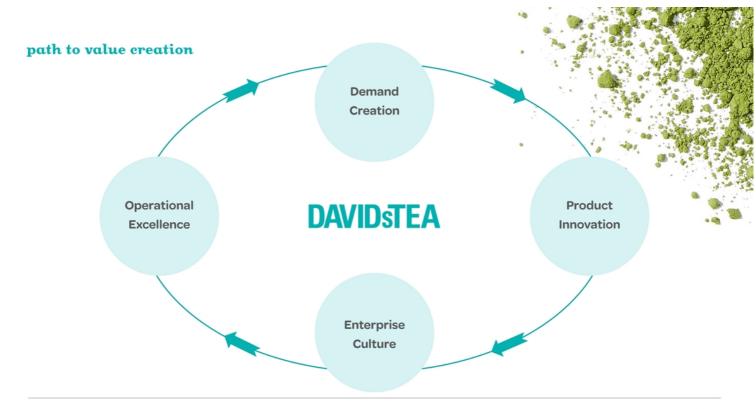


### **FULFILLMENT**

Leveraged 3PL partner

to enable frictionless customer service and improved profitability

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



# key growth initiatives Increase Amazon Introduce assortments, ready-tomarketing drink offering Launch and geographic Expand **US** wholesale reach internationally expansion Feed **Big-Box** white-label acquire packaging new digital customers

# profitable growth goals

FY 2021

FY 2025



\$104.1M

Sales

Sales: Low double-digit growth per year

5.0%

~10%

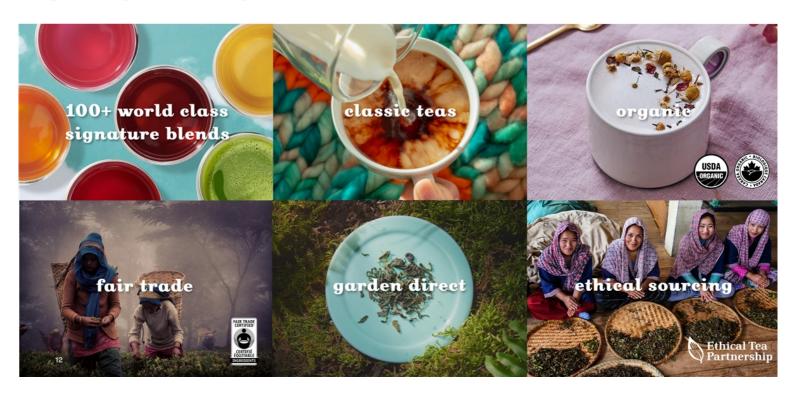
Adjusted EBITDA<sup>1</sup> margin

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# premium product offering



# product mix



DAVIDSTEA DAVIDSTEA

### go-to-market strategy



### **DIGITAL PLATFORM**

Digital-first strategy to grow borderless purchasing environment (+2.2M Frequent Steeper Active Members)

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

DAVIDSTEA DAVIDSTEA

# 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

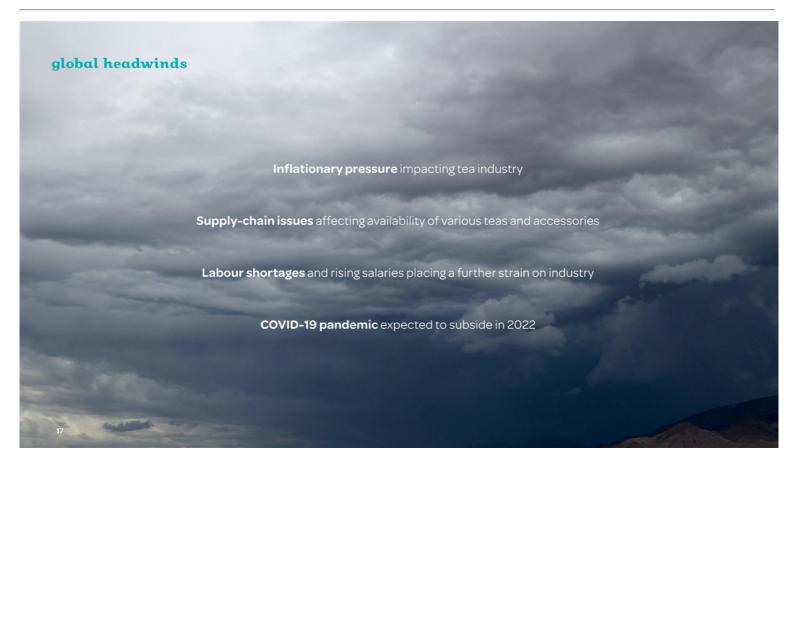


Specialty tea retailers growing at expense of traditional suppliers



Highly fragmented market with plenty of headroom for share gains





\$20.4M

Revenue

43.9%

Gross margin

(\$2.0M)

IFRS net loss

\$0.1M

Adjusted EBITDA<sup>1</sup>

'Adjusted 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



