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DELTA REPORT

10-Q

COCO - VITA COCO COMPANY, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1268

■ CHANGES	225
■ DELETIONS	319
■ ADDITIONS	724

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-40950

The Vita Coco Company, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

11-3713156

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer
Identification No.)

250 Park Avenue South
Seventh Floor
New York, NY

10003

(Address of principal executive offices)

(Zip Code)

(212) 206-0763

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 Stock, Par Value \$0.01 Per Share	COCO	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

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 new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of **November 1, 2023** **April 30, 2024**, there were **56,756,005** **56,683,993** shares of the registrant's common stock, par value \$0.01 per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements contained in this

Quarterly Report on Form 10-Q include, but are not limited to, statements regarding our future results of operations and financial position, industry and business trends, equity compensation, business strategy, projected costs, plans, prospects, expectations, market growth, new products, supply chain predictions, and our objectives for future operations.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the important factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023 December 31, 2023. The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, 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. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference herein and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

As used in this Quarterly Report on Form 10-Q, unless otherwise stated or the context requires otherwise, the terms "Vita Coco," the "Company," "we," "us," and "our" refer to The Vita Coco Company, Inc. and its consolidated subsidiaries.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Amounts in thousands, except share data)

		September 30, 2023	December 31, 2022	March 31, 2024	March 31, 2024	December 31, 2023
Assets	Assets					
Current assets:	Current assets:					
Current assets:						
Current assets:						
Cash and cash equivalents	Cash and cash equivalents	\$ 94,885	\$ 19,629			
Accounts receivable, net of allowance of \$2,849 at September 30, 2023, and \$2,898 at December 31, 2022		79,577	43,350			
Cash and cash equivalents						
Cash and cash equivalents						
Accounts receivable, net of allowance of \$3,304 at March 31, 2024, and \$2,486 at December 31, 2023						
Inventory	Inventory	50,380	84,115			
Supplier advances		1,525	1,534			
Supplier advances, current						
Derivative assets	Derivative assets	3,147	3,606			

Asset held for sale	—	503
Prepaid expenses and other current assets		
Prepaid expenses and other current assets		
Prepaid expenses and other current assets	Prepaid expenses and other current assets	17,794 22,181
Total current assets	Total current assets	247,308 174,918
Property and equipment, net	Property and equipment, net	2,225 2,076
Goodwill	Goodwill	7,791 7,791
Supplier advances		3,462 4,360
Supplier advances, long-term		
Supplier advances, long-term		
Supplier advances, long-term		
Deferred tax assets, net	Deferred tax assets, net	4,251 4,256
Right-of-use assets, net	Right-of-use assets, net	1,718 2,679
Other assets	Other assets	1,724 1,677
Total assets	Total assets	\$ 268,479 \$ 197,757
Liabilities and Stockholders' Equity	Liabilities and Stockholders' Equity	
Current liabilities:	Current liabilities:	
Current liabilities:		
Current liabilities:		
Accounts payable		
Accounts payable		
Accounts payable	Accounts payable	\$ 21,411 \$ 15,910
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	51,242 38,342
Notes payable, current	Notes payable, current	15 23
Derivative liabilities	Derivative liabilities	1,371 71
Total current liabilities	Total current liabilities	74,039 54,346
Notes payable, long-term	Notes payable, long-term	15 25
Notes payable, long-term		
Notes payable, long-term		
Other long-term liabilities		
Other long-term liabilities		
Other long-term liabilities	Other long-term liabilities	1,822 2,293
Total liabilities	Total liabilities	75,876 56,664
Stockholders' equity:	Stockholders' equity:	

Common stock, \$0.01 par value; 500,000,000 shares authorized; 62,962,205 and 62,225,250 shares issued at September 30, 2023 and December 31, 2022, respectively 56,756,005 and 56,019,050 shares outstanding at September 30, 2023 and December 31, 2022, respectively	629	622	
Common stock, \$0.01 par value; 500,000,000 shares authorized; 63,311,737 and 63,135,453 shares issued at March 31, 2024 and December 31, 2023, respectively 56,683,993 and 56,899,253 shares outstanding at March 31, 2024 and December 31, 2023, respectively			
Common stock, \$0.01 par value; 500,000,000 shares authorized; 63,311,737 and 63,135,453 shares issued at March 31, 2024 and December 31, 2023, respectively 56,683,993 and 56,899,253 shares outstanding at March 31, 2024 and December 31, 2023, respectively			
Common stock, \$0.01 par value; 500,000,000 shares authorized; 63,311,737 and 63,135,453 shares issued at March 31, 2024 and December 31, 2023, respectively 56,683,993 and 56,899,253 shares outstanding at March 31, 2024 and December 31, 2023, respectively			
Additional paid-in capital	Additional paid-in capital	158,244	145,210
Retained earnings	Retained earnings	93,969	55,183
Retained earnings			
Retained earnings			
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(1,311)	(994)
Treasury stock, 6,206,200 shares at cost as of September 30, 2023, and December 31, 2022, respectively		(58,928)	(58,928)
Treasury stock, 6,627,744 shares at cost as of March 31, 2024, and 6,236,200 shares at cost as of December 31, 2023.			
Total stockholders' equity attributable to The Vita Coco Company, Inc.	Total stockholders' equity attributable to The Vita Coco Company, Inc.	<u>192,603</u>	<u>141,093</u>
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	<u>\$ 268,479</u>	<u>\$ 197,757</u>
Total liabilities and stockholders' equity			
Total liabilities and stockholders' equity			

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in thousands, except for share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	2024			
	2024			
	2024			
Net sales				
Net sales				
Net sales	Net sales	\$ 138,064	\$ 124,043	\$ 387,468
Cost of goods sold	Cost of goods sold	81,893	91,467	246,542
Cost of goods sold				
Cost of goods sold				
Gross profit				
Gross profit				
Gross profit	Gross profit	56,171	32,576	140,926
Operating expenses				
Operating expenses				
Operating expenses				
Selling, general and administrative				
Selling, general and administrative				
Selling, general and administrative	Selling, general and administrative	32,649	23,960	89,855
Income (Loss) from operations	Income (Loss) from operations	23,522	8,616	51,071
Income (Loss) from operations				
Income (Loss) from operations				
Other income (expense)				
Other income (expense)				
Other income (expense)	Other income (expense)			
Unrealized gain/(loss) on derivative instruments	Unrealized gain/(loss) on derivative instruments	(3,959)	952	(1,758)
Unrealized gain/(loss) on derivative instruments				
Unrealized gain/(loss) on derivative instruments				
Foreign currency gain/(loss)				
Foreign currency gain/(loss)				
Foreign currency gain/(loss)	Foreign currency gain/(loss)	(1,211)	(364)	(430)
Interest income	Interest income	824	20	1,105
Interest income				

Interest income					
Interest expense					
Interest expense	Interest expense	(1)	(130)	(31)	(213)
Total other income (expense)	Total other income (expense)	(4,347)	478	(1,114)	5,725
Total other income (expense)					
Income before income taxes					
Income before income taxes	Income before income taxes	19,175	9,094	49,957	13,635
Income tax expense	Income tax expense	(4,011)	(1,836)	(10,101)	(3,011)
Income tax expense					
Income tax expense					
Net income	Net income	\$ 15,164	\$ 7,258	\$ 39,856	\$ 10,624
Net income per common share	Net income per common share				
Net income per common share					
Basic	Basic	\$ 0.27	\$ 0.13	\$ 0.71	\$ 0.19
Diluted	Diluted	\$ 0.26	\$ 0.13	\$ 0.68	\$ 0.19
Diluted					
Diluted					
Weighted-average number of common shares outstanding	Weighted-average number of common shares outstanding				
Weighted-average number of common shares outstanding					
Weighted-average number of common shares outstanding	Weighted-average number of common shares outstanding				
Basic	Basic	56,493,757	55,785,622	56,290,195	55,658,946
Basic					
Basic					
Diluted	Diluted	59,271,757	56,579,912	58,494,045	56,029,069
Diluted					
Diluted					

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(Amounts in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022

Three Months Ended March 31,						
Three Months Ended March 31,						
Three Months Ended March 31,						
	2024					
	2024					
	2024					
Net income						
Net income						
Net income	Net income	\$ 15,164	\$ 7,258	\$ 39,856	\$ 10,624	
Other comprehensive income (loss):	Other comprehensive income (loss):					
Other comprehensive income (loss):						
Foreign currency translation adjustment						
Foreign currency translation adjustment						
Foreign currency translation adjustment	Foreign currency translation adjustment	(426)	(102)	(317)	(552)	
Total comprehensive income attributable to The Vita Coco Company, Inc.	Total comprehensive income attributable to The Vita Coco Company, Inc.	\$ 14,738	\$ 7,156	\$ 39,539	\$ 10,072	
Total comprehensive income attributable to The Vita Coco Company, Inc.						
Total comprehensive income attributable to The Vita Coco Company, Inc.						

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(Amounts in thousands, except for shares)

Common Stock						
Common Stock						
Common Stock						
Shares						
Shares						
Shares						
Balance at December 31, 2022						
Balance at December 31, 2022						
Balance at December 31, 2022						
Net income						
Net income						
Net income						
Cumulative-effect adjustment						
related to the adoption of						
accounting guidance for credit						
losses						
Cumulative-effect adjustment						
related to the adoption of						
accounting guidance for credit						
losses						

Statement of Stockholders' Equity													Total			
													Shareholders' Equity			
													Attributable to The Vita Coco Company, Inc.			
Common Stock																
Common Stock													Treasury Stock			
with Exit Warrants													Total			
Stock													Shareholders' Equity			
Paid-In Earnings													Attributable to The Vita Coco Company, Inc.			
Retained Earnings													Total Shareholders' Equity			
Comprehensive Income / (Loss)													Attributable to The Vita Coco Company, Inc.			
Stock-based compensation																
Shares \$ Amount																
Shares \$ Amount																
Shares \$ Amount																
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Balance at December 31, 2022	54,112,145	\$ 541	8,113,105	\$ 81	62,225,250	\$ 622	\$ 145,210	\$ 55,183	\$ (994)	6,206,200	\$ (58,928)	\$ 141,093
Net income	—	—	—	—	—	—	—	6,705	—	—	—	6,705
Cumulative-effect adjustment												
related to the adoption of accounting guidance for credit losses												
Stock-based compensation												
Stock-based compensation	Stock-based compensation	—	—	—	—	—	—	2,162	—	—	—	2,162
Exercise of stock awards	Exercise of stock awards	185,783	2	—	—	185,783	2	601	—	—	—	603
Exercise of stock awards												
Exercise of stock awards	Exercise of stock awards	—	—	—	—	—	—	—	—	—	—	—
Foreign currency translation adjustment	Foreign currency translation adjustment	—	—	—	—	—	—	—	173	—	—	173
Balance at March 31, 2023	54,297,928	\$ 543	8,113,105	\$ 81	62,411,033	\$ 624	\$ 147,973	\$ 60,818	\$ (821)	6,206,200	\$ (58,928)	\$ 149,666
Net income	—	—	—	—	—	—	—	17,987	—	—	—	17,987
Foreign currency translation adjustment												
Foreign currency translation adjustment												
Balance at March 31, 2024	54,849,100	\$ 548	8,113,105	\$ 81	62,962,205	\$ 629	\$ 158,244	\$ 93,969	\$ (1,311)	6,206,200	\$ (58,928)	\$ 192,603

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Amounts in thousands)

	Nine Months Ended			
	September 30,			
	2023	2022	2024	2023
Three Months Ended March 31,		Three Months Ended March 31,		
Cash flows from operating activities:	Cash flows from operating activities:			
Net income	Net income	\$39,856	\$10,624	
Net income				
Net income				

Adjustments required to reconcile net income to cash flows from operating activities:	Adjustments required to reconcile net income to cash flows from operating activities:		
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization	503	1,442
(Gain)/loss on disposal of equipment	(Gain)/loss on disposal of equipment	19	—
Bad debt expense	Bad debt expense	255	348
Unrealized (gain)/loss on derivative instruments	Unrealized (gain)/loss on derivative instruments	1,758	(6,416)
Stock-based compensation	Stock-based compensation	7,126	5,657
Impairment loss on assets held for sale		363	619
Noncash lease expense			
Noncash lease expense			
Noncash lease expense	Noncash lease expense	966	963
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:		
Changes in operating assets and liabilities:			
Changes in operating assets and liabilities:			
Accounts receivable			
Accounts receivable			
Accounts receivable	Accounts receivable	(37,234)	(20,696)
Inventory	Inventory	33,815	(255)
Prepaid expenses, net supplier advances, and other assets	Prepaid expenses, net supplier advances, and other assets	5,215	(4,433)
Accounts payable, accrued expenses, and other liabilities	Accounts payable, accrued expenses, and other liabilities	17,361	(6,034)
Net cash provided by (used in) operating activities	Net cash provided by (used in) operating activities	70,003	(18,181)
Net cash provided by (used in) operating activities			
Net cash provided by (used in) operating activities			

Cash flows from investing activities:		Cash flows from investing activities:	
Cash paid for property and equipment			
Cash paid for property and equipment			
Cash paid for property and equipment	Cash paid for property and equipment	(533)	(907)
Proceeds from sale of property and equipment	Proceeds from sale of property and equipment	5	—
Net cash used in investing activities	Net cash used in investing activities	(528)	(907)
Cash flows from financing activities:		Cash flows from financing activities:	
Proceeds from exercise of stock awards	Proceeds from exercise of stock awards	5,915	2,675
Proceeds from exercise of stock awards			
Proceeds from exercise of stock awards			
Borrowings on credit facility		—	22,000
Repayments of borrowings on credit facility		—	(12,500)
Cash received (paid) on notes payable	Cash received (paid) on notes payable	(18)	(22)
Cash received (paid) on notes payable			
Cash received (paid) on notes payable			
Cash paid to acquire treasury stock			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	5,897	12,153
Effects of exchange rate changes on cash and cash equivalents	Effects of exchange rate changes on cash and cash equivalents	212	(544)
Net increase/(decrease) in cash and cash equivalents	Net increase/(decrease) in cash and cash equivalents	75,584	(7,479)
Cash and cash equivalents at beginning of the period		19,629	28,690
Cash, cash equivalents and restricted cash at end of the period (1)		\$95,213	\$21,211
Cash, cash equivalents and restricted cash at beginning of the period (1)			
Cash, cash equivalents and restricted cash at end of the period (1)			

¹Includes \$328 \$332 and \$0 \$320 of restricted cash as of September 30, 2023 March 31, 2024 and 2022, 2023, respectively, that were included in other current assets.

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Amounts in thousands, except share and per share amounts)

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

The Vita Coco Company, Inc. and subsidiaries (the "Company") develops, markets, and distributes various coconut water products under the brand name Vita Coco and for retailers' own brands, predominantly in the United States. Other products include coconut milk, natural energy drinks (under the brand name *Runa*), coconut oil, coconut as a commodity, water (under the brand name *Ever & Ever*), and protein infused fitness drinks (under the brand name *PWR LIFT* and coconut as). We also offered a commodity natural energy drink (under the brand name *Runa*), which we ceased selling in December 2023.

The Company was incorporated in Delaware as All Market Inc. on January 17, 2007. On September 9, 2021, we changed our name to The Vita Coco Company, Inc. In 2018, the Company purchased certain assets and liabilities of *Runa*, which is marketed and distributed primarily in the United States. States until the Company ceased selling the brand in December 2023.

We are a public benefit corporation under Section 362 of the Delaware General Corporation Law. As a public benefit corporation, our Board of Directors is required by the Delaware General Corporation Law to manage or direct our business and affairs in a manner that balances the pecuniary interests of our stockholders, the best interests of those materially affected by our conduct and the specific public benefits identified in our certificate of incorporation.

The Company has nineteen wholly-owned subsidiaries including four wholly-owned Asian subsidiaries established between fiscal 2012 and 2015, four North American subsidiaries established between 2012 and 2018, as well as All Market Europe, Ltd. ("AME") in the United Kingdom, of which the Company became the sole shareholder as of December 31, 2021, and one subsidiary in Germany established during 2024.

Unaudited interim financial information

The Company's condensed consolidated interim financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and Article 10 of Regulation S-X. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the Company's financial information for the interim period presented. These interim results are not necessarily indicative of the results to be expected for the year ending December 31, 2023 December 31, 2024 or for any other interim period or for any other future year. The condensed consolidated balance sheet as of September 30, 2023 March 31, 2024 is unaudited and should be read in conjunction with the audited consolidated financial statements and the related notes thereto for the fiscal year ended December 31, 2022 December 31, 2023.

During the nine three months ended September 30, 2023 March 31, 2024, there were no significant changes to the Company's significant accounting policies as described in the Company's audited consolidated financial statements as of and for the year ended December 31, 2022, except for the adoption of ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments as described in Note 2, under "Recently Adopted Accounting Pronouncements" December 31, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated financial statements are presented in accordance with U.S. GAAP.

Principles of Consolidation

The condensed consolidated financial statements include all the accounts of the wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

Preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management considers many factors in selecting appropriate financial accounting policies and controls in developing the estimates and assumptions that are used in the preparation of these condensed consolidated financial statements. Management must apply significant judgment in this process. In addition, other factors may affect estimates, including expected business and operational changes, sensitivity and volatility associated with the assumptions used in developing estimates, and whether historical trends are expected to be representative of future trends. Additionally, uncertainty in the macroeconomic environment resulting from current geopolitical and economic instability (including the effects of current wars and other international conflicts) and the high interest rate and inflationary cost environment make estimates and assumptions difficult to calculate with precision. The estimation process often may yield a range of reasonable estimates of the ultimate future outcomes, and management must select an amount that falls within that range of reasonable estimates. The most significant estimates in the condensed consolidated financial statements relate to share-based compensation, assessing long-lived assets for impairment, estimating the net realizable value of inventories, determining the accounts receivables reserve, assessing goodwill for impairment, determining the value of trade promotions, and assessing the realizability of deferred income taxes. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company's cash and accounts receivable are subject to concentrations of credit risk. The Company's cash balances are primarily on deposit with banks in the U.S. which are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250. At times, such cash may be in excess of the FDIC insurance limit. To minimize the risk, the

Company's policy is to maintain cash balances with high quality institutions, which may include banks, financial institutions and investment firms, and invest daily or reserve operating cash in money market funds, government securities, bank obligations, municipal securities or other investment vehicles with short-term maturities.

Substantially all of the Company's customers are either wholesalers or retailers of beverages. A material default in payment, a material reduction in purchases from these or any large customers, or the loss of a large customer or customer groups could have a material adverse impact on the Company's financial condition, results of operations and liquidity. The Company is exposed to concentration of credit risk from its major customers for which two customers in aggregate represented 51% 47% and 55% 50% of total net sales for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. In addition, the two customers in aggregate also accounted for 51% 39% and 39% 43% of total accounts receivable as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The Company has not experienced credit issues with these customers. Refer to Note 7, *Commitments and Contingencies* regarding additional information on our major customers.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). The new accounting standard introduced the current expected credit losses methodology ("CECL") for estimating allowances for credit losses. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized costs, including loans and trade receivables. ASU 2016-13 is was effective for the Company as an Emerging Growth Company ("EGC"), for annual and interim reporting periods beginning after December 15, 2022. The Company adopted the standard on January 1, 2023 using the modified retrospective method for all financial assets in scope. The amounts for reporting periods beginning after January 1, 2023 are presented under ASC 326 methodology, while prior period amounts continue to be reported in accordance with previously applicable U.S. GAAP.

As a part of the adoption, the Company selected to apply roll-rate method to estimate current expected credit losses for its accounts receivable population and weighted average remaining maturity ("WARM") method for supplier advances.

The difference of \$1,070 between the incurred credit loss estimate and current expected credit loss estimate was recorded as cumulative effect adjustment to the Company's opening retained earnings and reflected on the consolidated balance sheet as of January 1, 2023 as a result of the ASC Topic 326, Financial Instruments - Credit Losses ("ASC 326") adoption. The adoption of the standard did not have a material impact on the Company's consolidated statements of operations, or consolidated statements of cash flows. The following table illustrates the impact of ASC 326.

	As of January 1, 2023				
	As reported under ASC		Impact of ASC 326		
	326	Pre-ASC 326 adoption	adoption		
Allowance for credit losses on accounts receivables	\$ 3,552	\$ 2,898	\$ 654		
Allowance for credit losses on supplier advances	416	—	416		
Total	\$ 3,968	\$ 2,898	\$ 1,070		

	As of January 1, 2023				
	As reported under ASC		Impact of ASC 326		
	326	Pre-ASC 326 adoption	adoption		
Allowance for credit losses on accounts receivables	\$ 3,552	\$ 2,898	\$ 654		
Allowance for credit losses on supplier advances	416	—	416		
Total	\$ 3,968	\$ 2,898	\$ 1,070		

Recently Issued Accounting Pronouncements

As in November 2023, the FASB issued Accounting Standards Update 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis ("ASU 2023-07"). Public entities with a company with less than \$1.235 billion of revenue during the last fiscal year, the Company currently qualifies as an EGC as defined in the Jumpstart Our Business Startups Act. This classification allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use the adoption dates applicable to private companies. As a result, the Company's financial statements may not be comparable to the financial statements of issuers who single reportable segment are required to comply apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC Topic 280, Segment Reporting on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-07.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities, on an annual basis, to provide disclosure of specific categories in the effective date tax rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction ("ASU 2023-09"). ASU 2023-09 is effective for new or revised accounting standards that are applicable to public companies. Based on fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the closing share price and the market value impact of the Company's Common Stock, par value \$0.01 per share ("Common Stock"), held by non-affiliates as of June 30, 2023, the Company will be deemed a large accelerated public company filer as of December 31, 2023. As a result, beginning with the Annual

Report on Form 10-K for the year ending December 31, 2023, the Company will not be able to rely on the extended transition period noted above and will be required to adopt all new accounting pronouncements within the same time periods as public companies, adopting ASU 2023-09.

