



## GURU ORGANIC ENERGY REPORTS RECORD Q1 2025 PERFORMANCE WITH STRONG MARGIN EXPANSION AND IMPROVED PROFITABILITY

### Key Highlights:

- **Best Q1 in GURU's History:** Net revenue up 8% to \$7.7 million, driven by U.S. sales.
- **Continued U.S. Sales Momentum:** U.S. sales increased 46% to \$2.1 million, reflecting higher sales velocity and innovation success.
- **Strong Margin Expansion:** Gross margin improved to 59.5% from 52.9% in Q1 2024.
- **Improved Profitability:** Net loss reduced by 31% to \$1.3 million, marking the lowest loss since Q2 2021 and demonstrating continued progress towards return to profitability.
- **Solid Financial Position:** \$25.2 million in cash and cash equivalents (\$25.5 million in Q4 2024), no debt and \$10 million of unused credit facilities.
- **Q2 Launches:** Following the strong performance of the Zero line in the U.S., GURU is launching Zero Wild Berry, Wild Ruby Red, and Wild Ice Pop in Canada. At the same time, Zero Wild Ice Pop is launching in the U.S., becoming the fourth Zero product available in this market.

**Montréal, Québec, March 13, 2025** – 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 first quarter ended January 31, 2025. All amounts are in Canadian dollars unless otherwise indicated.

### Financial Highlights

(in thousands of dollars, except per share data)

	Three months ended January 31	
	2025	2024
	\$	\$
Net revenue	7,695	7,146
Gross profit	4,579	3,782
Net loss	(1,284)	(1,858)
Basic and diluted loss per share	(0.04)	(0.06)
Adjusted EBITDA <sup>2</sup>	(1,057)	(1,966)

<sup>1</sup> Nielsen, 52-week period ended January 25, 2025, All Channels, Canada vs. same period a year ago.

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

### **Quote from Carl Goyette, President and CEO**

"We are very pleased to report a record Q1 performance, fueled by strong U.S. growth and continued focus on margin expansion and operational efficiencies. Our strategy to enhance pricing execution and optimize promotions has led to continued significant improvement in gross margin, which reached 59.5%. At the same time, the combination of strong net revenue growth and higher gross profit has resulted in a 31% reduction in net loss, marking our lowest quarterly loss since Q2 2021. We continue to make meaningful progress toward profitability while driving sustainable growth in key markets."

"The strong momentum of our GURU Zero-line launch in the U.S. further reinforces our commitment to innovation and the growing consumer demand for better-for-you energy drinks. Unlike many competitors in this space, GURU is the only zero sugar organic energy drink brand that is 100% free of artificial sweeteners, sucralose, and aspartame—offering a clean energy alternative with natural ingredients. With the Canadian launch of Zero Wild Berry, Wild Ruby Red and Wild Ice Pop this quarter—our first in North America—we are well positioned to capitalize on the accelerating shift towards natural, health-conscious energy drinks," added Mr. Goyette.

## **RESULTS OF OPERATIONS**

### **Revenue Growth Driven by U.S. Momentum**

Net revenue increased by 8% to \$7.7 million in Q1 2025, up from \$7.1 million in Q1 2024, marking a record Q1 performance. Growth was primarily driven by higher sales velocity and successful innovation launches in the U.S. across all channels.

- U.S. sales grew 46%, reaching \$2.1 million, fueled by expanded distribution and improved retail sales velocity. Online sales continued to accelerate, with Amazon U.S. consumer sales units up 58% in the last 12 weeks, reflecting strong demand for GURU's products in the e-commerce channel.
- Canada sales decreased slightly to \$5.6 million from \$5.7 million in Q1 2024, as the prior-year quarter benefited from higher distributor inventory levels. This was partially offset by online sales at Amazon Canada, where consumer sales units increased by 43% in the last 12 weeks.

