UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023

OR

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

For the transition period from ____________ to ____________

Commission File Number: 001-40950

The Vita Coco Company, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**11-3713156**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
250 Park Avenue South Seventh Floor New York, NY	**10003**
(Address of principal executive offices)	**(Zip Code)**

(212) 206-0763
(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.01 Per Share	**COCO**	**The Nasdaq Stock Market LLC**

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

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 x No o

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	o	Accelerated filer	x
Non-accelerated filer	o	Smaller reporting company	o
Emerging growth company	x		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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

As of May 2, 2023, there were 56,246,698 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, plans, market growth 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 year ended December 31, 2022 and this Quarterly Report on Form 10-Q for the quarter ended March 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 in this Quarterly Report on Form 10-Q 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)

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 29,080	$ 19,629
Accounts receivable, net of allowance of $3,880 at March 31, 2023, and $2,898 at December 31, 2022	63,189	43,350
Inventory	64,181	84,115
Supplier advances, current	1,393	1,534
Derivative assets	4,769	3,606
Asset held for sale	503	503
Prepaid expenses and other current assets	21,870	22,181
Total current assets	184,985	174,918
Property and equipment, net	2,358	2,076
Goodwill	7,791	7,791
Supplier advances	4,056	4,360
Deferred tax assets, net	4,259	4,256
Right-of-use asset	2,407	2,679
Other assets	1,720	1,677
Total assets	$ 207,576	$ 197,757
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 16,546	$ 15,910
Accrued expenses and other current liabilities	39,077	38,342
Notes payable, current	21	23
Derivative liabilities	21	71
Total current liabilities	55,665	54,346
Credit facility	—	—
Notes payable, non-current	22	25
Other long-term liabilities	2,223	2,293
Total liabilities	57,910	56,664
Stockholders' equity:		
Common stock, $0.01 par value; 500,000,000 shares authorized; 62,411,033 and 62,225,250 shares issued at March 31, 2023 and December 31, 2022, respectively; 56,204,833 and 56,019,050 shares outstanding at March 31, 2023 and December 31, 2022, respectively	624	622
Additional paid-in capital	147,973	145,210
Retained earnings	60,818	55,183
Accumulated other comprehensive loss	(821)	(994)
Treasury stock, 6,206,200 shares at cost as of March 31, 2023, and December 31, 2022	(58,928)	(58,928)
Total stockholders' equity attributable to The Vita Coco Company, Inc.	149,666	141,093
Total liabilities and stockholders' equity	$ 207,576	$ 197,757

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 March 31,	
	2023	2022
Net sales	$ 109,759	$ 96,448
Cost of goods sold	76,098	77,385
Gross profit	33,661	19,063
Operating expenses		
Selling, general and administrative	26,957	24,801
Income (Loss) from operations	6,704	(5,738)
Other income (expense)		
Unrealized gain/(loss) on derivative instruments	1,213	8,706
Foreign currency gain/(loss)	611	(101)
Interest income	13	7
Interest expense	(15)	(27)
Total other income/(expense)	1,822	8,585
Income before income taxes	8,526	2,847
Income tax expense	(1,821)	(620)
Net income	$ 6,705	$ 2,227
Net income per common share		
Basic	$ 0.12	$ 0.04
Diluted	$ 0.12	$ 0.04
Weighted-average number of common shares outstanding		
Basic	56,046,904	55,561,896
Diluted	57,351,405	55,700,388

See accompanying notes to the condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2023	2022
Net income	$ 6,705	$ 2,227
Other comprehensive income (loss):		
Foreign currency translation adjustment	173	(254)
Total comprehensive income	$ 6,878	$ 1,973

See accompanying notes to the condensed consolidated financial statements.

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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		Accumulated Other	Treasury Stock		Total
	Shares	$ Amount	Shares	$ Amount	Shares	$ Amount	Capital	Retained Earnings	Comprehensive Income / (Loss)	Shares	$ Amount	Shareholders' Equity
Balance at December 31, 2021	**53,651,477**	**$ 537**	**8,113,105**	**$ 81**	**61,764,582**	**$ 618**	**$ 134,730**	**$ 47,369**	**$ (616)**	**6,206,200**	**$ (58,928)**	**$ 123,173**
Net income	—	—	—	—	—	—	—	2,227	—	—	—	2,227
Stock-based compensation	—	—	—	—	—	—	2,386	—	—	—	—	2,386
Exercise of stock options	26,845	—	—	—	26,845	—	151	—	—	—	—	151
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(254)	—	—	(254)
Balance at March 31, 2022	**53,678,322**	**$ 537**	**8,113,105**	**$ 81**	**61,791,427**	**$ 618**	**$ 137,267**	**$ 49,596**	**$ (870)**	**6,206,200**	**$ (58,928)**	**$ 127,683**
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 options	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**

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

	Three Months Ended March 31,	
	2023	**2022**
Cash flows from operating activities:		
Net income	$ 6,705	$ 2,227
Adjustments required to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	165	470
(Gain)/loss on disposal of equipment	(1)	—
Bad debt expense	832	65
Unrealized (gain)/loss on derivative instruments	(1,213)	(8,706)
Stock-based compensation	2,162	2,386
Noncash lease expense	279	258
Changes in operating assets and liabilities:		
Accounts receivable	(21,337)	(10,186)
Inventory	20,089	10,608
Prepaid expenses, net supplier advances, and other assets	683	(5,299)
Accounts payable, accrued expenses, and other liabilities	1,072	(14,371)
Net cash provided by (used in) operating activities	9,436	(22,548)
Cash flows from investing activities:		
Cash paid for property and equipment	(454)	(244)
Proceeds from sale of property and equipment	5	—
Net cash used in investing activities	(449)	(244)
Cash flows from financing activities:		
Proceeds from exercise of stock options/warrants	603	152
Borrowings on credit facility	—	12,000
Cash received (paid) on notes payable	(6)	(8)
Net cash provided by (used in) financing activities	597	12,144
Effects of exchange rate changes on cash and cash equivalents	187	(56)
Net increase/ (decrease) in cash and cash equivalents	9,771	(10,704)
Cash and cash equivalents at beginning of the period	19,629	28,690
Cash, cash equivalents and restricted cash at end of the period (1)	$ 29,400	$ 17,986

[1]Includes $320 and $0 of restricted cash as of March 31, 2023 and 2022, respectively, that were included in other current assets.

See accompanying notes to the condensed consolidated financial statements.

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

1. ***NATURE OF BUSINESS AND BASIS OF PRESENTATION***

The Vita Coco Company, Inc. and subsidiaries (the “Company”) develops, markets, and distributes various coconut water products under the brand name *Vita Coco* and for retailers' own brands, predominantly in the United States. Other products include coconut milk, natural energy drinks (under the brand name *Runa*), coconut oil, water (under the brand name *Ever & Ever*), protein infused fitness drinks (under the brand name *PWR LIFT)* and coconut as a commodity.

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

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

Impact of the COVID-19 Pandemic and the Current Geopolitical and Economic Instability

Disruptions in the worldwide economy may affect our business, and the macroeconomic environment continues to be affected by the impacts of the COVID-19 pandemic and the current geopolitical and economic instability (including the effects of the conflict between Ukraine and Russia). As a result, in the years ended December 31, 2022 and 2021, the Company saw significant cost inflation to domestic and international shipping costs and some inflationary pressures on other cost elements, which have been partially covered by pricing actions to date. For the three months ended March 31, 2023, we saw more favorable transportation costs than the same period in the prior year as the supply chain environment stabilizes, but general inflationary pressures continue to increase the other elements of our cost of goods and operating expenses. The Company is continuing to monitor the situation carefully to understand any future potential impact on its people and business, including but not limited to rising inflation rates, and actions taken by both U.S. and foreign governments to control such increases. The Company has also seen greater volatility on foreign exchange rates. A strong dollar generally benefits the Company's supply chain activities while negatively impacting our reported international revenues. As a result, it is not currently possible to ascertain the overall impact of COVID-19 or the ongoing economic and geopolitical instability on the Company’s business, results of operations, financial condition, or liquidity. Future events and effects related to COVID-19 or the on-going geopolitical and economic instability cannot be determined with precision and actual results could significantly differ from estimates or forecasts.

Unaudited interim financial information

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

During the three months ended March 31, 2023, there were no significant changes to the Company’s significant accounting policies as described in the Company’s audited consolidated financial statements as of and for the year ended December 31, 2022, except for the adoption of ASU 2016-13, Financial Instruments - Credit Losses (Topic 326):

Measurement of Credit Losses on Financial Instruments as described in Note 2, under "Recently Adopted Accounting Pronouncements".

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. 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, the determination of accounts receivables reserve, assessing goodwill for impairment, the determination of 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 50% and 56% of total net sales for the three months ended March 31, 2023 and 2022, respectively. In addition, the two customers in aggregate also accounted for 43% and 39% of total accounts receivable as of March 31, 2023 and December 31, 2022, respectively. The Company has not experienced credit issues with these customers.

Recently Adopted Accounting Pronouncements

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

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

The difference of $1,070 between the incurred credit loss estimate and current expected credit loss estimate was recorded as cumulative effect adjustment to the Company's opening retained earnings and reflected on the consolidated balance sheet as of January 1, 2023 as a result of the ASC 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	$ 3,968	$ 2,898	$ 1,070

Recently Issued Accounting Pronouncements

As a company with less than $1.235 billion of revenue during the last fiscal year, the Company qualifies as an EGC as defined in the Jumpstart Our Business Startups Act. This classification allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use the adoption dates applicable to private companies. As a result, the Company's financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective date for new or revised accounting standards that are applicable to public companies.