3. REVENUE RECOGNITION

Revenues are accounted for in accordance with ASC 606, Topic 606, Revenue Recognition ("ASC 606"). The Company disaggregates revenue into the following product categories:

- **Vita Coco Coconut Water**—This product category consists of all branded coconut water product offerings under the Vita Coco labels, where the majority ingredient is coconut water. The Company determined that the sale of the products represents a distinct performance obligation as customers can benefit from purchasing the products on their own or together with other resources that are readily available to the customers. For these products, control is transferred upon customer receipt, at which point the Company recognizes the transaction price for the product as revenue.
- **Private Label**—This product category consists of all private label product offerings, which includes coconut water and oil. The Company determined the production and distribution of private label products represents a distinct performance obligation. Since there is no alternative use for these products and the Company has the right to payment for performance completed to date, the Company recognizes the revenue for the production of these private label products over time as the production for open purchase orders occurs, which may be prior to any shipment.
- **Other**—This product category consists of all other products, which includes Runa(until we ceased selling it in December 2023), and includes Ever & Ever and PWR LIFT product offerings and Vita Coco product extensions beyond coconut water, coconut milk products, and other revenue transactions (e.g., bulk product sales). For these products, control is transferred upon customer receipt, at which point the Company recognizes the transaction price for the product as revenue.

The Company excludes from revenues all taxes assessed by a governmental authority that are imposed on the sale of its products and collected from customers.

The Company provides trade promotions and sales discounts to its customers and distributors. Since these sales promotions and sales discounts do not meet the criteria for a distinct good or service, they are primarily accounted for as a reduction of revenue and include payments to customers and distributors for performing activities on our behalf, such as payments for in-store displays, payments to gain distribution of new products, payments for shelf space and discounts to promote lower retail prices. These condensed consolidated financial statements include accruals for these promotion and discounts. The accruals are made for invoices that have not yet been received as of the end of the reporting period and are recorded as a reduction of sales, and are based on contract terms and our historical experience with similar programs and require management judgment with respect to estimating customer and consumer participation and performance levels.

Disaggregation of Revenue

The following table disaggregates net revenue by product type and reportable segment:

Three Months Ended September 30, 2023			Three Months Ended March 31, 2024		
	Americas	International	Americas	International	Consolidated
Vita	Vita				
Coco	Coco				
Coconut	Coconut				
Water	Water	\$ 89,683	\$ 11,350	\$ 101,033	
Private	Private				
Label	Label	28,257	5,421	33,678	
Other	Other	2,706	647	3,353	
Total	Total	\$120,646	\$ 17,418	\$ 138,064	
Three Months Ended September 30, 2022					
	Americas	International	Americas	International	Consolidated
Vita	Vita				
Coco	Coco				
Coconut	Coconut				
Water	Water	\$ 82,643	\$ 10,637	\$ 93,280	
Three Months Ended March 31, 2023					
	Americas	International	Americas	International	Consolidated
Vita	Vita				
Coco	Coco				
Coconut	Coconut				
Water	Water	\$ 82,643	\$ 10,637	\$ 93,280	

Private	Private			
Label	Label	24,786	3,810	28,596
Other	Other	1,367	800	2,167
Total	Total	\$108,796	\$ 15,247	\$ 124,043

Nine Months Ended September 30, 2023				
	Americas	International	Consolidated	
Vita Coco Coconut Water				
Private Label	\$ 253,825	\$ 33,628	\$ 287,453	
Other	77,366	13,140	90,506	
Total	7,490	2,019	9,509	
	\$ 338,681	\$ 48,787	\$ 387,468	

Nine Months Ended September 30, 2022				
	Americas	International	Consolidated	
Vita Coco Coconut Water				
Private Label	\$ 217,934	\$ 30,110	\$ 248,044	
Other	68,413	9,521	77,934	
Total	7,553	2,265	9,818	
	\$ 293,900	\$ 41,896	\$ 335,796	

4. INVENTORY

Inventory consists of the following:

	September 30, 2023	December 31, 2022
	March 31, 2024	March 31, 2024
Raw materials	Raw materials	
and	and	
packaging	packaging	
	\$ 2,736	\$ 5,771
Finished goods	Finished goods	
	47,644	78,344
Inventory	Inventory	
	\$50,380	\$84,115

5. GOODWILL

Goodwill consists of the following:

	September 30, 2023	December 31, 2022
Goodwill		
	\$ 7,791	\$ 7,791
Goodwill		

All of the Company's goodwill is associated with an acquisition, which occurred in June 2018. The goodwill is allocated to the Americas reporting unit and is tax deductible. The Company has not recognized any impairment since acquisition.

6. DEBT

The table below details the outstanding balances on the Company's debt as of **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, **December 31, 2023**:

	March 31, 2024	March 31, 2024	December 31, 2023
	September 30, 2023	December 31, 2022	
Notes payable			
Notes payable			
Notes payable	Notes payable		
Vehicle loans	Vehicle loans	30	48
		\$ 30	\$ 48
Vehicle loans			
Vehicle loans			
		\$	
Current	Current	15	23
Non-current	Non-current	\$ 15	25
2020			

Revolving Credit Facility

In May 2020, the Company entered into the five-year credit facility with Wells Fargo Bank, National Association ("Wells Fargo") consisting of a revolving line of credit, which currently provides for committed borrowings of **\$60,000** **\$60 million** (the "2020 Credit Facility"). As of **September 30, 2023** and **December 31, 2022**, The maturity date on the Company had no outstanding borrowings under its 2020 Credit Facility. The 2020 Credit Facility is collateralized by substantially all of the Company's assets. In May 12, 2026.

Starting in December 2022, the Company amended the 2020 Credit Facility to transition the interest rate from reference to the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR"). Borrowings borrowings on the 2020 Credit Facility bear interest at rates based on either: 1) a fluctuating rate per annum determined to be the sum of Daily Simple SOFR Secured Overnight Financing Rate ("SOFR") plus a spread defined in the credit agreement (the "Spread"); or 2) a fixed rate per annum determined to be the sum of the Term SOFR plus the Spread. The Spread ranges from 1.00% to 1.75%, which is based on the Company's leverage ratio (as defined in the credit agreement) for the immediately preceding fiscal quarter as defined in the credit agreement. In addition, the Company is currently subject to an unused commitment fee ranging from 0.10% and 0.20% on the unused amount of the line of credit, with the rate being based on the Company's leverage ratio (as defined in the credit agreement).

The borrowings made before As of March 31, 2024 and December 31, 2023, the December 2022 amendment bore interest at rates based on either: 1) LIBOR; or 2) a specified base rate (determined by reference to the greatest of the prime rate published by Wells Fargo, the federal funds effective rate plus 1.5% Company had no outstanding balance and one-month LIBOR plus 1.5%), as selected periodically by the Company. The LIBOR-based loans bore interest at LIBOR plus the Spread. The unused commitment fee prior to the December 2022 amendment was the same.

The maturity date on the \$60 million undrawn and available under its amended 2020 Credit Facility is May 12, 2026.

Facility, Interest expense and unused commitment fee for the 2020 Credit Facility amounted to \$15 and **\$140** **\$15** for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, **March 31, 2023** respectively. Interest expense and unused commitment fee for the

The 2020 Credit Facility amounted to \$46 and \$249 for is collateralized by substantially all of the nine months ended September 30, 2023 and 2022, respectively. Company's assets.

The 2020 Credit Facility contains certain affirmative and negative covenants that, among other things, limit the Company's ability to, subject to various exceptions and qualifications: (i) incur liens; (ii) incur additional debt; (iii) sell, transfer or dispose of assets; (iv) merge with or acquire other companies; companies, (v) make loans, advances or guarantees; (vi) make investments; (vii) make dividends and distributions on, or repurchases of, equity; and (viii) enter into certain transactions with affiliates. The 2020 Credit Facility also requires the Company to maintain certain financial covenants including a maximum leverage ratio, a minimum fixed charge coverage ratio, and a minimum asset coverage ratio. As of **September 30, 2023** **March 31, 2024**, the Company was compliant with all financial covenants.

Vehicle Loans

We periodically enter into vehicle loans. Interest rates on these vehicle loans range from 4.56% to 5.68%. The outstanding balance on the vehicle loans as of March 31, 2024 was less than \$0.1 million.

7. COMMITMENTS AND CONTINGENCIES

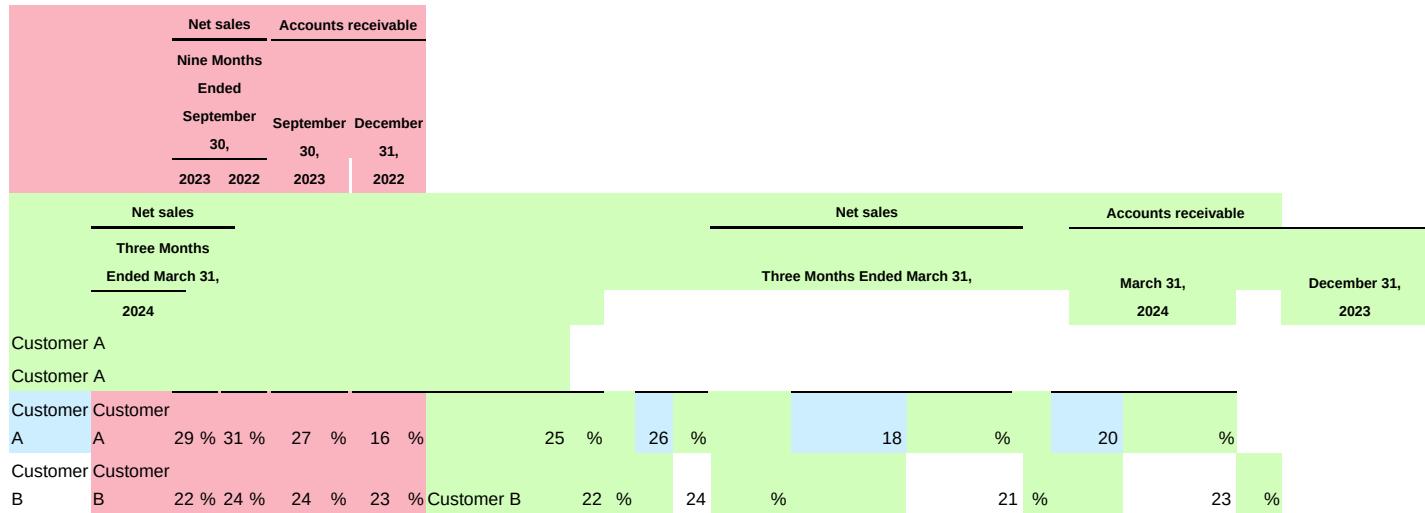
Contingencies:

Litigation—The Company may engage in various litigation matters in the ordinary course of business. The Company intends to vigorously defend itself in such matters, based upon the advice of legal counsel, and is of the opinion that the resolution of these matters will not have a material effect on the condensed consolidated financial statements. For any cases for which management believes that statements. The Company records a liability when it is probable that it will incur a loss has been incurred and the amount of such is reasonably estimable. The Company also discloses when it is reasonably possible that a material loss can may be

reasonably estimated, a provision for legal settlements will be recorded. incurred. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company has not recorded any liabilities relating to such legal settlements. matters.

Business Risk—The Company imports finished goods predominantly from manufacturers located in South American and Southeast Asian countries. The Company may be subject to certain business risks due to potential instability in these regions.

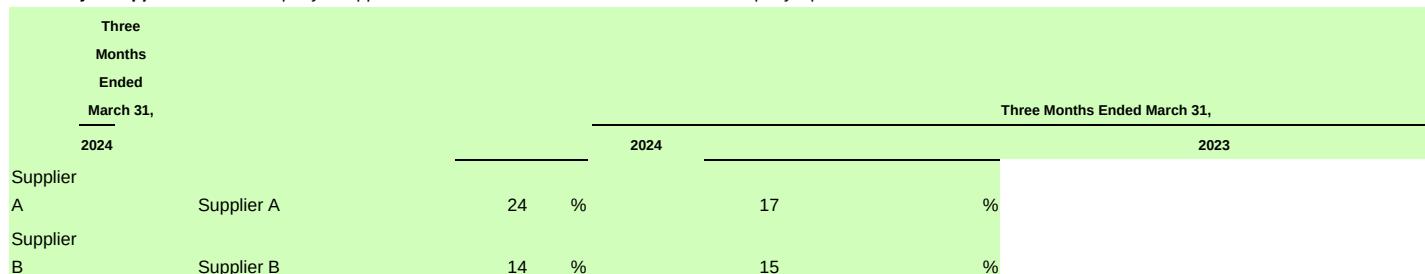
Major Customers—The Company's customers that accounted for 10% or more of total net sales and total accounts receivable were as follows:



One of the customers acquired less than 5% ownership in the Company upon consummation of the Company's initial public offering ("IPO"). The As discussed in Note 10, Stockholders' Equity, the same customer also vested in 100,000 was granted 200,000 restricted stock awards during at the period ended time of the IPO, of which 100,000 vested on March 31, 2023 as discussed in Note 10, Stockholders' Equity, and 100,000 vested on March 31, 2024. The customer continues to hold less than 5% ownership in the Company as of September 30, 2023 March 31, 2024.

The Company previously announced that it expected In 2023, we agreed to cease supplying a major customer with start to discontinue the private label coconut water and private label coconut oil supply relationship with the transition potentially happening as early one of our significant customers as the fourth quarter of 2023. At terms required to retain the business were contrary to our long term margin targets. However, at the request of this private label customer, the Company now expects we expect to continue the supply relationship through 2024 for a significant portion of their private label coconut water needs.

Major Suppliers—The Company's suppliers that accounted for 10% or more of the Company's purchases were as follows:



Nine Months Ended September 30,		2023	2022
Supplier A	20 %	16 %	
Supplier B	14 %	13 %	
Supplier C	10 %	5 %	
Supplier D	10 %	6 %	

8. DERIVATIVE INSTRUMENTS

The Company accounts for derivative instruments in accordance with the ASC Topic 815, Derivatives and Hedging ("ASC 815"). These principles require that all derivative instruments be recognized at fair value on each balance sheet date unless they qualify for a scope exclusion as a normal purchase or sales transaction, which is accounted for under the accrual method of accounting. In addition, these principles permit derivative instruments that qualify for hedge accounting to reflect the changes in the fair value of the derivative instruments through earnings or stockholders' equity as other comprehensive income on a net basis until the hedged item is settled and recognized in earnings, depending on whether the derivative is being used to hedge changes in fair value or cash flows. The ineffective portion of a derivative instrument's change in fair value is immediately recognized in earnings. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company did not have any derivative instruments that it had designated as fair value or cash flow hedges.

The Company is subject to the following currency risks:

Inventory Purchases from Brazilian, Malaysian and Thai Manufacturers—In order to mitigate the currency risk on inventory purchases from its Brazilian, Malaysian and Thai manufacturers, which are settled in Brazilian real ("BRL"), Malaysian ringgit ("MYR") and Thai baht ("THB"), the Company's subsidiary, All Market Singapore Pte. Ltd. ("AMS"), enters a series of forward currency swaps to buy BRL, MYR and THB.

Intercompany Transactions Between AME and AMS—In order to mitigate the currency risk on intercompany transactions between AME and AMS, AMS enters into foreign currency swaps to sell British pounds ("GBP").

Intercompany Transactions with Canadian Customer and Vendors—In order to mitigate the currency risk on transactions with Canadian customer and vendors, the Company enters into foreign currency swaps to sell Canadian dollars ("CAD").

The notional amount and fair value of all outstanding derivative instruments in the condensed consolidated balance sheets consist of the following at:

March 31, 2024		September 30, 2023						March 31, 2024	
		Derivatives not designated as hedging instruments		Balance Sheet		Derivatives not designated as hedging instruments under ASC 815-20			
Derivatives not designated as hedging instruments under ASC 815-20	Derivatives not designated as hedging instruments under ASC 815-20	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Balance Sheet Location	
Assets									
Foreign currency exchange contracts									
Foreign currency exchange contracts									

Receive BRL/sell USD	Receive BRL/sell USD	Derivative assets	\$55,191	\$ 1,671	Derivative assets	Derivative assets
Receive BRL/sell USD	Receive BRL/sell USD	Derivative assets	\$56,415	\$ 2,745	Derivative assets	Derivative assets
Receive USD/pay EUR	Receive USD/pay EUR	Derivative assets	4,892	94	Derivative assets	Derivative assets
Receive USD/pay GBP	Receive USD/pay GBP	Derivative assets	22,954	250	Derivative assets	Derivative assets
Receive USD/pay CAD	Receive USD/pay CAD	Derivative assets	4,610	58	Derivative assets	Derivative assets
Liabilities						
Liabilities						
Liabilities	Liabilities					
Foreign currency exchange contracts	Foreign currency exchange contracts					
Foreign currency exchange contracts	Foreign currency exchange contracts					
Receive THB/sell USD	Receive THB/sell USD	Derivative liabilities	\$22,341	\$(1,371)	Derivative liabilities	Derivative liabilities
Receive THB/sell USD	Receive THB/sell USD					
Receive USD/pay GBP	Receive USD/pay GBP	Derivative liabilities	20,610	(448)	Derivative liabilities	Derivative liabilities
December 31, 2022						
December 31, 2023						
Derivatives not designated as hedging instruments under ASC 815-20	Derivatives not designated as hedging instruments under ASC 815-20	Balance	Derivatives not designated as hedging instruments under ASC 815-20	Notional Amount	Fair Value	Balance Sheet Location
Assets	Assets					
Foreign currency exchange contracts	Foreign currency exchange contracts					
Receive USD/pay GBP	Receive USD/pay GBP	Derivative assets	\$23,702	\$1,104	Derivative assets	Derivative assets
Foreign currency exchange contracts	Foreign currency exchange contracts					
Receive BRL/sell USD	Receive BRL/sell USD	Derivative assets	46,301	2,314	Derivative assets	Derivative assets
Receive USD/pay CAD	Receive USD/pay CAD	Derivative assets	4,819	188	Derivative assets	Derivative assets

Receive BRL/sell USD							
Receive BRL/sell USD						\$62,253	\$3,876
Liabilities							
Liabilities							
Liabilities							
Foreign currency exchange contracts	Foreign currency exchange contracts						
Foreign currency exchange contracts	Foreign currency exchange contracts						
Receive THB/sell USD							
Receive THB/sell USD							
Receive THB/sell USD						21,971	(285)
Receive USD/pay EUR	Receive USD/pay EUR	604	(7) liabilities	Receive USD/pay EUR	5,627	(90)	(90)
Receive THB/sell USD	21,990	(64) liabilities		Derivative liabilities			Derivative liabilities
Receive USD/pay GBP				Receive USD/pay GBP	23,512	(749)	Derivative liabilities
Receive USD/pay CAD				Receive USD/pay CAD	7,666	(89)	Derivative liabilities

The amount and location of realized and unrealized gains and losses of the derivative instruments in the condensed consolidated statements of operations for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** are as follows:

		Three Months Ended September 30,					
		2023	2022				
		Three Months Ended March 31,				Three Months Ended March 31,	
		2024		2024		2023	
Unrealized gain/(loss) on derivative instruments	Unrealized gain/(loss) on derivative instruments	\$ (3,959)	\$ 952				
Location	Location	Unrealized gain/(loss) on derivative instruments	Unrealized gain/(loss) on derivative instruments	Location	Unrealized gain/(loss) on derivative instruments		
Foreign currency gain / (loss)	Foreign currency gain / (loss)	\$ 1,909	\$ 881				

Location	Location	Foreign currency gain/(loss)	Foreign currency gain/(loss)	Location	Foreign currency gain/(loss)
Nine Months Ended September 30,					
2023 2022					
Unrealized gain/(loss) on derivative instruments		\$ (1,758)	\$ 6,416		
Location		Unrealized gain/(loss) on derivative instruments			
		Unrealized gain/(loss) on derivative instruments			
Foreign currency gain / (loss)		\$ 4,552	\$ 1,839		
Location		Foreign currency gain/(loss)	Foreign currency gain/(loss)		

The Company applies recurring fair value measurements to its derivative instruments in accordance with ASC Topic 820, Fair Value Measurements ("ASC 820"). In determining fair value, the Company used a market approach and incorporated the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable internally developed inputs.

9. FAIR VALUE MEASUREMENTS

ASC 820 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. Based upon observability of the inputs used in valuation techniques, the Company's assets and liabilities are classified as follows:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted market prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes internally developed models and methodologies utilizing significant unobservable inputs.

Forward Currency Swap Contracts—The See Note 8, *Derivative Instruments*, for a description of these contracts. The Company's valuation methodology for forward currency swap contracts is based upon third-party institution data.

Contingent Consideration Liability—The Company utilized a probability weighted scenario-based model to determine the fair value of the contingent consideration. The term of the remeasurement period for the contingent consideration ended in December 2022, resulting in no contingent payment as the revenue growth was not achieved.

The Company's fair value hierarchy for those assets (liabilities) measured at fair value on a recurring basis at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, is as follows:

		Level 1	Level 2	Level 3	Total
			Forward Currency Swaps/Contracts	Contingent consideration liability	
September 30, 2023		\$ —	\$ 1,776	\$ —	\$ 1,776
December 31, 2022		\$ —	\$ 3,535	\$ —	\$ 3,535

	Level 1	Level 2	Level 3	Total
		Forward Currency Swaps/Contracts		
	\$	\$	\$	\$
March 31, 2024	\$ —	\$ 138	\$ —	\$ 138
December 31, 2023	\$ —	\$ 2,663	\$ —	\$ 2,663

There were no transfers between any levels of the fair value hierarchy for any of the Company's fair value measurements.

