

# ***FOURTH QUARTER AND FISCAL 2022 EARNINGS PRESENTATION***

**TSX: GURU**

January 26, 2023



This presentation contains “forward-looking statements” within the meaning of applicable Canadian securities legislation. Such forward-looking statements include, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our 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 our 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; demand for GURU’s product is somewhat seasonal; 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 materials we have made public, including those filed with Canadian securities regulatory authorities from time to time and which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional risks and uncertainties not currently known to us or that we currently deem 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 is based upon what we believe 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 is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our 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 we do 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.



**Carl Goyette**  
President and CEO



## Ongoing expansion in Canada

Over the past year, we have done what we set out to do since becoming a public company:

- ▀ Launched our Canadian market expansion
- ▀ Invested, for the first time in our over 20-year history, in major national marketing campaigns

With the support of our exclusive Canadian partner, PepsiCo Beverages Canada, and their national distribution network

96%+

**DISTRIBUTION IN  
CONVENIENCE  
AND GAS STORES**  
across Canada

77%+

**DISTRIBUTION IN  
GROCERY, DRUG  
AND MASS STORES**  
across Canada

31%+

**GROWTH IN CANADIAN  
CONSUMER SCAN DATA**  
in fiscal 2022

 Fiscal 2022 was a transition year. Results did not translate into topline growth due to:

- Change in business model that started in Q4 2021
- Substantial initial pipeline fill by PepsiCo Beverages Canada
- Optimization of our product portfolio
- Absence of product launch in Q4 2022

 Change in our business model and investments made in our expansion activities will pay off in the long run

 Shift of our marketing spend to invest more in trade marketing and targeting key urban areas

**\$29.1M**

**NET REVENUE**  
in fiscal 2022

**\$5.3M**

**NEGATIVE  
NET REVENUE IMPACT**  
due to change in Canadian  
business model

## Focusing in California

- ▮ Continue to solidify our #1 energy drink position in the natural store sector
- ▮ Guayusa Tropical Punch became the #1 GURU SKU in several natural store chains in the first few weeks after launch
- ▮ 2023 focus on growing velocities and continued deployment of Guayusa Tropical Punch in targeted banners

## Online activities

- ▮ Record volume in first month of fiscal 2023 driven by Black Friday and Cyber Monday
- ▮ 2023 focus on profitability, thereby adjusting investments in marketing





**Ingy Sarraf**  
CFO



## OVERVIEW

- Consumer scan data in Canada showed a 33% YOY sales increase, reflecting continued strong demand at the consumer level
- Net revenue decline mainly due to Q4 2021 initial pipeline fill
- Maintaining sector-leading gross margin of 52.1% versus 51.0% in Q4 2021
- Net loss of \$3.9 million versus \$6.0 million in Q4 2021
- Maintaining very strong financial position reflecting prudent balance sheet management and allowing us to self-fund our growth

33%

**GROWTH IN CANADIAN  
CONSUMER SCAN DATA**  
in Q4 2022<sup>1</sup>

\$6.8M

**NET REVENUE**  
vs. \$8.5M in  
Q4 2021

(\$4.0M)

**ADJUSTED EBITDA**  
vs. (\$5.7M) in  
Q4 2021

\$56M+

**LIQUIDITIES AND  
CREDIT FACILITIES**  
to fund growth

# Committed to long-term growth

- Transformation of our Canadian business model essential to set us up for long-term success
- World-class partner, strong differentiated brand and robust balance sheet allow us to be in a solid position to pursue our growth strategy and self-fund our marketing efforts
- Increased GURU's brand awareness in Canada in fiscal 2022, which gives credence to our strategy
- Similar to our path to growth in Quebec, our brand's Canadian growth trajectory will take time and sustained effort, which we commit to do
- Launch of next innovation this Spring



**Thank you!**

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**GURU**

