GURU ORGANIC ENERGY ANNOUNCES FOURTH QUARTER AND FISCAL 2023 FINANCIAL RESULTS

- ***Q4 2023 net revenue increased by 13% to $7.7 million, compared to $6.8 million in Q4 2022. Positive sales momentum in the last three quarters in Canada with average net revenue growth of 12%.***
- ***Strong performance from GURU's punch line, with Fruit Punch currently ranked as the #1 innovation in 2023 and Tropical Punch ranked as the #3 innovation in Quebec.*** [1]
- ***GURU became the 4th largest energy drink brand in British Columbia, showing steady progress resulting from its Canadian expansion strategy.*** [2]
- ***Sustained strong margins, with gross profit of $4.1 million, compared to $3.5 million in Q4 2022. Gross margin was 53.4% of net revenue, an improvement over the 52.1% in Q4 2022 and 51.2% in Q3 2023.***
- ***Significant decrease in net loss to $12.0 million in fiscal 2023, compared to a net loss of $17.6 million in fiscal 2022, executing a disciplined approach towards achieving a return to profitability.***
- ***Robust financial position with $43.8 million in cash, cash equivalents and short-term investments, and unused credit facilities, reflecting prudent balance sheet management.***
- ***US launch of Fruit Punch and Peach Mango Punch on Amazon.com in December 2023 and January 2024, respectively.***
- ***Set to launch Peach Mango Punch this Spring in the Canadian and American retail markets, as well as a second amazing innovation in Québec.***

Montréal, Québec, January 25, 2024 – GURU Organic Energy Corp. (TSX: GURU) ("**GURU**" or the "**Company**"), Canada's leading organic energy drink brand[1], today announced its results for the fourth quarter and fiscal year ended October 31, 2023. All amounts are in Canadian dollars unless otherwise indicated.

Financial Highlights (in thousands of dollars, except per share data)	**Three months ended October 31**		**Twelve months ended October 31**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Net revenue	**7,687**	6,783	**29,288**	29,081
Gross profit	**4,106**	3,533	**15,437**	15,693
Net loss	**(3,686)**	(3,871)	**(11,962)**	(17,565)
Basic and diluted loss per share	**(0.12)**	(0.12)	**(0.38)**	(0.54)
Adjusted EBITDA[3]	**(3,836)**	(3,958)	**(11,898)**	(17,212)

"Since the end of our transition period with our exclusive Canadian distributor in Q1, we have seen some solid progress in all sales channels, namely retail, club wholesale and online, in Canada and the US. This progress stems from our strategic investments to increase brand awareness and fine-tuning our approach to reach our target audiences more effectively and efficiently. We also made significant strides in fulfilling our commitment to return to profitability by reducing our net loss by $5.6 million from $17.6 million in fiscal 2022 to $12.0 million in fiscal 2023. This commitment continues to be a strategic priority going forward," said Carl Goyette, President and CEO of GURU.

"This year's performance was led by our two latest innovations, Fruit Punch and Tropical Punch, which ranked as the #1 innovation in Quebec in 2023 and 2022, respectively. We plan to build on this success with two new innovative energy drinks. Peach Mango Punch, a new addition to our very popular punch line, launched in January in the US on Amazon.com and is scheduled to be launched in Canada in the spring. A second innovation will be introduced in Quebec during the same period."

"Q4 was another strong quarter with notable wins, including GURU's ascent to become the 4th largest energy drink in British Columbia. We also added three rotational programs with a leading club wholesaler in Quebec in 2023 and in the US in early 2024 and achieved record online sales during Amazon's Prime Day, Black Friday and Cyber Monday events. We firmly believe that these wins have the potential to generate even more business opportunities in 2024, especially with our exciting new product launches."

"Looking ahead, we are very enthusiastic about the future. We will continue to focus on our three main sales channels, while we work towards our goal of efficient growth and a return to profitability. With a world-class partner, an authentic brand and a strong balance sheet, we are in a solid position to pursue our growth strategy and self-fund our marketing efforts to become the leading "better-for-you" energy drink in Canada and the US," concluded Mr. Goyette.

Results of operations
Net revenue increased by 13% to $7.7 million in Q4 2023, compared to $6.8 million for the same quarter a year ago. The growth was driven by increased sales velocities in Canada and stronger revenue in the US in both the retail and online channels. In Canada, sales increased by 3% to $6.4 million from $6.2 million in Q4 2022. US sales grew by over 121% to $1.3 million from $0.6 million in Q4 2022, mainly due to continued online sales optimization. Excluding the one-time price discount of US$0.4 million to a club wholesaler in Q4 2022, US sales grew by 15% in Q4 2023. For fiscal 2023, net revenue grew to $29.3 million from $29.1 million a year ago, mainly due to stronger online sales in Canada and the US, offset by a reduction in inventory on hand by the Company's exclusive Canadian distributor in Q1 2023, which had a negative impact of over $1.5 million on net revenue in fiscal 2023. The Company generated post-transition average net revenue growth of 12% for the last three quarters in Canada, showing positive sales momentum.