10. STOCKHOLDERS' EQUITY

Common and Treasury Stock—Each share of Common Stock entitles its holder to one vote on matters required to be voted on by the stockholders of the Company and to receive dividends, when and if declared by the Company's Board of Directors.

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company held **6,206,200** **6,627,744** and **6,236,200** shares, respectively, in treasury stock. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company had **3,117,657** **3,231,028** and **2,898,930** **3,124,326** shares, respectively, of Common Stock available for issuance upon the conversion of outstanding stock equity awards under the 2021 Incentive Award Plan ("2021 Plan").

On May 23, 2023, the Company entered into an underwriting agreement (the "Underwriting Agreement") with BofA Securities, Inc., Evercore Group L.L.C. and Goldman Sachs & Co. LLC, as the representative of the underwriters named in Schedule I thereto (collectively, the "Underwriters"), and a stockholder of the Company, Verlinvest Beverages SA (the "Selling Stockholder"), relating to an underwritten public offering of 5,000,000 shares (the "Offering") of Common Stock at a price to the public of \$23.00 per share, before deducting underwriting discounts. Pursuant to the Underwriting Agreement, all 5,000,000 shares of Common Stock were sold by the Selling Stockholder. Under the terms of the Underwriting Agreement, the Selling Stockholder granted the Underwriters an option exercisable for 30 days to purchase up to an additional 750,000 shares of Common Stock from the Selling Stockholder at the public offering price, less underwriting discounts and commissions, which option was exercised in full prior to the closing of the Offering. The closing of the Offering occurred on May 26, 2023. The Company did not receive any of the proceeds from the sale of the shares. Additionally, the Company incurred \$856 of administrative expenses related to the Offering, which were expensed in the nine months ended September 30, 2023.

Subsequent to September 30, 2023 On October 30, 2023, the Company's Board of Directors approved a share repurchase program ("Program") authorizing the Company to repurchase up to **\$40 million** **\$40,000** of Common Stock. Refer Shares of Common Stock may be repurchased under the Program from time to Note 16, Subsequent Events time through open market purchases, block trades, private transactions or accelerated or other structured share repurchase programs. To the extent not retired, shares of Common Stock repurchased under the Program will be placed in the Company's treasury shares. The extent to which the Company repurchases shares of Common Stock, and the timing of such repurchases, will depend upon a variety of factors, including market conditions, regulatory requirements and other corporate considerations, as determined by the Company. The Program has no time limits and may be suspended or discontinued at any time. The Company repurchased 391,544 shares under this Program at a cost of \$9,235 for further details, during the three months ended March 31, 2024. The Company repurchased 30,000 shares under this

Warrants—All service and exit warrants expired as

Program at a cost of **December 31, 2021** **\$773** during the year ended December 31, 2023. As such, there was no warrant activity for of March 31, 2024, the nine months ended September 30, 2023. Company had \$29,992 remaining under this Program.

Stock-based Compensation—The stockholders of the Company approved the adoption of the Company's 2014 Stock Option and Restricted Stock Plan (the "2014 Plan"). The 2014 Plan allowed for a maximum of 8% of the sum of the Available Equity defined as the sum of: (i) the total then outstanding shares of common shares; and (ii) all available stock options (i.e., granted and outstanding stock options and stock options not yet granted). Under the terms of the 2014 Plan, the Company could may grant employees, directors and consultants stock options and restricted stock awards and had has the authority to establish the specific terms of each award, including exercise price, expiration and vesting. Only Currently, only stock options were granted under the 2014 Plan. Generally, stock options issued pursuant to the 2014 Plan contain exercise prices no less than the fair value of Common Stock on the date of grant and have a ten-year contractual term.

Subsequent to September 30, 2021, the stockholders of the Company approved the adoption of the 2021 Plan, which was became effective after the closing of the Company's IPO completed in October 2021. On and after closing of the offering and the effectiveness of the 2021 Plan, no further grants will be have been made under the 2014 Plan. The maximum number of shares of our common stock Common Stock available for issuance under the 2021 Plan is equal to the sum of of: (i) 3,431,312 shares of our common stock; Common Stock; and (ii) an annual increase on the first day of each year beginning in 2022 and ending in and including 2031, equal to the lesser of (A) two percent (2%) of the outstanding shares of our Common Stock on the last day of the immediately preceding fiscal year; and (B) such lesser amount as determined by our Board of Directors; provided, however, no more than 3,431,312 shares may be issued upon the exercise of incentive stock options or ISOs. ("ISOs"). The 2021 Plan provides for the grant of stock options, including ISOs and nonqualified stock options or NSOs, ("NSOs"), restricted stock, dividend equivalents, stock payments, restricted stock units or RSUs, ("RSUs"), other incentive awards, SARs, stock appreciation rights ("SARs"), and cash awards. As of March 31, 2024, only stock options, restricted stock, and RSU's have been granted under the 2021 Plan.

The Company recognized stock-based compensation expense of **\$2,709** **\$1,958** and **\$1,142** **\$1,297** for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, in selling, general and administrative expenses. Additionally, the stock compensation expense of **\$5,957** and **\$4,722** was recognized for the nine months ended **September 30, 2023** and **2022, 2023**, respectively, in selling, general and administrative expenses. For the RSUs previously granted to a major customer, **\$153** **\$151** and **\$315** **\$865** was recognized for the three months ended **September 30, 2023** **March 31, 2024** and **September 30, 2022** **March 31, 2023**, respectively, as stock-based sales incentive based on

guidance in ASC 606 and reflected as a reduction in the transaction price revenue. The Company recognized \$1,169 and \$935 for the nine months ended September 30, 2023 and September 30, 2022, respectively, as a reduction in transaction price revenue for this major customer.

Option Awards with Service-based Vesting Conditions

Most of the stock option awards granted under the 2014 Plan and 2021 Plan vest based on continuous service. The options awarded to the employees have differing vesting schedules as specified in each grant agreement. There were 296,693 168,076 new service-based stock option awards granted during the nine three months ended September 30, 2023 March 31, 2024. Exercises of stock options during the three and nine months ended September 30, 2023 March 31, 2024, and 2023 were 314,210 13,960 and 583,201 66,523, respectively.

Option Awards with Performance and Market-based Vesting Conditions

There are also stock option awards containing performance-based vesting conditions, subject to achievement of various performance goals by a future period, including such as revenue and gross margin adjusted EBITDA targets. There are also stock option awards granted in 2019 to the current Chief Executive Officer ("CEO") containing performance and market vesting conditions such as options vesting that vest upon occurrence of an IPO or other qualifying liquidity event and upon achieving a predetermined equity value of the Company. These awards include a grant to the current CEO in 2019 that vest upon occurrence Company, which were fully vested as of an initial public offering or other qualifying liquidity event and upon achieving a predetermined equity value of the Company. As of July 31, 2023, the performance and market vesting conditions were achieved and the remaining stock compensation expense of \$762 for this award was accelerated and recognized in the three months ended September 30, 2023.

During the nine months ended September 30, 2022, certain awards that contained performance-based vesting conditions were modified. The modification adjusted the performance condition to allow for 50% of the performance awards to meet the criteria to vest, and no other terms were modified. Since it did not affect any terms that would affect the fair value, and only the number of awards, it is considered an improbable-to-probable modification. The impact of the modification was not material. There were no modifications during the nine months ended September 30, 2023.

There were 412,341 no new stock option awards granted during the nine three months ended September 30, 2023 March 31, 2024 with performance-based vesting conditions, subject to achievement of various performance goals by the end of 2025 or 2026, specifically net sales growth and Adjusted EBITDA targets. conditions.

Service & Performance based Restricted Stock and RSUs

Restricted stock and RSUs were granted under the 2021 Plan and primarily vest based on continuous service. The RSUs with service-based vesting conditions awarded to the employees have differing vesting schedules as specified in each grant agreement. The RSUs granted to non-employee directors vest in full on the earlier of: (i) the day immediately preceding the date of the first Annual Shareholders Meeting following the date of grant; or (ii) the first anniversary of the date of grant. During the nine three months ended September 30, 2023 March 31, 2024 and March 31, 2023, the Company also granted RSUs that contained performance-based vesting conditions, subject to achievement of various performance goals by in the end of 2025 or 2026, future, specifically net sales growth and Adjusted EBITDA targets.

Also included in these awards are \$3 million \$3,000 of shares of restricted Common Stock granted at the time of the IPO to entities affiliated with a significant customer, at a price per share granted at the IPO of \$15.00, or 200,000 restricted shares, in connection with an amendment to extend the distributor agreement term to June 10, 2026. Since the distribution agreement has not been terminated by either party for cause as of March 31, 2023, 50% of the shares were released on March 31, 2023. Assuming the distribution agreement is not terminated by either party for cause, the The remaining 50% will be were released on March 31, 2024. The grant was accounted for as a stock-based sales incentive based on guidance in ASC

606 and is reflected as a reduction in the transaction price of revenue on the basis of the grant-date fair-value measure in accordance with the stock compensation guidance in ASC 718.

During the nine three months ended September 30, 2023 March 31, 2024, there were 203,226 241,791 service based and 17,742 58,365 performance based RSUs granted, which had an aggregate grant date fair value of \$4,169, \$7,858. During the three and nine months ended September 30, 2023 March 31, 2024 and March 31, 2023, awards vested were 6,105 162,324 and 153,754, 0, respectively, which includes service based RSUs and restricted stock of the major customer.

11. INCOME TAXES

For the three months ended September 30, 2023 March 31, 2024 and 2022 2023, the Company recorded income tax expense of \$4,011 \$3,777 and \$1,836, respectively. For the nine months ended September 30, 2023 and 2022, the Company recorded \$10,101 and \$3,011, \$1,821, respectively, in income tax expense in its condensed consolidated statements of operations.

In assessing the recoverability of its deferred tax assets, the Company continually evaluates all available positive and negative evidence to assess the amount of deferred tax assets for which it is more likely than not to realize a benefit. For any deferred tax asset in excess of the amount for which it is more likely than not that the Company will realize a benefit, the Company establishes a valuation allowance.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company recorded liabilities there was a \$106 liability for income tax uncertainties recorded in its the Company's consolidated balance sheets of \$106 and \$144, respectively, sheets. The Company's policy is to record interest and penalties related to income taxes as part of its income tax provision. The Company does not expect its uncertain tax positions to change significantly over the next twelve months. The Company recognized no interest and penalties related to income tax uncertainties in its consolidated balance sheets or consolidated statement of operations for the three months ended March 31, 2024 and 2023. The Company is subject to income tax examinations by the U.S. Internal Revenue Service ("IRS") and various state and local jurisdictions for the open tax years between December 31, 2019 and December 31, 2022.

12. EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

		Three months ended September 30,				Nine months ended September 30,	
		2023	2022	2023	2022		
		Three months ended March 31,		Three months ended March 31,		Three months ended March 31,	
		2024		2024		2024	
<u>Numerator:</u>	<u>Numerator:</u>						
Net income	Net income	\$ 15,164	\$ 7,258	\$ 39,856	\$ 10,624		
Net income							
<u>Denominator:</u>	<u>Denominator:</u>						
Weighted-average number of common shares used in earnings per share—basic	Weighted-average number of common shares used in earnings per share—basic	56,493,757	55,785,622	56,290,195	55,658,946		
Weighted-average number of common shares used in earnings per share— basic							
Weighted-average number of common shares used in earnings per share— basic							
Effect of conversion of stock options							
Effect of conversion of stock options							
Effect of conversion of stock options	Effect of conversion of stock options	2,778,000	794,290	2,203,850	370,123		
Weighted-average number of common shares used in earnings per share—diluted	Weighted-average number of common shares used in earnings per share—diluted	59,271,757	56,579,912	58,494,045	56,029,069		
Weighted-average number of common shares used in earnings per share— diluted							
Weighted-average number of common shares used in earnings per share— diluted							
Earnings per share—basic							
Earnings per share—basic							
Earnings per share —basic	Earnings per share —basic	\$ 0.27	\$ 0.13	\$ 0.71	\$ 0.19		
Earnings per share —diluted	Earnings per share —diluted	\$ 0.26	\$ 0.13	\$ 0.68	\$ 0.19		
Earnings per share—diluted							
Earnings per share—diluted							

The following potentially dilutive securities, prior to the use of the treasury stock method, have been excluded from the computation of diluted weighted-average number of common shares outstanding, as they would be anti-dilutive:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	34,178	1,123,845	385,207	1,954,406

	Three months ended March 31,			
	2024	2023		
	301,813	1,067,435		

13. SEGMENT REPORTING

The Company has two operating and reportable segments:

- Americas—The Americas segment is comprised primarily of the U.S. and Canada, and derives its revenues from the marketing and distribution of various coconut water and non-coconut water products (e.g., coconut oil and milk). The Company's Guayusa leaf products (*Runa*), aluminum bottle canned water (*Ever & Ever*), and protein infused fitness drink (*PWR LIFT*), and guayusa leaf products (*Runa*) are marketed only in the Americas segment. As of December 2023, we ceased offering the *Runa* brand.
- International—The International segment is comprised primarily of Europe, Middle East, and Asia Pacific, which includes the Company's procurement arm and derives its revenues from the marketing and distribution of various coconut water and non-coconut water products.

The Company's Chief Executive Officer CEO is the chief operating decision maker and evaluates segment performance primarily based on net sales and gross profit. All intercompany transactions between the segments have been eliminated.

Information about the Company's operations by operating segment as of the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		
	2023	2022	2023	2022	
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	2024				
	2024				
	2024				
Net sales					
Net sales					
Net sales	Net sales	\$ 138,064	\$ 124,043	\$ 387,468	\$ 335,796
Americas	Americas	120,646	108,796	338,681	293,900
Americas					
Americas					
International					
International	International	17,418	15,247	48,787	41,896
Gross profit	Gross profit	\$ 56,171	\$ 32,576	\$ 140,926	\$ 80,928
Gross profit					
Gross profit					
Americas					
Americas					
Americas	Americas	50,208	30,279	124,466	73,285
International	International	5,963	2,297	16,460	7,643
International					

International			
	As of September 30, 2023	As of December 31, 2022	
Total segment assets	\$268,479	\$197,757	
Americas	200,366	156,588	
International	68,113	41,169	

Reconciliation	As of March 31,		As of March 31,		As of December 31,	
	2024		2024		2023	
	Total segment assets	Total segment assets				
Total gross profit						
Less:						
Selling, general, and administrative expenses			32,649	23,960	89,855	73,018
Income (loss) from operations			\$ 23,522	\$ 8,616	\$ 51,071	\$ 7,910
Less:						
Unrealized gain/(loss) on derivative instruments			(3,959)	952	(1,758)	6,416
Foreign currency gain/(loss)			(1,211)	(364)	(430)	(508)
Interest income			824	20	1,105	30
Interest expense			(1)	(130)	(31)	(213)
Income before income taxes			\$ 19,175	\$ 9,094	\$ 49,957	\$ 13,635

Reconciliation	As of March 31,		As of December 31,	
	2024		2023	
	Total segment assets	Total segment assets		
Total gross profit				
Less:				
Selling, general, and administrative expenses			28,218	26,957
Income (loss) from operations			\$ 18,959	\$ 6,704
Less:				
Unrealized gain/(loss) on derivative instruments			(2,525)	1,213
Foreign currency gain/(loss)			58	611
Interest income			1,523	13
Interest expense			—	(15)
Income before income taxes			\$ 18,015	\$ 8,526

Geographic Data:

The following table provides information related to the Company's net sales by country, which is presented on the basis of the location that revenue from customers is recorded:

Nine Months Ended September 30,			Three Months Ended March 31,	
	2023	2022	2024	2023
Three Months Ended March 31,				
United States	United States	\$316,923	\$277,987	
United Kingdom				

All other countries(1)	All other countries(1)	70,545	57,809
Net sales	Net sales	\$387,468	\$335,796

(1) No individual country is greater than 10% of total net sales for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022**.

The following table provides information related to the Company's property and equipment, net by country:

		September	December		
		30,	31,		
		2023	2022		
		March 31,	March 31,	December 31,	
		2024	2024	2023	
United States	United States	\$ 537	\$ 683		
Ecuador	Ecuador	140	503		
Singapore	Singapore	1,396	1,288		
All other countries(1)	All other countries(1)	152	105		
Property and equipment, net (including asset held for sale)	Property and equipment, net (including asset held for sale)	\$ 2,225	\$ 2,579		

(1) No individual country is greater than 10% of total property and equipment, net as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

14. RELATED-PARTY TRANSACTIONS

Director Nominee Agreements - On May 24, 2022, two members A member of the Board of Directors appointed under the Investor Rights Agreement by Verlinvest Beverages SA ("Verlinvest"), a stockholder of the Company, entered into a nominee agreements agreement on May 24, 2022 instructing the Company to pay all cash and equity compensation earned in connection with their his board of director services service to Verlinvest Beverages SA. Verlinvest. Based on the aforementioned nominee agreements, agreement, RSUs granted to these two directors this director will be held by them him as nominees nominee for Verlinvest Beverages SA and, upon vesting of the RSUs, the shares will be transferred to Verlinvest Beverages SA. Verlinvest. The nominee agreements are primarily between the directors director and Verlinvest Beverages SA. Verlinvest. The Company is a party to this arrangement solely to agree to the manner in which it would satisfy the compensation obligations to these directors, this director.

Registration Rights and Underwriting Agreements - Under the Registration Rights agreement by and among the Company, Verlinvest and certain other investors, in connection with each demand registration, piggyback or shelf offering, the Company agreed to reimburse the holders of registrable securities for the reasonable fees and disbursements of not more than one law firm. As of September 30, 2023 and December 31, 2022, there is only one current member part of the Board two secondary offerings during 2023, the Company also entered into underwriting agreements, to which Verlinvest was a party. In connection with the secondary share offering by Verlinvest in November 2023, the Company held an accrual in the amount of Directors approximately \$300 for legal fees reimbursement as of March 31, 2024. Subsequently during April 2024, Verlinvest agreed to waive its right to reimbursement of legal fees for its counsel, and those expenses.

15. SUBSEQUENT EVENTS

On April 24, 2024, the Company announced that is subject to this nominee agreement.

Distribution Agreement with Shareholder—On October 1, 2019, AMS, a wholly owned subsidiary of the Company, entered into a distribution agreement Co-Manufacturing and Purchasing Agreement, dated April 18, 2024 with one of its stockholders who held over 5% ownership in the Company, which extended through December 31, 2022 and has been continued upon the mutual agreement of each party. As of September 30, 2023, the stockholder's ownership in the Company is less than 5% Axelum Resources Corp. ("Axelum"). The distribution agreement granted the stockholder the right to sell, resell and distribute designated products supplied by the Company within a specified territory. The amount has an existing relationship with an affiliate of revenue recognized related to this distribution agreement was \$449 and \$1,371 Axelum for the three months ended September 30, 2023 manufacture of various Company products in accordance with the terms of a manufacturing and 2022, respectively, and \$3,436 and \$4,777 for the nine months

ended September 30, 2023 and 2022, respectively. The amounts due from the stockholder in accounts receivable, net were \$198 and \$753 purchasing agreement, dated April 8, 2020, which was filed as of September 30, 2023 and December 31, 2022, respectively. Amounts payable [Exhibit 10.15](#) to the stockholder in accounts payable were \$0. Company's Registration Statement on Form S-1 filed with the Securities and Exchange Commission ("SEC") on September 27, 2021. The new manufacturing agreement where the Company shares in the compensation costs of the stockholder's employee managing the China market. The Company recorded \$41 and \$63 for the three months ended September 30, 2023 and 2022, respectively, and \$128 and \$160 for the nine months ended September 30, 2023 and 2022, in selling, general, and administrative expense ("SG&A") for this service agreement.

15. ASSET HELD FOR SALE

The asset group held for sale consists of a farm in Ecuador which was the source of Guayusa leaves for our Runa products. Since the Company is able to source Guayusa through alternative means to produce the Runa products, as of September 30, 2022, the Company committed to a plan for disposal through sale. The Company performed a fair value assessment on the asset group held for sale consisting of land, a production plant, equipment and inventory. The Company obtained a valuation of the assets and adjusted the carrying amount down to their fair value less costs to sell, which resulted in a \$619 impairment loss recorded in SG&A during the third quarter of 2022. The remaining carrying amount as of September 30, 2023 and December 31, 2022 is listed below. These assets held for sale did not qualify for discontinued operations reporting. As of September 30, 2023, since the asset has been held for sale beyond one year, the Company has reclassified it as held and used within property, plant and equipment and remeasured it at its fair value of \$140, which resulted in an additional \$363 impairment loss.

	September 30, 2023	December 31, 2022
Asset held for sale - land	\$ —	\$ 503

16. SUBSEQUENT EVENTS

On October 30, 2023, [expands](#) the Company's Board of Directors approved a share repurchase program ("Program") authorizing the Company to repurchase up to \$40 million of Common Stock. Shares of Common Stock may be repurchased under the Program from time to time through open market purchases, block trades, private transactions or accelerated or other structured share repurchase programs. To the extent not retired, shares of Common Stock repurchased under the Program will be placed in the Company's treasury shares. The extent to which the Company repurchases shares of Common Stock, and the timing of such repurchases, will depend upon a variety of factors, including market conditions, regulatory requirements and other corporate considerations, as determined by the Company. The Program may be suspended or discontinued at any time. [existing relationship with Axelum.](#)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Annual Report on Form 10-K for the fiscal year ended [December 31, 2022](#) December 31, 2023 and filed with the Securities and Exchange Commission ("SEC") on [March 14, 2023](#) February 29, 2024 (the "Form 10-K"). This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Part I, Item 1A, "Risk Factors" of the Form 10-K and other factors set forth in the Form 10-K and Quarterly Reports on Form 10-Q.

