MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended October 31, 2021

BASIS OF PRESENTATION

The following has been prepared for the purposes of providing management's discussion and analysis ("**MD&A**") of the consolidated financial position of GURU Organic Energy Corp. ("**GURU**" or the "**Company**") as at October 31, 2021, and the consolidated operating results of the Company for the year then ended.

This MD&A is dated January 19, 2022 and was prepared with information available to this date. In this MD&A, references to fiscal 2021 are to the fiscal year ended October 31, 2021, references to fiscal 2020 are to the fiscal year ended October 31, 2020. This document should be read in conjunction with the audited annual consolidated financial statements and notes thereto for the year ended October 31, 2021 and 2020. Discrepancies in recalculated amounts or percentages may occur due to rounding. All amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated. All financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and the financial information herein was derived from those statements.

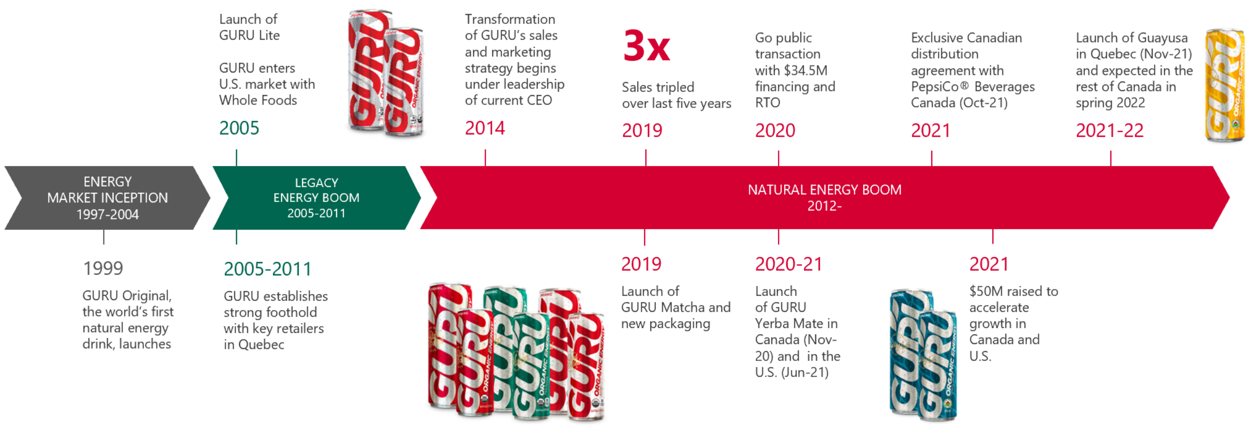
FORWARD-LOOKING STATEMENTS

This MD&A 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 our objectives and the strategies for achieving those objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Forward-looking statements are typically identified by the use of words such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", or "continue", although not all forward-looking statements contain these words. 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 the reader is therefore cautioned that such information may not be appropriate for other purposes. Forward-looking statements are based on 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. Those risks and uncertainties include the following, which are discussed in greater detail under "Risk Factors" in the Company's Annual Information Form for the year ended October 31, 2021, available on SEDAR at www.sedar.com: management of growth; reliance on key personnel; 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 or other major macroeconomic phenomena; global or regional catastrophic events; fluctuations in foreign currency exchange rates; net 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; 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; 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; and conflicts of interest. Certain assumptions were made in preparing the forward-looking statements concerning availability of capital resources, business performance, market conditions and consumer 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 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.

BUSINESS OVERVIEW

Our Story

Initiated by the smart drink movement in Montreal, our founders drew their inspiration from the trend of mixing energy-releasing plants and exotic combinations. They wanted to provide their consumers with a source of energy that was not artificial – natural, plant-based organic energy. GURU, the world's first natural energy drink, was launched in 1999, and none of us have looked back since.