3. *REVENUE RECOGNITION*

Revenues are accounted for in accordance with ASC 606. The Company disaggregates revenue into the following product categories:

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

Disaggregation of Revenue

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

	Three Months Ended March 31, 2023		
	Americas	International	Consolidated
Vita Coco Coconut Water	$ 69,138	$ 9,558	$ 78,696
Private Label	25,050	2,666	27,716
Other	2,584	763	3,347
Total	$ 96,772	$ 12,987	$ 109,759

	Three Months Ended March 31, 2022		
	Americas	International	Consolidated
Vita Coco Coconut Water	$ 58,855	$ 8,349	$ 67,204
Private Label	23,080	2,765	25,845
Other	2,676	723	3,399
Total	$ 84,611	$ 11,837	$ 96,448

4. INVENTORY

Inventory consists of the following:

	March 31, 2023	December 31, 2022
Raw materials and packaging	$ 4,956	$ 5,771
Finished goods	59,225	78,344
Inventory	$ 64,181	$ 84,115

5. GOODWILL

Goodwill, net consist of the following:

	March 31, 2023	December 31, 2022
Goodwill	$ 7,791	$ 7,791

All of the Company’s goodwill is associated with the acquisition of Runa, which was acquired 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 credit facility and notes payable as of March 31, 2023 and December 31, 2022:

	March 31, 2023	December 31, 2022
Notes payable		
Vehicle loans	43	48
	$ 43	**$ 48**
Current	21	23
Non-current	$ 22	25

2020 Credit Facility

In May 2020, the Company entered into the five-year credit facility ("2020 Credit Facility") with Wells Fargo Bank, National Association ("Wells Fargo") consisting of a revolving line of credit, which currently provides for committed borrowings of $60,000. As of March 31, 2023 and December 31, 2022, the Company had no outstanding borrowings under its 2020 Credit Facility. The 2020 Credit Facility is collateralized by substantially all of the Company's assets. In December 2022, the Company amended the 2020 Credit Facility to transition the interest rate from reference to the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR"). Borrowings on the 2020 Credit Facility bear interest at rates based on either: 1) a fluctuating rate per annum determined to be the sum of Daily Simple SOFR plus a spread defined in the credit agreement (the "Spread") or 2) a fixed rate per annum determined to be the sum of the Term SOFR plus the Spread. The Spread ranges from 1.00% to 1.75%, which is based on the Company's leverage ratio (as defined in the credit agreement) for the immediately preceding fiscal quarter as defined in the credit agreement. In addition, the Company is currently subject to an unused commitment fee ranging from 0.10% and 0.20% on the unused amount of the line of credit, with the rate being based on the Company's leverage ratio (as defined in the credit agreement).

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

The maturity date on the 2020 Credit Facility is May 12, 2026.

Interest expense and unused commitment fee for the 2020 Credit Facility amounted to $15 and $26 for the three months ended March 31, 2023 and 2022, respectively.

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 March 31, 2023, the Company was compliant with all financial covenants.

7. *COMMITMENTS AND CONTINGENCIES*

Contingencies:

Litigation—The Company may engage in various litigation matters in the ordinary course of business. The Company intends to vigorously defend itself in such matters, based upon the advice of legal counsel, and is of the opinion that the resolution of these matters will not have a material effect on the condensed consolidated financial statements. For any cases for which management believes that it is probable that it will incur a loss and the amount of such loss can be reasonably estimated, a provision for legal settlements will be recorded. As of March 31, 2023 and December 31, 2022, the Company has not recorded any liabilities relating to legal settlements.

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	
	Three Months Ended March 31,		March 31, 2023	December 31, 2022
	2023	2022		
Customer A	26 %	33 %	23 %	16 %
Customer B	24 %	23 %	20 %	23 %

One of the customers acquired less than 5% ownership in the Company upon consummation of the IPO. The same customer also vested in 100,000 restricted stock awards during the period ended March 31, 2023 as discussed in Note 10, Stockholders' Equity. The customer continues to hold less than 5% ownership in the Company as of March 31, 2023.

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

	Three Months Ended March 31,	
	2023	2022
Supplier A	17 %	6 %
Supplier B	15 %	11 %

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 March 31, 2023 and December 31, 2022, the Company did not have any derivative instruments that it had designated as fair value or cash flow hedges.

The Company is subject to the following currency risks:

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

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

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

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

March 31, 2023			
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 GBP	$ 25,820	$ 357	Derivative assets
Receive BRL/sell USD	49,619	4,200	Derivative assets
Receive USD/pay CAD	4,625	134	Derivative assets
Receive THB/sell USD	24,253	78	Derivative assets
Liabilities			
Foreign currency exchange contracts			
Receive USD/pay EUR	$ 2,308	$ (21)	Derivative liabilities

Derivatives not designated as hedging instruments under ASC 815-20	December 31, 2022 Notional Amount	Fair Value	Balance Sheet Location
Assets			
Foreign currency exchange contracts			
Receive USD/pay GBP	$ 23,702	$ 1,104	Derivative assets
Receive BRL/sell USD	46,301	2,314	Derivative assets
Receive USD/pay CAD	4,819	188	Derivative assets
Liabilities			
Foreign currency exchange contracts			
Receive USD/pay EUR	$ 604	$ (7)	Derivative liabilities
Receive THB/sell USD	21,990	(64)	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 months ended March 31, 2023 and 2022 are as follows:

	Three Months Ended March 31, 2023	2022
Unrealized gain/(loss) on derivative instruments	$ 1,213	$ 8,706
Location	Unrealized gain/(loss) on derivative instruments	Unrealized gain/(loss) on derivative instruments
Foreign currency gain / (loss)	$ 1,071	$ 85
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 incorporates the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable internally developed inputs.

9. FAIR VALUE MEASUREMENTS

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

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

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

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

Forward Currency Swap Contracts—The Company’s valuation methodology for forward currency swap contracts is based upon third-party institution data.

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

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

	Level 1	Level 2 Forward Currency Swaps/Contracts	Level 3 Contingent consideration liability	Total
March 31, 2023	$ —	$ 4,748	$ —	$ 4,748
December 31, 2022	$ —	$ 3,535	$ —	$ 3,535

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 March 31, 2023 and December 31, 2022, the Company held 6,206,200 shares in treasury stock. As of March 31, 2023 and December 31, 2022, the Company had 2,830,443 and 2,898,930 shares, respectively, of common stock available for issuance upon the conversion of outstanding stock awards under the 2021 Incentive Award Plan ("2021 Plan").

Warrants—All service and exit warrants expired as of December 31, 2021. As such, there was no warrant activity for the three months ended March 31, 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 could grant employees, directors, and consultants stock options and restricted stock awards and had the authority to establish the specific terms of each award, including exercise price, expiration, and vesting. 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 the Company's common stock on the date of grant and have a ten-year contractual term.

The stockholders of the Company approved the adoption of the 2021 Plan, which was effective after the closing of the Company's initial public offering 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 Company recognized stock-based compensation expense of $1,297 and $2,078 for the three months ended March 31, 2023 and 2022, respectively, in selling, general, and administrative expenses ("SG&A"). For the restricted stock units ("RSUs") previously granted to a major customer, $865 and $308 was recognized for the three months ended March 31, 2023 and 2022, respectively, as stock-based sales incentive based on guidance in ASC 606 and reflected as a reduction in the transaction price revenue.

Option Awards with Service-based Vesting Conditions

Most of the stock option awards granted under the 2014 and 2021 Plans vest based on continuous service. The options awarded to the employees have differing vesting schedules as specified in each grant agreement. There were 271,665 new service-based stock option awards granted during the three months ended March 31, 2023. Exercises of stock options during the three months ended March 31, 2023 are disclosed in the Condensed Consolidated Statements of Non-controlling Interests and Stockholders' Equity.

Option Awards with Performance and Market-based Vesting Conditions

During the three months ended March 31, 2022, certain awards that contained performance-based vesting condition were modified. The modification adjusted the performance condition to allow for 50% of the performance awards to meet the criteria to vest, and no other terms were modified. Since it did not affect any terms that would affect the fair value, and only the number of awards, it is considered an improbable-to-probable modification. The impact of the modification was not material.

There were 412,341 new stock option awards granted during the three months ended March 31, 2023 with performance-based vesting conditions, subject to achievement of various performance goals by the end of 2025 and 2026, specifically net sales growth and Adjusted EBITDA targets.

Service & Performance based Restricted Stock and Restricted Stock Unit Awards ("RSUs")

Restricted stock and RSUs were granted under the 2021 Incentive Award 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 and (ii) the first anniversary of the date of grant. During the three months ended March 31, 2022, the Company also granted RSUs that contained performance-based vesting conditions, subject to achievement of various performance goals by the end of 2025 and 2026, specifically net sales growth and Adjusted EBITDA targets.

Also included in these awards are $3 million of shares of restricted common stock granted at the time of the initial public offering to entities affiliated with a significant customer, at a price per share granted at the initial public offering price per share of $15.00, or 200,000 restricted shares, in connection with an amendment to extend the distributor agreement term to June 10, 2026. Since the distribution agreement has not been terminated by either party for cause as of March 31, 2023, 50% of the shares were released on March 31, 2023. Assuming the distribution agreement is not terminated by either party for cause, the remaining 50% will be 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 three months ended March 31, 2023, there were 155,446 service based and 17,742 performance based RSUs granted, which had an aggregate grant date fair value of $2,929.