Overview

The Vita Coco Company is a leading platform for brands in the functional beverage category. We pioneered packaged coconut water in 2004 and have extended our business into other [healthy hydration](#) categories. Our mission is to deliver great tasting, natural and nutritious products that we believe are better for consumers and better for the world. We are one of the largest brands globally in the coconut and other plant waters category, and a large supplier of private label coconut water.

Our branded portfolio is led by our Vita Coco brand, which is the leader in the coconut water category in the United States, and also includes coconut oil, juice, [hydration mix](#) and milk offerings. Our other brands include [Runa](#), a plant-based energy drink inspired from the Guayusa plant native to Ecuador, [Ever & Ever](#), a sustainably packaged water, and [PWR LIFT](#), a protein-infused fitness drink. We also offered [Runa](#), a plant-based energy drink inspired by the guayusa plant native to Ecuador, which we ceased selling in December 2023. We supply private label products to key retailers in both the coconut water and coconut oil categories. [We also conduct other](#) Additionally, we generate revenue [transactions](#) such as from bulk product sales to beverage and food companies.

We source our coconut water from a diversified global network of 14 factories across six countries supported by thousands of coconut farmers. As we do not own any of these factories, our supply chain is a fixed asset-lite model designed to better react to changes in the market or consumer preferences. We also work with co-packers in America and Europe to support local packaging and repacking of our products to better service our customers' needs.

Vita Coco is available in over 30 countries, with our primary markets in North America, the United Kingdom and China. Our primary markets for private label are North America and Europe. Our products are distributed primarily through club, food, drug, mass, convenience, e-commerce and food service channels. We are also available in a variety of on-premise locations such as corporate offices, fitness clubs, airports and educational institutions.

Key Factors Affecting Our Performance

We believe that our performance and future success depend on a number of factors that present significant opportunities for us. Just prior to our second quarter earnings release, we reached agreement with one of our major customers to start to discontinue the private label coconut water and coconut oil supply relationship as the terms required to retain the business were contrary to the Company's long term margin targets. At the request of this private label customer, the Company now expects to continue the supply relationship through 2024 for a significant portion of their private label coconut water needs (as disclosed in Note 7). Other than this change in business and the changes noted below in "Impact of Global Events Causing Macroeconomic Uncertainty," there have been no material changes to such factors from those described in the Form 10-K under the heading "Key Factors Affecting our Performance." Performance" and the changes noted below in "Impact of Global Events Causing Macroeconomic Uncertainty." Those factors also pose risks and challenges, including those discussed in Part I, Item 1A. "Risk Factors" of the Form 10-K.

Impact of Global Events Causing Macroeconomic Uncertainty

Uncertainty in the macroeconomic environment resulting from current geopolitical and economic instability (including the effects of current wars and other international conflicts) and the high interest rate and inflationary cost environment may affect our business. It is not currently possible to ascertain the overall impact of these macroeconomic uncertainties on the Company's business, results of operations, financial condition or liquidity. Future events and effects related to these macroeconomic uncertainties cannot be determined with precision and actual results could significantly differ from estimates or forecasts. For a further discussion of the risks and challenges posed by these events, please see Part I, Item 1A. "Risk Factors" in our Form 10-K.

Components of Our Results of Operations

Net Sales

We generate revenue through the sale of our Vita Coco branded coconut water, private label and Other products in the Americas and International segments. Our sales are predominantly made to distributors or to retailers for final sale to consumers through retail channels, which includes sales to traditional brick and mortar retailers, who may also resell our products through their own online platforms. Our revenue is recognized net of allowances for returns, discounts, credits, and any taxes collected from consumers.

The Company provides trade promotions and sales discounts to its customers and distributors. Since these sales promotions and sales discounts do not meet the criteria for a distinct good or service, they are primarily accounted for as a reduction of revenue and include payments to customers and distributors for performing activities on our behalf, such as payments for in-store displays, payments to gain distribution of new products, payments for shelf space and discounts to promote lower retail prices. These condensed consolidated financial statements include accruals for these promotion and discounts. The accruals are made for invoices that have not yet been received as of the end of the reporting period and are recorded as a reduction of sales, and are based on contract terms and our historical experience with similar programs and require management judgment with respect to estimating customer and consumer participation and performance levels.

Cost of Goods Sold

Cost of goods sold includes the costs of the products sold to customers, inbound and outbound shipping and handling costs, freight and duties, shipping and packaging supplies, and warehouse fulfillment costs.

Gross Profit and Gross Margin

Gross profit is net sales less cost of goods sold, and gross margin is gross profit as a percentage of net sales. Gross profit has been, and will continue to be, affected by various factors, including the mix of products we sell, the channels through which we sell our products, the promotional environment in the marketplace, manufacturing costs, commodity prices, warehouse costs, and transportation rates. We expect that our gross margin will fluctuate from period to period depending on the interplay of these variables.

Management believes gross margin provides investors with useful information related to the profitability of our business prior to considering the operating costs incurred. Management uses gross profit and gross margin as key measures in making financial, operating, and planning decisions and in evaluating our performance.

Operating Expenses

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") include marketing expenses, sales promotion promotional expenses, and general and administrative expenses. Marketing and sales promotion promotional expenses consist primarily of costs incurred promoting and marketing our products and are primarily driven by investments to grow our business and retain customers. We expect SG&A to increase in absolute dollars and to vary from period to period as a percentage of net sales for the foreseeable future. General and administrative expenses include payroll, employee benefits, stock-based compensation, broker commissions and other headcount-related expenses associated with supply chain & operations, finance, information technology, human resources and other administrative-related personnel, as well as general overhead costs of the business, including research and development for new innovations, rent and related facilities and maintenance costs, depreciation and amortization, and legal, accounting, and professional fees. We expense all SG&A as incurred.

Other Income (Expense), Net

Unrealized Gain/(Loss) on Derivative Instruments

We are subject to foreign currency risks as a result of our inventory purchases and intercompany transactions. In order to mitigate the foreign currency risks, we and our subsidiaries enter into foreign currency exchange contracts which are recorded at fair value. Unrealized gain/(loss) on derivative instruments consists of gains or losses on such foreign currency exchange contracts which are unsettled as of period end. See Part I, Item 3 "Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Exchange Risk" for further information.

Foreign Currency Gain/(Loss)

Our reporting currency is the U.S. dollar. We maintain the financial statements of each entity within the group in its local currency, which is also the entity's functional currency. Foreign currency gain/(loss) represents the transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency. See "—Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Exchange Risk" for further information.

Interest Income

Interest income consists of interest income earned on our cash and cash equivalents, and money market funds.

Interest Expense

Interest expense consists of interest payable on our credit facilities and vehicle loans.

Income Tax Expense

We are subject to federal and state income taxes in the United States and taxes in foreign jurisdictions in which we operate. We recognize deferred tax assets and liabilities based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. We regularly assess the need to record a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Operating Segments

We operate in two reporting segments:

- **Americas**—The Americas segment is comprised of our operations in the Americas region, primarily in the United States and Canada.
- **International**—The International segment is comprised of our operations primarily in Europe, the Middle East, and the Asia Pacific regions, which includes the Company's procurement arm.

Each segment derives its revenues from the following product categories:

- **Vita Coco Coconut Water**—This product category consists of all branded coconut water product offerings under the *Vita Coco* labels, where the majority ingredient is coconut water. For these products, control is transferred upon customer receipt, at which point the Company recognizes the transaction price for the product as revenue.
- **Private Label**—This product category consists of all private label product offerings, which includes coconut water and oil. The Company determined the production and distribution of private label products represents a distinct performance obligation. Since there is no alternative use for these products and the Company has the right to payment for performance completed to date, the Company recognizes the revenue for the production of these private label products over time as the production for open purchase orders occurs, which may be prior to any shipment.
- **Other**—This product category consists of all other products, which includes *Runa* (until we ceased selling it in December 2023), *Ever & Ever* and *PWR LIFT* product offerings, *Vita Coco* product extensions beyond coconut water, coconut milk products, and other revenue transactions (e.g., bulk product sales). For these products, control is transferred upon customer receipt, at which point the Company recognizes the transaction price for the product as revenue.

Results of Operations

Comparison of the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023

The following table summarizes our results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023, respectively:

(in thousands)	(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022

(in thousands)		2024		2024	
Net sales					
Net sales					
Net sales	Net sales	\$ 138,064	\$ 124,043	\$ 387,468	\$ 335,796
Cost of goods sold	Cost of goods sold	81,893	91,467	246,542	254,868
Cost of goods sold					
Cost of goods sold					
Gross profit					
Gross profit					
Gross profit	Gross profit	56,171	32,576	140,926	80,928
Operating expenses	Operating expenses				
Operating expenses					
Operating expenses					
Selling, general, and administrative					
Selling, general, and administrative					
Selling, general, and administrative	Selling, general, and administrative	32,649	23,960	89,855	73,018
Income (loss) from operations	Income (loss) from operations	23,522	8,616	51,071	7,910
Income (loss) from operations					
Income (loss) from operations					
Other income (expense)					
Other income (expense)					
Other income (expense)	Other income (expense)				
Unrealized gain/(loss) on derivative instrument	Unrealized gain/(loss) on derivative instrument	(3,959)	952	(1,758)	6,416
Unrealized gain/(loss) on derivative instrument					
Unrealized gain/(loss) on derivative instrument					
Foreign currency gain/(loss)					
Foreign currency gain/(loss)					
Foreign currency gain/(loss)	Foreign currency gain/(loss)	(1,211)	(364)	(430)	(508)
Interest income	Interest income	824	20	1,105	30
Interest income					
Interest income					
Interest expense					
Interest expense	Interest expense	(1)	(130)	(31)	(213)
Total other income (expense)	Total other income (expense)	(4,347)	478	(1,114)	5,725
Total other income (expense)					
Income before income taxes					
Income before income taxes					

Income before income taxes	Income before income taxes	19,175	9,094	49,957	13,635
Income tax expense	Income tax expense	(4,011)	(1,836)	(10,101)	(3,011)
Income tax expense					
Income tax expense					
Net income	Net income	\$ 15,164	\$ 7,258	\$ 39,856	\$ 10,624
Net income					
Net income					

Net Sales

The following table provides a comparative summary of net sales by operating segment and product category:

(in thousands)	(in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change		
		2023	2022	Amount	Percentage	2023	2022	Amount	Percentage	
(in thousands)										
2024										
Americas segment										
Americas segment										
Americas segment	Americas segment									
Vita Coco	Vita Coco									
Coconut Water	Coconut Water	\$ 89,683	\$ 82,643	\$ 7,040	8.5 %	\$ 253,825	\$ 217,934	\$ 35,891	16.5 %	
Vita Coco Coconut Water										
Vita Coco Coconut Water										
Private Label	Private Label									
Private Label	Private Label	28,257	24,786	3,471	14.0 %	77,366	68,413	8,953	13.1 %	
Other	Other	2,706	1,367	1,339	98.0 %	7,490	7,553	(63)	(0.8 %)	
Other	Subtotal	120,646	108,796	11,850	10.9 %	338,681	293,900	44,781	15.2 %	
International segment	International segment									
International segment										
International segment										
Vita Coco	Vita Coco									
Coconut Water	Coconut Water	11,350	10,637	\$ 714	6.7 %	33,628	30,110	\$ 3,518	11.7 %	
Private Label	Private Label	5,421	3,810	1,612	42.3 %	13,140	9,521	3,619	38.0 %	
Private Label	Subtotal									
Private Label	Subtotal	\$ 17,418	\$ 15,247	\$ 2,171	14.2 %	\$ 48,787	\$ 41,896	\$ 6,891	16.4 %	
Other	Subtotal									
Other	Subtotal									
Other	Other	647	800	(153)	(19.1) %	2,019	2,265	(246)	(10.9) %	
Subtotal	Subtotal	\$ 17,418	\$ 15,247	\$ 2,171	14.2 %	\$ 48,787	\$ 41,896	\$ 6,891	16.4 %	
Subtotal										
Subtotal										
Total net sales	Total net sales	\$ 138,064	\$ 124,043	\$ 14,021	11.3 %	\$ 387,468	\$ 335,796	\$ 51,672	15.4 %	

Total net sales
Total net sales

For the three months ended **September 30, 2023** **March 31, 2024**, the primary driver of the consolidated net sales increase of **11.3%** **1.8%** was increased case equivalents ("CE") a 6.2% increase in private label sales with volume growth of 12.2%, which was along with a 0.6% net sales increase in Vita Coco Coconut Water due to net pricing actions and changes in promotion timings compared to prior year, partially offset by decreased price/mix CE volume decline of private label products. For the nine months ended **September 30, 2023**, the net sales increase of **15.4%**, was driven by increased case equivalents ("CE") volume growth of 12.9% coupled with net pricing actions on branded net sales, which were partially offset by price/mix of private label products **4.3%**.

Volume in Case Equivalent

The following table provides a comparative summary of the percentage change in our volume in CE for the three months ended March 31, 2024 compared to the three months ended March 31, 2023, by operating segment and product category:

(in thousands)	Three Months				Nine Months				Percent Change Three Month Ende March 2024 v. 2023	
	Ended September		Ended September							
	30,	Change	30,	Change	30,	2022	Amount	Percentage		
	2023	2022	Amount	Percentage	2023	2022	Amount	Percentage		
Americas segment										
Percentage Change - Three Months Ended March 31, 2024 vs. 2023										
Americas										
Vita Coco	Vita Coco		Vita Coco		Vita Coco		Vita Coco		Americas	
Coconut Water	Coconut Water	9,234	8,670	564	6.5 %	26,511	23,269	3,242		
Private Label	Private Label	3,185	2,346	839	35.8 %	8,454	7,213	1,241	17.2 %	
Other	Other	265	200	65	32.5 %	714	1,092	(378)	(34.6) %	
Subtotal		12,684	11,216	1,468	13.1 %	35,679	31,574	4,105	13.0 %	
International segment*										
Vita Coco Coconut Water										
Private Label	725	492	233	47.3 %	1,766	1,326	440	33.2 %	International	
Other	10	13	(3)	(23.5 %)	46	38	8	20.9 %		
Subtotal		2,239	2,086	153	7.3 %	6,477	5,776	701	12.1 %	
Total volume (CE)	Total volume (CE)	14,923	13,302	1,621	12.2 %	42,156	37,350	4,806	12.9 %	Total volume (CE) (2.0) % 7.8 % (0.5) %

Note: A CE is a standard volume measure used by management, which is defined as a case of 12 bottles of 330ml liquid beverages or the same liter volume of oil.

* International. Other excludes minor volume that is treated as zero CFS.

Americas Segment

Americas net sales increased decreased by \$11.9 million \$0.7 million, or 10.9% 0.7%, to \$120.6 million \$96.1 million for the three months ended September 30, 2023 March 31, 2024 from \$108.8 million \$96.8 million for the three months ended September 30, 2022 March 31, 2023. The increase decrease is primarily driven by CE volume growth decline of 13.1% 2.0%, which was partially offset by private label price/mix. Americas net sales increased by \$44.8 million, or 15.2%, to \$338.7 million for the nine months ended September 30, 2023 from \$293.9 million for the nine months ended September 30, 2022. The increase is primarily driven by CE volume growth of 13.0%, benefiting from an additional promotional period at a key retailer for Vita Coco Coconut Water products, along with benefits from branded pricing actions which were partially offset by private label price/mix. mix benefits.

Vita Coco Coconut Water net sales increased by \$7.0 million \$0.4 million, or 8.5% 0.6%, to \$89.7 million \$69.5 million for the three months ended September 30, 2023 March 31, 2024, from \$82.6 million \$69.1 million for the three months ended September 30, 2022 March 31, 2023. The increase was primarily the result of net pricing benefits driven by changes in promotional timing, offset by CE volume growth decline of 6.5%, alongside benefits from pricing actions. Vita Coco Coconut Water net sales increased by \$35.9 million, or 16.5%, to \$253.8 million for the nine months ended September 30, 2023, from \$217.9 million for the nine months ended September 30, 2022 3.4%. The increase was primarily driven by CE volume growth of 13.9%, which included an additional promotional period at a key retailer, with pricing actions also contributing to growth.

Private label net sales increased \$3.5 million decreased \$0.8 million, or 14.0% 3.1%, to \$28.3 \$24.3 million for the three months ended September 30, 2023 March 31, 2024, from \$24.8 \$25.1 million for the three months ended September 30, 2022 March 31, 2023, mostly driven by CE volume growth of 35.8% 3.8%, which was partially offset by product price/mix. Private label net sales increased \$9.0 million, or 13.1%, to \$77.4 million for the nine months ended September 30, 2023, from \$68.4 million for the nine months ended September 30, 2022, mostly driven by CE volume growth of 17.2% in addition to the aforementioned price/mix impacts. changes.

Net sales from Other products increased by \$1.3 million, or 98.0%, to \$2.7 million for the three months ended September 30, 2023 from \$1.4 million for the three months ended September 30, 2022, driven in part by CE volume growth of 32.5% coupled with price/mix benefits. Net sales from Other products decreased by \$0.1 million \$0.3 million, or 0.8% 11.1%, to \$7.5 million \$2.3 million for the nine three months ended September 30, 2023 March 31, 2024 from \$7.6 million \$2.6 million for the nine three months ended September 30, 2022.

March 31, 2023, driven by a CE volume decline of 25.5% partially offset by price/mix benefits.

International Segment

International net sales increased by \$2.2 million \$2.6 million, or 14.2% 20.2%, to \$17.4 million \$15.6 million for the three months ended September 30, 2023 March 31, 2024, from \$15.2 million \$13.0 million for the three months ended September 30, 2022 March 31, 2023. The increase is primarily driven by price/mix benefits coupled with CE volume growth of 7.3% coupled with some benefits from pricing actions. International net sales increased by \$6.9 million, or 16.4%, to \$48.8 million for the nine months ended September 30, 2023, from \$41.9 million for the nine months ended September 30, 2022 7.8%. The increase is primarily driven by higher CE volume growth of 12.1% with some benefits from pricing actions.

Vita Coco Coconut Water net sales increased by \$0.7 million \$0.1 million, or 6.7% 1.1%, to \$11.3 million \$9.7 million for the three months ended September 30, 2023 March 31, 2024, from \$10.6 million \$9.6 million for the three months ended September 30, 2022 March 31, 2023. The increase was driven primarily by Europe which had strong volume and net sales performance, in Europe, coupled with more favorable year over year foreign exchange rates, which were partly partially offset by reduced volume lower volumes in the Asia Pacific region. Vita Coco Coconut Water net sales increased by \$3.5 million, or 11.7%, to \$33.6 million for the nine months ended September 30, 2023, from \$30.1 million for the nine months ended September 30, 2022. The increase was due to CE volume growth of 5.7%, primarily driven by the European region, alongside more favorable year over year foreign exchange rates and some benefits from pricing actions.

Private label net sales increased by \$1.6 million \$2.5 million, or 42.3% 93.3%, to \$5.4 \$5.2 million for the three months ended September 30, 2023 March 31, 2024 from \$3.8 million \$2.7 million for the three months ended September 30, 2022 March 31, 2023. The increase was driven primarily by CE volume growth in Europe from new distribution. Private label net sales increased by \$3.6 million or 38.0%, distribution in addition to \$13.1 million for the nine months ended September 30, 2023, from \$9.5 million for the nine months ended September 30, 2022. The increase was driven primarily by CE strong volume growth in Europe, the Asia Pacific region.

Net sales from Other products was relatively flat on a dollar basis for the three and nine months ended September 30, 2023 March 31, 2024 compared to the prior year periods. period.

Gross Profit

(in thousands)	(in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change		
		2023	2022	Amount	Percentage	2023	2022	Amount	Percentage	
(in thousands)										
2024										
2024										
Cost of goods sold										
Cost of goods sold										
Cost of goods sold	Cost of goods sold									
Americas segment	Americas segment	\$ 70,437	\$ 78,516	\$ (8,079)	(10.3) %	\$ 214,214	\$ 220,615	\$ (6,401)	(2.9) %	
Americas segment	Americas segment									
Americas segment	Americas segment									
International segment	International segment									
International segment	International segment									
International segment	International segment	11,456	12,951	(1,495)	(11.5) %	32,328	34,253	(1,925)	(5.6) %	
Total cost of goods sold	Total cost of goods sold	\$ 81,893	\$ 91,467	\$ (9,574)	(10.5) %	\$ 246,542	\$ 254,868	\$ (8,326)	(3.3) %	
Total cost of goods sold	Total cost of goods sold									
Gross profit	Gross profit									

Gross profit											
Gross profit		Gross profit									
Americas segment	Americas segment	\$ 50,208	\$ 30,279	\$ 19,929	65.8 %	\$ 124,466	\$ 73,285	\$ 51,181	69.8 %		
Americas segment											
Americas segment											
International segment											
International segment											
International segment	International segment	5,963	2,297	3,666	159.6 %	16,460	7,643	8,817	115.4 %		
Total gross profit	Total gross profit	\$ 56,171	\$ 32,576	\$ 23,595	72.4 %	\$ 140,926	\$ 80,928	\$ 59,998	74.1 %		
Total gross profit											
Total gross profit											
Gross margin											
Gross margin		Gross margin									
Americas segment	Americas segment	41.6 %	27.8 %		13.8 %	36.8 %	24.9 %		11.9 %		
Americas segment											
Americas segment											
International segment											
International segment	International segment	34.2 %	15.1 %		19.2 %	33.7 %	18.2 %		15.5 %		
Consolidated	Consolidated	40.7 %	26.3 %		14.4 %	36.4 %	24.1 %		12.3 %		
Consolidated											
Consolidated											

On a consolidated basis, cost of goods sold decreased **\$9.6 million** **\$11.6 million**, or **10.5% 15.2%**, to **\$81.9 million** **\$64.5 million** for the three months ended **September 30, 2023** **March 31, 2024**, from **\$91.5 million** **\$76.1 million** for the three months ended **September 30, 2022**. Cost of goods sold decreased **\$8.3 million**, or **3.3%**, to **\$246.5 million** for the nine months ended **September 30, 2023**, from **\$254.9 million** for the nine months ended **September 30, 2022** **March 31, 2023**. On a consolidated and segment basis, the decreases in both periods were **decrease** is primarily driven by **related to** significantly lower transportation costs, relating to ocean freight and domestic logistics, **which were partly offset by** **higher** in addition to lower finished goods costs along with a slight volume CE volume, **decline of 0.5%**.