### **Strong Margin Expansion and Cost Discipline**

Gross profit increased 21% to \$4.6 million, compared to \$3.8 million in Q1 2024. Gross margin expanded significantly to 59.5% (from 52.9%), reflecting stronger pricing execution and less promotional activity in both Canada and the U.S.

SG&A expenses improved as a percentage of net revenue to 79% in Q1 2025 (from 85% in Q1 2024), reflecting operational efficiencies and enhanced gross profit leverage.

### **Improved Profitability and Cash Position**

- Net loss reduced by 31% to \$1.3 million, marking the lowest quarterly loss since Q2 2021, compared to \$1.9 million in Q1 2024.
- Adjusted EBITDA loss improved to \$1.1 million, from \$2.0 million in Q1 2024, reflecting higher net revenue and stronger gross profit.

- Significantly reduced burn rate in Q1 2025 and maintained a solid financial position with \$25.2 million in cash and cash equivalents (\$25.5 million in Q4 2024), no debt and \$10 million of unused credit facilities.

## **STRATEGIC INITIATIVES AND GROWTH OUTLOOK**

### **Successful U.S. Expansion and Innovation**

GURU continued to gain momentum in the U.S., supported by successful innovation launches and strong sales velocity. The Company also continued to expand in premium grocery and natural channels, with U.S. Natural Channel scan sales up 12% in the last 52 weeks and 20% in the last 12 weeks, and Whole Foods scan sales growing 22% in the last 52 weeks and 37% in the last 12 weeks. This growth underscores the brand's resonance with health-conscious consumers and its ability to capture share in key strategic retail channels.

GURU's commitment to clean energy innovation continues to set it apart from traditional and so-called 'better-for-you' brands that still rely on artificial ingredients. By offering the only certified organic energy drink on the market with zero sugar, zero sucralose and zero aspartame, GURU delivers what health-conscious consumers expect: a plant-based, naturally energizing beverage with healthy ingredients.

### **Q2 Launch of Zero Line-Up in Canada**

Following the strong performance of the Zero line in the U.S., GURU is launching Zero Wild Berry, Wild Ruby Red, and Wild Ice Pop in Canada.

Wild Ice Pop is a North American first for GURU and the 4<sup>th</sup> Zero product to launch in the U.S., further differentiating the brand in the fast-growing zero-sugar energy drink segment.

### **Continued Focus on Profitability**

GURU remains focused on driving sustainable growth while improving profitability. Key areas of focus for the remainder of fiscal 2025 include:

- Increasing U.S. sales velocity in key markets and expanding distribution of the Zero product line.
- Maintaining pricing discipline while optimizing promotions.
- Executing a smooth transition back to a direct distribution model in Canada to strengthen brand control and enhance retailer relationships.
- Managing costs and driving efficiencies to support the path to profitability.

### **Conference call**

GURU will hold a conference call to discuss its first quarter 2025 results today, March 13, 2025, at 10:00 a.m. ET. Participants can access the call as follows:

- Via webcast: <https://edge.media-server.com/mmc/p/hthk7vn8>
- Via telephone: 1-844-481-2517 (toll free) or 1-412-317-0545 for international dial-in
- A webcast replay will be available on GURU's website until March 31, 2025.

### **About GURU Products**

GURU energy drinks are made from a short list of plant-based active ingredients, including natural caffeine, and no artificial sweeteners, 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](http://www.guruenergy.com) and Amazon. GURU has built an inspiring brand with a clean list of organic ingredients, including natural caffeine, and no artificial sweeteners, 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](http://www.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.

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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, 2024: 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 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; 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; use of third-party marketing, including celebrities and influencers; review of regulations on advertising claims, as well as those other risk 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 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, share-based compensation and restructuring expenses 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	
	January 31	
	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
<b>Net loss</b>	(1,284)	(1,858)
Net financial income	(228)	(438)
Depreciation and amortization	278	233
Income taxes	24	(26)
Stock-based compensation expense	156	123
<b>Adjusted EBITDA</b>	(1,057)	(1,966)