11. INCOME TAXES

For the three months ended March 31, 2023 and 2022, the Company recorded $1,821 and $620, 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 March 31, 2023 and December 31, 2022, there was a $144 liability for income tax uncertainties recorded in the Company's consolidated balance sheets. The Company recognized no interest and penalties related to income tax uncertainties in its consolidated balance sheets or consolidated statement of operations for the three months ended March 31, 2023 and 2022. The Company is subject to income tax examinations by the 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 March 31, 2023	Three months ended March 31, 2022
Numerator:		
Net income	$ 6,705	$ 2,227
Denominator:		
Weighted-average number of common shares used in earnings per share—basic	56,046,904	55,561,896
Effect of conversion of stock awards	1,304,501	138,492
Weighted-average number of common shares used in earnings per share—diluted	57,351,405	55,700,388
Earnings per share—basic	$ 0.12	$ 0.04
Earnings per share—diluted	$ 0.12	$ 0.04

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 March 31, 2023	Three months ended March 31, 2022
Options to purchase common stock	1,067,435	2,366,716

13. SEGMENT REPORTING

The Company has two operating and reportable segments:

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

The Company's Chief Executive Officer 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 March 31, 2023 and 2022 and for the three months ended March 31, 2023 and 2022 is as follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net sales	**$ 109,759**	**$ 96,448**
Americas	96,772	84,611
International	12,987	11,837
Gross profit	**$ 33,661**	**$ 19,063**
Americas	29,150	16,296
International	4,511	2,767

	As of March 31, 2023	As of December 31, 2022
Total segment assets	**$ 207,576**	**$ 197,757**
Americas	160,971	156,588
International	46,605	41,169

Reconciliation	Three Months Ended March 31, 2023	2022
Total gross profit	$ 33,661	$ 19,063
Less:		
Selling, general, and administrative expenses	26,957	24,801
Income (loss) from operations	6,704	(5,738)
Less:		
Unrealized gain/(loss) on derivative instruments	1,213	8,706
Foreign currency gain/(loss)	611	(101)
Interest income	13	7
Interest expense	(15)	(27)
Income before income taxes	8,526	2,847

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:

Three Months Ended March 31,	2023	2022
United States	$ 90,513	$ 84,611
All other countries(1)	19,246	11,837
Net sales	$ 109,759	$ 96,448

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

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

	March 31, 2023	December 31, 2022
United States	$ 679	$ 683
Ecuador	503	503
Singapore	1,522	1,288
All other countries(1)	157	105
Property and equipment, net	$ 2,861	$ 2,579

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

14. RELATED-PARTY TRANSACTIONS

Director Nominee Agreements - On May 24, 2022, two members of the Board of Directors appointed under the Investor Rights Agreement by Verlinvest Beverages SA, a stockholder of the Company, entered into nominee agreements instructing the Company to pay all cash and equity compensation earned in connection with their board of director services to Verlinvest Beverages SA. Based on the aforementioned nominee agreements, RSUs granted to these two directors will be held by them as nominees for Verlinvest Beverages SA and, upon vesting of the RSUs, the shares will be transferred to Verlinvest Beverages SA. The nominee agreements are primarily between the directors and Verlinvest Beverages SA. The Company is a party to this arrangement solely to agree to the manner in which it would satisfy the compensation obligations to these directors. As of March 31, 2023 and December 31, 2022, there is only one current member of the Board of Directors that is subject to this nominee agreement.

Distribution Agreement with Shareholder—On October 1, 2019, the Company entered into a distribution agreement with one of its stockholders who holds over 5% ownership in the Company, which extended through December 31, 2022 and has been continued upon the mutual agreement of each party. The distribution agreement granted the stockholder the right to sell, resell, and distribute designated products supplied by the Company within a specified territory. The amount of revenue recognized related to this distribution agreement was $1,590 and $1,332 for the three months ended March 31, 2023 and 2022, respectively. The amounts due from the stockholder in Accounts Receivable, net were $1,248 and $753 as of March 31, 2023 and December 31, 2022, respectively. Amounts payable to the stockholder in Accounts payable were $0 and $38 as of March 31, 2023 and December 31, 2022 respectively. Related to this distribution arrangement, the Company and the stockholder have a service agreement where the Company shares in the compensation costs of the stockholder’s employee managing the China market. The Company recorded $54 and $39 for the three months ended March 31, 2023 and 2022, respectively, in SG&A for this service agreement.

15. Asset held for sale

The asset group held for sale consists of a farm in Ecuador which was the source of Guayusa leaves for our Runa products. Since the Company is able to source Guayusa through alternative means to produce the Runa products, as of September 30, 2022, the Company committed to a plan for disposal through sale. The Company performed a fair value assessment on the asset group held for sale consisting of land, a production plant, equipment and inventory. The Company obtained a valuation of the assets and adjusted the carrying amount down to their fair value less costs to sell, which resulted in a $619 impairment loss recorded in SG&A during the third quarter of 2022. The remaining carrying amount as of March 31, 2023 and December 31, 2022 is listed below. These assets held for sale do not qualify for discontinued operations reporting.

Asset held for sale	Amount
Land	$503

16. SUBSEQUENT EVENTS

On May 2, 2023, the Company filed a Form S-3 shelf registration statement with the U.S. Securities and Exchange Commission. Under the shelf registration statement, the Company may offer and sell up to $200.0 million in the aggregate of the securities identified in the filing, and the selling security holders may offer and sell up to 26,585,104 shares in the aggregate of common stock, in each case from time to time in one or more offerings. The registration statement has not yet been declared effective and no shares may be offered or sold under the registration statement until it becomes effective.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Annual Report on Form 10-K, for the fiscal year ended December 31, 2022 and filed with the Securities and Exchange Commission ("SEC") on March 14,2023 (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" and other factors set forth in the Form 10-K and this Quarterly Report on Form 10-Q.

Overview

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

Our branded portfolio is led by our *Vita Coco* brand, which is the leader in the coconut water category in the United States, and also includes coconut oil, juice, hydration mix and milk offerings. Our other brands include *Runa*, a plant-based energy drink inspired from the guayusa plant native to Ecuador, *Ever & Ever*, a sustainably packaged water, and *PWR LIFT*, a protein-infused fitness drink. We also supply Private Label products to key retailers in both the coconut water and coconut oil categories. We also conduct other revenue transactions such as bulk product sales to beverage and food companies.

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

Vita Coco is available in over 30 countries, with our primary markets in North America, the United Kingdom, and China. Our primary markets for Private Label are North America and Europe. Our products are distributed primarily through club, food, drug, mass, convenience, e-commerce, and foodservice 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" other than the changes noted below in "Impact of COVID-19 and the Current Geopolitical and Economic Instability." Those factors also pose risks and challenges, including those discussed in Part I, Item 1A. "Risk Factors" of the Form 10-K.

Impact of COVID-19 and the Current Geopolitical and Economic Instability

Disruptions in the worldwide economy may affect our business, and the macroeconomic environment continues to be affected by the impacts of the COVID-19 pandemic and the current geopolitical and economic instability (including the effects of the conflict between Ukraine and Russia). As a result, in the years ended December 31, 2022 and 2021, the Company saw significant cost inflation to domestic and international shipping costs and some inflationary pressures on other cost elements, which have been partially covered by pricing actions to date. For the three months ended March 31, 2023, we saw more favorable transportation costs than the same period in the prior year as the supply chain environment stabilizes, but general inflationary pressures continue to increase the other elements of our cost of goods and operating expenses. The Company is continuing to monitor the situation carefully to understand any future potential impact on its people and business, including but not limited to rising inflation rates, and actions taken by both U.S. and foreign governments to control such increases. The Company has also seen greater volatility on foreign exchange rates. A strong dollar generally benefits the Company's supply chain activities while negatively impacting our reported international revenues.

As a result, it is not currently possible to ascertain the overall impact of COVID-19 or the ongoing economic and geopolitical instability on the Company's business, results of operations, financial condition, or liquidity. Future events and effects related to COVID-19 or the on-going geopolitical and economic instability cannot be determined with precision and actual results could significantly differ from estimates or forecasts. For a further discussion of the risks and challenges posed by these events, please see Part I, Item 1A. "Risk Factors" in our Form 10-K.

Components of Our Results of Operations

Net Sales

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

Cost of Goods Sold

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

Gross Profit and Gross Margin

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

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

Operating Expenses

Selling, General and Administrative Expenses

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

Other Income (Expense), Net

Unrealized Gain/(Loss) on Derivative Instruments

We are subject to foreign currency risks as a result of our inventory purchases and intercompany transactions. In order to mitigate the foreign currency risks, we and our subsidiaries enter into foreign currency exchange contracts which are recorded at fair value. Unrealized gain 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.

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, 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 Months Ended March 31, 2023 and 2022

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

	Three Months Ended March 31,	
(in thousands)	2023	2022
Net sales	$ 109,759	$ 96,448
Cost of goods sold	76,098	77,385
Gross profit	33,661	19,063
Operating expenses		
Selling, general, and administrative	26,957	24,801
Income (loss) from operations	6,704	(5,738)
Other income (expense)		
Unrealized gain/(loss) on derivative instrument	1,213	8,706
Foreign currency gain/(loss)	611	(101)
Interest income	13	7
Interest expense	(15)	(27)
Total other income (expense)	1,822	8,585
Income before income taxes	8,526	2,847
Income tax expense	(1,821)	(620)
Net income	$ 6,705	$ 2,227

Net Sales

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

	Three Months Ended March 31,		Change	
(in thousands)	2023	2022	Amount	Percentage
Americas segment				
Vita Coco Coconut Water	$ 69,138	$ 58,855	$ 10,283	17.5 %
Private Label	25,050	23,080	1,971	8.5 %
Other	2,584	2,676	(92)	-3.5 %
Subtotal	96,772	84,611	12,161	14.4 %
International segment				
Vita Coco Coconut Water	9,558	8,349	$ 1,209	14.5 %
Private Label	2,666	2,765	(99)	(3.6)%
Other	763	723	40	5.5 %
Subtotal	$ 12,987	$ 11,837	$ 1,150	9.7 %
Total net sales	$ 109,759	$ 96,448	$ 13,311	13.8 %

For the three months ended March 31, 2023, the primary driver of the consolidated net sales increase of 14% was increased case equivalents ("CE") volume growth of 8.3% coupled with some benefits from net pricing actions.

