GURU ORGANIC ENERGY ANNOUNCES FIRST QUARTER 2023 FINANCIAL RESULTS

- ***Continued consumer purchases (scanned retail sales) growth of 24% for the 52 weeks ended January 28, 2023[1]***
- ***Q1 2023 net revenue decreased to $5.0 million, compared to $7.0 million in Q1 2022, mainly due to the remaining balance of an initial pipeline fill in Q1 2022 and a reduction in inventory on hand by the exclusive Canadian distributor in Q1 2023***
- ***Sustained strong gross margin of 53.7% in Q1 2023, compared to 54.5% in Q1 2022***
- ***Adjusted EBITDA[2] loss of $2.6 million in Q1 2023, versus a $3.0 million loss in Q1 2022***
- ***Strong financial position with over $52.5 million in cash and cash equivalents, short-term investments and unused credit facilities, reflecting prudent balance sheet management***
- ***Subsequent to Q1, appointment of Rajaa Grar as Chief Revenue Officer, an award-winning brand marketing and digital global leader, to drive GURU's global marketing team and sales strategy***
- ***New product launch at the end of March 2023, Theanine Fruit Punch, supported by a national marketing campaign highlighting the functional benefits of theanine: proven to enhance focus and mental performance***
- ***New 12-week rotational program at leading U.S. wholesale club to start in California in June***

Montréal, Québec, March 16, 2023 – GURU Organic Energy Corp. (TSX: GURU) ("**GURU**" or the "**Company**"), Canada's leading organic energy drink brand, today announced its results for the first quarter ended January 31, 2023. All amounts are in Canadian dollars unless otherwise indicated.

Financial Highlights (In thousands of dollars, except per share data)	**Three months ended January 31**	
	2023	2022
Net revenue	**5,011**	6,965
Gross profit	**2,689**	3,796
Net loss	**(2,613)**	(3,190)
Basic and diluted loss per share	**(0.08)**	(0.10)
Adjusted EBITDA[2]	**(2,575)**	(3,015)

"Q1 2023 is the last quarter of our Canadian distribution model transition period and was mainly impacted by two non-recurring factors: the remaining balance of the pipeline fill recorded in Q1 2022 and the inventory reduction by our exclusive distributor in Canada in Q1 2023, which together caused a $1.5 million decrease in our net revenue. In the current context, we continued to manage our business efficiently and in a prudent manner, protecting our gross margins and optimizing our marketing investments, which resulted in a lower net loss," said Carl Goyette, President and CEO of GURU.

“On March 1, 2023, GURU announced that Rajaa Grar was joining the leadership team as Chief Revenue Officer. Ms. Grar has an impressive track record in brand and digital marketing as well as in sales. Most recently, with C4 Energy, she doubled the company’s digital and total revenue over a two-year period. In her nearly 20-year career, Ms. Grar, who brings extensive knowledge of the U.S. energy drink market, has helped companies significantly grow their brands and revenue, as well as optimize their return on investment.

“Rajaa’s arrival is timely as we launch our new innovation and national marketing campaigns of 2023 in Canada,” continued Mr. Goyette. “With a world-class partner in Canada, a targeted strategy in the U.S., an enhanced executive team and a strong balance sheet, we have all the ingredients to pursue our growth and become the leading better-for-you energy drink in Canada and the U.S.”

Results of operations

For the last twelve months, consumer scan data (scanned retail sales) has shown a solid sales increase of 24%, reflecting continued demand for GURU’s organic energy drinks at the consumer level across Canada.

Net revenue in the first quarter stood at $5.0 million, compared to $7.0 million in the same quarter last year. The decrease was mainly due to the remaining balance of an initial pipeline fill in Q1 2022 related to the Canadian distribution agreement and a reduction in inventory on hand by the exclusive Canadian distributor in Q1 2023, which had a total impact of over $1.5 million on net revenue. U.S. sales during the quarter decreased to $0.8 million from $1.2 million in Q1 2022, mainly due to the delisting in less profitable banners and the timing of orders. According to SPINS[3], which measures U.S. consumer scan data of GURU energy drinks, GURU experienced 20% growth in natural food stores in California in the last 52 weeks versus the previous year, showing continued strength in GURU’s current target market in the U.S. Online sales continued to show strong topline performance in the first quarter and improved profitability driven by optimized investments.

Gross profit totalled $2.7 million, compared to $3.8 million in Q1 2022. Gross margin, which comprises distribution, selling and merchandising fees, amounted to 53.7% in Q1 2023, compared to 54.5% for the same period a year ago.

Selling, general and administrative expenses (“SG&A”), which include operational, sales, marketing and administration costs, amounted to $5.7 million in Q1 2023, compared to $7.1 million for the same period a year ago. Selling and marketing expenses accounted for $2.9 million of the $5.7 million in SG&A in Q1 2023, as the Company continued investing in sales and marketing campaigns during the quarter, with a more targeted approach.

Adjusted EBITDA[2] amounted to a loss of $2.6 million, compared to a loss of $3.0 million last year. The improvement in adjusted EBITDA loss was mainly due to lower selling and marketing expenses.

Net loss for the first quarter totalled $2.6 million or $(0.08) per share (basic and diluted), compared to a net loss of $3.0 million or $(0.10) per share (basic and diluted) for the same period a year ago. The decrease in net loss reflects the decrease in costs associated with brand, field and trade marketing activities.

As at January 31, 2023, the Company had cash, cash equivalents and short-term investments of $42.5 million and unused Canadian- and US-dollar denominated credit facilities totalling $10 million.

