
**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 June 30, 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
(State or other jurisdiction of
incorporation or organization)

**250 Park Avenue South
Seventh Floor
New York, NY**
(Address of principal executive offices)

11-3713156
(I.R.S. Employer
Identification No.)

10003
(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
Non-accelerated filer
Emerging growth company

Accelerated filer
Smaller reporting company

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.

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

As of July 30, 2024, there were 56,782,291 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, 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)

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 150,103	\$ 132,537
Accounts receivable, net of allowance of \$2,992 at June 30, 2024, and \$2,486 at December 31, 2023	78,891	50,086
Inventory	45,457	50,757
Supplier advances, current	1,381	1,521
Derivative assets	140	3,876
Prepaid expenses and other current assets	24,651	24,160
Total current assets	300,623	262,937
Property and equipment, net	2,231	2,136
Goodwill	7,791	7,791
Supplier advances, long-term	2,907	2,820
Deferred tax assets, net	6,745	6,749
Right-of-use assets, net	897	1,406
Other assets	1,842	1,843
Total assets	\$ 323,036	\$ 285,682
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 20,651	\$ 21,826
Accrued expenses and other current liabilities	64,188	59,533
Notes payable, current	10	13
Derivative liabilities	5,965	1,213
Total current liabilities	90,814	82,585
Notes payable, long-term	8	13
Other long-term liabilities	208	647
Total liabilities	91,030	83,245
Commitments and contingencies (See Note 7)		
Stockholders' equity:		
Common stock, \$0.01 par value; 500,000,000 shares authorized; 63,403,113 and 63,135,453 shares issued at June 30, 2024 and December 31, 2023, respectively 56,775,369 and 56,899,253 shares outstanding at June 30, 2024 and December 31, 2023, respectively	634	631
Additional paid-in capital	166,863	161,414
Retained earnings	134,073	100,742
Accumulated other comprehensive loss	(628)	(649)
Treasury stock, 6,627,744 shares at cost as of June 30, 2024, and 6,236,200 shares at cost as of December 31, 2023.	(68,936)	(59,701)
Total stockholders' equity attributable to The Vita Coco Company, Inc.	232,006	202,437
Total liabilities and stockholders' equity	\$ 323,036	\$ 285,682

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 144,116	\$ 139,645	\$ 255,814	\$ 249,404
Cost of goods sold	85,379	88,551	149,900	164,649
Gross profit	58,737	51,094	105,914	84,755
Operating expenses				
Selling, general and administrative	28,756	30,249	56,974	57,206
Income (Loss) from operations	29,981	20,845	48,940	27,549
Other income (expense)				
Unrealized gain/(loss) on derivative instruments	(5,963)	988	(8,488)	2,201
Foreign currency gain/(loss)	(136)	170	(78)	781
Interest income	1,627	268	3,150	281
Interest expense	—	(15)	—	(30)
Total other income (expense)	(4,472)	1,411	(5,416)	3,233
Income before income taxes	25,509	22,256	43,524	30,782
Income tax expense	(6,416)	(4,269)	(10,193)	(6,090)
Net income	\$ 19,093	\$ 17,987	\$ 33,331	\$ 24,692
Net income per common share				
Basic	\$ 0.34	\$ 0.32	\$ 0.59	\$ 0.44
Diluted	\$ 0.32	\$ 0.31	\$ 0.57	\$ 0.42
Weighted-average number of common shares outstanding				
Basic	56,705,220	56,325,013	56,647,393	56,186,727
Diluted	59,235,211	58,854,063	58,990,921	58,103,502

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)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net income	\$ 19,093	\$ 17,987	\$ 33,331	\$ 24,692
Other comprehensive income (loss):				
Foreign currency translation adjustment	33	(64)	21	109
Total comprehensive income attributable to The Vita Coco Company, Inc.	<u>\$ 19,126</u>	<u>\$ 17,923</u>	<u>\$ 33,352</u>	<u>\$ 24,801</u>

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 with Exit Warrants		Total Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income / (Loss)	Treasury Stock		Total Shareholders' Equity Attributable to The Vita Coco Company, Inc.
	Shares	\$ Amount	Shares	\$ Amount	Shares	\$ Amount				Shares	Amount	
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	—	—	—	—	—	—	—	(1,070)	—	—	—	(1,070)
Stock-based compensation	—	—	—	—	—	—	2,162	—	—	—	—	2,162
Exercise of stock awards	185,783	2	—	—	185,783	2	601	—	—	—	—	603
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
Stock-based compensation	—	—	—	—	—	—	2,102	—	—	—	—	2,102
Exercise of stock awards	230,857	2	—	—	230,857	2	2,112	—	—	—	—	2,114
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(64)	—	—	(64)
Balance at June 30, 2023	54,528,785	\$ 545	8,113,105	\$ 81	62,641,890	\$ 626	\$ 152,187	\$ 78,805	\$ (885)	6,206,200	\$ (58,928)	\$ 171,805
Balance at December 31, 2023	55,022,348	\$ 550	8,113,105	\$ 81	63,135,453	\$ 631	\$ 161,414	\$ 100,742	\$ (649)	6,236,200	\$ (59,701)	\$ 202,437
Net income	—	—	—	—	—	—	—	14,238	—	—	—	14,238
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	391,544	(9,235)	(9,235)
Stock-based compensation	—	—	—	—	—	—	2,109	—	—	—	—	2,109
Exercise of stock awards	176,284	2	—	—	176,284	2	151	—	—	—	—	153
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(12)	—	—	(12)
Balance at March 31, 2024	55,198,632	552	8,113,105	81	63,311,737	633	163,674	114,980	(661)	6,627,744	(68,936)	209,690
Net income	—	—	—	—	—	—	—	19,093	—	—	—	19,093
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	—	—
Loan to Shareholder	—	—	—	—	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	2,399	—	—	—	—	2,399
Exercise of stock awards	91,376	1	—	—	91,376	1	790	—	—	—	—	791
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	33	—	—	33
Balance at June 30, 2024	55,290,008	\$ 553	8,113,105	\$ 81	63,403,113	\$ 634	\$ 166,863	\$ 134,073	\$ (628)	6,627,744	\$ (68,936)	\$ 232,006

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)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 33,331	\$ 24,692
Adjustments required to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	344	340
(Gain)/loss on disposal of equipment	13	(1)
Bad debt expense	(204)	177
Unrealized (gain)/loss on derivative instruments	8,488	(2,201)
Stock-based compensation	4,508	4,264
Noncash lease expense	508	561
Changes in operating assets and liabilities:		
Accounts receivable	(28,761)	(46,605)
Inventory	5,254	27,253
Prepaid expenses, net supplier advances, and other assets	(204)	2,769
Accounts payable, accrued expenses, and other liabilities	3,375	14,822
Net cash provided by (used in) operating activities	<u>26,652</u>	<u>26,071</u>
Cash flows from investing activities:		
Cash paid for property and equipment	(414)	(487)
Proceeds from sale of property and equipment	—	5
Net cash used in investing activities	<u>(414)</u>	<u>(482)</u>
Cash flows from financing activities:		
Proceeds from exercise of stock awards	681	2,717
Cash received (paid) on notes payable	(8)	(12)
Cash paid to acquire treasury stock	(9,235)	—
Net cash provided by (used in) financing activities	<u>(8,562)</u>	<u>2,705</u>
Effects of exchange rate changes on cash and cash equivalents	(106)	371
Net increase/(decrease) in cash and cash equivalents	17,570	28,665
Cash, cash equivalents and restricted cash at beginning of the period (1)	<u>132,867</u>	<u>19,629</u>
Cash, cash equivalents and restricted cash at end of the period (1)	<u>\$ 150,437</u>	<u>\$ 48,294</u>

¹Includes \$334 and \$326 of restricted cash as of June 30, 2024 and 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, coconut oil, coconut as a commodity, water (under the brand name *Ever & Ever*), and protein infused fitness drinks (under the brand name *PWR LIFT*). We also offered a 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 was marketed and distributed primarily in the United 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 ten wholly-owned subsidiaries including four wholly-owned Asian subsidiaries established between fiscal 2012 and 2015, four North American subsidiaries established between 2012 and 2018, All Market Europe, Ltd. (“AME”) in the United Kingdom, 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, 2024 or for any other interim period or for any other future year. The condensed consolidated balance sheet as of June 30, 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, 2023.