Volume in Case Equivalent

The following table provides a comparative summary of our volume in CE, by operating segment and product category:

	Three Months Ended March 31,		Change	
(in thousands)	**2023**	**2022**	**Amount**	**Percentage**
Americas segment				
Vita Coco Coconut Water	7,221	6,295	926	14.7 %
Private Label	2,660	2,730	(70)	(2.6)%
Other	239	366	(127)	(34.7)%
Subtotal	10,120	9,391	729	7.8 %
International segment*				
Vita Coco Coconut Water	1,400	1,206	194	16.1 %
Private Label	394	413	(19)	(4.6)%
Other	20	13	7	53.6 %
Subtotal	1,814	1,632	182	11.2 %
Total volume (CE)	11,934	11,023	911	8.3 %

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 by $12.2 million, or 14.4%, to $96.8 million for the three months ended March 31, 2023 from $84.6 million for the three months ended March 31, 2022. The increase is primarily driven by a CE volume increase of 7.8% and benefits from pricing actions and mix changes contributing 6.1% *growth.*

Vita Coco Coconut Water net sales increased by $10.3 million, or 17.5%, to $69.1 million for the three months ended March 31, 2023, from $58.9 million for the three months ended March 31, 2022. The increase was primarily driven by CE volume growth of 14.7%, with pricing actions and mix changes contributing 2.4% growth.

Private Label net sales increased $2.0 million, or 8.5%, to $25.1 million for the three months ended March 31, 2023, from $23.1 million for the three months ended March 31, 2022. As Private Label volume declined 2.6%, the net sales increase is mostly attributable to pricing and mix impacts across coconut water and coconut oil.

Net sales for Other products decreased by $0.1 million, or 3.5%, to $2.6 million for the three months ended March 31, 2023 from $2.7 million for the three months ended March 31, 2022, primarily due to a slight volume decline.

International Segment

International net sales increased by $1.2 million, or 9.7%, to $13.0 million for the three months ended March 31, 2023, from $11.8 million for the three months ended March 31, 2022. The increase is primarily driven by higher CE volume across all international markets with volume growth of 11.2%.

Vita Coco Coconut Water net sales increased by $1.2 million, or 14.5%, to $9.6 million for the three months ended March 31, 2023, from $8.3 million for the three months ended March 31, 2022. The increase was driven by CE volume growth of 16.1%, primarily in the European region, which was partially offset by an unfavorable impact related to foreign currency.

Decreases in net sales from Private Label of $0.1 million were largely driven by a decline in CE volume of 4.6% for the three months ended March 31, 2023 compared to March 31, 2022.

Net sales from Other products was relatively flat on a dollar basis for the three months ended March 31, 2023 compared to March 31, 2022.

Gross Profit

	Three Months Ended March 31,		Change	
(in thousands)	2023	2022	Amount	Percentage
Cost of goods sold				
Americas segment	67,622	68,315	$ (693)	(1.0)%
International segment	8,476	9,070	(594)	(6.5)%
Total cost of goods sold	$ 76,098	$ 77,385	$ (1,287)	(1.7)%
Gross profit				
Americas segment	29,150	16,296	$ 12,854	78.9 %
International segment	4,511	2,767	1,744	63.0 %
Total gross profit	$ 33,661	$ 19,063	$ 14,598	76.6 %
Gross margin				
Americas segment	30.1 %	19.3 %		10.8 %
International segment	34.7 %	23.4 %		11.3 %
Consolidated	30.7 %	19.8 %		10.9 %

On a consolidated basis, cost of goods sold decreased $1.3 million, or 1.7%, to $76.1 million for the three months ended March 31, 2023, from $77.4 million for the three months ended March 31, 2022. On a consolidated and segment basis, the decrease was driven by a reduction in transportation rates across ocean freight and domestic logistics, as we saw a stabilization of our supply chain, offset partially by increased volume. On a consolidated basis, this resulted in cost of goods per CE rate decreasing 10% for the three months ended March 31, 2023 as compared to the prior year period.

On a consolidated basis, gross profit increased $14.6 million, or 76.6%, to $33.7 million for the three months ended March 31, 2023, from $19.1 million for the three months ended March 31, 2022. This was the result of strong top line growth along with decreasing transportation costs. As a result, gross margin increased approximately 11 percentage points to 30.7% for the three months ended March 31, 2023, as compared to 19.8% for the three months ended March 31, 2022.

Operating Expenses

	Three Months Ended March 31,		Change	
(in thousands)	2023	2022	Amount	Percentage
Selling, general, and administrative	$ 26,957	$ 24,801	$ 2,156	8.7 %

Selling, General and Administrative Expenses

During the three months ended March 31, 2023, SG&A increased by $2.2 million, or 8.7% versus the prior year comparable period. The increase was primarily driven by an increase of $1.2 million in personnel related expenses for the three months ended March 31, 2023 versus the prior year comparable period and $0.8 million increase related to the change in the methodology to estimate current expected credit losses related to the adoption of the accounting guidance in *ASU 2016-13* on January 1, 2023 as discussed in Note 2, *Summary of Significant Accounting Policies*, to our condensed consolidated financial statements included in this Form 10-Q .

Other Income (Expense), Net

(in thousands)	Three Months Ended March 31, 2023	2022	Change Amount	Percentage
Unrealized gain/(loss) on derivative instruments	$ 1,213	$ 8,706	$ (7,493)	86.1 %
Foreign currency gain/(loss)	611	(101)	712	705.0 %
Interest income	13	7	6	85.7 %
Interest expense	(15)	(27)	12	44.4 %
	$ 1,822	$ 8,585	$ (6,763)	78.8 %

Unrealized Gain/(Loss) on Derivative Instruments

During the three months ended March 31, 2023 and 2022, we recorded gains of $1.2 million and $8.7 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 gain for the three months ended March 31, 2023 related to the contracts hedging the Brazilian real. All forward foreign currency exchange contracts were entered into to hedge some of our exposures to the British pound, Canadian dollar, Brazilian real, Malaysian ringgit, and Thai baht.

Foreign Currency Gain/(Loss)

Foreign currency gain was $0.6 million for the three months ended March 31, 2023, as compared to a $0.1 million loss for the three months ended March 31, 2022. The change in both periods was a result of movements in various foreign currency exchange rates related to transactions denominated in currencies other than the functional currency.

Interest Income

The increase in interest income for the three months ended March 31, 2023 compared to the same period in the prior year was immaterial.

Interest Expense

Interest expense decreased an immaterial amount for the three months ended March 31, 2023 compared to the same period in the prior year.

Income Tax Expense

(in thousands)	Three Months Ended March 31, 2023	2022	Change Amount	Percentage
Income tax expense	(1,821)	(620)	$ (1,201)	(193.7)%
Tax rate	21.4 %	21.8 %		

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 three months ended March 31, 2023, and March 31, 2022, our effective tax rate was 21.4% and 21.8%, respectively. The effective tax rate for both periods is higher than the U.S. statutory rate of 21% primarily as a result of state income taxes for the U.S. company and other nondeductible expenses for tax purposes, and is partially offset by lower statutory tax rates in countries outside the U.S. that the Company operates in. The change in effective tax rates between the periods is primarily driven by the relative impact of other non-deductible expense in relation to the pre-tax profits.

Non-GAAP Financial Measures

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

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

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

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

	Three Months Ended March 31,	
	2023	**2022**
	(in thousands)	
Net income	6,705	2,227
Depreciation and amortization	165	470
Interest income	(13)	(7)
Interest expense	15	27
Income tax expense	1,821	620
EBITDA	8,693	3,337
Stock-based compensation (a)	2,162	2,386
Unrealized (gain)/loss on derivative instruments (b)	(1,213)	(8,706)
Foreign currency (gain)/loss (b)	(611)	101
Adjusted EBITDA	$ 9,031	$ (2,882)

(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.

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 $29.1 million and $19.6 million of cash and cash equivalents as of March 31, 2023 and December 31, 2022, respectively. From time to time, we supplement our liquidity needs with incremental borrowing capacity under the 2020 Credit Facility.

Considering recent market conditions and the continued impacts of the ongoing COVID-19 pandemic and geopolitical and economic instability, 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 general 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:

	Three Months Ended March 31,		Change	
	2023	2022	Amount	Percentage
(in thousands)				
Cash flows provided by (used in):				
Operating activities	$ 9,436	$ (22,548)	$ 31,984	141.8 %
Investing activities	(449)	(244)	(205)	(84.0 %)
Financing activities	597	12,144	(11,547)	95.1 %
Effects of exchange rate changes on cash and cash equivalents	187	(56)	243	n/m
Net (decrease)/increase in cash and cash equivalents and restricted cash	$ 9,771	$ (10,704)	$ 20,475	191.3 %

n/m—represents percentage calculated not being meaningful

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 three months ended March 31, 2023, $32.0 million more cash was generated in operating activities compared to the three months ended March 31, 2022. The higher cash inflow from operating activities was primarily driven by higher net income, reflecting higher volume, benefits of prior year pricing actions and lower transportation costs, as well as a slight improvement in working capital.

Investing Activities

During the three months ended March 31, 2023 as compared to three months ended March 31, 2022, cash used in investing activities increased driven by cash paid for property and equipment.

Financing Activities

During the three months ended March 31, 2023 compared to the three months ended March 31, 2022, net cash provided by financing activities decreased $12 million, primarily driven by a reduction in borrowings as there were no borrowings under the 2020 Credit Facility during the three months ended March 31, 2023 compared to $12 million borrowed during the same period in the prior year.

Debt

We had debt outstanding of $0.1 million as of March 31, 2023 and December 31, 2022. The outstanding balance as of March 31, 2023 and December 31, 2022 was related to vehicle loans.