On a consolidated basis, gross profit increased **\$23.6 million** **\$13.5 million**, or **72.4% 40.2%**, to **\$56.2 million** **\$47.2 million** for the three months ended **September 30, 2023** **March 31, 2024**, from **\$32.6 million** **\$33.7 million** for the three months ended **September 30, 2022** **March 31, 2023**. Gross profit increased **\$60.0 million**, or **74.1%**, to **\$140.9 million** for the nine months ended **September 30, 2023**, from **\$80.9 million** for the nine months ended **September 30, 2022**. This was a result of strong CE volume growth, benefits from branded pricing actions and decreased transportation costs. As a result, gross margin increased approximately **14.4% 11.5%** percentage points to **40.7%**.

42.2% for the three months ended **September 30, 2023** **March 31, 2024**, as compared to **26.3% 30.7%** for the three months ended **September 30, 2022** **March 31, 2023**. These increases resulted from lower global transportation costs and increased elevated **Vita Coco** **Coconut Water** net pricing, partially offset by approximately **12.3%** percentage points to **36.4%** for the nine months ended **September 30, 2023**, as compared to **24.1%** for the nine months ended **September 30, 2022**. mix effects within private label products.

Operating Expenses

(in thousands)	(in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September		Change		
		2023	2022	Amount	Percentage	30,	2023	2022	Amount	
(in thousands)										
2024										
2024										
Selling, general, and administrative	Selling, general, and administrative	\$ 32,649	\$ 23,960	\$ 8,689	36.3 %	89,855	73,018	16,837	23.1 %	
Selling, general, and administrative										

Selling, general, and administrative

Selling, General and Administrative Expenses

During the three months ended **September 30, 2023** **March 31, 2024**, SG&A increased by **\$8.7** **\$1.3** million, or **36.3%** **4.7%**, versus the three months ended **September 30, 2022** **March 31, 2023**. The increase was primarily driven by an increase of **\$5 million** **\$1.9** million in personnel related expenses and a **\$4 million** increase in marketing expenses. During the **nine** three months ended **September 30, 2023**, SG&A increased by **\$16.8** million, or **23.1%**, **March 31, 2024** versus the **nine** months ended **September 30, 2022**. The increase was primarily driven prior year comparable period, partially offset by an increase of **\$9 million** **\$0.4** million in personnel related lower distribution buyout expenses and an increase of **\$7 million** in marketing expenses, along with an increase of **\$1 million** in professional fees due to **\$0.3 million** less bad debt expense compared to costs related to the Offering which closed on May 26, 2023 (refer to Note 10, Shareholder's Equity). prior year.

Other Income (Expense), Net

(in thousands)		Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change		
		(in thousands)	2023	2022	Amount	Percentage	2023	2022	Amount	Percentage
(in thousands)										
2024										
Unrealized gain/(loss) on derivative instruments										
Unrealized gain/(loss) on derivative instruments										
Unrealized gain/(loss) on derivative instruments	Unrealized gain/(loss) on derivative instruments	\$ (3,959)	\$ 952	\$ (4,911)			n/m \$ (1,758)	\$ 6,416	\$ (8,174)	n/m
Foreign currency gain/(loss)	Foreign currency gain/(loss)	(1,211)	(364)	(847)			n/m \$ (430)	(508)	78	n/m
Foreign currency gain/(loss)										
Interest income										
Interest income	Interest income	824	20	804			n/m \$ 1,105	30	1,075	n/m
Interest expense	Interest expense	(1)	(130)	129	99.2 %	\$ (31)	(213)	182	(85.4 %)	
		\$ (4,347)	\$ 478	\$ (4,825)	1009.4 %	\$ (1,114)	\$ 5,725	\$ (6,839)	(119.5 %)	
Interest expense										
Interest expense										
		\$								
		\$								
		\$								

n/m—represents percentage calculated not being meaningful

Unrealized Gain/(Loss) on Derivative Instruments

For the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, we recorded losses of **\$4.0 million** **\$2.5 million** and gains of **\$1.0 million** **\$1.2 million**, respectively, for the mark-to-market changes in fair value on the outstanding derivative instruments for forward foreign currency exchange contracts, with the largest loss for the three months ended **September 30, 2023** **March 31, 2024** related to the contracts hedging the **British pound BRL** and **Brazilian real**. During the nine months ended **September 30, 2023** **THB**, and **2022**, we recorded losses of **\$1.8 million** and gains of **\$6.4 million**, respectively, for the mark-to-market changes in fair value partly offset by gain on the outstanding derivative instruments for forward foreign currency exchange contracts, with the largest loss for the nine months ended **September 30, 2023** related to the contracts hedging the **British pound** and **Brazilian real**. All forward foreign currency exchange contracts were entered into to hedge some of our exposures to the **British pound**, **Canadian dollar**, **Brazilian real**, **Malaysian ringgit**, **European euro** and **Thai baht**, **GBP hedges**.

Foreign Currency Gain/(Loss)

For the three months ended **September 30, 2023** **March 31, 2024**, the change in foreign currency loss was **\$847** **\$553** as compared to **September 30, 2022**. Foreign currency loss was **\$0.4** million for the nine months ended **September 30, 2023**, as compared to **\$0.5** million loss for the nine months ended **September 30, 2022** **March 31, 2023**. The change in all periods was a result of movements in various foreign currency exchange rates related to transactions denominated in currencies other than the functional currency.

Interest Income

The increase in interest income for the three and nine months ended **September 30, 2023** **March 31, 2024** compared to the same prior year period was primarily related to interest income on cash invested with financial institutions, reflecting improved institutions. The cash balances and interest rates versus prior periods, investment program was not in operation during the first quarter of 2023.

Interest Expense

Interest The change in interest expense decreased for the three and nine months ended September 30, 2023 compared to the same prior year period, which was driven by the decreased borrowings on the 2020 Credit Facility, is immaterial.

Income Tax Expense

(in thousands)	(in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change		
		2023	2022	Amount	Percentage	2023	2022	Amount	Percentage	
(in thousands)										
2024										
2024										
Income tax expense										
Income tax expense										
Income tax expense	Income tax expense	(4,011)	(1,836)	\$ (2,175)	118.5 %	(10,101)	\$ (3,011)	\$ (7,090)	235.5 %	
Tax rate	Tax rate	20.9 %	20.2 %			20.2 %	22.1 %			
Tax rate										
Tax rate										

Our quarterly income tax provision is based on an estimated annual effective tax rate applied to our consolidated year-to-date pre-tax income or loss. The effective income tax rate is based upon the estimated income for the year, the composition of that income in different countries, and adjustments, if any, in the applicable quarterly periods for the potential tax consequences, benefits, resolutions of tax audits or other tax contingencies.

For the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** our effective tax rate was **20.9%** **21.0%** and **20.2%**, respectively. For the nine months ending **September 30, 2023**, and **September 30, 2022**, our effective tax rate was **20.2%** and **22.1%**, **21.4%** respectively. The effective tax rate for the current period is lower than the U.S. statutory rate of 21% primarily as a result of lower statutory tax rates in countries outside the U.S. that the Company operates in and the corresponding credits available from those taxing jurisdictions to offset U.S. income tax. The effective tax rate for the same period in the prior year is higher than consistent with the U.S. statutory rate of 21% primarily as a result of state income taxes for the U.S. operations of the Company company and other nondeductible expenses for tax purposes, and is partially offset by lower statutory tax rates in countries outside the U.S. **that where** the Company operates in. The change in effective tax rates between the periods is primarily driven by the jurisdictional mix of the Company's pre-tax profits and the relative impact of other non-deductible expense in relation to the pre-tax profits.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA are supplemental non-GAAP financial measures that are used by management and external users of our financial statements, such as industry analysts, investors and lenders. These non-GAAP measures should not be considered as alternatives to net income as a measure of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP and should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

These non-GAAP measures are a key metric used by management and our Board of **Director** **Directors** to assess our financial performance. We present these non-GAAP measures because we believe they assist investors in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance and because we believe it is useful for investors to see the measures that management uses to evaluate the Company.

We define EBITDA as net income before interest, taxes, depreciation, and amortization. Adjusted EBITDA is defined as EBITDA with adjustments to eliminate the impact of certain items, including certain non-cash and other items, that we do not consider representative of our ongoing operating performance.

A reconciliation from net income to EBITDA and Adjusted EBITDA is set forth below:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024
	(in thousands)		
	(in thousands)		
Net income			
Net income			
Net income			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization			
Interest income			
Interest income			
Interest income			
Interest expense			
Interest expense			
Interest expense			
Income tax expense			
Income tax expense			
Income tax expense			
EBITDA			
EBITDA			
EBITDA			
Stock-based compensation (a)			
Stock-based compensation (a)			
Stock-based compensation (a)			
Unrealized (gain)/loss on derivative instruments (b)			
Unrealized (gain)/loss on derivative instruments (b)			
Unrealized (gain)/loss on derivative instruments (b)			
Foreign currency (gain)/loss (b)			
Foreign currency (gain)/loss (b)			
Foreign currency (gain)/loss (b)			
	Three Months Ended September 30,	Nine Months Ended September 30,	
Adjusted EBITDA	2023	2022	2023
	(in thousands)		
Net income	15,164	7,258	39,856
Depreciation and amortization	163	497	503
Interest income	(824)	(20)	(1,105)
Interest expense	1	130	31
Income tax expense	4,011	1,836	10,101
EBITDA	18,515	9,701	49,386
Stock-based compensation (a)	2,862	1,457	7,126

Unrealized (gain)/loss on derivative instruments (b)	3,959	(952)	1,758	(6,416)
Foreign currency (gain)/loss (b)	1,211	364	430	508
Secondary Offering Costs (c)	—	—	856	—
Other adjustments (d)	329	1,240	329	1,240
Adjusted EBITDA	Adjusted EBITDA			
	\$ 26,876	\$ 11,810	\$ 59,885	\$ 16,249

Adjusted EBITDA

(a) Non-cash charges related to stock-based compensation, which vary from period to period depending on volume and vesting timing of awards. We adjusted for these charges to facilitate comparison from period to period.

(b) Unrealized gains or losses on derivative instruments and foreign currency gains or losses are not considered in our evaluation of our ongoing performance.

(c) Reflects other non-recurring expenses related to costs associated with the secondary offering in which Verlinvest Beverages SA sold shares of the Company in an underwritten public offering, which closed on May 26, 2023. The Company did not receive any proceeds from the sale of the shares.

(d) Reflects other charges primarily related to the impairment loss related to assets held for sale in both periods and other non-recurring expenses.

Liquidity and Capital Resources

Since our inception, we have financed our operations primarily through cash generated from our business operations and proceeds on borrowings through our credit facilities and term loans. We had **\$94.9 million** **\$123.0 million** and **\$19.6 million** **\$132.5 million** of cash and cash equivalents as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. From time to time, we may supplement our liquidity needs with incremental borrowing capacity under the 2020 Credit Facility.

Considering recent market conditions and our business assumptions, we have reevaluated our operating cash flows and cash requirements and believe that current cash, cash equivalents, future cash flows from operating activities and cash available under our 2020 Credit Facility will be sufficient to meet our anticipated cash needs, including working capital needs, capital expenditures and contractual obligations for at least 12 months from the issuance date of the condensed consolidated financial statements included herein and the foreseeable future.

Our future capital requirements will depend on many factors, including our revenue growth rate, our working capital needs primarily for inventory build, our global footprint, the expansion of our marketing activities, the timing and extent of spending to support product development efforts, the introduction of new and enhanced products and the continued market consumption of our products, as well as any shareholder distribution either through equity buybacks or dividends. Our asset-lite operating model has historically provided us with a low cost, nimble, and scalable supply chain, which allows us to adapt to changes in the market or consumer preferences while also efficiently introducing new products across our platform. We may seek additional equity or debt financing in the future in order to acquire or invest in complementary businesses, products and/or new IT infrastructures. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued product innovation, we may not be able to compete successfully, which would harm our business, operations and financial condition.

Cash Flows

The following tables summarize our sources and uses of cash:

	Nine Months Ended September 30,		Change	
	2023	2022	Amount	Percentage
(in thousands)				
Cash flows provided by (used in):				
Operating activities	\$ 70,003	\$ (18,181)	\$ 88,184	n/m
Investing activities	(528)	(907)	379	41.8 %
Financing activities	5,897	12,153	(6,256)	(51.5 %)
Effects of exchange rate changes on cash and cash equivalents	212	(544)	756	(139.0 %)
Net (decrease)/increase in cash and cash equivalents	\$ 75,584	\$ (7,479)	\$ 83,063	1110.6 %

n/m—represents percentage calculated not being meaningful

	Three Months Ended March 31,		Change	
	2024	2023	Amount	Percentage
(in thousands)				
Cash flows provided by (used in):				

Operating activities	\$ (267)	\$ 9,436	\$ (9,703)	102.8 %
Investing activities	(124)	(449)	325	72.4 %
Financing activities	(9,086)	597	(9,683)	(1621.9 %)
Effects of exchange rate changes on cash and cash equivalents	(80)	187	(267)	(142.8 %)
Net (decrease)/increase in cash and cash equivalents	\$ (9,557)	\$ 9,771	\$ (19,328)	197.8 %

Operating Activities

Our main source of operating cash is payments received from our customers. Our primary use of cash in operating activities are for cost of goods sold and SG&A expenses.

During the **nine** three months ended **September 30, 2023** **March 31, 2024**, **\$88.2 million more** **\$9.7 million less** net cash was generated by operating activities compared to the **nine** three months ended **September 30, 2022** **March 31, 2023**. The **higher** **lower** cash generation was **driven** due to **increases in working capital, partly offset by the an** increase in net income after adjusting for any non-cash items, primarily reflecting higher sales and improvements in working capital, **adjustments**.

Investing Activities

During the **nine** three months ended **September 30, 2023** as compared to nine months ended **September 30, 2022** **March 31, 2024**, cash used in investing activities **decreased** **driven by** was **\$0.1 million** as compared to **\$0.4 million** for the three months ended **March 31, 2023**, due to less cash paid for property and equipment.

Financing Activities

During the **nine** three months ended **September 30, 2023** **March 31, 2024** compared to the **nine** three months ended **September 30, 2022** **March 31, 2023**, net cash **provided** **used** by financing activities was **\$6.3 million lower** **\$9.7 million higher** primarily driven by **lower borrowings on the 2020 Credit Facility during 2023 compared to 2022**, **share repurchases that occurred in January 2024**. See Note 10, *Stockholders' Equity*, for further discussion.

Debt

We had an immaterial amount of debt outstanding as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, which was related to vehicle loans.

Revolving Credit Facility

In May 2020, the Company entered into the 2020 Credit Facility.

The 2020 Credit Facility which currently provides for committed borrowings of **\$60.0 million** **\$60 million**. We may repay outstanding balances under The maturity date on the 2020 Credit Facility at any time without premium or penalty. In is May 12, 2026.

Starting in December 2022, the Company amended the 2020 Credit Facility to transition the interest rate from reference to LIBOR to SOFR. Borrowings on the 2020 Credit Facility bear interest at rates based on either: 1) a fluctuating rate per annum determined to be the sum of Daily Simple SOFR plus a spread defined in the credit agreement; or 2) a fixed rate per annum determined to be the sum of the Term SOFR plus the Spread. The Spread ranges from 1.00% to 1.75%, which is based on the Company's leverage ratio (as defined in the credit agreement) for the immediately preceding fiscal quarter as defined in the credit agreement. In addition, the Company is currently subject to an unused commitment fee ranging from 0.10% and 0.20% on the unused amount of the line of credit, with the rate being based on the Company's leverage ratio. The maturity date on ratio (as defined in the 2020 Credit Facility is May 12, 2026 credit agreement).

The borrowings made before the December 2022 amendment bore interest at rates based on either: 1) LIBOR; or 2) a specified base rate (determined by reference to the greatest of the prime rate published by Wells Fargo, the federal funds effective rate plus 1.5% and one-month LIBOR plus 1.5%), as selected periodically by the Company. The LIBOR-based loans bore interest at LIBOR plus the Spread. The unused commitment fee prior to amendment was the same.

The outstanding balance on the 2020 Credit Revolving Facility was zero as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. As of **September 30, 2023** **March 31, 2024**, we were compliant with all financial covenants.

Vehicle Loans

We periodically enter into vehicle loans. Interest rates on these vehicle loans range from 4.56% to 5.68%. The outstanding balance on the vehicle loans as of **September 30, 2023** **March 31, 2024** was less than \$0.1 million.

For additional information, see Note 6, *Debt*, in our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Contractual Obligations and Commitments

There have been no material changes to our contractual obligations from those described in the Form 10-K.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates" in the Form 10-K and the notes to the unaudited condensed consolidated financial statements appearing in this Quarterly Report on Form 10-Q. During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, there were no material changes to our critical accounting policies from those discussed in the Form 10-K.

Recent Accounting Pronouncements

A description of recently adopted and issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2, *Summary of Significant Accounting Policies*, to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities.

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the outstanding amounts related to our 2020 Credit Facility incur interest fees at variable interest rates and are affected by changes in the general level of market interest rates. However, there was zero outstanding balance on the 2020 Credit Facility as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

Foreign Currency Exchange Risk

We transact business globally in multiple currencies and hence have foreign currency risks related to our net sales, cost of goods sold and operating expenses. We use derivative financial instruments to reduce our net exposure to foreign currency fluctuations. Our objective in managing exposure to foreign currency fluctuations is to reduce the volatility caused by foreign exchange rate changes on the earnings, cash flows and financial position of our international operations. We generally target to hedge a majority of our forecasted yearly foreign currency exchange exposure through a 24-month rolling layered approach and leave a portion of our currency forecast floating at spot rate. Our currency forecast and hedge positions are reviewed quarterly. The gains and losses on the forward contracts associated with our balance sheet positions are recorded in "Other income (expense), net" in the condensed consolidated statements of operations appearing elsewhere in this Quarterly Report on Form 10-Q.

The total notional values of our forward exchange contracts were **\$111.2 million** **\$105.0 million** and **\$97.4 million** **\$121.0 million** as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. The derivatives on the forward exchange contracts resulted in an unrealized loss of **\$(1.8)** **\$(2.5)** million for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, and we estimate that a 10% strengthening or weakening of the U.S. dollar would have resulted in an approximately **\$4.6 million** **\$4.1 million** gain or loss.

A portion of our cash and cash equivalents are denominated in foreign currencies. As of **September 30, 2023** **March 31, 2024**, a 1% change in the value of the U.S. dollar compared to foreign currencies would have caused our cash and cash equivalents to decrease or increase by \$0.1 million. As of **December 31, 2022** **December 31, 2023**, a 1% change in the value of the U.S. dollar compared to foreign currencies would have caused our cash and cash equivalents to decrease or increase by \$0.1 million.

Inflation Risk

Inflation generally affects us by increasing our cost of transportation, labor and manufacturing costs. **We** **In** **recent** **years**, **we** **have** **seen** **significant** **inflation** **on** **fluctuating** **transportation** **costs** **compared** **to** **2020** **levels** **caused** **by** **COVID-19** **related** **global** **supply** **chain** **disruptions** **or** **geopolitical** **instability** **and** **more** **general** **inflation** **effects**, **which** **put** **may** **cause** **pressure** **on** **our** **costs** **and** **margins** **related** **to** **economic** **and** **geopolitical** **instability** **margins**. More specifically, we source a large amount of our finished goods from international countries, which exposes us to international supply chain inflation, particularly ocean freight. In the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, **we** **have** **experienced** **a** **reduction** **in** **transportation** **rates** **from** **their** **recent** **peaks**, **but** **general** **inflationary** **pressures** **continue** **to** **increase** **the** **other** **elements** **of** **our** **cost** **of** **goods** **and** **operating** **expenses**.

Credit Risk

We are exposed to concentration of credit risk from our major customers. In the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, sales to two customers represented approximately **51%** **47%** of our consolidated net sales. We have not experienced credit issues with these customers. We maintain provisions for potential credit losses and evaluate the solvency of our customers on an ongoing basis to determine if additional allowances for doubtful accounts and customer credits need to be recorded. Significant economic disruptions or a slowdown in the economy could result in significant additional charges.

Item 4. Controls and Procedures.

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of disclosure controls and procedures

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of **September 30, 2023** **March 31, 2024**, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended **September 30, 2023** **March 31, 2024** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be involved in various claims and legal proceedings related to claims arising out of our operations. We are not currently a party to any material legal proceedings, including any such proceedings that are pending or threatened, of which we are aware.

Item 1A. Risk Factors.

Please refer to Part I, Item 1A, **Risk Factors** in our Annual Report on "Risk Factors" of the Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023** for a description of certain significant risks and uncertainties to which our business, financial condition and results of operations are subject. There have been no material changes to these risk factors as of **September 30, 2023** **March 31, 2024**.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None. The Company did not sell any equity securities during the three months ended March 31, 2024 that were not registered under the Securities Act.

