GURU ORGANIC ENERGY ANNOUNCES SECOND QUARTER 2023 FINANCIAL RESULTS

- ***Strong start for GURU Theanine Fruit Punch launch across Canada, another #1 ranked innovation with more than 3% market share in Quebec after just one month.[1]***
- ***Q2 2023 net revenue increased to $7.7 million, compared to $7.6 million in Q2 2022, mainly due to growth in sales velocities in Canada and the launch of Theanine Fruit Punch.***
- ***Sustained strong gross margin of 53.1% in Q2 2023, compared to 54.3% in Q2 2022.***
- ***Decrease in net loss to $2.6 million or $(0.08) per share (basic and diluted) in Q2 2023, compared to net loss of $4.0 million or $(0.12) per share (basic and diluted) in Q2 2022.***
- ***Overall shipment volume[2] grew 3% compared to the same period last year, driven by 21% growth in Canada.***
- ***Growth of 21% and 24% in retail consumer scanned sales[2] for the 52-week and 4-week periods ended April 22, 2023[1,2], respectively, suggesting a positive trend for sales growth in Canada.***
- ***Adjusted EBITDA[2] loss of $2.5 million in Q2 2023, versus a $3.7 million loss in Q2 2022.***
- ***Strong financial position with $50.7 million in cash and cash equivalents, and unused credit facilities, reflecting prudent balance sheet management.***
- ***Launch of the national summer campaign and signing of major 2023 sponsorships with the Canadian Elite Basketball League (CEBL) and THE AMAZING RACE CANADA.***
- ***12-week rotational program at leading U.S. wholesale club in California to run from June through August.***

Montréal, Québec, June 14, 2023 – GURU Organic Energy Corp. (TSX: GURU) ("**GURU**" or the "**Company**"), Canada's leading organic energy drink brand[3], today announced its results for the second quarter ended April 30, 2023. All amounts are in Canadian dollars unless otherwise indicated.

Financial Highlights (in thousands of dollars, except per share data)	**Three months ended April 30**		**Six months ended April 30**	
	2023	2022	**2023**	2022
Net revenue	**7,713**	7,603	**12,724**	14,569
Gross profit	**4,098**	4,126	**6,787**	7,923
Net loss	**(2,657)**	(3,974)	**(5,270)**	(7,163)
Basic and diluted loss per share	**(0.08)**	(0.12)	**(0.12)**	(0.22)
Adjusted EBITDA[2]	**(2,478)**	(3,748)	**(5,053)**	(6,762)

"GURU's Q2 record net revenue is mainly the result of the Theanine Fruit Punch launch and growing sales velocities in major Canadian urban centres fuelled by our Punch Up Your Mind national marketing campaign," said Carl Goyette, President and CEO of GURU. "Theanine Fruit Punch has seen great success in its first month post-launch with more than 3% market share in Quebec, and is currently ranked as the #1 innovation in Quebec, which is a remarkable feat. Moreover, Theanine Fruit Punch and Guayusa Tropical Punch are ranked among the top three innovations in Quebec since the beginning of the year, which is a testament to our ability to create great-tasting products for health-conscious energy drink consumers."

"Based on last year's learnings and data, we have adjusted our marketing strategy to be more targeted and cost-effective, with more emphasis on building direct connections with consumers through in-store activations, social media content and influencer engagement. This refined approach is expected to be reflected in our upcoming Summer of Feel Good Energy campaign, on top of our major national sponsorship activities with the CEBL and THE AMAZING RACE CANADA. We've also been working to improve in-store execution, where we have seen a clear improvement over last year. In the U.S., we expect the next quarters to improve as we look to secure our leadership position in the natural food sector, along with the availability of an exclusive format of Guayusa Tropical Punch in a leading wholesale club in California.

"We are definitely in a better position than we were last year, with Theanine Fruit Punch driving further market share gains. We believe that our current initiatives, combined with our strong financial position, will allow us to increase GURU's brand awareness and trial, and improve our performance going forward," added Mr. Goyette.

Results of operations

Net revenue for the quarter increased to $7.7 million, compared to $7.6 million for the same quarter last year. The growth was driven by increased sales velocities in Canada and the launch of GURU's newest innovation, Theanine Fruit Punch. In Canada, sales in Q2 2023 increased by 21% or $1.1 million to $6.6 million and the Company's national market share rose from February to April 2023 to a high of almost 5%. U.S. sales during the quarter decreased to $1.1 million from $2.2 million in Q2 2022, mainly due to the Sam's Club one-time program in Q2 2022. According to SPINS[4], which measures U.S. consumer scan data of GURU energy drinks, GURU experienced 18% growth in natural food stores in the last 52 weeks versus the previous year, showing continued strength in GURU's current target market in the U.S. For the six-month period, net revenue was $12.7 million, compared to $14.6 million for the same period in 2022.

Gross profit totalled $4.1 million, compared to $4.1 million in Q2 2022. Gross margin, which is comprised of distribution, selling and merchandising fees, amounted to 53.1% in Q2 2023, compared to 54.3% for the same period a year ago. The decrease in gross margin was mainly due to higher costs of goods sold and more promotional activity. For the six-month period, gross profit totalled $6.8 million, compared to $7.9 million a year ago. Gross margin for the six-month period was 53.3%, compared to 54.0% last year.