2020 Credit Facility

The 2020 Credit Facility currently provides for committed borrowings of $60.0 million. We may repay outstanding balances under the 2020 Credit Facility at any time without premium or penalty. In December 2022, the Company amended the 2020 Credit Facility to transition the interest rate from reference to LIBOR to SOFR. Borrowings on the 2020 Credit Facility bear interest at rates based on either: 1) a fluctuating rate per annum determined to be the sum of Daily Simple SOFR plus a spread defined in the credit agreement (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 maturity date on the 2020 Credit Facility is May 12, 2026.

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

The outstanding balance on the 2020 Credit Facility was zero as of March 31, 2023 and December 31, 2022, respectively. As of March 31, 2023, 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 March 31, 2023 was less than $0.1 million.

For additional information, see Note 6, *Debt*, to 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 three months ended March 31, 2023, 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. We adopted ASC 842, *ASU 2016-13* as described in Note 2, as of January 1, 2023.

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 March 31, 2023 and December 31, 2022 , 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 March 31, 2023 and December 31, 2022.

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.

The total notional values of our forward exchange contracts were $106.6 million and $97.4 million as of March 31, 2023 and December 31, 2022, respectively. The derivatives on the forward exchange contracts resulted in an unrealized gain of $1.2 million for the three months ended March 31, 2023, and we estimate that a 10 percent strengthening or weakening of the U.S. dollar would have resulted in an approximately $6.7 million gain or loss, respectively.

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

Inflation Risk

Inflation generally affects us by increasing our cost of transportation, labor and manufacturing costs. We have seen significant inflation on transportation costs compared to 2020 levels caused by COVID-19 related global supply chain disruptions and more general inflation effects which put pressure on our costs and margins related to economic and geopolitical instability. 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 three months ended March 31, 2023, we have experienced a reduction in transportation rates from their recent peaks, but general inflationary pressures continue to increase the other elements of our cost of goods and operating expenses.

Credit Risk

We are exposed to concentration of credit risk from our major customers. In the three months ended March 31, 2023, sales to two customers represented approximately 50% 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 March 31, 2023, 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 March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

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

Item 1A. Risk Factors.

Please refer to Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 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 March 31, 2023.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed / Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Second Amended and Restated Certificate of Incorporation.	8-K	001-40950	3.1	10/25/21	
3.2	Amended and Restated Bylaws.	8-K	001-40950	3.2	10/25/21	
4.1	Specimen Common Stock Certificate of The Vita Coco Company, Inc.	S-1	333-29825	4.1	9/27/21	
4.2	Registration Rights Agreement, by and among The Vita Coco Company, Inc. and certain security holders of The Vita Coco Company, Inc., dated as of October 20, 2021.	8-K	001-40950	10.1	10/25/21	
4.3	Investor Rights Agreement, among The Vita Coco Company, Inc., Verlinvest Beverages SA, Michael Kirban and Ira Liran, dated as of October 20, 2021.	8-K	001-40950	10.2	10/25/21	
10.1	Employment Agreement, by and between The Vita Coco Company, Inc., and Corey Baker, dated as of March 7, 2023					*
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)					

* Filed herewith.

** Furnished herewith.

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: May 5, 2023	By:	/s/ Martin Roper
		Martin Roper
		Chief Executive Officer and Director
		(Principal Executive Officer)
Date: May 5, 2023	By:	/s/ Corey Baker
		Corey Baker
		Chief Financial Officer
		(Principal Financial Officer)

Exhibit 10.1

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

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the “**Agreement**”) is made and entered into as of the 7th day of March, 2023 (the “**Commencement Date**”), by and between The Vita Coco Company, Inc., a Delaware corporation (the “**Corporation**”), with its principal offices at 250 Park Avenue South, Floor 7, New York, New York 10003 and Corey Baker, an individual currently residing at #### (the “**Employee**”).

WITNESSETH:

WHEREAS, the Corporation desires to employ the Employee in the capacity hereinafter stated, and the Employee desires to be employed by the Corporation in such capacity for the period and on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, it is hereby covenanted and agreed by the Corporation and the Employee as follows:

1. This Agreement replaces all previous employment arrangements, whether written or verbal, including the offer letter dated January 25, 2023.
2. **Employment Period.** The Corporation hereby agrees to employ the Employee as its Executive Vice President of Finance beginning on the Commencement Date, and the Employee shall succeed to the position of Chief Financial Officer or other title as the Corporation may decide from time to time, effective immediately following the filing of the Corporation’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 with the U.S. Securities & Exchange Commission, and the Employee, in such capacity, agrees to provide services to the Corporation for the period beginning on the Commencement Date and ending upon the termination of the Employee’s employment with the Corporation for any reason (the “**Employment Period**”). For the avoidance of doubt, Employee will be designated as the Corporation’s Principal Financial Officer concurrent with his succession to the position of Chief Financial Officer. The Corporation also expects that after the filing of the Corporation’s Annual Report on Form 10-K for 2022 Employee will also be appointed as the Corporation’s Principal Financial Officer.
3. **Performance of Duties.** The Employee agrees that during the Employment Period, while Employee is employed by the Corporation, Employee shall devote Employee’s full business time, energies and talents exclusively to serving the Corporation in the best interests of the Corporation, and to perform the duties assigned to Employee by the CEO of the Corporation and/or other authorized representatives of the Corporation faithfully, efficiently and in a professional manner; provided further that, without the Board’s prior consent, the Employee shall not serve as or be a consultant to or employee, officer, agent or director of any company, partnership or other entity other than the Corporation or any of its affiliates (other than civic, charitable, or other public service organizations provided such do not create a conflict of interest for the Employee relative to the Employee’s obligations to the Corporation or have a material adverse effect upon the ability of the Employee to perform Employee’s duties hereunder). Employee will be based in the Corporation’s New York headquarters, and shall work from the New York headquarters at least two days per week. Employee may work remotely at other times, subject to the Corporation’s policies regarding remote work as may be in place from time to time. Travel will be required from time to time as business needs may require. Employee

agrees to abide by the Corporation’s Code of Business Ethics and Conduct, Employee Handbook, and other Corporation policies as may be in place from time to time.

4. **Compensation.** Subject to the terms and conditions of this Agreement, during the Employment Period, the Employee shall be compensated by the Corporation for full-time services as follows:
    a. The Employee will be paid a base salary of $365,000 per annum (the “**Base Salary**”), less normal and customary tax withholding and other deductions, payable semi-monthly or otherwise in accordance with the Corporation’s normal payroll procedures and policies and prorated for any partial years of employment. The Employee’s salary rate will be eligible for annual positive adjustment based on Corporation and individual performance, and within budgetary guidelines for such adjustments, as recommended by the CEO and subject to Board review and approval in its sole discretion.
    b. Provided that the Employee is and remains in compliance with the terms of this Agreement, and Employee executes and does not revoke a valid general release of claims (in a form provided to Employee at such time by the Corporation) that the Employee may have against the Corporation and related persons, the Employee will be eligible to receive a signing and retention bonus of $100,000 (the “**Signing Bonus**”), payable on the earlier of: (i) the last regular payroll date in January 2024, provided Employee remains employed through the last regular payroll date in January 2024 and neither Employee nor the Corporation have provided notice of termination and (ii) if Employee’s employment is terminated by the Corporation without Cause prior to the last regular payroll date in January, 2024, on the next regular payroll date following the date of termination of employment.
    c. The Employee shall be eligible to receive, for each calendar year during the Employment Period, a bonus (the “**Annual Bonus**”) with a target of 60% of Employee’s then-applicable Base Salary (“**Target**”), with a potential range for payout from zero to two times Target. The amount of the Annual Bonus will be based upon a combination of the Corporation and the Employee achieving certain performance goals, with emphasis on the Corporation performance. The Corporation and Employee performance goals and mix of those goals for the Employee shall be determined by the CEO and the Board in their sole discretion, within the first ninety (90) days following the commencement of such calendar year. For 2023, Employee’s Annual Bonus will be based upon Employee’s full Base Salary for 2023 (not pro-rated) and will be guaranteed at 100% of Target. The Annual Bonus, if any, shall accrue (and be computed) upon the completion of the applicable calendar year and shall be paid in the first quarter of the calendar year following the end of the calendar year to which the Annual Bonus relates. Except as may be otherwise provided in Section 6, the Employee must remain continuously employed with the Corporation through December 31st of the applicable performance year in order to be eligible to receive the Annual Bonus.
    d. Expense Reimbursement. The Employee shall be reimbursed by the Corporation for all reasonable, direct and verifiable business, travel and entertainment expenses incurred or paid by the Employee during the Employment Period and in the performance of his services under this Agreement in accordance with and subject to the Corporation’s expense reimbursement policies as are in effect from time to time (the “**Accrued Obligations**”).

e. Benefits. The Employee shall be entitled to paid time off for all scheduled holidays of the Corporation as well as yearly paid vacation/time off as outlined in the Corporation's Employee Handbook. The Employee shall be eligible to participate in the benefits made generally available by the Corporation to the employee management team, in accordance with the benefit plans established by the Corporation, and as may be amended from time to time in the Corporation's sole discretion (provided Employee and/or Employee's dependents meet the eligibility requirements for those benefit programs).

f. New Hire Equity Grant. Upon execution of this Agreement, Employee will be eligible to receive a one-time new-hire equity grant consisting of restricted stock units ("RSUs") valued at $750,000 and options valued at $250,000 pursuant to and in accordance with the terms of the Corporation's 2021 Incentive Award Plan (the "**New Hire Equity Grant**"). The New Hire Equity Grant will be awarded in tranches as follows: one-half on the third day following the second earnings release issued by the Corporation after the Commencement Date (or such other date as may be approved by the Compensation Committee) and one-half on the third day following the third earnings release issued by the Corporation after the Commencement Date (or such other date as may be approved by the Compensation Committee), provided that Employee is employed at the time of each award. For purposes of clarity, no portion of New Hire Equity Grant will be awarded in the event Employee's employment is terminated from the Corporation prior to the applicable grant date. The New Hire Equity Grant will vest during employment as follows: 40% of any RSUs so awarded will vest one year after the 2023 Annual Equity Grant Date (as defined below); 30% of any RSUs so awarded will vest two years after the 2023 Annual Equity Grant Date; 20% of any RSUs so awarded will vest three years after the 2023 Annual Equity Grant Date; and 10% of any RSUs so awarded will vest four years after the 2023 Annual Equity Grant Date. The terms of the Corporation's 2021 Incentive Award Plan shall otherwise apply to the New Hire Equity Grant.