[1] Nielsen: Period ending January 28, 2023, Grocery Drug Mass (GDM) + Convenience & Gas (C&G), Canada vs. same period year ago.
[2] Please refer to the “Non-GAAP financial measure” section for additional information on reconciliation of net loss to adjusted EBITDA at the end of this release.
[3] SPINS IRI data, Last 52-week period ending January 29, 2023, Total Natural channel, California, vs. same period year ago.

Conference call

GURU will hold a conference call to discuss its first quarter results today, March 16, 2023, at 10:00 a.m. ET. Participants can access the call as follows:

- Via webcast: https://edge.media-server.com/mmc/p/kdomihkn
- Via telephone: 1-833-630-1956 (toll free) or 1-412-317-1837 for international dial-in
- A webcast replay will be available on GURU's website until March 16, 2024.

About GURU Products

All GURU energy drinks are plant-based, high in natural caffeine, free of artificial sweeteners, artificial colours and flavours, and have no preservatives. In addition, all drinks are organic, vegan and gluten free – and the best thing is their amazing taste.

About GURU

GURU Organic Energy Corp. (TSX: GURU) is a dynamic, fast-growing beverage company launched in 1999, when it pioneered the world's first natural, plant-based energy drink. The Company markets organic energy drinks in Canada and the United States through an estimated distribution network of over 25,000 points of sale, and through guruenergy.com and Amazon. GURU has built an inspiring brand with a clean list of organic plant-based ingredients. Its drinks offer consumers good energy that never comes at the expense of their health. The Company is committed to achieving its mission of cleaning the energy drink industry in Canada and the United States. For more information, go to www.guruenergy.com or follow us @guruenergydrink on Instagram and @guruenergy on Facebook.

For further information, please contact:

GURU Organic Energy

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Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Such forward-looking statements include, but are not limited to, information with respect to the Company's objectives and the strategies to achieve these objectives, as well as information with respect to management's beliefs, plans, expectations, anticipations, estimates and intentions. These forward-looking statements are identified by the use of terms and phrases such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "believe", or "continue", the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking statements contain these terms and phrases. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and therefore the reader is cautioned that such statements may not be appropriate for other purposes. Forward-looking statements are based upon a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond management's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the following risk factors, which are discussed in greater detail under the "RISK FACTORS" section of the annual information form for the year ended October 31, 2022: management of growth; reliance on key personnel; reliance on key customers; changes in consumer preferences; significant changes in government regulation; criticism of energy drink products and/or the energy drink market; economic downturn and continued uncertainty in the financial markets and other adverse changes in general economic or political conditions, as well as the COVID-19 pandemic, the war in Ukraine and geopolitical developments, global inflationary pressure or other major macroeconomic phenomena; global or regional catastrophic events; fluctuations in foreign currency exchange rates; inflation; revenues derived entirely from energy drinks; increased competition; relationships with co-packers and distributors and/or their ability to manufacture and/or distribute GURU's products; seasonality; relationships with existing customers; changing retail landscape; increases in costs and/or shortages of raw materials and/or ingredients and/or fuel and/or costs of co-packing; failure to accurately estimate demand for its products; history of negative cash flow and no assurance of continued profitability or positive EBITDA; repurchase of common shares; intellectual property rights; maintenance of brand image or product quality; retention of the full-time services of senior management; climate change; litigation; information technology systems; fluctuation of quarterly operating results; risks *associated with the PepsiCo distribution agreement; accounting treatment of the PepsiCo Warrants; and conflicts of interest, as well as those other risks factors identified in other public materials, including those filed with Canadian securities regulatory authorities from time to time and which are available on SEDAR at www.sedar.com. Additional risks and uncertainties not currently known to management or that management currently deems to be immaterial could also cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. Although the forward-looking statements contained herein are based upon what management believes are reasonable assumptions as at the date they were made, investors are cautioned against placing undue reliance on these statements since actual results may vary from the forward-looking statements. Certain assumptions were made in preparing the forward-looking statements concerning availability of capital resources, business performance, market conditions, and customer demand. Consequently, all of the forward-looking statements contained herein are qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that management anticipates will be realized or, even if substantially realized, that they will have the expected consequences or effects on the business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking statements contained herein are provided as of the date hereof, and management does not undertake to update or amend such forward-looking statements whether as a result of new information, future events or otherwise, except as may be required by applicable law.*

Non-GAAP Financial Measure

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA is defined as net income or loss before income taxes, net financial (income) expenses, depreciation and amortization, and stock-based compensation expense. As of the beginning of fiscal 2023, we no longer exclude the reverse acquisition of Mira X expenses from the definition of adjusted EBITDA as these will no longer be incurred. The exclusion of net finance expense eliminates the impact on earnings derived from non-operational activities, and the exclusion of depreciation, amortization and share-based compensation eliminates the non-cash impact of these items. Management believes that adjusted EBITDA is a useful measure of financial performance without the variation caused by the impacts of the items described above because it provides an indication of the Company's ability to seize growth opportunities in a cost-effective manner and finance its ongoing operations. Excluding these items does not imply that they are necessarily non-recurring. Management believes this non-GAAP financial measure, in addition to conventional measures prepared in accordance with IFRS, enable investors to evaluate the Company's operating results, underlying performance and future prospects in a manner similar to management. Although Adjusted EBITDA is frequently used by securities analysts, lenders and others in their evaluation of companies, it has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under IFRS.

Reconciliation of Net Loss to Adjusted EBITDA

	Three-month periods ended	
	January 31, 2023	January 31, 2022
(In thousands of Canadian dollars)	$	$
Net loss	(2,613)	(3,190)
Net financial income	(374)	(115)
Depreciation and amortization	248	191
Income taxes	10	21
Stock-based compensation expense	154	78
Adjusted EBITDA	(2,575)	(3,015)