Our Business

GURU (TSX: GURU) is a dynamic, fast-growing beverage company based in Montreal, Quebec. Its activities consist of developing, marketing, selling, and distributing natural, organic, plant-based (100% Crap Free^{TM}) energy drinks under the GURU brand name. Manufacturing is outsourced to a network of established third-party co-packers. We do, however, provide our production partners with our recipes, flavours, ingredient blends, cans, and other raw materials for our beverages, purchased by us from various suppliers across the globe.

As at January 19, 2022, GURU increased its estimated points of sale to over 23,700 in Canada and across the United States. Our organic plant-based energy drinks are also available online through Amazon and guruenergy.com.

Our Market[1]

The North American energy drink industry is estimated at US$15 billion in annual sales, with energy drinks being the fastest growing category of non-alcoholic beverages, steadily gaining market share from soft drinks and juices. Over the last year, the energy drink category has seen 7.9% sales growth compared to 2.8% for total beverages.[2]

The North American energy drink industry is estimated to reach US$19.4 billion in sales by 2024, an 8.1% compound annual growth rate ("CAGR").

Retail sales of sports and energy drinks in Canada are forecast to reach about US$1.03 billion in 2022, an increase of about US$0.2 billion in sales since 2017.[3]

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[1] Mintel, May 2020. Does not include the energy shots segment.
[2] Nielsen All Market Channels W/E 12/07/2019 – 01/09/2020.
[3] Statista (November 30, 2020).

The Market Opportunity
Millennials and Gen Z consumers account for 70% of consumption in the energy drink market. They love energy drinks, but they are concerned by their safety and their ingredients. The North American market, which is currently dominated by two legacy brands that share about 75% of the market, is ready for disruption. Differentiated brands like GURU have started to grind that market share lead with plant-based products aimed at solving the industry's biggest problem: its ingredients list.

The main differentiators for GURU's products are its clean list of organic plant-based ingredients and its brand positioning as a good, natural, authentic, progressive and adventurous brand which aims to be a source of good energy. GURU offers consumers healthy energy drinks that feel and taste like mainstream energy drinks without detriment to their health (long lasting energy with no jitters, certified organic, plant-based ingredients, no artificial sweeteners, no taurine, no synthetic caffeine yet similar caffeine content).

Our Strategy
GURU's current sales channel mix consists mainly of convenience stores and gas stations, grocery stores and pharmacies, and online sales in Canada and the U.S.

On October 4, 2021, PepsiCo® Beverages Canada ("**PepsiCo®**") became the exclusive national Canadian distributor for GURU's plant-based energy drinks in the retail and food service channels. Partnering with PepsiCo® at this stage of our growth for the Canadian distribution of our better-for-you energy drinks was a game changer for GURU and has the potential to accelerate our sales and distribution plans.

Online sales have experienced strong growth in the past year, in large part due to the impact of COVID-19 on consumers' shopping habits, and we anticipate this trend to continue.

GURU's methodical sales and marketing approach aims to maximize return on investment through appropriate top-of-funnel and bottom-of-funnel spend, depending on product distribution in each geographical region. We have invested significant marketing efforts in building brand awareness and trial through a proven strategy that has allowed us to build a loyal following ("GURU Nation"), become the #3 brand in our primary market, Quebec, and experience significantly stronger year-over-year retail sales growth than the industry in our largest channel, convenience and gas[4].

Financial and Business Outlook

GURU's closing of its $34.5 million financing in October 2020 and private placement and bought deal financing of $49.6 million in July 2021 are paramount in achieving our mission of cleaning the energy drink industry and growing our business in Canada and the United States. Our primary Quebec market has been a success story in terms of sales and profitability, and our aim is to replicate and adapt our model across North America. We believe that GURU is poised to gain significant market share in North America as it addresses the industry's biggest issue: consumer concern about the safety of energy drink ingredients.