g. Annual Equity Grants; 2023 Equity Grant. Subject to the approval of the Corporation's Compensation Committee and continued strong performance, Employee will be eligible to receive annual equity grants starting in 2024 under the Corporation's 2021 Incentive Award Plan, with a targeted value of 125% of Employee's Base Salary, consisting of 75% RSUs and 25% Options, to be granted under and subject to the terms of the Corporation's 2021 Incentive Award Plan, on the third day following the first earnings release each year (or such other date as may be approved by the Compensation Committee), with vesting of such grants to be 25% per year over the four years following the grant (the "**Annual Equity Grants**"). Subject to Compensation Committee approval, the next annual employee equity grant is scheduled to be made in March 2023 (the date that such equity grant is made is the "**2023 Annual Equity Grant Date**", currently expected to be March 10th 2023); if the Commencement Date is on or before the 2023 Annual Equity Grant Date, Employee will be eligible to receive a one-time equity grant valued at $400,000 (which amount may be adjusted higher to match the value of other members of senior management's Annual Equity Grants, in the Corporation's sole discretion), with vesting of such grant to be 25% per year over the four years following the grant (the "**2023 Annual Equity Grant**").

5. **Termination.** This Agreement and Employee's employment hereunder may be terminated under the following circumstances:
   a. Death. This Agreement and Employee's employment shall terminate immediately upon Employee's death.
   b. Total Disability. The Corporation may terminate this Agreement and Employee's employment upon the Employee becoming "Totally Disabled." For purposes of this Agreement, "Totally Disabled" means any physical or mental ailment or incapacity as determined by a licensed physician in good standing selected by the Corporation, which has prevented, or is reasonably expected (as determined by a licensed physician in good standing selected by the Corporation) to prevent, the Employee from performing the duties, with or without reasonable accommodation, incident to the Employee's employment hereunder, and which has continued for a period of either (A) one hundred twenty (120) consecutive days or (B) two hundred ten (210) total days in any twelve (12) month period; provided that the Employee receives at least forty-five (45) days' advance written notice prior to such termination.
   c. Termination by the Corporation for Cause. The Corporation may terminate this Agreement and Employee's employment (A) upon written notice in the event of any conviction of the Employee with respect to any crime constituting a felony or other crime involving moral turpitude, whether or not in the course of the Employee's duties, or (B) for "Cause" (as defined herein); provided that (x) the Corporation provides written notice to Employee specifying in reasonable detail the circumstances claimed to provide the basis for such termination within twenty (20) days following the occurrence (or, if later, within twenty (20) days following the date the Board of Directors of the Corporation first becomes aware of the occurrence), without Corporation's consent, of an event constituting "Cause", (y) in cases where the occurrence can be corrected, the Employee fails, as reasonably determined by the Board, to correct the circumstances set forth in the Corporation's notice of termination within fifteen (15) days of receipt of such notice, and (z) the Corporation actually terminates the Employee's employment within ninety (90) days following the Board's first awareness of such occurrence. For purposes of this Agreement, the term "**Cause**" means any of the following:
      i. The Employee's willful failure to comply with any applicable laws, rules or regulations of any federal, state or local authority having jurisdiction over the Corporation and its business operations;
      ii. The Employee's failure to comply with the lawful specific directions of the CEO, the President and/or the Board related to the Employee's duties hereunder (provided if Employee receives contrary lawful directives, the Board's lawful directives shall control);
      iii. The Employee's committing any willful act which constitutes a conflict of interest with the Corporation, or any act which constitutes a breach of fiduciary duty owed by the Employee to the Corporation;
      iv. The Employee's breach of any provision of this Agreement; or
      v. The Employee's conviction, or entering of a plea of nolo contendere, to a felony or other crime involving moral turpitude.

In addition to the other preconditions set forth in this Agreement, the cessation of employment of the Employee shall also not be deemed for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by a majority of the members of the Board at a meeting of the Board (after reasonable notice is provided to the Employee and the Employee is given an opportunity to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of conduct described in this Section 5(c); For purposes of the definition of "Cause," no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee knowingly, in bad faith or without the Employee's reasonable belief that the Employee's action or omission was in the best interest of the Corporation. In determining whether the Employee's acts or failures to act are willful, relevant factors shall include whether the Employee was operating in good faith at the direction of the CEO and/or Board or upon the advice of counsel for the Corporation.

a. <u>Termination by the Corporation without Cause</u>. The Corporation may terminate this Agreement and Employee's employment without Cause at any time by providing ninety (90) days' advance written notice to the Employee.

b. <u>Termination by Employee for Good Reason</u>. The Employee may terminate his employment with the Corporation for "Good Reason". For purposes of this Agreement, "Good Reason" shall mean a termination by the Employee of his employment with the Corporation following any material breach by the Corporation of the Corporation's material obligations under this Agreement or any other material written agreements between Employee and the Corporation, or any material decrease in salary and material decrease in annual bonus opportunity, provided that (x) the Employee provides written notice to the Corporation specifying in reasonable detail the circumstances claimed to provide the basis for such termination within forty-five (45) days following the date the Employee first becomes aware of the occurrence (or reasonably should have been aware of such occurrence), without the Employee's written consent, of such events, (y) the Corporation fails to correct the circumstances set forth in the Employee's notice of termination within thirty (30) days of receipt of such notice ("**Cure Period**"), and (z) the Employee actually terminates employment within thirty (30) days following the end of the Cure Period.

c. <u>Voluntary Termination by the Employee other than for Good Reason</u>. The Employee may terminate this Agreement and his employment without Good Reason at any time by providing written notice to the Corporation at least thirty (30) days in advance of such termination.

d. <u>Notice of Termination</u>. Any termination of this Agreement and Employee's employment by the Corporation or by the Employee must be communicated by written notice to the other party; the date Employee's employment terminates shall be the "**Termination Date**."

6. <u>**Obligations and Compensation Following Termination of Employment**</u>**.** In the event that Employee's employment hereunder is terminated, Employee shall have the following obligations and be entitled to the following compensation and benefits upon such termination:

a. <u>Termination by Employee for Good Reason or By Corporation Without Cause</u>. In the event that (i) the Employee terminates his employment for Good Reason in accordance with Section 5(e) above, or (ii) the Corporation terminates his employment in any manner other than pursuant to Section 5(a), Section 5(b) or Section 5(c) above, then, in any case, the Corporation shall pay the following amounts to the Employee and nothing else, subject to the Employee's compliance with the provisions contained in Section 7 below:

i. Any accrued but unpaid Base Salary through the Termination Date plus any Accrued Obligations; plus
ii. Any Annual Bonus that would be due for any prior year but that has not been paid as of the Termination Date; plus
iii. An amount equal to one year of the Employee’s Base Salary and Target Annual Bonus as of the Termination Date, payable in substantially equal installments over a one year period beginning thirty (30) days after the date of such termination (the “**Severance Payments**”).

b. Termination due to Death or by the Corporation for Disability. In the event that the Employee’s employment is terminated due to the Employee’s death or by the Corporation as a result of the Employee being deemed to be Totally Disabled, the Corporation shall pay to the Employee only any accrued but unpaid Base Salary through the Termination Date and any Accrued Obligations in accordance with the Corporation’s general payroll practices.
c. Termination by the Corporation for Cause or Voluntary Termination by Employee other than Good Reason. In the event that Employee’s employment is terminated by the Corporation for Cause pursuant to Section 5(c) above or due to the Employee’s voluntary resignation other than for Good Reason pursuant to Section 5(f) above, the Corporation shall pay to the Employee only any accrued but unpaid Base Salary through the Termination Date and any Accrued Obligations in accordance with the Corporation’s general payroll practices.
d. Employee’s Obligation to Execute a General Release. The Corporation’s obligation to pay the Employee the amounts set forth above in Sections 6(a)(ii) through 6(a)(iv) shall be conditioned upon the Employee’s execution (and non-revocation, if applicable) of a valid general release and waiver (in a form provided to Employee at such time by the Corporation) of all claims that the Employee may have against the Corporation and related persons, within sixty (60) days of Employee’s employment termination.
e. Return of Corporation Property. In the event that the Employee’s employment is terminated for any reason, or at any time upon request by the Corporation, the Employee (or his estate or legal representative, as the case may be) shall immediately return all property of the Corporation or any of its subsidiaries or affiliates in his (or their) possession or control, including but not limited to, (i) cell phones, computers or other electronic devices provided by the Corporation to the Employee, including all files resident on such devices; (ii) all memoranda, notes, records, files or other documentation, whether made or compiled by the Employee alone or in conjunction with others (regardless of whether such persons are employed by the Corporation); (iii) all proprietary or other information of the Corporation and its affiliates (originals and all copies, including electronic copies, wherever stored) which is in the Employee’s control or possession (or that of his estate or legal representative, as the case may be); and (iv) any and all other property of the Corporation and its affiliates which is in the Employee’s control or possession (or that of his estate or legal representative, as the case may be), whether directly or indirectly. Employee agrees to execute an affirmation of compliance with this Section and/or to submit to an exit interview to confirm compliance with this Section upon request by the Corporation.
f. Resignation. In the event of the termination of Employee’s employment by Employee or by the Corporation for any reason and regardless of the

circumstance, Employee shall be deemed to have resigned from all positions as an officer and/or member of the Board of the Corporation and/or its subsidiaries or any committees thereof immediately upon such termination, and shall promptly execute all documents reasonably requested by the Corporation in order to effect such resignation.

g. Transition Services. In the event that the Employee terminates his employment without Good Reason in accordance with Section 5(f) above, the Employee agrees that after the date of such termination or expiration, as applicable, the Employee shall, for a period not to exceed thirty (30) days from the Termination Date, take all actions as reasonably requested by the Corporation in order to transition all of his former job duties and responsibilities to his successor, and, in addition to paying the Employee all other sums due pursuant to this Agreement, the Corporation shall compensate Employee for such services at the pro rata hourly rate of Employee's Salary as of the date of the date of Employee's termination. This paragraph shall not be administered in a manner that unreasonably interferes with the Employee's other professional pursuits, and shall not prevent the Employee from engaging in other employment or other business or professional activities so long as such activities do not conflict with Employee's covenants hereunder.