Gross profit totalled $4.1 million, compared to $3.5 million in Q4 2022. Gross margin, which is comprised of distribution, selling and merchandising fees, amounted to 53.4% in Q4 2023, compared to 52.1% for the same period a year ago. The improvement in gross margin was mainly due to stronger net revenues. For fiscal 2023, gross profit totalled $15.4 million, compared to $15.7 million a year ago. Gross margin in fiscal 2023 was 52.7%, compared to 54.0% last year. The decrease in gross margin was due to a rise in input costs and a change in product mix.

Selling, general and administrative expenses ("SG&A"), which include operational, sales, marketing and administration costs, amounted to $8.3 million in Q4 2023, compared to $7.8 million for the same period a year ago. Selling and marketing expenses increased to $5.7 million from $5.5 million in Q4 2022, as the Company made more targeted in-store investments, signed its first professional athlete deal and produced its first national social media campaign. General and administrative expenses increased to $2.6 million from $2.3 million in Q4 2022, as a result of year-end timing of operational costs, and professional and contractual fees. For fiscal 2023, SG&A decreased to $29.1 million, compared to $34.1 million a year ago, mainly due to the lower sales and marketing expenses coupled with cost control measures in general and administrative spend.

Net loss for the fourth quarter totalled $3.7 million or $(0.12) per share, compared to a net loss of $3.9 million or $(0.12) per share for the same quarter a year ago. The decrease in net loss primarily reflects the higher net revenue and gross profit realized in Q4 2023. Net loss for fiscal 2023 decreased to $12.0 million in 2023, or $(0.38) per share, from a net loss of $17.6 million or $(0.54) per share a year ago, mainly due to lower selling and marketing expenses and higher net financial income during the fiscal year.

Adjusted EBITDA[3] amounted to a loss of $3.8 million in Q4 2023, compared to a loss of $4.0 million for the same quarter a year ago. The improvement in Adjusted EBITDA loss for the quarter was mainly due to stronger revenue and gross profit. Adjusted EBITDA for fiscal 2023 was a loss of $11.9 million, compared to a loss of $17.2 million in 2022.

As at October 31, 2023, the Company had cash, cash equivalents and short-term investments of $33.8 million, and unused Canadian- and US-dollar denominated credit facilities totalling $10 million.

Outlook

At this time, management currently expects the momentum in terms of net revenue growth and loss reduction to continue in the short to medium term.

[1] Nielsen, 52-week period ended November 5, 2023, All Channels, Canada vs. same period year ago.
[2] Nielsen, 12-week period ended November 5, 2023, All Channels, Canada vs. same period year ago.
[3] Please refer to the "Non-GAAP and Other Financial Measures" section at the end of this release.

Conference call

GURU will hold a conference call to discuss its fourth quarter and fiscal 2023 results today, January 25, 2024, at 10:00 a.m. ET. Participants can access the call as follows:

- Via webcast: https://edge.media-server.com/mmc/p/c9najwx5
- 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 January 25, 2025.

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.

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

Francois Kalos
investors@guruenergy.com

Media
Lyla Radmanovich
PELICAN PR
514-845-8763
media@rppelican.ca

Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking information includes, but is 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. This forward-looking information is 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 information contains these terms and phrases. Forward-looking information is 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 information is based upon a number of assumptions and is 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 information. 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, 2023: 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; conflicts of interest; consolidation of retailers, wholesalers and distributors and key players' dominant position; compliance with data privacy and personal data protection laws; management of new product launches; review of regulations on advertising claims, 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. 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 information. Although the forward-looking information contained herein is 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 information. Certain assumptions were made in preparing the forward-looking information concerning availability of capital resources, business performance, market conditions, and customer demand. Consequently, all of the forward-looking information contained herein is 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 information contained herein is provided as of the date hereof, and management does not undertake to update or amend such forward-looking information 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 months ended October 31		Twelve months ended October 31	
	2023	2022	**2023**	2022
(In thousands of Canadian dollars)	**$**	$	**$**	$
Net loss	(3,686)	(3,871)	(11,962)	(17,565)
Net financial income	(499)	(357)	(1,758)	(878)
Depreciation and amortization	322	234	1,179	877
Income taxes	(26)	(37)	6	20
Stock-based compensation expense	53	73	637	354
Adjusted EBITDA	(3,836)	(3,958)	(11,898)	(17,212)

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.