The following table provides information regarding repurchases of our Common Stock during the three months ended March 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares That May be Purchased Under the Plans or Programs (In millions)
January 1, 2024 - January 31, 2024	391,544	\$23.59	421,544	\$30.0
February 1, 2024 - February 29, 2024	—	\$—	—	\$—
March 1, 2024 - March 31, 2024	—	\$—	—	\$—

(1) On October 30, 2023, the Company's Board of Directors approved a share repurchase program ("Program") authorizing the Company to repurchase up to \$40 million of Common Stock. Shares of Common Stock may be repurchased under the Program from time to time through open market purchases, block trades, private transactions or accelerated or other structured share repurchase programs. To the extent not retired, shares of Common Stock repurchased under the Program will be placed in the Company's treasury shares. The extent to which the Company repurchases shares of Common Stock and the timing of such repurchases will depend upon a variety of factors, including market conditions, regulatory requirements and other corporate considerations, as determined by the Company. The Program has no time limits, and may be suspended or discontinued at any time. During the three months ended March 31, 2024, the Company repurchased 391,544 shares at a cost of \$9.2 million under this program.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None. Rule 10b5-1 Trading Plans

In accordance with the disclosure requirements set forth in Item 408(a) of Regulation S-K, the following table discloses any officer (as defined in Rule 16a-1(f) under the Exchange Act), director, or entity controlled by such officer or director who adopted a contract, instruction, or written plan for the sale of securities of the Company intended to satisfy the affirmative defense of Rule 10b5-1(c) during the quarterly period ended March 31, 2024:

Name	Title	Action Taken	Date of Action	Duration of Trading		Aggregate Number of Securities to be Sold
				Arrangement		
Jonathan Burth	Chief Operating Officer	Adoption	March 15, 2024	June 14, 2024 to July 31, 2025		Up to 100,000 shares of Common Stock issuable upon exercise of fully vested stock options and up to 40,000 shares of Common Stock
Jane Prior	Chief Marketing Officer	Adoption	March 15, 2024	June 14, 2024 to February 3, 2025		Up to 50,000 shares of Common Stock upon exercise of fully vested stock options
Charles van Es	Chief Sales Officer	Adoption	March 15, 2024	June 14, 2024 to January 31, 2025		Up to 39,675 shares of Common Stock upon exercise of fully vested stock options

Other than as disclosed above, no other officer, director or entity controlled by such officer or director adopted, modified or terminated a contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed / Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Second Amended and Restated Certificate of Incorporation.	8-K	001-40950	3.1	10/25/21	
3.2	Amended and Restated Bylaws.	8-K	001-40950	3.2	10/25/21	
4.1	Specimen Common Stock Certificate of The Vita Coco Company, Inc.	S-1	333-29825	4.1	9/27/21	
4.2	Registration Rights Agreement, by and among The Vita Coco Company, Inc. and certain security holders of The Vita Coco Company, Inc., dated as of October 20, 2021.	8-K	001-40950	10.1	10/25/21	
4.3	Investor Rights Agreement, among The Vita Coco Company, Inc., Verlinvest Beverages SA, Michael Kirban and Ira Liran, dated as of October 20, 2021.	8-K	001-40950	10.2	10/25/21	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.					**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.					**
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*

101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed / Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	<u>Second Amended and Restated Certificate of Incorporation.</u>	8-K	001-40950	3.1	10/25/21	
3.2	<u>Amended and Restated Bylaws.</u>	8-K	001-40950	3.2	10/25/21	
4.1	<u>Specimen Common Stock Certificate of The Vita Coco Company, Inc.</u>	S-1	333-259825	4.1	9/27/21	
4.2+	<u>Registration Rights Agreement, by and among The Vita Coco Company, Inc. and certain security holders of The Vita Coco Company, Inc., dated as of October 20, 2021.</u>	8-K	001-40950	10.1	10/25/21	
4.3+	<u>Investor Rights Agreement, among The Vita Coco Company, Inc., Verlinvest Beverages SA, Michael Kirban and Ira Liran, dated as of October 20, 2021.</u>	8-K	001-40950	10.2	10/25/21	
4.4	<u>Form of Indenture</u>	S-3	333-271583	4.4	5/2/23	
10.1†	<u>Second Amendment to Amended and Restated Employment Agreement, by and between The Vita Coco Company, Inc., and Michael Kirban, dated March 4, 2024</u>	8-K	001-40950	10.1	3/6/24	
10.2+X	<u>Manufacturing and Purchasing Agreement, by and among Century Pacific Food, Inc. and All Market Singapore Pte. Ltd., dated as of March 8, 2024</u>					*
31.1	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).</u>					*
31.2	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).</u>					*
32.1	<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.</u>					**
32.2	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.</u>					**
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*

101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

* Filed herewith.

** Furnished herewith.

†Indicates management contract or compensatory plan.

+ Certain portions of this exhibit (indicated by "#####") have been redacted pursuant to Regulation S-K, Item 601(a)(6).

X Certain portions of this exhibit (indicated by "[**]") have been redacted pursuant to Regulation S-K, Item 601(b)(10)(iv).

SIGNATURES

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 thereunto duly authorized.

THE VITA COCO COMPANY, INC.

Date: November 2, 2023 May 2, 2024

By: _____ /s/ Martin Roper
Martin Roper
Chief Executive Officer and Director
(Principal Executive Officer)

Date: November 2, 2023 May 2, 2024

By: _____ /s/ Corey Baker
Corey Baker
Chief Financial Officer
(Principal Financial Officer)

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Exhibit 10.2

Certain information in this document (indicated by "[**]") has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

Certain portions of this exhibit (indicated by "#####") have been omitted pursuant to Regulation S-K, Item 601(a)(6).

MANUFACTURING AND PURCHASING AGREEMENT

This Manufacturing and Purchasing Agreement is made and entered into as of 8th March, 2024 (the "Effective Date") by and among:

Century Pacific Food, Inc., a corporation duly organized and existing under the laws of the Philippines, with a principal office address at 7th Floor Centerpoint Building, Julia Vargas Ave. corner Garnet Road, Ortigas Center, Pasig City (hereinafter referred to as the "Manufacturer");

– and –

ALL MARKET SINGAPORE PTE. LTD., a corporation duly organized and existing under the laws of the Republic of Singapore, with principal office address at 61 Science Park Road, #02-04 The Galen, Singapore 117525 (hereinafter referred to as the "Company").

(The Manufacturer and the Company, individually a "Party" and collectively referred to hereafter as the "Parties")

RECITALS

1. The Company manufactures, buys and sells the Products (as hereinafter defined) and the Manufacturer has agreed to manufacture and sell the Products to the Company on the terms and subject to the conditions set out in this Agreement;
2. The Company is the owner of certain Vita Coco-related trademarks (the "Trademarks") and other intellectual property and proprietary information that distinguish the Products;
3. The Manufacturer will have facilities capable of manufacturing and packaging the Products according to the Company's Specifications (as hereinafter defined); and

NOW THEREFORE, for and in consideration of the foregoing and the mutual covenants and conditions hereinafter set forth, the Parties agree as follows:

1. **Definitions.** In this Agreement, the following words and expressions shall have the following meanings:
 - a. **Agreement:** means this Manufacturing and Purchasing Agreement, including its Schedules, all as amended in accordance herewith from time to time;

Exhibit 10.2

- b. **Calendar Quarter:** means the following periods in any calendar year: January 1 through March 31st, April 1 through June 30th, July 1 through September 30th, and October 1 through December 31st;
- c. **Certificate of Analysis:** means a certificate issued by Manufacturer under **Clause 6** to confirm that the Products meet the quality standards;
- d. **Confidential Information:** means information of any kind, nature, and description disclosed to, discovered by, or otherwise known by the Receiving Party, as a direct or indirect consequence of or through its relationship with the Disclosing Party, including the terms and provisions of this Agreement, the Specifications, and any information relating to research, developments, inventions, copyrights, product lines, formulae, product recipes, product ingredients, product composition, product processes, manufacturing processes, design, purchasing, finances, financial affairs, accounting, merchandising, selling, distribution networks, employees, trade secrets, business practices, merchandise resources, supply resources, service resources, system designs, procedure manuals, the prices it obtains or has obtained or at which it sells or has sold its services or products, the names of its personnel, reports, Technical Specifications, and any other information that the Receiving Party should reasonably know to be confidential or proprietary to the Disclosing Party;
- e. **Contract Year:** shall mean the twelve (12) consecutive months commencing on January 1 and ending on December 31;
- f. **Delivery Location:** means the [**] or such other location, in each case, as mutually agreed to by the Parties from time to time;
- g. **Effective Date:** is defined in the preamble above;
- h. **FOB:** means that the Manufacturer pays for transportation of the goods to the port of shipment, plus port of origin charges. The Company pays the cost of marine freight transport, insurance, unloading, and transportation from the arrival port to the final destination;
- i. **Good Manufacturing Practices:** means the Current Good Manufacturing Practice in Manufacturing, Packing, or Holding Human Food (21 CFR Part 110), the Bioterrorism Preparedness and Response Act of 2002 (and any amendments or successor regulations thereto) and any other factors which a prudent manufacturer of food or beverage products would reasonably take into account in the normal course of safe operation and manufacture;
- j. **Intellectual Property:** means any and all trade secrets, Confidential Information, designs, technical drawings, specifications, trademarks, patents, labels, copyrights, formulas, recipes, ingredients, manufacturing processes, know-how and other information relating to or for the Products, including the Marks of the Company and the Manufacturer;

k. Laws: means (1) all Philippines laws, statutes, orders, rules, regulations, ordinances, permits, approvals, licenses, registrations, directives, filings or authorizations of any agency (collectively, "Legislation") applicable to the manufacture of food products for human consumption in the Philippines in effect on or after the Effective Date, as amended; and (2) all laws in the United States applicable to the manufacture of food products for human consumption by foreign

Exhibit 10.2

manufacturer, including but not limited to the Current Good Manufacturing Practice in Manufacturing, Packing, or Holding Human Food (21 CFR Part 117), the Bioterrorism Preparedness and Response Act of 2002, the Foreign Manufacturers Legal Accountability Act of 2009, the Food and Drug Administration Globalization Act of 2009, and the Food Safety Modernization Act, as amended; and (3) all other laws applicable to the performance of either Parties' obligations under this Agreement;

- l. Marks:** means all trade names, trademarks, and service marks owned, developed, adopted or used by the Company in relation to the Products whether registered or otherwise;
- m. Party:** means the Company or the Manufacturer;
- n. Parties:** means the Company and the Manufacturer;
- o. Premises:** means the Manufacturer's manufacturing plant and facilities for manufacturing the Products located at Tangub, Misamis Occidental, Philippines.
- p. Products:** means the products to be manufactured and sold by Manufacturer and purchased by the Company hereunder, as set forth on **Schedule 1** attached hereto, as the same may be amended from time to time in accordance with the terms hereof. "Product" shall mean any one of the Products;
- q. Packaging Materials:** means Tetra Pak and corrugated cartons; slip sheets, corner-boards and pallet shrink wrap;
- r. Purchase Orders or PO(s):** means the orders placed by the Company for the Product;
- s. Raw Materials:** means the ingredients required to manufacture the Products which will be purchased by the Manufacturer in full compliance with the Raw Materials Technical Specifications listed in **Schedule 2**; and
- t. Specifications:** means (i) the Company and Tetra Pak dictated manufacturing process; and (ii) the Trademarks, designs, and labels of the Products; and (iii) the Company's formula, recipes, ingredient and product specifications developed for each of the Products, as set forth in the Product Specifications Manual, referenced on **Schedule 1** attached hereto, as may be amended from time to time in accordance with the terms hereof. The term "Specifications" shall include any revisions issued by the Company to the Specifications and/or any specifications provided by the Company for additional products to be added to **Schedule 1** after the Effective Date.

2. Production, Improvement Advance and Minimum Volume

2.1 The Manufacturer shall take all reasonable commercial steps necessary, including, without limitation, the construction of a new manufacturing facility (the "Production Improvements"), in order to cause the Initial Production Date to occur on or before the [***]; provided, however, the Parties agree that Manufacturer's failure to cause the Initial Production Date to occur on or before [***] shall constitute a material breach of this Agreement. Notwithstanding the foregoing, both Parties shall cooperate towards achieving earliest commencement of commercial operations. The Parties agree that Tetra Pak or other equipment suppliers as mutually agreed upon by the Parties shall be the suppliers of all applicable

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Production Improvements. The Manufacturer shall not use any subcontractors to provide the services described herein without the prior consent of the Company, such content to not be unreasonably withheld or delayed. The Manufacturer shall obtain prior consent from the Company for any Production Equipment improvements to be purchased for Products, such approval to not be unreasonably withheld or delayed.

2.2 The Manufacturer shall be solely responsible for costs associated with the Production Improvements, including, but not limited to, securing the space, building, utilities, and the processing equipment; and the costs of all processing equipment and infrastructure necessary to produce the Products in accordance with the Specifications. Notwithstanding the foregoing, Manufacturer may consider a lease to own option for the filling machines with the prior approval of Company.

2.3 The Manufacturer shall manufacture, package, sell and deliver the Products [***], in accordance with this Agreement, the applicable Purchase Order, the Specifications and Laws. Notwithstanding the foregoing, the Company agrees to provide technical inputs to the design of the packaging line, the quality system of the production, and final specifications of the Finish Products.

2.4 The Manufacturer shall provide all raw materials, ingredients and packaging, including, the Packaging Material, required for the production and processing of the Products in accordance with the Specifications set by Company. The Company shall facilitate all necessary training, know-how and transfer such technology as will enable the Manufacturer to produce the Products according to the Specifications. Manufacturer shall carefully inspect all raw materials, ingredients, and packaging, including the Packaging Material, at the time of receipt and shall promptly notify Company of any issue related thereto within forty-eight (48) hours of receipt. Manufacturer shall use the raw materials, ingredients, and packaging, including the Packaging Material, on a first-in, first-out basis to the best of its ability.

2.5 Inventory reconciliations for Raw Materials, Packaging Materials, and any other materials necessary for manufacturing and packaging the Products (collectively, the "Materials") will be done on a monthly basis, immediately after the last day of the current month. Any discrepancies and financial settlements in inventory will be resolved within thirty (30) days. A physical count of the Materials will be conducted at least once per calendar year.

2.6 During the Term, the Manufacturer covenants and agrees that it shall maintain enough raw materials, ingredients, Packing Materials and other items, and line space and capacity, in order to produce at least [***] of Product per Calendar Quarter, or [***] of Product per Calendar Year (the "Minimum Volume"). Notwithstanding the foregoing, Manufacturer shall use its best efforts to produce [***] of Product per annum [***]; [***] of Product per annum [***]; and [***] or more of Product per annum [***]:

Year	Total Annual Volume in Liters
[***]	[***]

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[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

The Minimum Volume may be adjusted [***] upon mutual agreement of the Parties, but in no case should the Minimum Volume be lower than [***] of Product per Calendar Year.

Notwithstanding the foregoing, the Manufacturer shall deliver the Minimum Volume set forth on **Schedule 4** hereof commencing on the Initial Delivery Date.

2.7 The Company commits to purchase and the Manufacturer commits to supply at least the Minimum Volume during each calendar year during the Term. If, at the end of any Contract Year during the Term, the Company has failed to order, or the Manufacturer has failed to supply, the Minimum Volume for such Contract Year in accordance with the Company's Purchase Orders, then, within five (5) days after the end of such Contract Year, the non-performing Party shall pay the other Party an amount equal to [***] of the Price of each liter of Product that was not ordered, or not supplied, as applicable, in the previous Contract Year up to the Minimum Volume (a "Failure Payment"). Notwithstanding anything to the contrary

contained in this Agreement, the Parties acknowledge, covenant and agree that the receipt of the Failure Payment shall be a party's sole and exclusive remedy with respect to a non- performing party's failure to comply with the Minimum Volume in any Contract Year.

2.8 Manufacturer will maintain a log reflecting the lot numbers, manufacturing dates, and expiration dates of all ingredients and must inform Company immediately of all Ingredients, Packaging Materials, and finished Products having less than [***] remaining.

2.9 The Parties acknowledge that Company has certain commitments to expand its Environmental, Social, and Governance ("ESG") framework, including opportunities to reduce Company's overall environmental impact. Manufacturer hereby agrees to promote Company's sustainability objectives in connection with its ESG framework using its commercially reasonable efforts, and shall adopt policies and measures on its commitment to: (i) be carbon neutral by [***]; (ii) manufacture, process, and package Products with no emission by [***]; and (iii) procure [***] of the electricity used to manufacture, process, and package Products to be wholly renewable energy. If Manufacturer fails to comply with the above commitments by [***]. The Parties agree to enter into good faith discussions to set new policies and measures for Manufacturer to promote Company's sustainability objectives.

During the Term, Manufacturer also agrees to use its commercially reasonable efforts to improve its energy reduction in the manufacturing, processing, and packaging of the Products on a yearly basis. Upon request, Manufacturer shall provide Company with accurate reports on its energy reduction.

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2.10 Manufacturer shall collect, maintain, and make reasonably necessary information, concerning its operation and management related to the Products available to Company within five (5) days from receipt of a request. During the Term, Manufacturer hereby agrees to deliver to Company a written report on a weekly basis in a format determined by Company that accurately contains data related to the services described herein on: (a) Quality (LIMS data, etc.); (b) Supply chain (inventory orders, forecast of raw materials); and (c) Environmental information including the Manufacturer's available reports on energy, water, solid and chemical waste consumptions.

3. Forecasting and Purchase Orders

3.1 The Company shall provide the Manufacturer with estimated quarterly production forecasts at least [***] days before each Calendar Quarter. Notwithstanding the foregoing, the Parties hereby acknowledge and agree that while the Company will use commercially reasonable efforts to place Purchase Orders in conformity to the Company's forecasts, the foregoing forecasts shall be created for the sole purpose of assisting the Manufacturer in maintaining adequate inventory to meet the Company's production needs. Such production forecasts shall always be consistent with Minimum Volumes already set by the Parties.

3.2 The Company shall place the Purchase Orders for the Products as far in advance as commercially reasonable, consistent with the forecast by the Company – to the extent possible and subject to capacity limits of the Manufacturer. Manufacturer shall produce the Products within [**] days from receipt of each Purchase Order from the Company, and Manufacturer shall deliver the Products [***] days of receipt of each such Purchase Order. The Company shall use its best efforts to provide [***], as set forth in **Schedule 1**.

3.3 [***]

3.4 The Parties shall endeavor to use and consume all approved and procured packaging materials within the remaining shelf life. If necessary, the parties shall agree to submit the packaging materials to AMS technical and Tetra Pak to test the usability thereof relative to the materials' remaining shelf life.

4. Pricing and Payment Terms

4.1 The Company shall pay to the Manufacturer the price/cost for each of the Products (the "Price") as set forth on **Schedule 1** attached hereto.

4.2 The Parties acknowledge and agree that the Price:

(i) includes all costs associated with the manufacture of the Products and delivery of the Products [***], including without limitation, the Manufacturer's delivered cost (without internal mark-up) of ingredients and Packaging Materials, including the packaging materials, infrastructure costs (without internal markup), any processing equipment maintenance fees, labor, overhead, ingredients and packaging materials

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purchasing services, warehousing of ingredients and packaging material, warehousing of finished Products, any Philippines customs and duty charges, the cost of delivery of the final Products to the Delivery Location, the cost of loading the Products into Company's designated truck at the Delivery Location, and the Manufacturer's profit; and

(ii) excludes United States and other countries customs and tax payments before delivery to the Company, and transportation from the Delivery Location to the Company's warehouse, which shall be Company-arranged.

4.3 The Company and Century Pacific Agricultural Ventures, Inc. entered into a Manufacturing and Purchasing Agreement, dated September 17, 2012, as amended (the "CPAVI Agreement"). The Parties agree that the initial Price shall be the same as the price set forth in the CPAVI Agreement, including an additional surcharge amount, as set forth on **Schedule 1**, may not be modified or amended until the [***] anniversary of the Initial Production date, except in cases of extra-ordinary raw material price and foreign exchange fluctuations or other similar events, during which the parties shall discuss and mutually agree on remedies including the possible passing on of cost increases or decreases. The price shall be reviewed annually and any adjustments to the Price shall be based solely upon demonstrable changes in Manufacturer's cost of goods sold; provided, however, that adjustments to the Price shall be subject to the prior written approval of the parties, which approval shall not be unreasonably withheld.

4.4 Company has committed to funding a maximum of [***] (the "Investment") in connection to this Agreement. Should the Manufacturer be able to reduce the total cost of the Investment, the surcharge will be adjusted accordingly on a pro-rata basis as follows:

4.4.1 percentage reduction over the total investment cost x the total surcharge value of [***] based on a [***] target mix between [***] and [***] Products.

4.4.2 The Company reserves the right to continue paying the surcharge if the actual volume exceeds the best effort volumes per year indicated in Section 2.6 of the Agreement.

4.4.3 If the volume falls short of the best effort volumes indicated in Section 2.6, the Company agrees to pay the surcharge due, computed based on the best effort volume for that year. The surcharge will automatically stop once the total cumulative volume of the Product reaches [***].

4.5 All Prices shall be in United States Dollars ("USD").

4.6 The Company shall pay for the Products within [***].

4.7 The Parties acknowledge and agree that the Price set forth in Schedule 1 is the Price of the "100% Pure Coconut Water" Products with [***] (or such other level as hereinafter determined by the Company and included in the Specifications from time to time). The Parties agree that if Company requests that Manufacturer produce the Company's "Flavored Coconut

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Water" Products, the price for such Products shall be [***] to be agreed upon by both Parties. It is understood that out-of-pocket costs shall include [***] to be agreed upon by both Parties. In the event the Company elects to supply the additional ingredients at its cost, the Manufacturer shall charge [***].

5. Delivery, Title and Risk of Loss

5.1 The Manufacturer shall load the Products into containers in accordance with the loading patterns and procedures as set forth in **Schedule 3** attached hereto, or as may be amended in writing by the Company from time to time, subject to the Manufacturer's agreement, not to be unreasonably withheld or delayed, and/or shipping line regulations. The Manufacturer shall [***], in such quantities and at such times as the Company shall have specified in its Purchase Order. Title and risk of loss of the Products shall pass to the Company upon delivery to the Company or its freight carriers at the Delivery Location, and after the Products are properly loaded into the Company's designated shipping vessels, according to [***].