7. **Covenants of Employee.** The Employee covenants and agrees that:

   a. Nondisclosure of Proprietary Information. At all times during Employee's employment and thereafter, Employee will hold in strictest confidence and will not disclose, use, copy, lecture upon or publish any Proprietary Information, except in the course of performance of Employee's duties for the Corporation and as authorized by the Corporation, unless an officer of the Corporation expressly authorizes such disclosure in writing in advance.

      i. The term "***Proprietary Information***" shall mean any and all confidential and/or proprietary knowledge, data or information of the Corporation and/or its affiliates, whether written, oral, electronic or otherwise. By way of illustration but not limitation, "***Proprietary Information***" includes, but is not limited to, (a) internal costing information, supplier information, internal marketing information, strategic or other business plans, specialized training materials, customer or contact lists, vendor agreements, customer proposals or agreements, customer business reviews and usage reports, product assessments, improvements, products, designs, methods, know-how, systems, processes, software programs, technical data and specifications, information regarding prospective customers or customers, corporate board or committee minutes, confidential corporate memoranda or other memorialization of internal communications, balance sheets, profit and loss statements, income statements, personnel policies and procedures, personnel files, ledgers, books and records of the Corporation, and (b) trade secrets, inventions, mask works, ideas, innovations, processes, plans, proposals, strategies, tactics, formulas, source and object codes, programs, know-how, improvements, discoveries, developments, concepts, designs, techniques, works of authorship, domains and URLs, social media accounts, patent, copyright, design right and trademark applications and registrations, and product/service, branding, trademarks and marketing concepts, strategies and programs (subsection (b), collectively, "***Inventions***") and any other material, whether written or oral, tangible or intangible, which the Corporation holds confidential and are not publicly disclosed. Employee understands that the preceding list is not exhaustive and that the term "***Proprietary Information***" also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used. Information that is generally available to and known by the public, other than through Employee's breach of this Agreement or breach by another person of a legal or contractual obligation is not included in the term "***Proprietary Information***." Employee acknowledges and agrees that all Proprietary Information is and shall be the sole and exclusive property of the Corporation. The phrase "***trade secrets***" as used in this Agreement shall be given its broadest possible interpretation under the laws of the state in which Employee is employed and the U.S. Defend Trade Secrets Act of 2016 ("***DTSA***").

b. Notwithstanding anything to the contrary in this Agreement: (i) the Employee shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if the Employee files a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, the Employee may disclose the trade secret to the Employee's attorney, and may use the trade secret information in the court proceeding, if the Employee files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

c. Notwithstanding anything herein to the contrary, nothing in this Agreement is intended to prohibit or restrict Employee from exercising protected rights to the extent that such rights cannot be waived by agreement. Nothing in this Agreement shall be construed to prevent disclosure of Proprietary Information if disclosure is required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order and provided that Employee provides the Corporation with advance notice of such disclosure (except where applicable law provides that Employee does not need to provide such notice). Nothing in this Agreement is intended to discourage or restrict Employee from communicating with or making a report with, any governmental authority regarding a good faith belief of any violations of law or regulations based on information that the Employee acquired through lawful means in the course of Employee's employment, including such disclosures protected or required by any whistleblower law or regulation of the Securities and Exchange Commission, the Department of Labor, or any other appropriate governmental authority. Furthermore, nothing in this Agreement shall be interpreted to have the purpose or effect of concealing factual information relating to a claim of discrimination, retaliation, sexual assault or harassment.

d. Assignment of Inventions.

i. *Inventions Retained and Licensed.* Attached as Exhibit A is a list describing all Inventions, discoveries, original works of authorship, developments, improvements, and trade secrets that (i) Employee conceived in whole or in part before commencing employment with the Corporation, and (ii) relate to the Corporation's current or proposed business, products, or research and development ("***Prior Inventions***"). If no such list is attached, Employee represents and warrants that no such Prior Inventions exist. Employee further represents and warrants that the inclusion of any Prior Inventions on Exhibit A to this Agreement will not materially affect Employee's ability to perform all obligations under this Agreement. If during employment Employee incorporates into or uses any fully developed Prior Invention in connection with any product, process, service, technology or other work by or on behalf of Corporation or its affiliates, Employee hereby grants to the Corporation a nonexclusive, royalty-free, fully paid-up, irrevocable, perpetual, worldwide license, with the right to grant and authorize sublicenses, to make, have made, modify, use, import, offer for sale, and sell such Prior Invention as part of or in connection with such product, process, service, technology or other work and to practice any related method.

ii. *Assignment of Inventions.* Employee will promptly make full written disclosure to the Corporation, will hold in trust for the sole right and benefit of the Corporation, and hereby now assigns to the Corporation or to its designee(s) all of Employee's right, title, and interest in and to any and all Inventions, whether or not patentable or registrable under patent, copyright or similar laws, that Employee may solely or jointly conceive, develop or reduce to practice, or cause to be conceived, developed or reduced to practice, (i) during the period of time that the Corporation employs Employee (including during off-duty hours), or (ii) in connection with the use of the Corporation's equipment, supplies, facilities, personnel, or Proprietary Information. Employee further acknowledges that all original works of authorship that Employee may make (solely or jointly with others) within the scope of and during the period of employment with the Corporation and that are protectable by copyright are "***works made for hire***," as that term is defined in the United States Copyright Act. Employee understands and agrees that any decision whether or not to commercialize or market any Inventions is within the Corporation's sole discretion and for the Corporation's sole benefit and that no royalty or other consideration will be due to Employee as a result of the Corporation's efforts to commercialize or market any such Inventions. The relevant provisions of Exhibit B, if applicable based upon Employee's work location, are hereby incorporated by referenced into this subsection d(ii).

iii. *Maintenance of Records.* Employee agrees to keep and maintain adequate, current, accurate, and authentic written records of all Inventions that Employee creates (solely or jointly with others) during the term of

Employee's employment with the Corporation. The records will be in the form of notes, sketches, drawings, electronic files, reports, or any other format that may be specified by the Corporation. The records are and will be available to, and remain the sole property of, the Corporation at all times.

iv. *Patent and Copyright Registrations.* Employee agrees to assist the Corporation or its designee(s), at the Corporation's reasonable expense, to secure the Corporation's rights in any Inventions and in any rights relating to such Inventions in any and all countries. Such assistance regarding any Inventions and/or related rights includes, without limitation, full disclosure to the Corporation of all pertinent information and data; the execution of all applications, specifications, oaths, assignments and all other instruments that the Corporation might deem proper or reasonably necessary to apply for, register, obtain, maintain, defend, and enforce such rights, and/or to assign and convey to the Corporation, its successors, assigns, and/or nominees the sole and exclusive rights, title and interest in and to such Inventions and any rights relating to them; and testifying in a lawsuit or other proceeding relating to such Inventions and any rights relating to them. Employee expressly agrees that Employee's obligation to execute or cause to be executed, when it is in Employee's power to do so, any such instrument or papers continues after the termination of this Agreement, at the Corporation's reasonable expense. If the Corporation is unable because of Employee's mental or physical incapacity or for any other reason to secure Employee's signature with respect to any Inventions including, without limitation, to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering such Inventions, then Employee hereby irrevocably designates and appoints the Corporation and/or its duly authorized officers and agents as Employee's agent and attorney-in-fact, to act for and on Employee's behalf and stead to execute and file any papers, oaths and to do all other lawfully permitted acts with respect to such Inventions with the same legal force and effect as if Employee executed them.

v. *Moral Rights.* Employee hereby irrevocably waives, to the extent permitted by applicable law, any and all claims that Employee may now or later have, in any jurisdiction, to all rights of paternity, integrity, disclosure, and withdrawal, and any other rights that may be known as "moral rights," with respect to all Inventions, whether or not patentable, registrable or otherwise arising under patent, copyright or similar laws.

e. <u>Non-Solicitation</u>. During the Employment Period and for a period of one (1) year thereafter, the Employee shall not, without CEO and/or Board Approval, directly or indirectly, knowingly solicit or encourage any (i) employee of the Corporation or its subsidiaries to leave the employment of the Corporation or its subsidiaries or (ii) any customer of, or supplier to, the Corporation or its subsidiaries to terminate or curtail its then current business arrangements with the Corporation or its subsidiaries.

f. <u>Non-Compete</u>.

i. During the Employment Period and for a period of one year thereafter, the Employee expressly shall not, directly or indirectly, without the prior written consent of the CEO and the Board, own, manage, operate, join, control, franchise, license, receive compensation or benefits from, or participate in the ownership, management, operation, or control of, or be employed or be otherwise connected in any manner with, a Competitive Business (as hereinafter defined); provided, however, that the foregoing shall not prohibit the Employee from acquiring, solely as a passive investment and through market purchases, securities of any entity which are registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934 and which are publicly traded, so long as the Employee is not part of any control group of such entity and such securities, alone or if converted, do not constitute more than 10% of the outstanding voting power of that entity. For purposes of this Agreement, "***Competitive Business***" means any enterprise (other than the Corporation and its affiliates) in the business of manufacturing and/or selling coconut-based products, natural energy drinks or sustainable water.