Selling, general and administrative expenses ("SG&A"), which include operational, sales, marketing, and administration costs, amounted to $7.1 million in Q2 2023, compared to $8.2 million for the same period a year ago. Selling and marketing expenses decreased to $4.7 million from $5.2 million in Q2 2022, as the Company took a more targeted approach to its investment in sales and marketing campaigns during the quarter. General and administrative expenses decreased to $2.4 million from $3.0 million in Q2 2022, as a result of cost control measures. For the six-month period, SG&A amounted to $12.8 million, compared to $15.3 million a year ago, mainly due to lower sales and marketing expenses.

Net loss for the second quarter totalled $2.6 million or $(0.08) per share (basic and diluted), compared to a net loss of $4.0 million or $(0.12) per share (basic and diluted) for the same period a year ago. The decrease in net loss mainly reflects the decrease in costs associated with brand, field and trade marketing activities for the period. Net loss for the six-month period totalled $5.3 million in 2023, or $(0.12) per share (basic and diluted), compared to a net loss of $7.2 million or $(0.22) per share (basic and diluted) for the same period a year ago.

Adjusted EBITDA[2] amounted to a loss of $2.5 million in Q2 2023, compared to a loss of $3.7 million for the same quarter a year ago. The improvement in Adjusted EBITDA loss for the quarter was mainly due to lower selling and marketing expenses and general and administrative costs during the period. Adjusted EBITDA for the first six months was a loss of $5.1 million in 2023, compared to a loss of $6.8 million in 2022.

As at April 30, 2023, the Company had cash and cash equivalents of $40.7 million and unused Canadian- and US-dollar denominated credit facilities totalling $10 million.

[1] Nielsen, 4-week period ending April 22, 2023, All Channels, Canada vs. same period year ago
[2] Please refer to the "Non-GAAP and Other Financial Measures" section at the end of this release.
[3] Nielsen: 52-week period ended April 22, 2023, All Channels, Canada vs. same period year ago.
[4] SPINS IRI data, 52-week period ended April 23, 2023, Total Natural channels vs. same period year ago.

Conference call

GURU will hold a conference call to discuss its second quarter results today, June 14, 2023, at 10:00 a.m. ET. Participants can access the call as follows:

- Via webcast: https://edge.media-server.com/mmc/p/c5fm4anu
- 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 June 14, 2024.

About GURU Products

GURU energy drinks are made from a short list of plant-based active ingredients, including natural caffeine, with zero sucralose and zero aspartame. These carefully sourced ingredients are crafted into unique blends that push your body to go further and your mind to be sharper.

About GURU Organic Energy

GURU Organic Energy Corp. (TSX: GURU) is a dynamic, fast-growing beverage company that launched the world's first natural, plant-based energy drink in 1999. 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 www.guruenergy.com and Amazon. GURU has built an inspiring brand with a clean list of organic ingredients, including natural caffeine, with zero sucralose and zero aspartame, which offer consumers *Feel 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 investors.guruenergy.com or follow us @guruenergydrink on Instagram, @guruenergy on Facebook and @guruenergydrink on TikTok.

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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 and Other Financial Measures

This press release includes certain non-GAAP and other supplementary financial measures to help assess GURU's financial performance. Those measures do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). Management's method of calculating these measures may differ from the methods used by other issuers and, accordingly, GURU's definitions of these non-GAAP measures may not be comparable to similar measures presented by other issuers. Investors are cautioned that non-GAAP financial measures should not be construed as an alternative to IFRS measures.

Adjusted EBITDA

Adjusted EBITDA is defined as net income or loss before income taxes, net financial (income) expenses, depreciation and amortization, and stock-based compensation expense. This measure is a non-GAAP financial measure and is not an earnings or cash flow measure or a measure of financial condition recognized by IFRS. As such, it should not be construed as an alternative to "net income", as determined in accordance with IFRS, as an alternative to "cash flows from operating activities" as a measure of liquidity and cash flows or as an indicator of the Company's performance or financial condition.

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 excluded 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 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		**Six-month periods ended**	
	April 30, 2023	April 30, 2022	April 30, 2023	April 30, 2022
(In thousands of Canadian dollars)	$	$	$	$
Net loss	(2,657)	(3,974)	(5,270)	(7,163)
Net financial income	(374)	(113)	(748)	(227)
Depreciation and amortization	297	218	545	409
Income taxes	9	19	19	39
Stock-based compensation expense	247	102	401	180
Adjusted EBITDA	(2,478)	(3,748)	(5,053)	(6,762)

Shipment Volume

This indicator represents the total volume of energy drink, in equivalent units, shipped in the respective period directly from the Company to its customers and to its distributors for resale to end consumers in retail points of sale or online. Management believes this indicator provides meaningful information as it helps measure quantities of energy drink sold in the period, helps isolate a key element in the generation of revenues, as well as facilitate comparison of sales performance from period to period.

Retail Consumer Scanned Sales

This indicator is different from shipment volume and represents the total number of the Company's products that were "scanned" for purchase by end consumers in retail points of sale in the respective period. Management believes this indicator provides meaningful information as it serves as an indicator of actual sales to end consumers and a potential indicator of growth or potential future sales.