5.2 The Company shall have the right to inspect any shipment of the Products after delivery to determine whether it conforms to the terms of this Agreement, the applicable Purchase Order, the Specifications and the Laws. If any Product furnished hereunder is defective in material or workmanship, is adulterated, or does not otherwise conform to the terms of this Agreement, the applicable Purchase Order, the Specifications or Laws then, in addition to any other rights it may have under this Agreement, Company shall have the right to reject such Product and return such Product to the Manufacturer. All charges for the packing, shipping and return of any rejected Products to the Manufacturer and any reshipment of replacement Products to the Company and the risk of loss thereof will be borne by the Manufacturer. With each return, the Company shall include a statement of the reason for rejection of the Products. At the Company's option, the Manufacturer agrees to cancel the invoice for such rejected Products, refund the amounts paid with respect to such rejected Products, or ship replacement Products to the Company on an expedited basis.

5.3 Any Products received by the Company from the Manufacturer that has not been rejected by the Company within [***] days after receipt shall be deemed to have been accepted, except where such Products contain a nonconformity which could not have reasonably been discovered by Company within such [***] day period, in which case Company has up to [***] days from the date of such non-conformity could have been reasonably discovered to reject such Products, after which it shall be deemed to have been accepted. It is understood that the Company shall promptly undertake proper sampling and testing of incoming shipments to ascertain acceptability of the same. The Parties shall agree to retention sampling and storage protocols in order to ensure the viability of the Products while in transit.

5.4 The Company shall have complete and sole discretion as to the resale of each of the Products manufactured and supplied by the Manufacturer under this Agreement, including without limitation, the pricing and distribution of the Products.

6. Quality Standards And Quality Assurance

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6.1 The Manufacturer hereby undertakes that the Products manufactured, packaged and labeled will be manufactured in a professional, clean, safe and sanitary manner in accordance with Good Manufacturing Practices and Hazard Analysis Critical Control Point principles. The Products shall be manufactured and supplied according to the Specifications, the Supplier Code of Conduct as provided by Company, as well as the other terms and conditions of this Agreement. The Manufacturer will provide the Company with a Certificate of Analysis stating, in connection with the Products, that the quality standards have been observed in accordance with this Clause 6.1.

6.2 The Manufacturer shall ensure that its facilities where the Products are manufactured, packaged, and labeled will have the following certifications for its facilities and be in good standing during the Term: (a) a certification equivalent to the Global Food Safety Initiative certification for food safety; (b) SMETA 4 pillar certification; and (c) Kosher certification by a certified Kosher certification organization. Notwithstanding the foregoing and the conditions set forth under paragraph 14.1 (iii) (C), the Manufacturer shall have [***] from receipt of a written notice indicating a non-compliance to the requirements under this paragraph 6.2 to cure such non-compliance.

6.3 In case of crisis relating to issues of food safety, the Parties agree that time is of the essence. The designated responsible person appointed by each party who will be available 24 hours per day, seven days a week, will deal with the crisis in an appropriate manner and the Manufacturer will

comply with all reasonable instructions of the Company in connection with any such crisis. Such designated persons must have sufficient authority and resources to deal with the said crisis.

6.4 Inspections by Regulatory Agencies. In the event of an inquiry or an inspection of the Facilities by a representative of the U.S. Food and Drug Administration or any other federal, state, or local regulatory agency, Manufacturer shall immediately notify Company if the inquiry or inspection concerns or involves the provision of the services described herein with respect to Products or Ingredients or Packaging Materials to be used therein. Manufacturer shall also provide to Company any and all reports issued by or correspondence received from any regulatory agency that conducts any such inspection during the period beginning on the Effective Date and ending upon the termination or expiration of the Term with respect to Products or Ingredients or Packaging Materials to be used on Products.

6.5 Company shall promptly notify Manufacturer of any complaint from customers and promptly initiate investigation of such complaint to establish if such complaint is valid and with proper basis. Manufacturer will fully cooperate, use diligent efforts to assist Company in investigating any such situation, and provide Company with information necessary for Company to pursue its investigation and respond to such complaint.

7. Term; Technical Services Agreement

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7.1 The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until the last day of the sixth (6th) full Contract Year (i.e., December 31) from the date of first delivery of the Product (the "Initial Term"). Thereafter, both parties may agree in writing to extend the Initial Term for an additional, successive term of five (5) Contract Years, on or prior to the date that is one hundred and eighty (180) days before the expiration of the then-current term (each an "Extension Term"; and together with the Initial Term, the "Term").

7.2 The Manufacturer agrees to concurrently enter into a separate Technical Services Agreement with Company. The Technical Services Agreement shall identify and help Manufacturer augment and enhance its technical and quality capabilities relating to coconut water processing, as well as strengthening the Manufacturer's knowledge management in aseptic processing and root cause analysis.

8. Non-Compete

8.1 During the Term, the Manufacturer shall not, directly or indirectly, for its own account or for the account of any third party, sell, subcontract, manufacture or produce, or enter into any agreement with any third party to sell, subcontract, manufacture or produce any coconut water-flavored or coconut water-based beverage products, in any form of packaging of any kind whatsoever, including without limitation, tetra pak, can, bottle or bulk; provided however, the Company acknowledges and agrees that the Manufacturer shall be allowed to produce its own brands of coconut water during the Term as long as Manufacturer prioritizes the Minimum Volume commitment to the Company as a first and as long as the Manufacturer is not selling to the [***]. If the Manufacturer is capable of producing in excess of the Minimum Volume ("Excess Volume") and chooses not to utilize to produce for its own brands, the Manufacturer shall grant the Company the right of first refusal to purchase the Excess Volume.

8.2 The Parties acknowledge and agree that, in the event of a breach of this Section by Manufacturer, Company shall be excused from compliance with Sections 2.6 and 2.7 of this Agreement for the remainder of the Term.

9. Trademarks and Proprietary Information

9.1 Subject to the terms and conditions of this Agreement, during the Term (or until the earlier termination of this Agreement), the Company hereby grants to the Manufacturer a limited, non-exclusive, non-transferable, non-assignable license to use the Company IP (as hereinafter defined) solely (i) to manufacture the Products for the Company in accordance with and pursuant to the terms and provisions of this Agreement at the Manufacturer's facility, and (ii) to assist the Company in research and development efforts pursuant to the terms of this Agreement.

9.2 The Manufacturer acknowledges and agrees that the Company is the sole and exclusive owner of (i) the Specifications (including without limitation the formulas, product recipes and product specifications used to produce each of the Products), and (ii) all Trademarks, trade secrets, trade names, trade dress, copyrights, logo types, commercial symbols, patents, or

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similar rights or registrations, branding labels and designs used on, or in connection with, the Products now or hereafter held or applied for by the Company in connection therewith (collectively, the "Company IP"). The Manufacturer acknowledges and agrees that the Company IP, and the goodwill associated therewith, are the sole and exclusive property of the Company and may be used by Company and its affiliates for any purpose.

9.3 Other than as expressly set forth in Clause 9.1 hereof, as of the date hereof, Manufacturer has no right, title or interest, and during the Term, Manufacturer shall not acquire any right, title or interest of any kind or nature whatsoever in or to the Company IP, or the goodwill associated therewith. The Manufacturer will not contest the rights of Company or its affiliates in respect of the Company IP, including any additions or improvements to the Company IP. The Manufacturer hereby irrevocably waives any and all current or future claims the Manufacturer may have, arising under any law or in equity, with respect to the Company IP.

9.4 The Manufacturer covenants and agrees that no right or remedy of the Manufacturer for any default under this Agreement by the Company hereunder, or any provision of this Agreement, shall confer upon the Manufacturer, or any person or entity claiming by or through the Manufacturer, the right to use the Company IP in any fashion other than as expressly set forth in Clause 9.1 hereof. Upon the expiration or sooner termination of this Agreement, Manufacturer shall remove and return to Company all tangible embodiments containing Company IP, and shall not use the Company IP. In the event of any breach of this covenant by the Manufacturer, the Company shall be entitled to relief by injunction, and to all other available legal rights or remedies.

9.5 Other than as expressly set forth in Clause 9.1 hereof, the Manufacturer may not itself use the Company IP. The Manufacturer may not apply for international, Philippines, United States Federal, or state or territorial registration of any rights in the Company IP. Without Company's prior written consent, the Manufacturer may not use any of the Company IP as all or part of its legal name or any other trade or assumed name under which the Manufacturer does business. No other letter, word, design, symbol, or other matter of any kind shall be superimposed on, associated with, or shown in such proximity to the Company IP so as to alter or dilute them and the Manufacturer shall not combine any of the Trademarks with any other trademark, service mark or logo.

9.6 The Manufacturer agrees that all the Company IP and any improvements, modifications, enhancements or alterations to the Company IP, including without limitation, the formulas, product recipes, and product specifications, design, or processes of the Products made, created or conceived during the Term shall belong exclusively to Company, irrespective of whether such improvements, modifications, enhancements or alterations to the Company IP are developed singularly by the Manufacturer or anyone acting on behalf of or in concert or combination with the Manufacturer; the Manufacturer acknowledging that any such efforts on the part of the Manufacturer have been specially commissioned by the Company, and all copyrightable Company IP shall be deemed to be a "work made for hire" (as defined in the U.S. Copyright Act of 1976, as amended), and created in the course of the services rendered hereunder. All rights, title and interest in and to any inventions (whether patentable or not),

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product designs (whether copyrightable or not) or other intellectual property developed or created by Manufacturer or anyone acting on behalf of or in concert or combination with Manufacturer relating to the Products or the method of their manufacture, processing or design shall belong exclusively to Company. Manufacturer waives any and all paternity, integrity, moral or any other similar rights, existing under judicial or statutory law of any country in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a "moral right," that Manufacturer may have now, or in the future, in and to the Company IP; "moral right" means any rights to claim authorship of any Company IP, to object to or prevent the modification of any Company IP, or to withdraw from circulation or control the publication or distribution of any Company IP, and any similar right, existing under judicial or statutory law of any country in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a "moral right". Where, by operation of law, any of the rights described herein, including without limitation, any rights to the Company IP, do not vest initially in Company, good and valuable consideration being extant, the adequacy and receipt of which Manufacturer hereby acknowledges, Manufacturer irrevocably assigns and transfers to Company, in perpetuity, all of Manufacturer's worldwide rights, title and interest,

whether such rights are vested or contingent, in and to any such Company IP, including without limitation, any inventions, copyrights, and other intellectual property, to Company and further agrees to assist Company in connection with any efforts to obtain patent or, copyright or other intellectual property protection for such intellectual property in any jurisdiction throughout the world. Manufacturer hereby appoints Company as attorney-in-fact to execute any documents necessary to obtain such protection or to otherwise effect assignment from Manufacturer to Company. The aforementioned power of attorney shall be a power of attorney coupled with an interest and irrevocable.

9.7 The Manufacturer shall promptly notify the Company of any litigation filed or threatened against the Manufacturer involving the Company IP, as well as any apparent third-party infringement of the Company IP of which the Manufacturer becomes aware and, at Company's expense, shall cooperate fully with Company on such matters.

9.8 The foregoing notwithstanding, this Section 9 shall not be applicable in cases where the Manufacturer has developed its own intellectual property in the form of trademarks, brands, copyright, including without limitation formulas, product recipes, product specifications and manufacturing processes, among others, which were created or conceived by the Manufacturer independent from the Product in connection with the production and development of its own products as permitted under this Agreement.

9.9 The provisions of this Clause 9 shall survive the expiration or sooner termination of this Agreement.

10. Confidentiality

10.1 The Manufacturer and the Company acknowledge and agree that during and for a period of [***] after the Term, each Party will not use any Confidential Information of the other Party nor disclose such Confidential Information to any person, firm, corporation, association or

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other entity for any reason or purpose whatsoever, except pursuant to a valid order of a court having jurisdiction thereof as explained in this Agreement or as otherwise provided in this Agreement. Each Party agrees that violation of this provision will cause irreparable damage or injury to the other Party, the exact amount of which would be impossible to ascertain, and that, for such reason, among others, such other Party shall be entitled to an injunction, without the necessity of posting bond therefore, restraining any further violation of this Agreement. The rights to an injunction shall be in addition to, and not in limitation of, any rights and remedies that such Party may have against the breaching Party, including, but not limited to, the recovery of damages. For purposes of this Agreement, the term "Confidential Information" means information of any kind, nature, and description disclosed to, discovered by or otherwise known by either Party, as a direct or indirect consequence of or through its relationship with the other Party, including but not limited to, the terms and provisions of this Agreement, the Specifications and any information relating to research, developments, inventions, copyrights, product lines, product recipes, product ingredients, product composition, product processes, manufacturing processes, design, purchasing, finances, financial affairs, accounting, merchandising, selling, distribution networks, employees, trade secrets, business practices, merchandise resources, supply resources, service resources, system designs, procedure manuals, the prices it obtains or has obtained or at which it sells or has sold its services or products, the name(s) of its personnel, and reports; provided, however, that Confidential Information shall not include any information which (i) was available to or in possession of either Party prior to the time of disclosure to such Party by the other Party or its representatives or affiliates, (ii) is or becomes generally available to the public other than as a result of disclosure to either Party by the other Party or its representatives or affiliates, or (iii) is or becomes available to either Party on a non-confidential basis by a third party which is not bound by this Agreement or any confidentiality agreement with the other Party.

10.2 Each Party will make available the other Party's Confidential Information only to its officers and employees on a need to know basis. Both Parties shall ensure that all officers and employees who receive the Confidential Information are advised of the obligation to abide by the provisions of this Clause. The Parties will be liable for any breach by their officers and employees.

10.3 The provisions of this Clause 10 shall survive the termination of this Agreement.

11. Product Development

11.1 The Manufacturer agrees to assist the Company in research and development efforts related to improvements and modifications to its existing line of Products. During development of each additional product, the costs of production, raw materials and testing of such additional product

shall be borne by the Company. The Company shall reimburse the Manufacturer for all costs associated with its assistance within a [***] days from receipt of the invoice.

11.2 From time to time during the Term, the Company, by written notice to the Manufacturer, may request the Manufacturer to produce additional products in addition to the Products. At the time it gives the Manufacturer such written notice, the Company shall also

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supply the Manufacturer with the specifications for the additional products. If the Manufacturer accepts the additional product(s), the Parties shall establish a price for the additional product(s) to be manufactured and supplied to the Company and **Schedule 1** (Products) shall be automatically amended to include (i) the additional products as "Products", and (ii) the price for such additional products; and **Schedule 2** (Specifications) shall be automatically amended to include the new specifications for the additional products as "Specifications". **Schedule 1** shall likewise be amended to reflect the costs of the additional ingredients required to produce such additional products. All other terms, provisions, covenants, warranties, representation, and conditions of this Agreement shall apply to such new products.

12. Force Majeure

In the event that either of the Parties by virtue of a cause beyond its control or risk, such as acts of God, crop and raw material shortages such as drought or disease, riots, war, acts of terrorism, or embargo, suffers an inability to perform all or any part of its obligations under this Agreement, then the Party suffering such disability shall be excused from such performance for as long as and to the extent that such a cause results in the inability to perform. The affected Party's performance under this Agreement shall be excused and extended for the period of the delay, provided that the affected Party immediately notifies the other Party of the reason for and the estimated extent of the delay and the affected Party takes all reasonable steps to mitigate the effects of the delay. If such force majeure condition continues for a period of [***] days and the both Parties, in its sole and absolute discretion, determines that it substantially interferes with the further performance by either Party to this Agreement, this Agreement may be terminated upon mutual agreement, not to be unreasonably withheld or delayed, of the Parties immediately upon notice, and the "Term" of this Agreement shall be deemed to have expired on the date thereof. If this Agreement is terminated pursuant to this Clause 12, each Party shall bear the costs it has incurred before the date of termination, including the costs associated with raw materials and other materials, work-in-process and finished Products not delivered to Company by the date of termination.

13. Assignment; Successors And Assigns; Further Assurances.

Neither Party may, directly or indirectly, assign its rights, delegate its performance duties or obligations, or assign any remedy or cause of action relating to or arising under this Agreement, without the prior written consent of the other Party; *provided, however*, Company may assign, without the prior written consent of Manufacturer, its rights, delegate its performance duties or obligations, or assign any remedy or cause of action relating to or arising under this Agreement to a successor in ownership of all or substantially all of its business assets, whether by sale of assets, stock, merger, consolidation or otherwise. Any assignment in violation of this Clause 13 shall be null and void. This Agreement shall be binding and inure to the benefit of each of the Parties and its successors and permitted assigns. At the request of a Party to this Agreement, any other Party or assignee to this Agreement will promptly execute any documents necessary to confirm or establish the respective rights of the Company and the Manufacturer and assignee pursuant to this Agreement.

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14. Termination

14.1 A Party may terminate this Agreement "for cause", upon the happening of any of the following events:

(i) immediately by either Party upon the dissolution of the other Party, or the appointment of a receiver, liquidator or the like for the other Party or all its property, or the other Party commences a voluntary case under any applicable bankruptcy or insolvency law or consents to the entry of an order for relief in any involuntary case for a liquidation or a court with jurisdiction enters a decree for relief in any involuntary case involving the liquidation of the other Party or if either Party becomes insolvent or takes, or fails to take any action which constitutes an admission of inability to pay its debts as they mature;

(ii) immediately by the Company, if a controlling interest in the Manufacturer is transferred, sold to, or acquired, by a third party (either directly or indirectly, through a merger, stock sale or issuance, asset sale or otherwise) without the prior written consent of the Company, such consent not to be unreasonably withheld;

(iii) immediately by the Company upon the occurrence of an event of default of this Agreement by the Manufacturer as follows:

(A) The Manufacturer fails to meet Specifications set forth in this Agreement and fails, within [**] days after written notice specifying such default by the Company, to cure such default;

(B) The Manufacturer fails to (i) supply the Minimum Volume in any Calendar Year or (ii) meet its other manufacturing production obligations set forth in this Agreement and fails, within [**] days after written notice specifying such default by the Company, to cure such default; or

(C) Except as indicated on paragraph 6.2 of this Agreement, the Manufacturer defaults in the performance of any other obligation under this Agreement and fails, within [**] days after written notice specifying such default by the Company, to cure such default; provided, however, in the event the Manufacturer commits fraud it shall have no opportunity to cure such default and the Company may terminate this Agreement immediately;

(D) if Manufacturer is found liable for nonconformity of the Product caused by willful tampering or adulteration of the Product;

(E) if Manufacturer becomes the subject of widespread disrepute, contempt, or scandal that in Company's reasonable determination, affects Company's image or goodwill;

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(iv) by either party upon [**] days prior written notice to the other Party, in the event that US or Philippine government prohibits the Manufacture and/or export of the Products under the trade name "Vita Coco" or otherwise renders the same commercially impracticable; or

(v) immediately by the Manufacturer in the event the Company defaults in the payment of any material amount due and payable under this Agreement or defaults in the performance of any other obligation under this Agreement and does not cure such default within [**] days after written notice thereof by the Manufacturer, or commits fraud against the Manufacturer.

14.2 Upon the expiration or the termination of this Agreement by a Party for any reason whatsoever, whether for cause, without cause or otherwise, at the Company's request, the Manufacturer shall extend this Agreement for a mutually agreed upon period, but in no event less than [**] days, to provide to the Company or its designee (i.e., a successor manufacturer) reasonable termination and transition assistance services to facilitate the orderly transition of the production of the Products to the Company or its designee. Such termination assistance services shall include without limitation, designation by the Manufacturer of a responsible person familiar with this Agreement and the Manufacturer's production of the Products hereunder, developing a plan for the orderly transition of the production of the Products from the Manufacturer to the Company or its designee, providing reasonable training to the Company or its designee regarding the production of the Products, using commercially reasonable efforts to make available to the Company, pursuant to mutually agreeable terms and conditions, any third party or other supplier services then being used by the Manufacturer in connection with producing the Products pursuant to this Agreement, and/or furnishing the Company with duplicates of data files and any other electronic records, magnetic tapes, media and/or printouts, as determined by the Company, of the Manufacturer's database or data relating to the raw material or performance of the Manufacturer's obligations hereunder (excluding any proprietary cost information) and such other activities

upon which the Parties may reasonably agree or the Company may reasonably require in order to effect an orderly transition. The Company shall pay the Manufacturer for such termination assistance services at mutually agreed upon rates, negotiated by the Parties in good faith.

14.3 Unless explicitly indicated in this Agreement to the contrary, any termination or expiration of this Agreement shall not relieve the Parties of any rights, obligations or liabilities existing, accruing or arising under this Agreement before the termination or expiration (including without limitation, the obligation of the Manufacturer to manufacture any Products pursuant to the Purchase Orders delivered prior to termination, and made during the Term and the obligation of payment for any conforming Products delivered thereunder) and the provisions in this Agreement relating to confidentiality, non-competition, intellectual property, arbitration and indemnification shall survive the termination or expiration of this Agreement for the period indicated in this Agreement, and if no such period is indicated, following the expiration of the statute of limitations period applicable to the claim arising thereunder.

Exhibit 10.2

14.4 Notwithstanding anything in this Agreement to the contrary, in the event of an alleged payment default by either Party (the "Defaulting Party"), the Parties agree that, provided that:

(i) the defaulting Party has deposited the amount of the alleged payment default in an attorney escrow account of an attorney selected by the non-defaulting party within twenty (20) business days of receipt of the payment default notice; and

(ii) the defaulting Party, within twenty (20) business days of receipt of the payment default notice has submitted the matter to arbitration in accordance with Clause 19 hereof;

Then this Agreement shall not be deemed terminated (unless terminated for another valid reason in accordance with the terms of this Agreement) and the Parties shall continue to perform their respective responsibilities hereunder, until such time as (1) the arbitrator has made a determination on whether such alleged payment default constitutes a terminable default under this Agreement, and (2) the non-Defaulting Party then elects to terminate this Agreement in accordance with this Clause 14.