During the six months ended June 30, 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, 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 49% and 53% of total net sales for the six months ended June 30, 2024 and 2023, respectively. In addition, the two customers in aggregate also accounted for 45% and 43% of total accounts receivable as of June 30, 2024 and 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 was effective for the Company 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.

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 326	Pre-ASC 326 adoption	Impact of ASC 326 adoption
Allowance for credit losses on accounts receivables	\$ 3,552	\$ 2,898	\$ 654
Allowance for credit losses on supplier advances	416	—	416
Total	<u>\$ 3,968</u>	<u>\$ 2,898</u>	<u>\$ 1,070</u>

Recently Issued Accounting Pronouncements

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 single reportable segment are required to 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 tax rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction ("ASU 2023-09"). ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

3. REVENUE RECOGNITION

Revenues are accounted for in accordance with ASC 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 included *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 June 30, 2024		
	Americas	International	Consolidated
Vita Coco Coconut Water	\$ 98,494	\$ 13,952	\$ 112,446
Private Label	23,135	4,816	27,951
Other	2,873	846	3,719
Total	\$ 124,502	\$ 19,614	\$ 144,116

	Three Months Ended June 30, 2023		
	Americas	International	Consolidated
Vita Coco Coconut Water	\$ 95,004	\$ 12,720	\$ 107,724
Private Label	24,059	5,053	29,112
Other	2,200	609	2,809
Total	\$ 121,263	\$ 18,382	\$ 139,645

	Six Months Ended June 30, 2024		
	Americas	International	Consolidated
Vita Coco Coconut Water	\$ 168,016	\$ 23,617	\$ 191,633
Private Label	47,408	9,968	57,376
Other	5,169	1,636	6,805
Total	\$ 220,593	\$ 35,221	\$ 255,814

	Six Months Ended June 30, 2023		
	Americas	International	Consolidated
Vita Coco Coconut Water	\$ 164,142	\$ 22,278	\$ 186,420
Private Label	49,109	7,719	56,828
Other	4,784	1,372	6,156
Total	\$ 218,035	\$ 31,369	\$ 249,404

4. INVENTORY

Inventory consists of the following:

	June 30, 2024	December 31, 2023
Raw materials and packaging	\$ 3,130	\$ 3,360
Finished goods	42,327	47,397
Inventory	\$ 45,457	\$ 50,757

5. GOODWILL

Goodwill consists of the following:

	June 30, 2024	December 31, 2023
Goodwill	\$ 7,791	\$ 7,791

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 June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Notes payable		
Vehicle loans	18	26
	<u>\$ 18</u>	<u>\$ 26</u>
Current	10	13
Non-current	<u>\$ 8</u>	<u>13</u>

Revolving Credit Facility

In May 2020, the Company entered into the five-year credit facility with Wells Fargo Bank, National Association consisting of a revolving line of credit, which currently provides for committed borrowings of \$60 million (the "2020 Credit Facility"). The maturity date on the 2020 Credit Facility is May 12, 2026.

Starting in December 2022, 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 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).

As of June 30, 2024 and December 31, 2023, the Company had no outstanding balance and \$60 million undrawn and available under its amended 2020 Credit Facility. The Company incurred no interest expense for the 2020 Credit Facility for the six months ended June 30, 2024 and June 30, 2023, respectively. The unused commitment fee for the 2020 Credit Facility amounted to \$15 and \$15 for the three months ended June 30, 2024 and June 30, 2023, respectively. The unused commitment fee for the 2020 Credit Facility amounted to \$30 and \$30 for the six months ended June 30, 2024 and June 30, 2023, respectively.

The 2020 Credit Facility is collateralized by substantially all of the 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, (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 June 30, 2024, the Company was in compliance 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 June 30, 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. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. The Company also discloses when it is reasonably possible that a material loss may be incurred. As of June 30, 2024 and December 31, 2023, the Company has not recorded any liabilities relating to such legal 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:

	Net sales		Accounts receivable	
	Six Months Ended June 30,		June 30, 2024	December 31, 2023
	2024	2023		
Customer A	27 %	30 %	25 %	20 %
Customer B	22 %	23 %	20 %	23 %

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

In 2023, we agreed to start to discontinue the private label coconut water and coconut oil supply relationship with one of our significant customers as the terms required to retain the business were contrary to our long term margin targets. However, at the request of this customer, we have continued the supply relationship 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:

	Six Months Ended June 30,	
	2024	2023
Supplier A	22 %	20 %
Supplier B	14 %	15 %

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 June 30, 2024 and 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:

June 30, 2024				
Derivatives not designated as hedging instruments under ASC 815-20	Notional Amount	Fair Value	Balance Sheet Location	
Assets				
Foreign currency exchange contracts				
Receive USD/pay EUR	\$ 4,279	\$ 55	Derivative assets	
Receive USD/pay CAD	6,097	85	Derivative assets	
Liabilities				
Foreign currency exchange contracts				
Receive BRL/sell USD	\$ 51,459	\$ (4,339)	Derivative liabilities	
Receive THB/sell USD	18,647	(1,243)	Derivative liabilities	
Receive USD/pay GBP	21,277	(383)	Derivative liabilities	
December 31, 2023				
Derivatives not designated as hedging instruments under ASC 815-20	Notional Amount	Fair Value	Balance Sheet Location	
Assets				
Foreign currency exchange contracts				
Receive BRL/sell USD	\$ 62,253	\$ 3,876	Derivative assets	
Liabilities				
Foreign currency exchange contracts				
Receive THB/sell USD	21,971	(285)	Derivative liabilities	
Receive USD/pay EUR	5,627	(90)	Derivative liabilities	
Receive USD/pay GBP	23,512	(749)	Derivative liabilities	
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 six months ended June 30, 2024 and 2023 are as follows:

	Three Months Ended June 30,	
	2024	2023
Unrealized gain/(loss) on derivative instruments	\$ (5,963)	\$ 988
Location	Unrealized gain/(loss) on derivative instruments	Unrealized gain/(loss) on derivative instruments
Foreign currency gain / (loss)	\$ 188	\$ 1,572
Location	Foreign currency gain/(loss)	Foreign currency gain/(loss)
	Six Months Ended June 30,	
	2024	2023
Unrealized gain/(loss) on derivative instruments	\$ (8,488)	\$ 2,201
Location	Unrealized gain/(loss) on derivative instruments	Unrealized gain/(loss) on derivative instruments
Foreign currency gain / (loss)	\$ 795	\$ 2,643
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—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.

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

	Level 1	Level 2	Level 3	Total
		Forward Currency Swaps/Contracts		
June 30, 2024	\$ —	\$ (5,825)	\$ —	\$ (5,825)
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 June 30, 2024 and December 31, 2023, the Company held 6,627,744 and 6,236,200 shares, respectively, in treasury stock. As of June 30, 2024 and December 31, 2023, the Company had 3,219,779 and 3,124,326 shares, respectively, of Common Stock available for issuance upon the conversion of outstanding equity awards under the 2021 Incentive Award Plan ("2021 Plan").

On October 30, 2023, the Company's Board of Directors approved a share repurchase program ("Program") authorizing the Company to repurchase up to \$40,000 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. The Company repurchased no shares under this Program during the three months ended June 30, 2024. The Company repurchased 391,544 shares under this Program at a cost of \$9,235 during the six months ended June 30, 2024. The Company repurchased 30,000 shares under this Program at a cost of \$773 during the year ended December 31, 2023. As of June 30, 2024, the Company had \$29,992 remaining under this Program.

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, Verinvest 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 six months ended June 30, 2023.

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 may grant employees, directors and consultants stock options and restricted stock awards and has the authority to establish the specific terms of each award, including exercise price, expiration and vesting. 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 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 have been made under the 2014 Plan. The maximum number of shares of our Common Stock available for issuance under the 2021 Plan is equal to the sum of: (i) 3,431,312 shares of our 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 ("ISOs"). The 2021 Plan provides for the grant of stock options, including ISOs and nonqualified stock options ("NSOs"), restricted stock, dividend equivalents, stock payments, restricted stock units ("RSUs"), other incentive awards, stock appreciation rights ("SARs"), and cash awards. As of June 30, 2024, only stock options, restricted stock, and RSU's have been granted under the 2021 Plan.

