GURU ORGANIC ENERGY ANNOUNCES SECOND QUARTER 2024 FINANCIAL RESULTS

- ***19% net revenue growth to $15.1 million for the first six months of 2024, versus $12.7 million in 2023.***
- ***Net revenue of $8.0 million in Q2 2024, up from $7.7 million in Q2 2023, despite inventory adjustments by GURU's exclusive Canadian distributor.***
- ***Encouraging preliminary results from Peach Mango Punch and Zero Wild Berry launches in Canada, with combined market share of 5.2% in leading grocery banner after first few weeks[1].***
- ***US sales surged 143% to $2.7 million in Q2 2024 from $1.1 million in Q2 2023, driven by a significant sales increase in the wholesale club channel and on Amazon where GURU ranks as the #1 organic energy drink[2].***
- ***Gross profit for the first six months of the year increased significantly to $8.2 million compared to $6.8 million in 2023. Strong gross margin reached 54.4% year-to-date (55.8% in Q2) compared to 53.3% a year ago.***
- ***First six-month net loss dropped to $4.5 million in 2024 from $5.3 million in 2023, thanks to robust revenue and gross profit.***
- ***Strong financial position with $38.2 million in cash, cash equivalents and short-term investments, and unused credit facilities.***
- ***Exciting brand revitalization in Q3 2024 across GURU's entire line, focused on enhancing brand visibility, expanding offerings, and boosting overall appeal.***
- ***Based on strong initial success of Zero Wild Berry in Canada, GURU will launch the GURU Zero product line in the US in Q4 2024 with three flavors.***

Montréal, Québec, June 13, 2024 – 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, 2024. 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**	
	2024	2023	**2024**	2023
	$	$	**$**	$
Net revenue	**8,001**	7,713	**15,147**	12,724
Gross profit	**4,465**	4,098	**8,247**	6,787
Net loss	**(2,673)**	(2,657)	**(4,529)**	(5,270)
Basic and diluted loss per share	**(0.09)**	(0.08)	**(0.15)**	(0.12)
Adjusted EBITDA[4]	**(2,685)**	(2,478)	**(4,650)**	(5,053)

"GURU has now achieved its fifth consecutive quarter of topline growth and a 19% increase in year-to-date net revenue. This quarter's performance was primarily driven by an impressive 143% increase in sales from our US wholesale club and online channels in Q2. Our performance in the US market is another indication that our brand has the potential to grow at a faster pace. Retail sales also performed well in Quebec and at select grocery banners in major urban centres in other Canadian provinces," said Carl Goyette, President and CEO of GURU.

"While our Q2 results were impacted by inventory adjustments by our exclusive Canadian distributor, a factor beyond our control, underlying demand for our energy drinks remains strong in most of our sales channels and is showing continued momentum with the recent Quebec launch of our two latest innovations, Peach Mango Punch and our first zero sugar product, Zero Wild Berry. These innovations delivered a record-breaking performance in a leading grocery banner with a combined market share of 5.2% in the first few weeks. Zero Wild Berry is also receiving rave reviews from consumers and will therefore be launching in the US this fall, alongside two new flavors."

"As we pursue our growth, we are also accelerating our return to historical profitability. We have a long runway for self-funded growth, with $38.2 million in liquidities and credit facilities. We are focused on strategically deploying resources and capital where we can deliver tangible results and a return on investment. We will also continue to actively explore the untapped potential of the online and wholesale club channels in Canada and the US, which have generated promising results over the last three quarters."

"Our 25 years in the business have shown the power of our strong and differentiated brand to drive enviable customer loyalty when we convert and connect with consumers. Our job is to make sure we are focusing on the right channels and strategies for our brand to achieve this on a North American scale. We believe that we are on the right track to achieve our long-term objective to clean up the energy drink industry," concluded Mr. Goyette.

