



**THIRD QUARTER 2023  
EARNINGS PRESENTATION**

**TSX: GURU**

**September 14, 2023**

FEEL GOOD ENERGY  
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# DISCLAIMER

*This presentation 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.*

# ON A MISSION TO CLEAN UP THE ENERGY DRINK INDUSTRY - ONE CAN AT A TIME



Green Tea



Guarana



Matcha



Yerba Mate



Guayusa

Natural caffeine



Stevia



Monk Fruit

Natural sweeteners



Ginseng



L-Theanine



Echinacea

Active ingredients





# Carl Goyette

President and CEO



# GROWING OUR BRAND IN CANADA



**95% DISTRIBUTION C&G**  
**85% DISTRIBUTION GDM**

## RECORD Q3 PERFORMANCE

- ▀ All-time record quarter with net revenue of \$8.9 million
- ▀ Performance driven by Theanine Fruit Punch and higher sales velocities in Canada
- ▀ Significant reduction in net loss to (\$3 million), due to a more targeted marketing approach
- ▀ Sustained sales progression in urban centers in English Canada, with up to 6% market share in certain grocery banners
- ▀ Energy drink category growing strong in Canada at 15% (Nielsen: last 52 weeks)
- ▀ GURU is the fastest growing brand in English Canada at 44% in all channels (Nielsen: last 52 weeks)

<sup>1</sup> Nielsen: Period ending July 15, 2023, Grocery Drug Mass (GDM) + Convenience & Gas (C&G), Canada vs. same period year ago.

# GROWING OUR BRAND IN CANADA



95% DISTRIBUTION C&G  
85% DISTRIBUTION GDM

## Q4 INITIATIVES

- Partnership with Gradey Dick, Toronto Raptors' first draft pick of 2023, who became a GURU brand ambassador
- Fall marketing campaign = first social media challenge hosted by Gradey, and other high-profile influencers
- Return to Canadian university campuses this fall by hosting back-to-school activities
- New rotational program featuring GURU Original in 24 Costco locations in Quebec



# U.S. AND ONLINE EXPANSION



## U.S. ACTIVITIES

- ▀ Q3 net revenue increased 38% to \$1.4 million, driven by less promotional pricing, improved online execution and a record performance during Amazon's Prime Day
- ▀ Very successful rotational program in over 40 Costco locations in Los Angeles
- ▀ Tropical Punch is GURU's #1 selling SKU in natural food store and grocery channels and fastest growing product in grocery and drug channel
- ▀ Launch of Fruit Punch in December, together with a new tasty innovation to be unveiled in the coming months

## ONLINE ACTIVITIES

- ▀ Continue to work on growing this segment's increased Q3 performance with a focus on the U.S. market and profitable growth



**Ingy Sarraf**  
CFO





# Q3 FINANCIAL PERFORMANCE

- Record net revenue mainly driven by increased sales velocities in Canada and the summer's marketing campaigns
- Canadian sales up by 15%, U.S. sales up by 38%
- Gross margin of 51.2% versus 54.8% in Q3 2022, due to competitive environment and input costs
- Significant decrease of net loss to \$3.0 million from \$6.5 million in Q3 2022
- Continued prudent balance sheet management

**\$8.9M**

**RECORD NET REVENUE**  
vs. \$7.7M in Q3 2022

**38%**

**SALES INCREASE  
IN THE U.S.**  
in Q3 2023

**(\$3.0M)**

**ADJUSTED EBITDA**  
vs. (\$6.5M) in Q3 2022

**\$48.7M**

**LIQUIDITIES AND  
CREDIT FACILITIES**  
to fund growth



# Carl Goyette

President and CEO



# PURSUE OUR GROWTH MOMENTUM

- ▀ Near-term goal to pursue our growth momentum in the fall and winter months
- ▀ Canadian strategic initiatives to include social media challenge featuring Gradey Dick among other great influencers, and GURU's University Campus program
- ▀ U.S. will see a December launch of Fruit Punch, together with a new tasty innovation
- ▀ Strong financial position will allow us to increase sales and gain market share, while focusing on a clear path to GURU's historical profitability
- ▀ Remaining focused on meeting our objective of cleaning up the energy drink industry, one can at a time



# FEEL GOOD ENERGY

**GURU Organic energy drinks have:**

- Natural Caffeine
- Zero Sucralose
- Zero Aspartame

**LONG-LASTING ENERGY WITH NO JITTERS**

100%  
CRAP FREE!





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