The Company recognized stock-based compensation expense of \$2,399 and \$1,951 for the three months ended June 30, 2024 and 2023, respectively, in selling, general and administrative expenses. Additionally, the stock compensation expense of \$4,357 and \$3,248 was recognized for the six months ended June 30, 2024 and 2023, respectively, in selling, general and administrative expenses. For the RSUs previously granted to a major customer, \$0 and \$151 was recognized for the three months ended June 30, 2024 and June 30, 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 \$151 and \$1,016 for the six months ended June 30, 2024 and 2023, 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 168,076 new service-based stock option awards granted during the six months ended June 30, 2024. Exercises of stock options during the three months ended June 30, 2024, and 2023 were 72,588 and 202,467, respectively. Exercises of stock options during the six months ended June 30, 2024, and 2023 were 86,548 and 268,990, respectively.

Option Awards with Performance and Market-based Vesting Conditions

There are also outstanding stock option awards containing performance-based vesting conditions, subject to achievement of various performance goals by a future period, such as revenue and adjusted EBITDA targets. There were also stock option awards granted in 2019 to the current Chief Executive Officer ("CEO") containing performance and market vesting conditions vesting upon occurrence of an IPO or other qualifying liquidity event and upon achieving a predetermined equity value of the Company, which fully vested as of July 31, 2023.

There were no new stock option awards granted during the six months ended June 30, 2024 with performance-based vesting 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 six months ended June 30, 2024 and June 30, 2023, the Company also granted RSUs that contain performance-based vesting conditions, subject to achievement of various performance goals in the future, specifically net sales growth and Adjusted EBITDA targets.

Also included in these awards are shares of restricted Common Stock valued at \$3,000 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 had not been terminated by either party for cause as of March 31, 2023, 50% of the shares were released on March 31, 2023. The remaining 50% 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 six months ended June 30, 2024, there were 259,221 service based and 58,365 performance based RSUs granted, which had an aggregate grant date fair value of \$8,348. During the three months ended June 30, 2024 and June 30, 2023, awards vested were 18,788 and 28,390, respectively. During the six months ended June 30, 2024 and June 30, 2023, awards vested were 181,112 and 147,649, respectively, which includes service based RSUs and restricted stock of the major customer.

11. INCOME TAXES

For the three months ended June 30, 2024 and 2023, the Company recorded income tax expense of \$6,416 and \$4,269, respectively, in its condensed consolidated statements of operations. For the six months ended June 30, 2024 and 2023, the Company recorded \$10,193 and \$6,090, 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 June 30, 2024 and December 31, 2023, there was a \$106 liability for income tax uncertainties recorded in the Company's consolidated balance 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 and six months ended June 30, 2024 and 2023. The Company is subject to income tax examinations by the 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net income	\$ 19,093	\$ 17,987	\$ 33,331	\$ 24,692
Denominator:				
Weighted-average number of common shares used in earnings per share—basic	56,705,220	56,325,013	56,647,393	56,186,727
Effect of conversion of stock options	2,529,991	2,529,050	2,343,528	1,916,775
Weighted-average number of common shares used in earnings per share—diluted	59,235,211	58,854,063	58,990,921	58,103,502
Earnings per share—basic	\$ 0.34	\$ 0.32	\$ 0.59	\$ 0.44
Earnings per share—diluted	\$ 0.32	\$ 0.31	\$ 0.57	\$ 0.42

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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Options to purchase common stock and RSUs	207,168	54,008	254,490	560,721

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 aluminum bottle canned water (*Ever & Ever*) and protein infused fitness drink (*PWR LIFT*) are marketed only in the Americas segment. The Company also offered guayusa leaf products (*Runa*) 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 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 six months ended June 30, 2024 and 2023 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 144,116	\$ 139,645	\$ 255,814	\$ 249,404
Americas	124,502	121,263	220,593	218,035
International	19,614	18,382	35,221	31,369
Gross profit	\$ 58,737	\$ 51,094	\$ 105,914	\$ 84,755
Americas	52,208	45,109	93,080	74,258
International	6,529	5,985	12,834	10,497
			As of June 30,	As of December 31,
			2024	2023
Total segment assets			\$ 323,036	\$ 285,682
Americas			225,790	209,984
International			97,246	75,698

Reconciliation	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total gross profit	\$ 58,737	\$ 51,094	\$ 105,914	\$ 84,755
Less:				
Selling, general, and administrative expenses	28,756	30,249	56,974	57,206
Income (loss) from operations	\$ 29,981	\$ 20,845	\$ 48,940	\$ 27,549
Less:				
Unrealized gain/(loss) on derivative instruments	(5,963)	988	(8,488)	2,201
Foreign currency gain/(loss)	(136)	170	(78)	781
Interest income	1,627	268	3,150	281
Interest expense	—	(15)	—	(30)
Income before income taxes	\$ 25,509	\$ 22,256	\$ 43,524	\$ 30,782

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:

Six Months Ended June 30,	2024	2023
United States	\$ 205,561	\$ 204,152
United Kingdom	25,862	21,622
All other countries(1)	24,391	23,631
Net sales	<u>\$ 255,814</u>	<u>\$ 249,404</u>

(1) No individual country is greater than 10% of total net sales for the six months ended June 30, 2024 and 2023.

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

	June 30, 2024	December 31, 2023
United States	\$ 857	\$ 729
Singapore	1,076	1,081
All other countries(1)	298	326
Property and equipment, net	<u>\$ 2,231</u>	<u>\$ 2,136</u>

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

14. RELATED-PARTY TRANSACTIONS

Director Nominee Agreements - 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 agreement on May 24, 2022 instructing the Company to pay all cash and equity compensation earned in connection with his board of director service to Verlinvest. Based on the aforementioned nominee agreement, RSUs granted to this director will be held by him as nominee for Verlinvest and, upon vesting of the RSUs, the shares will be transferred to Verlinvest. The nominee agreements are primarily between the director and Verlinvest. The Company is a party to this arrangement solely to agree to the manner in which it would satisfy the compensation obligations to 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 part of the 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 May 2023, Verlinvest agreed to waive its right to reimbursement of legal fees for its counsel in the fourth quarter of 2023, and those expenses, in the amount of \$140, were not reimbursed by the Company. In connection with the secondary share offering by Verlinvest in November 2023, in April 2024, Verlinvest agreed to waive its right to reimbursement of legal fees for its counsel, and those expenses, in the amount of \$324, were not reimbursed by the Company.

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, 2023 and filed with the Securities and Exchange Commission (“SEC”) on 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 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, and milk offerings. Our other brands include *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. Additionally, we generate revenue from bulk product sales to beverage and food companies.

As of June 30, 2024, we source our coconut water from a diversified global network of 15 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. 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” 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 geopolitical and economic instability (including the effects of current wars and other international conflicts) and variability in interest rates, foreign exchange rates and inflationary cost environments may affect our global supply chain. 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” of the 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, promotional expenses, and general and administrative expenses. Marketing and 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. 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 Six Months Ended June 30, 2024 and 2023

The following table summarizes our results of operations for the three and six months ended June 30, 2024 and 2023, respectively:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 144,116	\$ 139,645	\$ 255,814	\$ 249,404
Cost of goods sold	85,379	88,551	149,900	164,649
Gross profit	58,737	51,094	105,914	84,755
Operating expenses				
Selling, general, and administrative	28,756	30,249	56,974	57,206
Income (loss) from operations	29,981	20,845	48,940	27,549
Other income (expense)				
Unrealized gain/(loss) on derivative instrument	(5,963)	988	(8,488)	2,201
Foreign currency gain/(loss)	(136)	170	(78)	781
Interest income	1,627	268	3,150	281
Interest expense	—	(15)	—	(30)
Total other income (expense)	(4,472)	1,411	(5,416)	3,233
Income before income taxes	25,509	22,256	43,524	30,782
Income tax expense	(6,416)	(4,269)	(10,193)	(6,090)
Net income	\$ 19,093	\$ 17,987	\$ 33,331	\$ 24,692

Net Sales

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

(in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage
Americas segment								
Vita Coco Coconut Water	\$ 98,494	\$ 95,004	\$ 3,490	3.7 %	\$ 168,016	\$ 164,142	\$ 3,874	2.4 %
Private Label	23,135	24,059	(924)	(3.8)%	47,408	49,109	(1,701)	(3.5)%
Other	2,873	2,200	673	30.6 %	5,169	4,784	385	8.0 %
Subtotal	124,502	121,263	3,239	2.7 %	220,593	218,035	2,558	1.2 %
International segment								
Vita Coco Coconut Water	13,952	12,720	\$ 1,233	9.7 %	23,617	22,278	\$ 1,339	6.0 %
Private Label	4,816	5,053	(236)	(4.7)%	9,968	7,719	2,249	29.1 %
Other	846	609	237	38.9 %	1,636	1,372	264	19.2 %
Subtotal	\$ 19,614	\$ 18,382	\$ 1,232	6.7 %	\$ 35,221	\$ 31,369	\$ 3,852	12.3 %
Total net sales	\$ 144,116	\$ 139,645	\$ 4,471	3.2 %	\$ 255,814	\$ 249,404	\$ 6,410	2.6 %

For the three months ended June 30, 2024, the primary driver of the consolidated net sales increase of 3.2% was a 4.4% net sales increase in Vita Coco Coconut Water resulting from a case equivalents ("CE") volume increase of 1.9% coupled with net pricing benefits. For the six months ended June 30, 2024, the net sales increase of 2.6%, was driven by Vita Coco Coconut Water which had a 2.8% net sales increase due to net pricing actions and changes in promotion timing compared to prior year, partially offset by a CE volume decrease of 0.7%.