ii. The Employee recognizes that the Employee's services hereunder are of a special, unique, unusual, extraordinary and intellectual character giving them a peculiar value, the loss of which cannot be reasonably or adequately compensated for in damages, and in the event of a breach of this Agreement by the Employee (particularly, but without limitation, with respect to the provisions hereof relating to the exclusivity of the Employee's services), the Corporation shall, in addition to all other remedies available to it, be entitled to equitable relief by way of an injunction and any other legal or equitable remedies. Anything to the contrary herein notwithstanding, the Corporation may seek such equitable relief in any federal or state court, including those located in the State of Delaware and the Employee hereby submits to the jurisdiction in those courts for purposes of this Section 7. Nothing herein shall limit a court's ability to award equitable relief as provided in Section 8 of this Agreement.

g. Records. All memoranda, notes, lists, records and other documents (and all copies thereof) made or compiled by the Employee or made available to the Employee by the Corporation concerning the Corporation's or its affiliates business or the Corporation shall be the Corporation's property and shall be delivered to the Corporation at any time on request.

h. Acknowledgment. The Employee acknowledges and agrees that the restrictions set forth in this Section 7 are critical and necessary to protect the Corporation's and its affiliates' legitimate business interests (including but not limited to the protection of its Proprietary Information, customer goodwill and trade secrets); are reasonably drawn to this end with respect to duration, scope, and otherwise; are not unduly burdensome; are not injurious to the public interest; and are supported by adequate consideration. The Employee also acknowledges and agrees that, in the event that the Employee breaches any of the provisions in this Section 7, the Corporation shall suffer immediate, irreparable injury and will, therefore, be entitled to injunctive relief, in addition to any other damages to which it may be entitled, as well as the costs and reasonable attorneys' fees it incurs if it is deemed by a court of competent jurisdiction to be the prevailing party in any action enforcing its rights under this Section 7. If the Employee is deemed such prevailing party, he shall be entitled to his attorney's fees and costs reasonably incurred to defend such action. The Employee further acknowledges that (i) any breach or claimed breach of the provisions set forth in this Agreement will not be a defense to enforcement of the restrictions set forth in this Section 7 and (ii) the circumstances of the Employee's termination of employment with Corporation will have no impact on the Employee's obligations under this Section 7.

i. <u>Cessation of Payments and Benefits Upon Breach</u>. The Corporation's obligations to make any payments or confer any benefit under this Agreement, other than to pay for all compensation and benefits accrued but unpaid up to the Termination Date, will automatically and immediately terminate in the event that the Employee breaches any of the restrictive covenants in this Section 7; provided (i) that the Corporation provides written notice to the Employee specifying in reasonable detail the circumstances claimed to provide the basis for such breach without the Corporation's consent of such events and (ii) the Employee fails to correct the circumstance set forth in the Corporation's notice of breach within thirty (30) days of receipt of such notice.

8. **<u>Rights and Remedies Upon Breach of Restrictive Covenants</u>.** If the Employee breaches any of the provisions of Section 7 (the "**Restrictive Covenants**"), the Corporation shall have the following rights and remedies (upon compliance with any necessary prerequisites imposed by law upon the availability of such remedies), each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Corporation under law or in equity:
    a. The right and remedy to have the Restrictive Covenants specifically enforced by any court possessing competent and/or equity jurisdiction, including, without limitation, the right to an entry against the Employee of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Corporation and that money damages will not provide an adequate remedy to the Corporation.
    b. The right and remedy to require the Employee to account for and pay over to the Corporation all compensation, profits, monies, accruals, increments or other benefits (collectively, "Benefits") derived or received by him as the result of any transactions constituting a breach of the Restrictive Covenants, and the Employee shall account for and pay over such Benefits to the Corporation.
9. **<u>Severability; Blue Penciling</u>.**
    a. The Employee acknowledges and agrees that (i) the Employee has had an opportunity to seek advice of counsel in connection with this Agreement and (ii) the Restrictive Covenants are reasonable in geographical and temporal scope and in all other respects. If it is determined that any of the provisions of this Agreement, including, without limitation, any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the provisions of this Agreement shall not thereby be affected and shall be given full effect, without regard to the invalid portions.
    b. If any court of competent jurisdiction determines that any of the covenants contained in this Agreement, including, without limitation, any of the Restrictive

Covenants, or any part thereof, are unenforceable because of the duration or geographical scope of such provision, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

10. **Waiver of Breach.** The waiver by either the Corporation or the Employee of a breach of any provision of this Agreement shall not operate as or be deemed a waiver of any subsequent breach by either the Corporation or the Employee.
11. **Compensation Recovery Policy.** The Employee acknowledges and agrees that, to the extent the Corporation adopts any claw-back or similar policy pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or otherwise, and any rules and regulations promulgated thereunder, he or she shall take all action necessary or appropriate to comply with such policy (including, without limitation, entering into any further agreements, amendments or policies necessary or appropriate to implement and/or enforce such policy with respect to past, present and future compensation, as appropriate).
12. **Sarbanes-Oxley Act of 2002.** Notwithstanding anything herein to the contrary, if the Corporation determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act"), then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.
13. **Section 409A of the Code.**
    a. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder (together, "**Section 409A**"). The intent of the parties is that payments and benefits under this Agreement comply with Section 409A; and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Corporation be liable for any additional tax, interest, or penalty that may be imposed on the Employee by Section 409A or damages for failing to comply with Section 409A with respect to this Agreement or otherwise.
    b. Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. To the extent permitted under Section 409A, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A and Section 4(d) hereof to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A.
    c. To the extent that any payments or reimbursements provided to the Employee under this Agreement are deemed to constitute compensation to the Employee to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and the Employee's right to such payments or reimbursement of any

such expenses shall not be subject to liquidation or exchange for any other benefit.

d. The Accrued Obligations shall be paid no later than as required by law or within thirty (30) days following the date of termination, whichever occurs earlier. As to any amount described in Section 6(a)(ii) – 6(a)(iv) that constitutes "nonqualified deferred compensation" within the meaning of Section 409A, if the sixty (60) day period begins in one calendar year and ends in a second (2nd) calendar year, payment shall always be paid in the second (2nd) calendar year. Once the Severance Payment begins within such sixty (60) day period following termination, the amounts payable pursuant to Section 6(a)(ii) shall be payable in substantially equal consecutive installments over the remaining installment period in accordance with the Corporation's general payroll practices as in effect on the date of termination, but in no event less frequently than monthly (with the first such payment being in an amount equal to the total amount to which Employee would otherwise have been entitled during the period following the date of termination through such payment commencement date).

14. **Withholding.** The Corporation may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

15. **Successors; Assignment.** This Agreement shall be binding on, and inure to the benefit of, each of the parties and their permitted successors and assigns. This Agreement may not be assigned by Employee.

16. **Notice.** Any notice to be given hereunder by a party hereto shall be in writing and shall be deemed to have been given when deposited in the U.S. mail, certified or registered mail, postage prepaid:

    a. to the Employee addressed as follows:
    Corey Baker
    ####
    ####

    a. to the Corporation addressed as follows (with a copy to Corporation's General Counsel at the same address):
    The Vita Coco Company, Inc.
    250 Park Avenue South, Floor 7
    New York, New York 10003

1. **Amendment.** This Agreement may be amended only by mutual agreement of the parties in writing without the consent of any other person and no person, other than the parties thereto, shall have any rights under or interest in this Agreement or the subject matter hereof.

2. **Applicable Law.** The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without regard to the conflicts of laws principles thereof. Any dispute is to be resolved exclusively in the federal or state courts located in Delaware.

3. **Interpretation.** This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. Sections and section headings contained in this Agreement are for reference purposes only and shall not affect in any manner the meaning or interpretation of this Agreement. Whenever the context requires, references to the singular shall include the plural and the plural the singular.

4. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement, but all of which together shall constitute one and the same instrument.
5. **Survival.** Notwithstanding anything in this Agreement to the contrary, the provisions of Sections 6-24 shall survive termination of this Agreement and/or Employee's employment.
6. **Authority.** Each party represents and warrants that such party has the right, power and authority to enter into and execute this Agreement and to perform and discharge all of the obligations hereunder; and that this Agreement constitutes the valid and legally binding agreement and obligation of such party and is enforceable in accordance with its terms.
7. **VENUE.** THIS AGREEMENT MAY BE ENFORCED IN ANY FEDERAL COURT OR STATE COURT SITTING IN THE STATE OF DELAWARE, AND EACH OF THE PARTIES HERETO CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IF ANY PARTY HERETO COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, THE OTHER PARTY HERETO MAY HAVE THE CASE TRANSFERRED TO THE JURISDICTION(S) AND VENUE(S) ABOVE DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.
8. **Entire Agreement.** This Agreement (and the documents and arrangements referenced herein) are intended to be the final, complete, and exclusive statement of the terms of Employee's employment by the Corporation and may not be contradicted by evidence of any prior or contemporaneous oral or written statements or agreements, except for agreements specifically referenced herein.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

IN WITNESS WHEREOF, the Employee and the Corporation have executed this Employment Agreement as of the day and year first above written.

EMPLOYEE
___/s/ Corey Baker_____________
Corey Baker

CORPORATION

THE VITA COCO COMPANY, INC.

____/s/ Martin Roper___________
By: Martin Roper
Title: Chief Executive Officer

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 officer 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 officer 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: May 5, 2023

By: /s/ Martin Roper

Martin Roper
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.1

CERTIFICATION

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 officer 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 officer 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: May 5, 2023

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 March 31, 2023 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: May 5, 2023

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 March 31, 2023 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: May 5, 2023

By: /s/ Corey Baker

Corey Baker
Chief Financial Officer
(Principal Financial Officer)