To achieve our growth objectives, we raised the funds we needed to pursue our investments in sales and marketing and grow our brand over the next few years, especially with the recent PepsiCo® Canadian distribution agreement. While these investments will impact our short-term profitability, they will allow us to improve our cost structure and achieve our long-term margin and profitability goals, which supports our commitment to create sustained long-term shareholder value.

At the date of this MD&A, as part of our expansion strategy in Canada and the U.S., we increased our total estimated points of sale by 8,800 to over 23,700 since the beginning of the fiscal year and expect further growth in Canada with PepsiCo® and, in the U.S., as we reallocate our sales resources towards this large and growing market.

COVID-19

The COVID-19 pandemic has caused significant financial market and social dislocation, with cities and countries around the world responding in various ways to mitigate its impact and curb its spread, impacting businesses and consumers. The pandemic continues to impact the Company and its operations since its onset in the spring of 2020 and it remains difficult to predict how the ongoing pandemic will impact the Company's future business, operations, and financial performance. The Company continues to monitor the situation closely while assessing any potential impact on its operations and to avoid disruptions in customer supply. The Company has proactively put in place multiple contingency plans to ensure its supply chain and general operations can be maintained with minimal disruption. Considered an essential service in Canada since the beginning of the pandemic, the Company steadily maintained its operations throughout fiscal 2021, including the fourth quarter of 2021.

[4] Nielsen: Last 52-week period ending November 6, 2021, Convenience & Gas (C&G), Quebec vs. same period year ago.

NON-GAAP FINANCIAL MEASURE

Adjusted EBITDA[5]

Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA is defined as net income or loss before national Canadian distribution agreement set-up costs, reverse acquisition of Mira X expenses, income taxes, net financial expenses, depreciation and amortization, and stock-based compensation expense. The exclusion of national Canadian distribution agreement set-up costs eliminates the impact on earnings of costs that are not expected to re-occur in the near term. 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.

We believe that adjusted EBITDA is a useful measure of financial performance without the variation caused by the impacts of the items described above because it provides an indication of the Company's ability to seize growth opportunities in a cost-effective manner, finance its ongoing operations and service its long-term debt. Excluding these items does not imply that they are necessarily non-recurring. Management believes this non-GAAP financial 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.

This non-GAAP financial measure is not an earnings or cash flow measure recognized by International Financial Reporting Standards (IFRS) and does not have a standardized meaning prescribed by IFRS. Our method of calculating this financial measure may differ from the methods used by other issuers and, accordingly, our definition of this non-GAAP financial measure 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 net income determined in accordance with IFRS as indicators of our performance or to cash flows from operating activities as measures of liquidity and cash flows.

KEY SOURCES OF ESTIMATES AND ASSUMPTIONS

Measurement of net revenue

Net revenue is measured at the fair value of consideration received net of refunds, discounts, rebates and other fees paid to customers. The Company recognizes revenue when it transfers control of a product to a customer. Revenue is recognized at a point in time, which is when a customer takes possession of the goods, as it meets the criteria to satisfy the performance obligation.

[5] Refer to reconciliation of net (loss) income to adjusted EBITDA section of the MD&A.

MAIN ACHIEVEMENTS AND GROWTH DRIVERS

Q4 and Fiscal 2021 record net revenue of $8.5M and $30.2M, respectively	**#1 brand with Quebec young adults under 25[6]**	**more than $65M of cash, and $10M in unused credit facilities**
#3 brand in Quebec (14% market share)[7]	**over 23,700 points of sale in North America (up 59% vs. last year)**	**PepsiCo Beverages Canada exclusive national distributor (since Oct. 4, 2021)**

[6] Market research conducted by element54 and Patterson Langlois for GURU in June 2021 with 1,500 participants in the province of Quebec.
[7] Nielsen: Last 52-week period ending November 6, 2021, Grocery Drug Mass (GDM) + Convenience & Gas (C&G), Quebec vs. same period year ago.