Results of operations

Net revenue rose to $8.0 million in Q2 2024, compared to $7.7 million for the same quarter a year ago. The growth was driven by GURU's US activities, mainly from its rotational programs in the wholesale club channel, as well as its online sales. In Canada, sales decreased to $5.2 million from $6.6 million in Q2 2023, primarily as a result of inventory adjustments at the Company's distributor. US sales grew by 143% to $2.7 million from $1.1 million in Q2 2023, mainly due to continued online sales optimization and retail growth. For the six-month period, net revenue increased by 19.0% to $15.1 million, from $12.7 million for the same period in 2023. The growth was mainly driven by increased sales velocities in Canada and US wholesale club channel and online sales.

Gross profit totalled $4.5 million in Q2 2024, compared to $4.1 million in Q2 2023. Gross margin, which is comprised of distribution, selling and merchandising fees, rose to 55.8% in Q2 2024, compared to 53.1% for the same period a year ago. The gross margin improvement was driven by pricing dynamics, as well as a reduction in input costs. For the six-month period, gross profit totalled $8.2 million, compared to $6.8 million a year ago. Gross margin for the six-month period ended April 30, 2024 was 54.4%, compared to 53.3% last year. The improvement resulted mainly from lower input costs.

Selling, general and administrative expenses ("SG&A"), which include operational, sales, marketing and administration costs, amounted to $7.5 million in Q2 2024, compared to $7.1 million for the same period a year ago. Selling and marketing expenses increased marginally to $4.9 million from $4.7 million in Q2 2023, as the Company started the marketing campaign for the new products' launch in Canada and supported the US wholesale club channel rotational programs with in-store activations. General and administrative expenses increased slightly to $2.6 million from $2.4 million in Q2 2023. For the six-month period ended April 30, 2024, SG&A amounted to $13.6 million, compared to $12.8 million a year ago, mainly due to higher sales and marketing expenses.

Net loss totalled $2.7 million or $(0.09) per share in Q2 2024, compared to a net loss of $2.7 million or $(0.08) per share for the same quarter a year ago. The stable net loss primarily reflects the higher net revenues and gross profit realized in Q2 2024, offset by the launch of the new innovations. Net loss for the six-month period totalled $4.5 million, or $(0.15) per share in 2024, compared to a net loss of $5.3 million or $(0.12) per share for the same period a year ago.

Adjusted EBITDA[4] amounted to a loss of $2.7 million in Q2 2024, compared to a loss of $2.5 million for the same quarter in 2023. The slight increase in Adjusted EBITDA loss this quarter was driven by expenses related to the launch of the innovations offset by higher net revenues. Adjusted EBITDA for the first six months of the year was a loss of $4.7 million in 2024, compared to a loss of $5.1 million in 2023. The improvement in Adjusted EBITDA loss for the period was driven by stronger net revenue and gross profit.

As at April 30, 2024, the Company had cash, cash equivalents and short-term investments of $28.2 million, and unused Canadian- and US-dollar denominated credit facilities totalling $10 million.

[1] Weekly POS data Sobey's – IGA+IGA Extra, 4-week ended April 27, 2024, Quebec.
[2] SPINS Market Measurement Amazon.com, 52-week period ended April 20, 2024 vs. same period a year ago.
[3] Nielsen, 52-week period ended April 20, 2024, All Channels, Canada vs. same period year ago.
[4] 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 second quarter results today, June 13, 2024, at 10:00 a.m. ET. Participants can access the call as follows:

- Via webcast: https://edge.media-server.com/mmc/p/y4wb8z6u
- 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 July 31, 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 about 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 *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, @guruenergy on Facebook and @guruenergydrink on TikTok.

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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 April 30		**Six months ended April 30**	
	2024	2023	**2024**	2023
(In thousands of Canadian dollars)	**$**	$	**$**	$
Net loss	(2,673)	(2,657)	(4,529)	(5,270)
Net financial income	(355)	(374)	(793)	(748)
Depreciation and amortization	230	297	463	545
Income taxes	31	9	4	19
Stock-based compensation expense	82	247	205	401
Adjusted EBITDA	(2,685)	(2,478)	(4,650)	(5,053)

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.