Volume in Case Equivalent

The following table provides a comparative summary of the percentage change in our volume in CE for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023, by operating segment and product category:

	Percentage Change - Three Months Ended June 30, 2024 vs. 2023		
	Americas	International	Total
Vita Coco Coconut Water	1.3 %	5.0 %	1.9 %
Private Label	10.6 %	13.7 %	11.2 %
Other	14.0 %	7.2 %	13.5 %
Total volume (CE)	3.4 %	7.3 %	4.0 %

	Percentage Change - Six Months Ended June 30, 2024 vs. 2023		
	Americas	International	Total
Vita Coco Coconut Water	(0.6)%	(1.2)%	(0.7)%
Private Label	7.1 %	34.7 %	11.7 %
Other	(7.0)%	(8.5)%	(7.1)%
Total volume (CE)	1.0 %	7.5 %	2.0 %

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 CE.

Americas Segment

Americas net sales increased \$3.2 million, or 2.7%, to \$124.5 million for the three months ended June 30, 2024 from \$121.3 million for the three months ended June 30, 2023. The increase was primarily driven by CE volume growth of 3.4%, which was partially offset by price/mix changes in private label. Americas net sales increased \$2.6 million, or 1.2%, to \$220.6 million for the six months ended June 30, 2024 from \$218.0 million for the six months ended June 30, 2023. The increase was primarily driven by an increase in CE volume of 1.0%.

Vita Coco Coconut Water net sales increased by \$3.5 million, or 3.7%, to \$98.5 million for the three months ended June 30, 2024, from \$95.0 million for the three months ended June 30, 2023. The increase was the result of CE volume growth of 1.3% coupled with net pricing benefits. Vita Coco Coconut Water net sales increased by \$3.9 million, or 2.4%, to \$168.0 million for the six months ended June 30, 2024. The increase was primarily driven by net pricing benefits due to the timing of pricing promotions, partially offset by a CE volume decrease of 0.6%.

Private label net sales decreased by \$0.9 million, or 3.8%, to \$23.1 million for the three months ended June 30, 2024, from \$24.1 million for the three months ended June 30, 2023, due to the expected decrease in the private label oil business, partially offset by CE volume growth of 10.6%. Private label net sales decreased by \$1.7 million, or 3.5% to \$47.4 million for the six months ended June 30, 2024, due to the expected private label oil decrease, partially offset by CE volume growth of 7.1%.

Net sales from Other products increased by \$0.7 million, or 30.6%, to \$2.9 million for the three months ended June 30, 2024 from \$2.2 million for the three months ended June 30, 2023, driven by a CE volume increase of 14.0% due to innovations coupled with price/mix benefits. Net sales from Other products increased minimally by \$0.4 million, or 8.0%, to \$5.2 million for the six months ended June 30, 2024.

International Segment

International net sales increased by \$1.2 million, or 6.7%, to \$19.6 million for the three months ended June 30, 2024, from \$18.4 million for the three months ended June 30, 2023. The increase is primarily driven by CE volume growth of

7.3%. International net sales increased by \$3.9 million, or 12.3%, to \$35.2 million for the six months ended June 30, 2024 from \$31.4 million for the six months ended June 30, 2023. The increase is primarily driven by CE volume growth of 7.5%.

Vita Coco Coconut Water net sales increased by \$1.2 million, or 9.7%, to \$14.0 million for the three months ended June 30, 2024, from \$12.7 million for the three months ended June 30, 2023. The increase was driven primarily by Europe, which had strong volume and net sales performance, partially offset by lower volumes in the Asia Pacific region. Vita Coco Coconut Water net sales increased by \$1.3 million, or 6.0%, to \$23.6 million for the six months ended June 30, 2024 from \$22.3 million for the six months ended June 30, 2023. The increase was primarily driven by strong growth in Europe partially offset by lower volumes in the Asia Pacific region.

Private label net sales decreased by \$0.2 million, or 4.7%, to \$4.8 million for the three months ended June 30, 2024 from \$5.1 million for the three months ended June 30, 2023. The decrease was driven primarily by the expected decrease in private label coconut oil which offset private label coconut water CE volume growth in Europe from new distribution. Private label net sales increased by \$2.2 million, or 29.1%, to \$10.0 million for the six months ended June 30, 2024 from \$7.7 million for the six months ended June 30, 2023. The increase was driven primarily by Europe which had strong volume driven by new distribution, partially offset by the private label coconut oil decrease.

Net sales from Other products was relatively flat on a dollar basis for the three and six months ended June 30, 2024 compared to the prior year period.

Gross Profit

(in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage
Cost of goods sold								
Americas segment	\$ 72,295	\$ 76,155	\$ (3,860)	(5.1)%	\$ 127,514	\$ 143,777	\$ (16,263)	(11.3)%
International segment	13,084	12,396	688	5.6 %	22,386	20,872	1,514	7.3 %
Total cost of goods sold	\$ 85,379	\$ 88,551	\$ (3,172)	(3.6)%	\$ 149,900	\$ 164,649	\$ (14,749)	(9.0)%
Gross profit								
Americas segment	\$ 52,208	\$ 45,109	\$ 7,099	15.7 %	\$ 93,080	\$ 74,258	\$ 18,822	25.3 %
International segment	6,529	5,985	544	9.1 %	12,834	10,497	2,337	22.3 %
Total gross profit	\$ 58,737	\$ 51,094	\$ 7,643	15.0 %	\$ 105,914	\$ 84,755	\$ 21,159	25.0 %
Gross margin								
Americas segment	41.9 %	37.2 %		4.7 %	42.2 %	34.1 %		8.1 %
International segment	33.3 %	32.6 %		0.7 %	36.4 %	33.5 %		2.9 %
Consolidated	40.8 %	36.6 %		4.2 %	41.4 %	34.0 %		7.4 %

On a consolidated basis, cost of goods sold decreased by \$3.2 million, or 3.6%, to \$85.4 million for the three months ended June 30, 2024, from \$88.6 million for the three months ended June 30, 2023. On a consolidated and segment basis, the decrease was primarily related to lower finished goods and transportation costs and mix impacts from Private Label, which were partially offset by volume CE growth. Cost of goods sold decreased by \$14.7 million, or 9.0%, to \$149.9 million for the six months ended June 30, 2024. On a consolidated basis, the decrease was primarily related to lower finished goods and transportation costs, and mix impacts from Private Label, which were partially offset by volume CE growth.

On a consolidated basis, gross profit increased by \$7.6 million, or 15.0%, to \$58.7 million for the three months ended June 30, 2024, from \$51.1 million for the three months ended June 30, 2023. Gross margin increased approximately 4.2% percentage points to 40.8% for the three months ended June 30, 2024, as compared to 36.6% for the three months ended June 30, 2023. The increase in gross profit resulted from lower finished goods and domestic transportation costs, and improvements primarily in Vita Coco Coconut Water pricing along with mix effects of private label products. Gross profit increased by \$21.2 million, or 25.0%, to \$105.9 million for the six months ended June 30, 2024. This increase resulted from lower finished goods and transportation costs, improvements in Vita Coco Coconut Water pricing, volume CE growth, cost of goods mix benefits, partly offset by Private Label net sales mix impacts.