Q4 2021 HIGHLIGHTS

- Net revenue increased by 38% to a record $8.5 million, compared to $6.1 million in Q4 2020.
  - U.S. sales, which represented approximately 12% of net revenue in Q4 2021, grew by 43% in U.S. dollars, or 37% in Canadian dollars in Q4 2021
- Gross profit totalled $4.3 million, an increase of 16% compared to $3.7 million in Q4 2020. Gross margin[8] decreased to 51% of net revenue, compared to 61% in 2020, reflecting the change in the Company's business model for the Canadian market during Q4 2021 resulting from the PepsiCo® Canadian distribution agreement.
- Net loss of $6.0 million in Q4 2021, compared to a net loss of $3.1 million in Q4 2020, mainly due to public company costs, increased brand marketing activities as well as field and trade marketing launch activities across Canada, and other investments in support of growth plans.
- Adjusted EBITDA[9] of $(5.7) million in Q4 2021, compared to $(0.4) million in Q4 2020.
- GURU's latest product innovation, Guayusa Tropical Punch, became available in Quebec on October 4, 2021, and was formally launched subsequent to quarter end with a vast marketing campaign in Quebec in November 2021.
- Subsequent to Q4 2021, increased estimated points of sale to over 23,700, mainly from the convenience and gas channel in Canada as a result of the PepsiCo® agreement, with a potential to increase as Canadian Grocery, Drug, and Mass retailers (GDM) and U.S. retailers will announce their listings in the spring of 2022.

FISCAL 2021 HIGHLIGHTS

- Net revenue increased by 37% to a record $30.2 million for the twelve-month period ended October 31, 2021, compared to $22.1 million for the same period last year.
- Gross profit totalled $17.9 million, an increase of 27% compared to $14.0 million for the same period a year ago. Gross margin[8] was 59% of net revenue, compared to 64% in 2020, mainly due to the change in business model in Canada.
- Cash flow used in operating activities was $10.2 million, compared to $0.1 million in 2020.
- Net loss of $9.8 million, compared to a net income of $2.2 million in 2020.
- Adjusted EBITDA[9] of $(8.7) million, compared to $1.4 million in 2020.
- On March 31, 2021, GURU entered into a three-year committed $10 million revolving operating credit facility with the Canadian Imperial Bank of Commerce, replacing its previous facilities.
- Effective June 1, 2021, GURU Yerba Mate was available for delivery in the U.S. through GURU's grocery, natural, c-stores and drug channels partners, namely KeHE and UNFI, as well as through other distribution partners, GURU direct delivery and online through Amazon and guruenergy.com.
- On June 14, 2021, GURU and PepsiCo® signed an agreement whereas PepsiCo® became the exclusive national Canadian distributor for GURU's plant-based energy drinks in the retail and food service channels effective October 4, 2021.
- On July 6, 2021, GURU completed a private placement and bought deal financing and issued 3,097,594 common shares for aggregate gross proceeds of $49.6 million and net proceeds of $46.7 million.

[8] Gross margin, a supplementary financial measure, is the result of gross profit divided by net revenue.
[9] Refer to reconciliation of net (loss) income to adjusted EBITDA section of the MD&A.

SELECTED FINANCIAL INFORMATION[10]

The selected financial information below was derived from the Company's financial statements, prepared in accordance with IFRS, for the three-month periods ended October 31, 2021, and 2020, and the twelve-month periods ended October 31, 2021, 2020 and 2019.

