



## GURU ORGANIC ENERGY ANNOUNCES RECORD THIRD QUARTER 2023 FINANCIAL RESULTS

- **Record topline quarterly performance, supported by increased sales velocities and solid results from Theanine Fruit Punch launch across Canada, another #1 ranked innovation.<sup>1</sup>**
- **Q3 2023 net revenue increased by 15% to a record \$8.9 million, compared to \$7.7 million in Q3 2022.**
- **Sustained strong margins, with gross profit of \$4.5 million, compared to \$4.2 million in Q3 2022.**
- **Significant decrease in net loss to \$3.0 million or \$(0.09) per share in Q3 2023, compared to net loss of \$6.5 million or \$(0.20) per share in Q3 2022.**
- **Adjusted EBITDA<sup>2</sup> loss of \$3.0 million in Q3 2023, compared to a \$6.5 million loss in Q3 2022.**
- **Robust financial position with \$48.7 million in cash and cash equivalents and unused credit facilities, reflecting prudent balance sheet management.**
- **Poised to launch Theanine Fruit Punch in the U.S. in December, together with new yet-to-be-announced tasty innovation.**

**Montréal, Québec, September 14, 2023** - GURU Organic Energy Corp. (TSX: GURU) ("**GURU**" or the "**Company**"), Canada's leading organic energy drink brand<sup>1</sup>, today announced its results for the third quarter ended July 31, 2023. All amounts are in Canadian dollars unless otherwise indicated.

### Financial Highlights

(in thousands of dollars, except per share data)

	Three months ended July 31		Nine months ended July 31	
	2023	2022	2023	2022
Net revenue	<b>8,878</b>	7,730	<b>21,602</b>	22,299
Gross profit	<b>4,544</b>	4,238	<b>11,331</b>	12,161
Net loss	<b>(3,006)</b>	(6,530)	<b>(8,276)</b>	(13,694)
Basic and diluted loss per share	<b>(0.09)</b>	(0.20)	<b>(0.26)</b>	(0.42)
Adjusted EBITDA <sup>2</sup>	<b>(3,010)</b>	(6,492)	<b>(8,062)</b>	(13,254)

"Q3 was GURU's best quarter to date with record net revenue of \$8.9 million and a significant reduction in net loss, as we continue to focus on growing our business efficiently through targeted investments in marketing and improved in-store execution with our exclusive distribution partner in Canada. Increased sales velocities, mainly in major Canadian urban centres, along with our new GURU Fruit Punch, continued to fuel our growth," said Carl Goyette, President and CEO of GURU Organic Energy.

"U.S. activities also showed positive results, driven by improved online execution in the quarter and a record performance during Amazon's Prime Day this past July. Our rotational program with a leading wholesale club in California went extremely well and could lead to more opportunities in the future. GURU Tropical Punch has become GURU's #1 energy drink in the

U.S., confirming the growing popularity of our punch-flavoured innovations with consumers. With that in mind, we are excited to launch GURU Fruit Punch in the U.S., together with a new yet-to-be-announced innovation before the end of the year.

“Q4 has started strong with additional wins in the grocery sector in Canada through our distribution partner, increasing our energy drinks’ availability in grocery stores. September will also see the start of a rotational program with a leading wholesale club in Quebec. The fourth quarter will continue to be active with The Amazing Race Canada sponsorship, our fall Feel Good Energy Challenge and University Campus programs.

“Overall, we’re pleased with the growing traction generated by our targeted strategy and marketing activities, as well as the positive results from our latest flavored innovations, Tropical Punch and Fruit Punch. Looking ahead, with our past learnings and solid financial position, we believe that we are on the right track to grow GURU’s market share, while continuing to improve our financial performance in the quarters ahead through efficient growth,” added Mr. Goyette.

The Company also announces that it has reached a mutual agreement with Rajaa Grar that she will no longer be with the Company in her role as Chief Revenue Officer. GURU wishes Rajaa the best of luck in her new endeavours and thanks her for her service to the Company.