14.5 Within sixty (60) days of the termination of this Agreement, the Manufacturer shall:

(i) return to the Company or its designee all paid and unused Raw Materials and Packaging Materials, unless the Company elects such Raw Materials and Packaging Materials should be destroyed in which case the Manufacturer must destroy such Raw Materials and Packaging Materials. The destruction and all related cost will be mutually discussed and agreed.

(ii) The Manufacturer will try its best to manage or tune down all material stocks to minimize cost impact to the Company before termination;

(iii) cease to use the Intellectual Property, including the Marks and shall return all the Intellectual Property, including the Marks, the Confidential Information, documents and data received from the Company or otherwise obtained pursuant to this Agreement without retaining copies thereof;

(iv) refrain from manufacturing or packaging the products identical to the Products ("identical" refers to the same exact formulation given by the Company); and

(v) not use or allow any person to use the Specifications, recipes and the manufacturing process used by the Manufacturer for manufacturing the Products.

15. Representations, Warranties and Covenants.

15.1 The Parties represent and warrant to each other that each has the legal capacity and authority, right and power to enter into this Agreement and abide by the terms and conditions set

Exhibit 10.2

forth herein; that there is no further action necessary to make this Agreement binding upon such Party in accordance with its terms.

15.2 Each of the Parties hereunder represents and warrants to the other that in connection with its obligations under this Agreement, it shall comply with Laws and has obtained, or will promptly obtain upon execution of this Agreement, all applicable permits.

15.3 The Manufacturer represents, warrants and covenants to the Company that:

(i) all of the Products manufactured, processed, and packaged on behalf of the Company pursuant to this Agreement shall be manufactured, processed and packaged in conformity with: (a) the Specifications and Laws applicable to the manufacturing of the Products, and Supplier's Code of Conduct provided by Company; and (b) shall be free of any defects and fit and wholesome for human consumption;

(ii) all materials, ingredients and supplies that the Manufacturer uses in the manufacture of the Products shall be merchantable, of good quality, free from defects and strictly conform to the Specifications. The Manufacturer shall certify in writing from time to time promptly, upon the Company's request, that the materials and the manufacturing facility used to produce the Products are in compliance with the Specifications and Laws;

(iii) none of the Products manufactured, processed and packaged on behalf of the Company shall contain, or be produced with, any materials whose use is prohibited now or during the Term; other than raw material handling and preparation equipment, none of the processing equipment used to produce the Products shall be manufactured by Tetra Pak or other equipment suppliers mutually agreed upon by the Parties;

(iv) it shall supply the Company with the monthly requirements of the Products ordered pursuant to the Purchase Orders and otherwise in accordance with the terms and conditions of this Agreement; all of the Products manufactured pursuant to this Agreement will contain coconut water with a minimum raw brix of [**];

(v) the Company-approved manufacturing facility used to produce the Products pursuant to this Agreement shall be the only facility approved by the Company or such other manufacturing facility that is inspected and approved by the Company in writing prior to any such manufacturing; that all such manufacturing facilities are in compliance with applicable Laws; that all such manufacturing facilities are clean, sanitary, secure and free of infestation by rodents, birds, insects and other vermin; that it is the sole owner of all manufacturing facilities (notwithstanding any mortgages) and the equipment to be used to produce the Products pursuant to this Agreement (notwithstanding any leased or financed equipment); that all such equipment is and shall be maintained in good working order and repair during the Term;

Exhibit 10.2

(vi) in performing its obligations under this Agreement, it shall comply with the applicable labor laws of Philippines, all applicable anti-slavery and human trafficking laws and shall not engage in human trafficking or use child or forced labor in connection with its supply of Products. Manufacturer shall immediately notify Company if it becomes aware of any actual or suspected slavery, child or forced labor, or human trafficking in its supply chain;

(vii) it shall perform its obligations hereunder in a timely and professional manner, consistent with the manner in which it produces products for itself and its affiliates and/or produces products for similar customers, using trained technical and manufacturing personnel sufficient in number and experience to manufacture and package the Products and in accordance with applicable Laws;

(viii) it will convey to the Company good title to the Products sold to the Company pursuant to this Agreement, free of any liens or encumbrances thereon, and shall not permit any third party to acquire a security interest in or lien on any Products or any proceeds thereof;

(ix) the Manufacturer shall maintain, at all times during the Term, the equipment and inventories necessary to manufacture at least the Minimum Volume;

(x) there is no suit, action, contract, commitment, arbitration or legal administrative or other proceeding or governmental investigation pending or, to Manufacturer's knowledge, threatened against it, affecting Manufacturer's ability to enter into or perform its obligations under this Agreement; and

(xi) it shall promptly notify the Company in writing of any concerns relating to the Company's formulas, process parameters, quality assurance specifications or other Specifications. Time is of the essence with respect to such notification.

15.4 the Company represents, warrants and covenants to the Manufacturer that:

(i) it is the sole and exclusive owner of all Company IP including trademarks, brands, copyrights, product formulations and recipes and, to the best of Company's knowledge, none of the same infringe upon any third party trademarks, copyrights and formulations or other intellectual property;

(ii) it shall perform its obligations hereunder in a timely and professional manner; and

(iii) it shall comply with Laws and has obtained or will promptly obtain all applicable permits.

16. Independent Contractors

Exhibit 10.2

The relationship of the Parties is that of independent contractors. Neither Party shall be considered the agent of the other for any purpose whatsoever, nor shall they be considered to be joint venturers or co-partners. Except as otherwise provided for in this Agreement, neither Party has the authority to bind the other Party or act on its behalf.

17. Notices

All notices and other communications required or permitted by this Agreement shall be in writing, may be given by a Party or its legal counsel, and shall be deemed to be duly given (a) when personally delivered (provided written confirmation thereof is also delivered by express courier), (b) upon delivery by a nationally recognized courier service which provides evidence of delivery, or (c) upon delivery of an email transmission.

Notice to the Manufacturer shall be sufficient if given to:

(a) Century Pacific Food, Inc.

####

Attention: ####

E-mail Address: ####

Notice to the Company shall be sufficient if given to:

(b) ALL MARKET SINGAPORE PTE LTD

####

Attn: ####

####

With a copy to: ####

All notices, request or correspondence shall be deemed received (a) on the date of delivery, if delivered in person; (b) on the seventh (7th) calendar day from the date of mailing or courier, if sent by registered mail or courier service; and, (c) the day sent, if sent by electronic mail.

The Parties may, from time to time advise each other of changes of address or additional addresses for the giving of notices.

18. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Philippines.

Exhibit 10.2

19. Arbitration

19.1 The Parties agree to attempt in good faith to resolve any disputes arising out of or in connection with this Agreement between themselves. Subject to Clause 14.4, the Parties further agree that for a period of thirty (30) days from written notice of one Party to the other regarding a dispute arising out of or in connection with this Agreement, they shall communicate at least weekly in an attempt to resolve the dispute amicably. This Clause 19.1 shall not be applicable to any claim for injunctive relief as provided in Clause 21. The Parties acknowledge that in the event of a dispute between the Parties, the Parties shall continue to perform its obligations under this Agreement in good faith during the resolution of such dispute unless and until this Agreement is terminated in accordance with its provisions.

19.2 In the event that the Parties are unable to reach an amicable settlement for claims, controversies or disputes arising under this Agreement, any such dispute, controversy or claim, shall be finally settled under the Arbitration Rules of the International Centre for Dispute Resolution by three (3) arbitrators mutually appointed in compliance with the said rules. The place of arbitration shall be in Singapore, the arbitration shall be conducted in the English language and shall be binding on the Parties. The arbitral award shall be final and binding on the Parties and shall be non-appealable and may be enforced by proceedings in any court having jurisdiction over any of the Parties.

20. Inspection; Audit

20.1 The Company, at any time during reasonable hours and from time to time during the Term, shall have the right but not the obligation to inspect and/or audit those portions of the facilities wherein personnel, machinery and/or equipment are engaged in the business of manufacturing, producing or storing the Products pursuant to the terms of this Agreement. The Company shall give the Manufacturer reasonable notice of such inspection or audit. Such inspection may include all aspects of the Manufacturer's manufacturing techniques, quality control, storage, sanitation procedures, clean-up periods and records in order to ensure that the Products manufactured by the Manufacturer on behalf of the Company comply with the Specifications and Laws. The Manufacturer shall maintain and make available to the Company upon request, all records related to the manufacture of the Products, including, without limitation, all records relating to the testing of the Products and the raw materials and other commodities used in the production of the Products, that the Manufacturer conducts on behalf of the Company or that the Company requires under this Agreement. The Company may, at its option, as determined in its sole discretion, and from time to time, rely in whole or in part upon inspections and/or audits of the Manufacturer's facility conducted by third party inspectors or auditors. In such events, the Manufacturer shall furnish to the Company all inspection and/or audit reports, correspondence, work papers, back-up materials and other information requested by the Company. The Company shall have the obligation to pay for any or all of such third party inspection (s) and/or audit(s).

20.2 The Manufacturer shall endeavor to cause its vendors to maintain their respective books and records relating to the Products produced hereunder and pricing thereof for a period of

Exhibit 10.2

two (2) years from the date such Products were produced, and to make such books and records available to the Company upon its request at such reasonable time or times within the two (2) year period. The Company may, upon request, audit any and all available records of any of the Manufacturer's vendors relating to production or pricing of the Products.

20.3 Manufacturer shall, at least once every six (6) months during the Term, take a physical inventory of the materials used in the production of the Products and permit Company or its auditors to participate in such inventory, and in any event shall promptly furnish the results thereof to Company, together with all supporting documentation.

20.4 Subject in all respects to Clause 4.3, in connection with any negotiation regarding, or adjustment to, the Price of the Products, the Manufacturer shall immediately upon the Company's request, provide the Company with any and all applicable information reasonably required for the Company to evaluate such adjustment, including without limitation, any invoices for the Manufacturer's purchase of raw and packing materials, and any other ingredients necessary to produce the Products, and any information related to the base line cost of the Products (i.e. labor rates, ingredients, raw materials, power, foreign exchange rates, maintenance costs, etc.).

21. Injunctive Relief

The Parties acknowledge and agree that either Party would be damaged irreparably in the event that either party fails or refuses to perform its obligations hereunder. Accordingly, both Parties agree that the non defaulting Party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement, to enforce specifically this Agreement and the terms and provisions hereof without bond or other security being required in any court of the Republic of the Philippines, any foreign jurisdiction, or any state having jurisdiction, this being in addition to any other remedy to which the Parties are entitled at Law or in equity.

22. Recall; Manufacturing Defect

22.1 If the Company is required, or it determines it is reasonably necessary in order to minimize or avoid bodily injuries or danger to any person or property to withdraw or recall any or all of the Products, or if there is any governmental seizure of its Products supplied hereunder for any reason whatsoever (a "Recall"), the Company will notify the Manufacturer promptly of the details regarding such withdrawal, recall or seizure action, including providing copies of all relevant documentation concerning such action. The Manufacturer will fully cooperate with and use diligent efforts to assist the Company in investigating any such situation. All regulatory contacts that are made and all activities concerning seizure, recall and/or withdrawal will be coordinated by the Company.

22.2 Except as otherwise provided herein, Manufacturer, shall for an amount not exceeding [***] for any single incident that arises from the same Manufacturer failure, bear the cost and expense which already includes fines, damages and costs to the Company and third parties, and shall indemnify and hold the Company harmless of and from any such seizure, recall

Exhibit 10.2

or withdrawal, which occurs, due to (i) a failure of any Product sold by the Manufacturer to the Company hereunder to conform to the Specifications or use of processes agreed upon by the Parties (including, without limitation, the Products being adulterated or misbranded) or any warranty or other requirement set forth in this Agreement, or (ii) the failure by the Manufacturer to comply with the Laws. For the avoidance of doubt, the Manufacturer shall not be held liable for recalls resulting from the use of ingredients included in the Specifications which may later be deemed not allowed in the country of distribution for use as a food additive. In addition, the Company agrees to indemnify and save harmless the Manufacturer from any such seizure, recall or withdrawal which occurs, due to any defect or negligence in the process of sale, distribution, storage, use, handling of the Products directly caused by the Company.

23. Indemnity

23.1 The Company shall defend, indemnify, and hold Manufacturer, its affiliates, and their respective officers, shareholders, directors and agents, and their respective successors and assigns (the "Manufacturer Parties") harmless from and against any and all third party claims, demands, losses, actual, direct and verifiable costs, damages, injury, suits, judgments, penalties, expenses, liens, obligations, penalties, assessments, citations, directives and liabilities of any kind or nature, including reasonable outside attorneys' fees and other actual, direct and verifiable litigation related costs (collectively, "Losses") incurred by the Manufacturer Parties to the extent and only to the extent arising directly or indirectly out of (1) the Manufacturer's strict observance of the Specifications herein as provided by the Company or (2) in connection with a breach by the Company of its obligations under this Agreement or (3) any negligent or intentional act or omission of the Company, except to the extent such claims, demands,

losses, costs, damages, suits, judgments, penalties, expenses, and liabilities result from the Manufacturer Parties' negligence, reckless or intentional acts or omissions and/or a breach by the Manufacturer of its obligations under this Agreement.

23.2 The Manufacturer shall defend, indemnify, and hold Company, its affiliates, and their respective officers, shareholders, directors and agents, and their respective successors and assigns (the "Company Parties") harmless from and against any and all Losses incurred by the Company Parties to the extent and only to the extent arising directly or indirectly out of or in connection with a breach by the Manufacturer of its obligations under this Agreement, including without limitation, any breach of the Manufacturer's representations and warranties set forth in this Agreement, or any negligent or intentional act or omission of the Manufacturer, or the failure of any of the Products to comply with the Specifications and/or the Laws, except to the extent such Losses result from the Company's negligence, reckless or intentional acts or omissions and/or a breach by Company of its obligations under this Agreement.

23.3 Except as otherwise provided herein, Company shall not be liable for consequential, special, indirect, punitive, exemplary, or incidental damages in connection with this Agreement, even if Company has been advised of the possibility of such damages.

24. Insurance

Exhibit 10.2

24.1 The Manufacturer shall, at its sole expense, have in full force and effect throughout the Term commercial general liability insurance, including product liability insurance, in an amount which is commercially reasonable and sufficient given the Manufacturer's business, as well as worker's compensation insurance (or the equivalent under Philippine law) in the statutory amounts required in the Philippines. Manufacturer shall cause the Company to be listed as an additional insured on such insurance policy.

24.2 Before commencement of any production under this Agreement, and thereafter (from time to time), promptly upon the Company's request, the Manufacturer shall provide the Company with a copy of its policy cover evidencing its existing insurance coverage for the Company to confirm its suitability for this purpose. The Company may (but shall not be obligated to), at its sole discretion and expense, purchase additional insurance.

25. Anti-Corruption; Anti-Bribery

Manufacturer acknowledges that Company and its employees, officers, directors, agents, and representatives are subject to: (a) the United States Foreign Corrupt Practices Act (as may be amended from time to time); and (b) the U.K. Bribery Act (collectively, the "Acts") and that, accordingly, all of Manufacturer's activities under or in connection with this Agreement are subject to the requirements of the Acts. Manufacturer agrees to comply with the Acts, and any other applicable anti-corruption and anti-bribery laws. In connection with this Agreement and any related agreement or activity, Manufacturer agrees that no payments of money or anything of value have been or will be corruptly offered, promised, paid, authorized, solicited, or received, directly or indirectly, to or from any person, including any Government Official: (i) to influence any official act or decision of a Government Official; (ii) to induce a Government Official to do or omit to do any act in violation of a lawful duty; (iii) to induce a Government Official to influence the act or decision of a government, agency, ministry or instrumentality thereof; (iv) to secure any improper business advantage; (v) to obtain or retain business in any way related to Company or any of its Subsidiaries; or (vi) that would otherwise constitute a bribe, kickback, or other improper or illegal payment or benefit. Items of value may include gifts, favors, meals, entertainment, job offers, and travel. Manufacturer must not use product or service discounts, equipment loans, marketing funds, or other business activity to disguise an improper payment. Manufacturer also must not use other entities to make or offer payments that they are not permitted to make or offer directly.

26. Trade Control Laws

Manufacturer and its subsidiaries, officers, directors, principals, equity holders, or other affiliates are in compliance with all import, export, economic sanction, anti-boycott, anti-bribery and anti-corruption, and anti-money laundering laws, rules, regulations, ordinances, codes, and the like of the United States and of all foreign jurisdictions. Manufacturer and its subsidiaries, officers, directors, principals, equity holders, or other affiliates have not engaged, and do not engage, in any transactions in any manner that has violated or violates (or would cause Manufacturer or its subsidiaries, officers, directors, principals, equity holders, or other affiliates to be in violation of import, export, economic sanction, anti-boycott, anti-bribery and anti-

Exhibit 10.2

corruption, and anti-money laws, rules, regulations, ordinances, codes and the like, including: (a) the United States Trading with the Enemy Act (50 U.S.C. App. §§1-44), or the International Economic Emergency Powers Act (50 U.S.C. §§1701-1706); (b) business dealings with any person(s) listed as a "Specially Designated Nationals" by the United States Treasury Department from time to time at <http://www.treas.gov/offices/enforcement/ofac/sdn/> (or any successor URL); (c) business dealings with any person(s) designated by the United States Commerce Department as "Denied Persons" from time to time at <http://www.bis.doc.gov/dpl/Default.shtm> (or any successor URL); (d) the Export Administration Regulations (15 C.F.R. §§ 730-775); (e) Tax Reform Act of 1976 (26 U.S.C. §999); (f) the Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-1, et seq.); (g) the UK Bribery Act; (h) the Money Laundering Control Act (18 U.S.C. §§ 1956-1957) and the Bank Secrecy Act (13 U.S.C. §§ 5311, et seq.); and (i) any other applicable laws, rules, regulations, ordinances, codes and the like related to import, export, economic sanction, anti-boycott, anti-bribery and anti-corruption, and anti-money laundering matters.

27. Governing Language

The Parties hereto acknowledge and agree that this Agreement has been prepared in the English language and that the costs and expenses associated with the translation of such shall be borne exclusively by each Party.

28. Schedules; Entire Agreement; Construction

The Schedules are a part of, and incorporated by reference into, this Agreement. This Agreement, together with any Schedules attached to this Agreement, contain all of the terms, warranties, representations, agreements, covenants, conditions, and provisions the Parties have agreed upon with respect to the subject matter of this Agreement and it supersedes any and all prior or contemporaneous written or oral agreements, understandings or representations relating to its subject matter. The Parties hereto have consulted with and have been counseled by their own legal counsel and other advisors, and are entering into this Agreement voluntarily and with a full understanding of the meaning and legal effects of each provision contained in this Agreement. The Parties hereto and their respective legal counsel have been involved in the negotiation and drafting of this Agreement. In the event of any dispute regarding the interpretation of any provision of this Agreement, the Parties agree that this Agreement and the provisions hereof shall not be construed against any one Party as the drafter of this Agreement.

29. Severability

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement in any other jurisdiction, but this Agreement shall be reformed and construed in any such jurisdiction as if such invalid or illegal or unenforceable provision had never been contained herein and such provision shall be reformed so that it would be valid, legal and enforceable to the maximum extent permitted in such jurisdiction.

Exhibit 10.2

30. Waiver

Any Party's failure to insist on strict performance of any provision of this Agreement shall not be deemed a waiver of any of its rights or remedies, nor shall it relieve any other Party from performing any subsequent obligation strictly in accordance with the terms of this Agreement. No waiver shall be effective unless it is in writing and signed by the Party against whom enforcement is sought. The waiver shall be limited to provisions of this Agreement specifically referred to therein and shall not be deemed a waiver of any other provision. No waiver shall constitute a continuing waiver unless the writing states otherwise.

31. Counterparts

This Agreement may be executed on different dates and in different places by the Parties and each such signed/executed Agreement shall be binding on those who signed the same, as well as the other Party, and each such signed/executed Agreement shall be deemed as good and effective as the original of this Agreement.

[SIGNATURE PAGE FOLLOWS]

Exhibit 10.2

IN WITNESS WHEREOF, each Party has executed this Manufacturing and Purchasing Agreement on the day and year first above written.

Manufacturer:

CENTURY PACIFIC FOOD, INC.

By: /s/ Christopher T. Po

Christopher T. Po

President

Company:

ALL MARKET SINGAPORE PTE LTD

By: /s/ Jonathan Burth

Jonathan Burth

COO

Exhibit 10.2

SCHEDULE 1

Products and Prices*

[***]

Exhibit 10.2

SCHEDULE 2

Specifications

[***]

Exhibit 10.2

SCHEDULE 3

Loading Specifications

[***]

Exhibit 10.2

SCHEDULE 4

Minimum Volume

[***]

Exhibit 31.1

CERTIFICATION

I, Martin Roper, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Vita Coco Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

By: /s/ Martin Roper
 Martin Roper
 Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Corey Baker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Vita Coco Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control

over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

By: /s/ Corey Baker

Corey Baker
Chief Financial Officer
(*Principal Financial Officer*)

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of The Vita Coco Company, Inc. (the "Company") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin Roper, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2023 May 2, 2024

By: /s/ Martin Roper

Martin Roper
Chief Executive Officer
(*Principal Executive Officer*)

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of The Vita Coco Company, Inc. (the "Company") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Corey Baker, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **November 2, 2023** **May 2, 2024**

By: */s/ Corey Baker*

Corey Baker
Chief Financial Officer
(*Principal Financial Officer*)

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