Operating Expenses

(in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage
Selling, general, and administrative	\$ 28,756	\$ 30,249	\$ (1,493)	(4.9)%	56,974	57,206	(232)	(0.4)%

Selling, General and Administrative Expenses

During the three months ended June 30, 2024, SG&A decreased by \$1.5 million, or 4.9%, versus the three months ended June 30, 2023. The decrease was primarily driven by reduced marketing expense of \$2.7 million largely timing related, partially offset by an increase of \$1.1 million in personnel related expenses for the three months ended June 30, 2024 versus the prior year comparable period. During the six months ended June 30, 2024, SG&A decreased by \$0.2 million, or 0.4%, versus the six months ended June 30, 2023. The decrease was primarily driven lower marketing expense of \$2.8 million and reduced bad debt expense of \$0.4 million, partially offset by increased personnel related expenses of \$3.0 million.

Other Income (Expense), Net

(in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage
Unrealized gain/(loss) on derivative instruments	\$ (5,963)	\$ 988	\$ (6,951)	n/m	\$ (8,488)	\$ 2,201	\$ (10,689)	n/m
Foreign currency gain/(loss)	(136)	170	(306)	180.0 %	(78)	781	(859)	(110.0 %)
Interest income	1,627	268	1,359	n/m	3,150	281	2,869	n/m
Interest expense	—	(15)	15	100.0 %	0	(30)	30	(100.0 %)
	\$ (4,472)	\$ 1,411	\$ (5,883)	416.9 %	\$ (5,416)	\$ 3,233	\$ (8,649)	(267.5 %)

n/m—represents percentage calculated not being meaningful

Unrealized Gain/(Loss) on Derivative Instruments

For the three months ended June 30, 2024 and 2023, we recorded losses of \$6.0 million and gains of \$1.0 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 June 30, 2024 related to the contracts hedging the BRL. For the six months ended June 30, 2024 and 2023, we recorded losses of \$8.5 million and gains of \$2.2 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 six months ended June 30, 2024 related to the contracts hedging the BRL and THB, partially offset by gains on GBP, CAD and EUR hedges.

Foreign Currency Gain/(Loss)

For the three months ended June 30, 2024, the change in foreign currency loss was \$0.3 million as compared to June 30, 2023. For the six months ended June 30, 2024, the change in foreign currency loss was \$0.9 million as compared to June 30, 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

For the three months ended June 30, 2024, the increase in interest income was \$1.4 million as compared to June 30, 2023. The increase was primarily due to higher levels of cash invested with financial institutions during the second quarter of 2024 compared to the second quarter of 2023. For the six months ended June 30, 2024, the change in interest income was \$2.9 million as compared to the same period ending June 30, 2023. The increase in interest income period over period was due to the cash investment program that began in April 2023, in addition to higher levels of cash invested with financial institutions compared to prior year.

Interest Expense

The change in interest expense is immaterial.

Income Tax Expense

(in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage
Income tax expense	(6,416)	(4,269)	\$ (2,147)	50.3 %	\$ (10,193)	\$ (6,090)	\$ (4,103)	67.4 %
Tax rate	25.2 %	19.2 %			23.4 %	19.8 %		

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 six months ended June 30, 2024 and 2023 our effective tax rate was 23.4% and 19.8% respectively. The effective tax rate for the current period is higher than the US statutory rate of 21% primarily as a result of state income taxes for the US company and other nondeductible expenses for tax purposes, and is partially offset by lower statutory tax rates in countries outside the US that we operate in. The change in effective tax rates between the periods is primarily driven by the jurisdictional mix of our pre-tax profits and the impact of higher non-deductible expense this year related to covered employees' compensation 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 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Net income	19,093	17,987	33,331	24,692
Depreciation and amortization	182	175	344	340
Interest income	(1,627)	(268)	(3,150)	(281)
Interest expense	—	15	—	30
Income tax expense	6,416	4,269	10,193	6,090
EBITDA	24,064	22,178	40,718	30,871
Stock-based compensation (a)	2,399	2,102	4,508	4,264
Unrealized (gain)/loss on derivative instruments (b)	5,963	(988)	8,488	(2,201)
Foreign currency (gain)/loss (b)	136	(170)	78	(781)
Secondary Offering Costs (c)	(324)	856	(324)	856
Adjusted EBITDA	\$ 32,238	\$ 23,978	53,468	\$ 33,009

- (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 two secondary offerings in which Verinvest Beverages SA sold shares of the Company in an underwritten public offering that closed on May 26, 2023 and a block trade that was executed on November 9, 2023. The amounts for the three and six months ended June 30, 2023 relate to costs for the May 26, 2023 offering. The amounts for the three and six months ended June 30, 2024 relate to an expense waiver of certain costs incurred during the November 9, 2023 block trade. The Company did not receive any proceeds from the sale of the shares. For additional information regarding the expense waiver for the three and six months ended June 30, 2024, see Note 14, *Related Party Transactions*, in our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

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 \$150.1 million and \$132.5 million of cash and cash equivalents as of June 30, 2024 and 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:

	Six Months Ended June 30,		Change	
	2024	2023	Amount	Percentage
(in thousands)				
Cash flows provided by (used in):				
Operating activities	\$ 26,652	\$ 26,071	\$ 581	(2.2 %)
Investing activities	(414)	(482)	68	14.1 %
Financing activities	(8,562)	2,705	(11,267)	(416.5 %)
Effects of exchange rate changes on cash and cash equivalents	(106)	371	(477)	(128.6 %)
Net (decrease)/increase in cash and cash equivalents	<u>\$ 17,570</u>	<u>\$ 28,665</u>	<u>\$ (11,095)</u>	<u>38.7 %</u>

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 six months ended June 30, 2024, \$0.6 million more net cash was generated by operating activities compared to the six months ended June 30, 2023. The higher cash generation was due to increase in net income after any non-cash adjustments, partially offset by increases in working capital.

Investing Activities

During the six months ended June 30, 2024, cash used in investing activities was \$0.4 million as compared to \$0.5 million for the six months ended June 30, 2023, due to a minor increase in capital expenditures.

Financing Activities

During the six months ended June 30, 2024 compared to the six months ended June 30, 2023, net cash used by financing activities was \$11.3 million higher primarily driven by share repurchases that occurred in January 2024 and lower proceeds from stock award exercises. See Note 10, *Stockholders' Equity*, for further discussion on share repurchases.

Debt

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

Revolving Credit Facility

In May 2020, the Company entered into the 2020 Credit Facility, which currently provides for committed borrowings of \$60 million. The maturity date on the 2020 Credit Facility is May 12, 2026.

Starting in December 2022, 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 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 outstanding balance on the Revolving Facility was zero as of June 30, 2024 and December 31, 2023, respectively. As of June 30, 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 June 30, 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 six months ended June 30, 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 June 30, 2024 and 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 June 30, 2024 and 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 \$101.8 million and \$121.0 million as of June 30, 2024 and December 31, 2023, respectively. The derivatives on the forward exchange contracts resulted in an unrealized loss of \$(8.5) million for the six months ended June 30, 2024, and we estimate that a 10% strengthening or weakening of the U.S. dollar would have resulted in an approximately \$0.3 million gain or loss.

A portion of our cash and cash equivalents are denominated in foreign currencies. As of June 30, 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, 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. In recent years, we have seen fluctuating transportation costs caused by global supply chain disruptions or geopolitical instability and general inflation effects, which may cause pressure on our costs and 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 six months ended June 30, 2024, 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 six months ended June 30, 2024, sales to two customers represented approximately 49% 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 June 30, 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 June 30, 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" of the Form 10-K for the fiscal year ended 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 June 30, 2024.

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

The Company did not sell any equity securities during the three months ended June 30, 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 June 30, 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)
April 1, 2024 - April 30, 2024	—	\$—	—	\$—
May 1, 2024 - May 31, 2024	—	\$—	—	\$—
June 1, 2024 - June 30, 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 six months ended June 30, 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.

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 or terminated 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 June 30, 2024:

Name	Title	Action Taken	Date of Action	Duration of Trading Arrangement	Aggregate Number of Securities to be Sold
The Michael Kirban Revocable Trust	A trust controlled by Michael Kirban (Co-Founder, Executive Chairman and Chairman of the Board)	Termination	May 17, 2024	September 14, 2023 to September 13, 2024	Up to 240,000 shares of Common Stock
The Ira Liran 2012 Family Trust	A trust controlled by Ira Liran	Adoption	June 14, 2024	September 14, 2024 to September 18, 2025	Up to 250,000 shares of Common Stock

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	333-259825	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	
4.4	Form of Indenture	S-3	333-271583	4.4	5/2/23	
10.1+X	Co-Manufacturing and Purchasing Agreement, by and among Axelum Resources Corp. and All Market Singapore Pte. Ltd. dated as of April 18, 2024					*
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)
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* 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: August 1, 2024

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

Date: August 1, 2024

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

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 “###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).