	Three-month periods ended				Twelve-month periods ended					
	October 31, 2021		October 31, 2020		October 31, 2021		October 31, 2020		October 31, 2019	
(In thousands of Canadian dollars, except per share data)	$	% of revenue	$	% of revenue	$	% of revenue	$	% of revenue	$	% of revenue
Net revenue	**8,466**	**100%**	6,115	100%	**30,191**	100%	22,100	100%	17,499	100%
Cost of goods sold	4,152	49%	2,410	39%	12,308	41%	8,062	36%	5,956	34%
Gross profit	**4,314**	**51%**	3,705	61%	**17,883**	59%	14,039	64%	11,544	66%
Selling, general and administrative expenses	10,338	122%	4,210	69%	27,801	92%	13,006	59%	10,307	59%
Net financial expenses	(48)	-1%	56	1%	49	0%	312	1%	271	2%
Reverse acquisition of Mira X expenses	(4)	0%	2,916	48%	108	0%	2,916	13%	-	0%
(Loss) Income before income taxes	**(5,972)**	**-71%**	(3,477)	-57%	**(10,075)**	-33%	(2,195)	-10%	965	6%
Income taxes	10	0%	(331)	-5%	(231)	-1%	(39)	0%	260	1%
Net (loss) income	**(5,982)**	**-71%**	(3,145)	-51%	**(9,844)**	-33%	(2,156)	-10%	705	4%
Basic and diluted (loss) earnings per share*	$ (0.18)		$ (0.11)		$ (0.33)		$ (0.10)		$ 0.03	
Adjusted EBITDA[10]	(5,678)	-67%	(419)	-7%	(8,745)	-29%	1,428	6%	1,592	9%
Cash flow (used in) from operating activities					(10,156)	-34%	(137)	-1%	1,187	7%
Net revenue by geography										
Canada	7,464	88%	5,381	88%	25,898	86%	18,233	83%	13,230	76%
United States	1,002	12%	734	12%	4,293	14%	3,867	17%	4,269	24%

	As at		
	October 31, 2021	October 31, 2020	October 31, 2019
	$	$	$
Total assets	85,005	41,794	7,671

** Earnings per share calculation for the three- and twelve-month periods ended October 31, 2020 and 2019 have been calculated using the 1 to 916 stock split that occurred at time of the RTO (October 29, 2020).*

RECONCILIATION OF NET (LOSS) INCOME TO ADJUSTED EBITDA

	Three-month periods ended		Twelve-month periods ended		
	October 31, 2021	October 31, 2020	October 31, 2021	October 31, 2020	October 31, 2019
(In thousands of Canadian dollars)	$	$	$	$	$
Net (loss) income	(5,982)	(3,145)	(9,844)	(2,156)	705
National Canadian distribution agreement set-up costs	56	-	203	-	-
Reverse acquisition of Mira X expenses	(4)	2,916	108	2,916	-
Net financial expenses	(48)	56	49	312	271
Depreciation and amortization	178	64	515	309	296
Income taxes	10	(331)	(231)	(39)	260
Stock-based compensation expense	112	21	455	86	60
Adjusted EBITDA	(5,678)	(419)	(8,745)	1,428	1,592

[10] Refer to reconciliation of net income (loss) to adjusted EBITDA section of the MD&A.

RESULTS OF OPERATIONS

Net Revenue

Net revenue for the quarter increased by 38% or $2.4 million to $8.5 million, compared to $6.1 million for the three-month period ended October 31, 2020. The increase is due to sales growth in Canada, as a result of velocity growth and increased points of sale from its expansion plans. Sales in Canada grew by 39%, including higher volume in Quebec and high triple digit growth in Ontario, Western and Atlantic Canada, mainly due to an initial large order from PepsiCo® in Q4 2021, partially offset by distributor returns as a result of the exclusive Canadian distribution agreement with PepsiCo®. U.S. sales grew by 43% in U.S. dollars, or 37% in Canadian dollars, during the fourth quarter of fiscal 2021, compared to the same period last year. According to SPINS[11], which measures U.S. retail sales of GURU energy drinks, GURU experienced 32% growth nationally in Q4 2021 versus Q4 2020, and 42% growth in California for the same period. For the twelve-month period, net revenue increased by 37% or $8.1 million to $30.2 million, up from $22.1 million for the same period in 2020. The reasons for the changes are consistent with those provided above.

