Form 51 – 102F3

Material Change Report

1. **Name and Address of Company**

DAVIDsTEA Inc.
5430 Ferrier
Town of Mount Royal, Québec
H4P 1M2

2. **Date of Material Change**

February 2, 2023.

3. **News Release**

DAVIDsTEA Inc. ("**DAVIDsTEA**") issued a news release with respect to the material change described herein via Globe Newswire on February 2, 2023.

4. **Summary of Material Change**

DAVIDsTEA announced a plan to adjust its cost structure amid continuing macro-economic uncertainty.

5. **Full Description of Material Change**

5.1 **Full Description of Material Change**

DAVIDsTEA announced a plan to adjust its cost structure amid continuing macro-economic uncertainty.

Sarah Segal, Chief Executive Officer and Chief Brand Officer of DAVIDsTEA, stated as follows: "Like many other retail brands, we experienced difficult market conditions in the fourth quarter as consumer wallets were impacted by rising inflation and higher interest rates that reduced demand. The decision to implement a cost-containment plan is necessary to align our cost structure with our current sales level to sustain our digital-first, omnichannel growth strategy. We are also in the process of addressing certain operational issues that affected the overall consumer experience earlier in the quarter. Despite these challenges, we firmly believe in our long-term growth plan and vision. Our goal remains focused on delivering high-quality, loose-leaf teas, accessories and gifts alongside a superior consumer experience, in the most efficient and leading way possible."

DAVIDsTEA has implemented several cost cutting measures, including the temporary lay-off of 15% of head-office staff and cutting other expenses by $6.0 million to $8.0 million. These reductions consist of the elimination of IT transformation investments of $4.0 million undertaken in fiscal year 2022 that will be in maintenance mode in fiscal year 2023. SG&A costs on a pro-forma basis are expected to be reduced between $8.0 million and $10.0 million in fiscal 2023. DAVIDsTEA continues to manage its cash and working capital with a cash position of approximately $22.0 million at year end, no debt and a solid working capital position. More details about the cost-containment plan will be outlined when DAVIDsTEA releases its fourth quarter results for fiscal 2022 on April 28, 2023.

5.2 **Disclosure for Restructuring Transactions**

Not applicable.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

The executive officer who can answer questions regarding this report is Mr. Frank Zitella, President, and Chief Financial and Operating Officer of DAVIDsTEA. Mr. Zitella can be reached at (514) 839-1580.

9. **Date of Report**

February 10, 2023.