### **Results of operations**

Net revenue for the third quarter increased by 15% to a record \$8.9 million, compared to \$7.7 million for the same quarter last year. The growth was driven by increased velocities in Canada and the Company’s summer marketing campaign. In Canada, sales in Q3 2023 increased by 11% to \$7.5 million from \$6.7 million in Q3 2022. U.S. sales during the quarter grew by over 38% to \$1.4 million from \$1.0 million in Q3 2022, mainly due to online sale optimization and stronger return on lower promotional activities in all channels. According to SPINS<sup>3</sup>, which measures U.S. consumer scan data of GURU energy drinks, GURU experienced 11% sales growth in the natural food channel in the last 52 weeks versus the previous year, showing continued strength in GURU’s current target market in the U.S. For the nine-month period, net revenue was \$21.6 million, compared to \$22.3 million for the same period in 2022.

Gross profit totalled \$4.5 million, compared to \$4.2 million in Q3 2022. Gross margin, which is comprised of distribution, selling and merchandizing fees, amounted to 51.2% in Q3 2023, compared to 54.8% 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 nine-month period, gross profit totalled \$11.3 million, compared to \$12.2 million a year ago. Gross margin for the nine-month period was 52.5%, compared to 54.0% last year.

Selling, general and administrative expenses (“SG&A”), which include operational, sales, marketing and administration costs, amounted to \$8.1 million in Q3 2023, compared to \$11.0 million for the same period a year ago. Selling and marketing expenses decreased to \$5.7 million from \$8.5 million in Q3 2022, as the Company took a more targeted approach to its investment in sales and marketing campaigns during the current fiscal year. General and administrative expenses decreased to \$2.4 million from \$2.5 million in Q3 2022, as a result of continued cost control measures. For the nine-month period, SG&A amounted to \$20.8 million, compared to \$26.3 million a year ago, mainly due to lower sales and marketing expenses.

Net loss for the third quarter totalled \$3.0 million or \$(0.09) per share, compared to a net loss of \$6.5 million or \$(0.20) per share 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 nine-month period totalled \$8.3 million in 2023, or \$(0.26) per

share, compared to a net loss of \$13.7 million or \$(0.42) per share for the same period a year ago.

Adjusted EBITDA<sup>2</sup> amounted to a loss of \$3.0 million in Q3 2023, compared to a loss of \$6.5 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 during the period. Adjusted EBITDA for the first nine months of the year was a loss of \$8.1 million in 2023, compared to a loss of \$13.3 million in 2022.

As at July 31, 2023, the Company had cash and cash equivalents of \$38.7 million and unused Canadian- and US-dollar denominated credit facilities totalling \$10 million.

<sup>1</sup> Nielsen, 52-week period ended July 15, 2023, All Channels, Canada vs. same period year ago

<sup>2</sup> Please refer to the "Non-GAAP and Other Financial Measures" section at the end of this release.

<sup>3</sup> SPINS IRI data, 52-week period ended July 16, 2023, Total Natural channels vs. same period year ago.

## Conference call

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

- Via webcast: <https://edge.media-server.com/mmc/p/u7pn2h86>
- 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 September 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](http://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](http://investors.guruenergy.com) or follow us [@guruenergydrink](https://www.instagram.com/guruenergydrink) on Instagram, [@guruenergy](https://www.facebook.com/guruenergy) on Facebook and [@guruenergydrink](https://www.tiktok.com/@guruenergydrink) on TikTok.

## For further information, please contact:

### GURU Organic Energy

#### Investors

Carl Goyette, President and CEO  
Ingy Sarraf, Chief Financial Officer  
514-845-4878  
[investors@guruenergy.com](mailto:investors@guruenergy.com)

#### Media

Lyla Radmanovich  
PELICAN PR  
514-845-8763  
[media@rppelican.ca](mailto:media@rppelican.ca)

## 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.sedarplus.ca](http://www.sedarplus.ca). 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		Nine-month periods ended	
	July 31, 2023	July 31, 2022	July 31, 2023	July 31, 2022
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
<b>Net loss</b>	(3,006)	(6,530)	(8,276)	(13,694)
Net financial income	(512)	(294)	(1,259)	(521)
Depreciation and amortization	312	234	857	643
Income taxes	13	17	32	57
Stock-based compensation expense	183	81	584	261
<b>Adjusted EBITDA</b>	<b>(3,010)</b>	<b>(6,492)</b>	<b>(8,062)</b>	<b>(13,254)</b>

### Retail Consumer Scanned Sales

This indicator 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.