CO-MANUFACTURING AND PURCHASING AGREEMENT

This Co-Manufacturing and Purchasing Agreement is made and entered into as of 18 April 2024 (the “Effective Date”) by and among:

AXELUM RESOURCES CORP., a corporation duly organized and existing under Philippine laws, with office address at 1052 EDSA, Magallanes Village, Makati City 1232, Philippines (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 are each 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 a 100% wholly-owned subsidiary of The Vita Coco Company, Inc., a corporation duly organized and existing under the laws of Delaware, with principal office address at 250 Park Avenue South, Seventh Floor, New York, New York 10003 which has agreed to guarantee the obligations and liabilities of the Company under this Agreement;
- 3 The Company is the owner of or is authorized to use certain Vita Coco-related trademarks and other intellectual property and proprietary information that distinguish the Products;

- 4 The Manufacturer has 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;
 - 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 **Delivery Location:** means the [***] or such other location, in each case, as mutually agreed to by the Parties from time to time;
 - f **Effective Date:** is defined in the preamble above;
 - g **FOB:** means that the Manufacturer pays for transportation of the goods to the port of shipment, plus loading costs. The Company pays the cost of marine freight transport, insurance, unloading, and transportation from the arrival port to the final destination;
 - h **Good Manufacturing Practices:** means the Current Good Manufacturing Practice in Manufacturing, Packing, or Holding Human Food (21 CFR Part 117), 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;
 - i **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 of a Party relating to or for the Products, including the Marks of the Company;

- j **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 manufacturer, including but not limited to the Current Good Manufacturing Practice in Manufacturing, Packing, or Holding Human Food (21 CFR Part 110), 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, which laws in the United States must be specified by the Company to the Manufacturer to be complied in connection with the manufacture and production of the Product; and (3) all other laws applicable to the performance of either Parties' obligations under this Agreement;
- k **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;
- l **Party:** means the Company or the Manufacturer;
- m **Parties:** means the Company and the Manufacturer;
- n **Premises:** means the Manufacturer's manufacturing plant and facilities for manufacturing the Products located at Medina, Misamis Oriental, Philippines.
- o **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;
- p **Packaging Materials:** means Tetra Pak, corrugated cartons, slip sheets, corner-boards and pallet shrink wrap;
- q **Purchase Orders or PO(s):** means the orders placed by the Company for the Product;
- r **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
- s **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, design or processes for manufacture of the Products or developed for each of the Products, as set forth in the Product Specifications Manual, referenced on *Schedule 2* 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 and Minimum Volume

2.1 The Manufacturer shall take all reasonable commercial steps necessary (the "Production Facilities and Improvements") in order to cause the Initial Production Date to occur

on or before [***]. 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 Production Improvements. The Manufacturer shall not use any subcontractors to provide the services described herein without the prior consent of the Company.

2.2 The Manufacturer shall be solely responsible for costs associated with the Production Facilities and 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.

2.3 The Manufacturer shall manufacture, package, sell and deliver the Products [***], in accordance with this Agreement, the applicable Purchase Order, the Product Specifications and applicable Laws governing the manufacture and sale of the Products.

2.4 The Manufacturer shall provide all raw materials, ingredients and the Packaging Material required for the production and processing of the Products in accordance with the Product 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 Product Specifications. Manufacturer shall carefully inspect and test, as necessary, the physical condition of all raw materials or ingredients, and the Packaging Material at the time of receipt and shall promptly notify Company of any issue related to the physical condition thereof within 1 week from receipt for raw materials or ingredients and within 30 days from receipt for Packaging Material, except in both instances if the nonconformity could not have been reasonably discovered by the Manufacturer. 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 reports for raw materials and Packaging Materials (collectively, the "Materials") will be done on a monthly basis no later than the last day of the 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, Packaging Materials and other items, and line space and capacity, in order to produce at least [***] of Product per Calendar Year commencing on the Initial Production Date (the "Minimum Volume"), which is also the Minimum Volume per Calendar Year which the Company commits to order from the Manufacturer commencing on the Initial Production Date. Manufacturer shall exert its best efforts to produce up to [***] of the Product per Calendar Year.

The Minimum Volume may be adjusted [***] upon mutual written agreement of the Parties.

2.7 Manufacturer will maintain a log reflecting the lot numbers, manufacturing dates, and expiration dates of all ingredients and must inform Company promptly, but no later than twenty-four hours of all ingredients, Packaging Materials, and finished Products having less than [***] remaining.

2.8 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 shall use its best efforts to promote Company’s sustainability objectives in connection with its ESG framework using its commercially reasonable efforts and the Company may provide the Manufacturer with support, including financial support, to enable the Manufacturer to undertake such efforts.

Before the end of the first year of the Initial Term, the Manufacturer shall use good faith efforts to work with the Company to come up with a program to achieve milestone targets for this framework.

2.9 Manufacturer shall collect, maintain, and make information concerning its operation and management available to Company promptly upon request. During the Term, Manufacturer hereby agrees to deliver to Company a written report on a weekly basis in a format to be agreed by the Parties 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, including live data on energy, water, solid and chemical waste consumptions.

1. Forecasting and Purchase Orders

3.1 The Company shall provide the Manufacturer with estimated quarterly production forecasts at least [***] days before each Calendar Quarter. The Company shall also furnish a [***] month forward forecast, for the purpose of assisting the Manufacturer in ordering the Materials. 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. The Company and Manufacturer shall enter into good faith negotiations to discuss and agree on the forecast that is to be followed and the Parties shall amend the relevant schedule to include the revised forecast at least [***] days before the start of the Calendar Quarter. This amendment shall take the form of a simple letter agreement sent and acknowledged by both Parties in writing or email which will be attached to and will form part of this Agreement and supersede existing provisions and annexes on this matter.

However, if the raw materials, ingredients or any Packaging Material become unusable or obsolete for use in the manufacture of the Products due to a change requested by the Company, then the Company and the Manufacture shall agree on the use or disposition thereof, such as whether the same will be used up or if the Company will pay the Manufacturer the cost of such unusable/obsolete materials.

3.2 The Company shall place the Purchase Orders for the Products as far in advance as commercially reasonable but not later than [***] days before the required shipment month, consistent with the forecast by the Company to the extent possible and subject to capacity limits of the Manufacturer. The Manufacturer shall produce the Products within [***] days from

receipt of each Purchase Order from the Company, and the Manufacturer shall deliver the Products FOB the Delivery Location within [***] days of receipt of each such Purchase Order.

3.3 [***]

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 of ingredients and Packaging Materials, including the infrastructure costs, any processing equipment maintenance fees, labor, overhead, ingredients, 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 all be Company-arranged and paid by the Company.

4.3 The initial Price, as set forth on **Schedule 1**, may not be modified or amended until the [***] anniversary of the Initial Production Date, except in cases of: 1) demonstrable cost increases that would result in a more than [***]% higher cost of the finished goods previously agreed to, in which case the Manufacturer to the Company will review in good faith, and 2) extraordinary raw material or other factors of production price or foreign exchange fluctuations or other similar events, during which the Parties shall mutually agree on remedies including the possible passing on of cost increases. Thereafter, the Price may be reviewed and modified every fourth fiscal quarter of each calendar year, and any adjustments to the Price shall be based solely upon demonstrable cost changes in the Manufacturer’s production costs or costs including costs of money for material beyond the agreed volume levels or storage period; provided, however, adjustments to the Price shall be subject to the prior written approval of the Parties, which approval shall not be unreasonably withheld.

4.4 All Prices shall be in United States Dollars (“USD”).

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

4.6 (a) 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).

(b) The Parties agree that if Company requests that Manufacturer produce the Company's "Flavored Coconut Water" Products, the price for such Products shall be [***], which price shall be agreed upon by both Parties.

It is understood that out-of-pocket costs shall include [***], which shall be agreed upon by both Parties.

(c) 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 prior written agreement which is 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, as evidenced by the Bill of Lading, according to [***].

5.2 The Company shall have the right to inspect, subject to the periods stated in Clause 5.3, any shipment of the Products after delivery to determine whether it conforms to the terms of this Agreement, the applicable Purchase Order, the Product Specifications, and the applicable Laws. If, for any reason solely due to the fault of the Manufacturer, 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 Product Specifications or applicable 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. If a Product is rejected by the Company in accordance with the immediately preceding sentence, 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 as required in Clause 5.3. 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, or [***] days after receipt if the nonconformity could not have been reasonably discovered by the Company, shall be deemed to have been accepted. It is understood that the Company shall promptly undertake proper sampling and testing of incoming shipments of Products to ascertain acceptability of the same within a period of [***] days from receipt. The Parties agree to retention sampling and storage protocols in order to ensure the viability of the Products while in transit and storage.

It is understood and agreed by the Parties that the basis for any rejection shall include [***].

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

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 and attached as Schedule 6, 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 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; ISO 14001; and (c) Kosher certification by a certified Kosher certification organization.

6.3 In case of crisis relating to issues of food safety, the Parties agree that time is of the essence. Within 3 working days from notice of any crisis, each Party must appoint its designated responsible person to handle the crisis and inform the other Party in writing of the name and contact details of such person. 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.

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

7.1 The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until December 31, 2033 (the "Initial Term"). Thereafter, the Company shall have the option to extend the Initial Term for an additional, successive term of five (5) 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").

8. Non-Compete

8.1 A. 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 into the United States; provided, that no prior consent or notice to the Company shall be required for any of the following:

(i) During the Term, the Manufacturer shall be permitted to sell or contract to sell [***] in the territories set forth in *Schedule 5* attached hereto an amount of coconut water not greater than [***]% of the total [***] volume of Products purchased by the Company under this Agreement, but in no case less than [***] .

For avoidance of doubt, it is understood that the Manufacturer shall utilize its own Intellectual Property for the manufacture of the Manufacturer's own products or the products of its private label clientele.

The Parties may agree to amend the volume and territories in which Manufacturer may sell Products by amending *Schedule 5* without need to amend this Agreement. This amended *Schedule 5* may take the form of a simple letter agreement sent and acknowledged by both Parties in writing or email which shall be attached to and form part of this Agreement.

B. Provided there is existing unutilized capacity in the manufacturing facility of the Manufacturer which the Company will not purchase, and such unutilized capacity is beyond the [***] mentioned in Clause 8.1, then the Company and the Manufacturer will jointly develop sales to a Private Label thru either of the following: [***]

8.2 The Parties acknowledge that nothing contained in Clause 8.1 shall be deemed to prevent Manufacturer from producing its own product for its private label customers located in the territories listed in *Schedule 5* and the Manufacturer shall utilize its own Intellectual Property for the manufacture of the Manufacturer's own products or the products of its private label clientele, as long as the Manufacturer prioritizes the Minimum Volume commitment to the Company.

9. Trademarks and Proprietary Information 9. Trademarks and Proprietary Information

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.

9.1 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, except as otherwise provided in this Agreement, the Company is the sole and exclusive owner of (i) the Specifications, including, without limitation, the formulas, product recipes, ingredient, and product specifications, trade secrets, patents, design or processes for manufacture of the Products or similar rights or registrations used to produce each of the Products, and (ii) the Marks, including all trademarks, trade names, trade dress, copyrights, logo types, commercial symbols, branding labels and designs used on, or in connection with, the Products now or hereafter held or applied for in connection therewith, provided, that the Specifications and Marks must be communicated in writing by the Company to the Manufacturer specified in Schedule 7 (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.

9.2 The Manufacturer acknowledges and agrees that, except as otherwise provided in this Agreement, the Company is the sole and exclusive owner of (i) the Specifications, including, without limitation, the formulas, product recipes, ingredient, and product specifications, trade secrets, patents, design or processes for manufacture of the Products or similar rights or registrations used to produce each of the Products, and (ii) the Marks, including all trademarks, trade names, trade dress, copyrights, logo types, commercial symbols, branding labels and designs used on, or in connection with, the Products now or hereafter held or applied for in connection therewith, provided, that the Specifications and Marks must be communicated in writing by the Company to the Manufacturer specified in Schedule 7 (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.

For the avoidance of doubt, it is understood that any existing formula, recipe, ingredient and product specification, design or processes for the manufacture of the Manufacturer's own products or any portion thereof, including those that may be developed independently without collaboration of the Company during the Term of and in the performance of the services under this Agreement and without any reference to Company IP, shall be exclusively owned by the Manufacturer and shall not form part of the Company IP.

For the avoidance of doubt, it is understood that any existing formula, recipe, ingredient and product specification, design or processes for the manufacture of the Manufacturer's own products or any portion thereof, including those that may be developed independently without collaboration of the Company during the Term of and in the performance of the services under this Agreement and without any reference to Company IP, shall be exclusively owned by the Manufacturer and shall not form part of the Company IP.

9.3 Other than as expressly set forth in this Clause 9 and in other provisions of this Agreement, 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.

9.3 Other than as expressly set forth in this Clause 9 and in other provisions of this Agreement, 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 this Clause 9. Upon the expiration or sooner termination of this Agreement, and except as provided in this Clause 9, 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. All Packaging Materials that bear/contain Company IP and all Raw Materials specifically purchased for use in the Company's Products will be returned to the Company at its expense, including landed cost to the Manufacturer's manufacturing facilities or storage and associated cost to deliver to the Company's designated port of delivery.

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 this Clause 9. Upon the expiration or sooner termination of this Agreement, and except as provided in this Clause 9, 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. All Packaging Materials that bear/contain Company IP and all Raw Materials specifically purchased for use in the Company's Products will be returned to the Company at its expense, including landed cost to the Manufacturer's manufacturing facilities or storage and associated cost to deliver to the Company's designated port of delivery.

9.5 Other than as expressly set forth in this Clause 9 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.

9.5 Other than as expressly set forth in this Clause 9 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 done solely by the Company, including without limitation, the formulas, product recipes, and product specifications, design, or processes of the Products made, created or conceived during the Term solely by the Company, 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), 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. It is understood that any IP developed by the manufacturer for their own use shall belong to the manufacturer.

9.6 The Manufacturer agrees that all the Company IP and any improvements, modifications, enhancements or alterations to the Company IP done solely by the Company, including without limitation, the formulas, product recipes, and product specifications, design, or processes of the Products made, created or conceived during the Term solely by the Company, 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), 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. It is understood that any IP developed by the manufacturer for their own use shall belong to the manufacturer.

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.

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

9.8 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 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.

10.2 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 agreed upon costs associated with its assistance.

11.2 a) From time to time during the Term, the Company, by written notice to the Manufacturer, may request the Manufacturer to produce new products or variants in addition to

the Products; provided, that if the new products or variants refer to the Company's "Flavored Coconut Water Products", the provisions of Clause 4.6 shall apply and not this Clause 11.2.

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

12. Force Majeure

12.1 In the event that either of the Parties by virtue of a cause beyond its control or risk, such as acts of God, crop shortages, 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 other Party, in its sole and absolute discretion, determines that it substantially interferes with the further performance by either Party to this Agreement, such Party may terminate this Agreement upon [***] days prior written notice to the affected Party, 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; provided, however, that all Packaging Materials that bear/contain Company IP and all Raw Materials specifically purchased for use in the Company's Products will be returned to the Company at its expense, including landed cost to the Manufacturer's manufacturing facilities or storage and associated cost to deliver to the Company's designated port of delivery.

12.1 In the event that either of the Parties by virtue of a cause beyond its control or risk, such as acts of God, crop shortages, 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 other Party, in its sole and absolute discretion, determines that it substantially interferes with the further performance by either Party to this Agreement, such Party may terminate this Agreement upon [***] days prior

written notice to the affected Party, 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; provided, however, that all Packaging Materials that bear/contain Company IP and all Raw Materials specifically purchased for use in the Company’s Products will be returned to the Company at its expense, including landed cost to the Manufacturer’s manufacturing facilities or storage and associated cost to deliver to the Company’s designated port of delivery.

13. Assignment; Successors And Assigns; Further Assurances.

13.1 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. Manufacturer may assign, without the prior written consent of the Company, its rights, delegate its performance duties or obligations, or assign any remedy or cause of action relating to or arising under this Agreement as long as such assignment is not to a competitor of Company as solely determined by Company. 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.

14. Termination14. Termination

14. Termination

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

(i) (A) 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; or

(B) immediately by either party (First Party) for substantial breach (which shall be considered an event of default under this Agreement) in any of the terms of this

Agreement by the other party (Second Party) which remains uncured within a period of [***] days from date of notice by the First Party.

(ii) provided there is no Force Majeure event, 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 for a continuous period of [***] or such longer period as may be agreed by the Parties that may be necessary to cure the default depending on the circumstances thereof;

(B) 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;

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

(D) if Manufacturer becomes the subject of widespread disrepute, contempt, or scandal (which must be supported by substantial evidence) that in Company's reasonable determination, affects Company's image or goodwill;

(iii) provided there is no Force Majeure event, immediately by the Manufacturer upon the occurrence of any of the following:

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

(B) if the Company becomes the subject of widespread disrepute, contempt, or scandal (which must be supported by substantial evidence) that in Manufacturer's reasonable determination, affects Manufacturer's image or goodwill;

(iv) by Company upon [***] days prior written notice to Manufacturer, in the event the Philippine government, through no fault or negligence of the Company, prohibits the Company from importing the Products from the Manufacturer under the trade name "Vita Coco", subject to the payment of compensation by the Company to the Manufacturer.

14.2 Effect of expiration or termination

Upon the expiration or the termination of this Agreement by a Party for any reason whatsoever, whether for cause, without cause or otherwise:

14.2.1 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.

14.2.2 If the terminating party is the Manufacturer, the Manufacturer shall provide the Company:

- a. within [***] days from the date of its notice to exercise its termination right, a statement of amounts payable for Products delivered to Manufacturer's port as provided in this Agreement, which undisputed amounts shall become due and demandable for payment by the Company within [***] days from the date of such invoice; and
- a. within [***] days from the date of its notice to exercise its termination right, a statement of the cost of inventories of packaging materials and ingredients acquired by the Manufacturer for the sole purpose of producing the Products and ensuring adequate production capability to produce and deliver the Products to the Company at designated time schedules in accordance with purchase orders issued by the Company and accepted by the Manufacturer. The Company shall have the right to inspect and verify the quantities and condition of such packaging materials and ingredients within [***] days from receipt of the statement of cost from the Manufacturer.

The Parties agree to reconcile the quantities and cost of such inventories within [***] days from the date of inspection by the Company, and the total cost, including cost of purchase or acquisition plus attendant cost of freight, taxes, handling and other similar costs, shall be reimbursed by the Company to the Manufacturer within [***] days from the date of reconciliation.

This reimbursable cost shall be computed ex-warehouse of the Manufacturer and shall include all materials in transit at the time of the termination, the cost of which will be computed forward to ex-warehouse status. All attendant costs to shipping out these materials from the Manufacturer's warehouse shall be borne by the Company, which shall also be responsible for making the necessary logistical arrangements to remove all such materials within [***] days from the date of reconciliation.

Customs duties and other taxes unpaid (including bonded warehouse charges) on these materials shall be borne by the Company, and the Company shall make the necessary arrangements to ensure the full payment and satisfaction of all such duties and taxes with the appropriate government agencies such as, but not limited to, the Bureau of Customs and the Bureau of Internal Revenue.

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.

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 [***]of receipt of the payment default notice; and

(ii) the defaulting Party, within [***]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 Upon the expiration or termination of this Agreement:

(i) The Manufacturer shall return to the Company or its designee all 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 expiration or termination. The Company shall pay the Manufacturer for whatever residual materials that will be left at the time of the expiration or termination of this Agreement;

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

(iv) The Manufacturer shall refrain from manufacturing or packaging products identical to the Products ("identical" refers to the same exact formulation given by the Company as provided in the Company IP); and

(v) The Manufacturer shall 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 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, subject to the provisions of Force Majeure:

(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 which is attached hereto as Schedule 6; 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;

(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;

(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 Specifications or the Company's formulas, process parameters, or quality assurance specifications relating to the manufacture of the Products. Time is of the essence with respect to such notification.

15.4 the Company represents, warrants and covenants to the Manufacturer that, subject to the provisions of Force Majeure:

(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;

(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 order from the Company, at all times during the Term, at least the Minimum Volume and shall pay for all Products ordered pursuant to the Purchase Orders and otherwise in accordance with the terms and conditions of this Agreement;

(iii) there is no suit, action, contract, commitment, arbitration or legal administrative or other proceeding or governmental investigation pending or, to Company's

knowledge, threatened against it, affecting the Company's ability to enter into or perform its obligations under this Agreement;

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

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

16. Independent Contractors

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.

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 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 a facsimile or email transmission, provided a copy thereof is also delivered in person or by express courier.

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 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 a facsimile or email transmission, provided a copy thereof is also delivered in person or by express courier.

Notice to the Manufacturer shall be sufficient if given to:

Notice to the Manufacturer shall be sufficient if given to:

AXELUM RESOURCES CORP.

#####

Attn: #####

Email: #####

with a copy to: #####

AXELUM RESOURCES CORP.

####

Attn: ####

Email: ####

and

AXELUM RESOURCES CORP.

####

Attn: ####

Email: ####

Notice to the Company shall be sufficient if given to:

(b) ALL MARKET SINGAPORE PTE LTD

####

Attn: ####

####

With a copy to: ####

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

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.

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

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.

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). The Manufacturer shall restrict access by the Company representatives to only those areas of the facilities where the Products are being manufactured, stored, tested and shipped or where the ingredients and other materials for the Products are processed, tested, and stored.

20.2 The Manufacturer shall, on a best-efforts basis, 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 [***] 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 [***] 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 [***] 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 Manufacturer acknowledges and agrees that the Company would be damaged irreparably in the event that the Manufacturer fails or refuses to perform its obligations hereunder. Accordingly, the Manufacturer agrees that Company shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement, including without limitation Clauses 8, 9, 10, and 13, by Manufacturer and to enforce specifically this Agreement and the terms and provisions hereof without bond or other security being required in any court of the United States, any foreign jurisdiction, or any state having jurisdiction, this being in addition to any other remedy to which the Company is 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 It is understood that a Recall is an inherent business risk of the Company and the Company should procure its own product liability and/or take any other programs or initiative to mitigate such risk. Manufacturer is only liable for claims by the Company arising from the manufacture of the Product under this Agreement.

The Manufacturer shall be liable for any claims in connection with a Recall which occurs due to (i) a failure of any Product sold by the Manufacturer to the Company hereunder to conform to the Specifications related to the manufacture of the Products (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 in connection with the manufacture of the Products, provided that the foregoing shall not apply to any liability or indemnity arising from the Recall of Products that have been pre-cleared for shipment by the Company.

For the avoidance of doubt, the Manufacturer shall not be held liable for recalls and any claims or liability in connection therewith resulting: 1) 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 or labels and/or claims in product packaging not being allowed, or 2) due to the negligence, gross misconduct, mishandling transport and other causes not directly related to production of the Product, or 3) from a breach by the Company of its obligations under this Agreement, or 4) due to market-specific laws or regulations relating to the manufacture of the Products that are only applicable and known to the Company and which have not been made known to the Manufacturer.

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 or in connection with a breach by the Company of its obligations under this Agreement or 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 only insofar as these are applicable in the country where the Products are manufactured by the Manufacturer, except to the extent such Losses result from the Company's negligence, Company's misrepresentation resulting to violation of Specifications and/or Laws, reckless or intentional acts or omissions and/or a breach by Company of its obligations under this Agreement. The maximum amount that the Manufacturer may be held liable for any amount or indemnity is limited to the greater of the total amount received by the Manufacturer under this Agreement during the period of the breach subject of the indemnity, or [***].

23.3 Neither Party shall be liable for consequential, special, indirect, punitive, exemplary, or incidental damages in connection with this Agreement, even if such Party has been advised of the possibility of such damages.

24. Insurance

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 Brazil. 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.

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-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.

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-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.

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.

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]

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

Manufacturer:

AXELUM RESOURCES CORP.

By:

/s/ Romeo I. Chan

SCHEDULE 3

Loading Specifications

[***]

SCHEDULE 4

Minimum Volume

[***]

SCHEDULE 5

Private Label - Territories

[***]

SCHEDULE 6

Supplier Code of Conduct

[***]

SCHEDULE 7
Company Intellectual Property

[***]

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: August 1, 2024

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

**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: August 1, 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 June 30, 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: August 1, 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 June 30, 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: August 1, 2024

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