Gross profit and margin

Gross profit totalled $4.3 million, an increase of 16% or $0.6 million compared to $3.7 million for the three-month period ended October 31, 2020. Gross margin was 51% for the three-month period ended October 31, 2021, compared to 61% for the same period a year ago. The decrease in gross margin was mainly due to a change in the Company's business model for the Canadian market during Q4 2021 as a result of the PepsiCo® Canadian agreement, which became effective on October 4, 2021, and comprises distribution, selling and merchandizing fees (a portion of which was previously categorized as SG&A expenses) and a one-time set-up cost with PepsiCo®. The lower gross margin was also impacted by increased promotional activities and higher product costs driven by higher input and transportation costs since the onset of the COVID-19 pandemic. For the twelve-month period, gross profit totalled $17.9 million, 27% or $3.9 million higher than gross profit of $14.0 million a year ago. Gross margin for the period was 59%, compared to 64% last year. The reasons for the changes are consistent with those provided above.

Selling, general and administrative expenses

Selling, general and administrative expenses ("SG&A") include operational, sales, marketing, and administration costs. These expenses amounted to $10.3 million for the three-month period ended October 31, 2021, an increase of 146% or $6.1 million compared to SG&A of $4.2 million for the same period a year ago. Selling and marketing expenses accounted for $5.4 million of the increase in SG&A as the Company invested in several targeted marketing campaigns during the quarter, notably, the Back-to-University media campaign in Western Canada and Ontario, the out-of-home and digital campaign, the launch of the fall Quebec marketing campaign with 'Occupation Double', which was more extensive in fiscal 2021 than in 2020, as well as continued field and trade marketing investments in Ontario, Western and Atlantic Canada. For the twelve-month period, SG&A amounted to $27.8 million, an increase of 114% or $14.8 million compared to $13.0 million for the same period a year ago. Most of the increase is due to investments in sales and marketing activities including the launch of marketing campaigns in Western Canada and Ontario, field and marketing activities throughout Canada, expansion plan set-up costs, and set-up costs incurred for the PepsiCo® Canadian distribution agreement.

Adjusted EBITDA[12]

Adjusted EBITDA was a loss of $5.7 million for the three-month period ended October 31, 2021, compared to a loss of $0.4 million last year. The decrease in adjusted EBITDA was due to higher SG&A, partially offset by the increase in gross profit. Adjusted EBITDA for the twelve-month period was a loss of $8.7 million in 2021 compared to earnings of $1.4 million in 2020.

[11] SPINS IRI data, Total Multi-Outlet (MULO) and Natural channels, period ending October 31, 2021.

[12] Refer to reconciliation of net income (loss) to adjusted EBITDA section of the MD&A.

Net financial expenses (income)

The Company generated net financial income of $47,707 in Q4 2021, compared to incurring net financial expenses of $56,108 for the same period a year ago. Since March 2021, the Company no longer has long-term debt and has raised funds via two financing rounds thereby realizing interest net revenue from the increase of its cash position. For the 2021 fiscal year, financial expenses decreased to $49,062 from $311,519 a year earlier, as the Company reimbursed the totality of its credit facilities since the closing of the private placement in October 2020, and realized interest net revenue from its cash position, which was partially offset by the increase in interest on lease liabilities and the set-up of a new commercial bank agreement.

Income taxes

The Company had a deferred income tax expense for the three-month period ended October 31, 2021 of $9,881 compared to an income tax recovery of $331,373 for the three-month period ended October 31, 2020. The deferred tax expense in the fourth quarter of 2021 relates primarily to taxable income realized in the US entity.

The Company had an income tax recovery of $231,218 for the twelve-month period ended October 31, 2021, compared to an income tax recovery of $38,508 for the same period a year earlier. For both years, the effective income tax recovery was less than the expected income tax recovery based on the combined federal and provincial statutory tax rates, primarily because of the non-recognition of Canadian tax attributes that were not probable of being realized. Refer to note 22 to the annual consolidated financial statements.

Net loss

Net loss for the fourth quarter of fiscal 2021 totalled $6.0 million or $(0.18) per share (basic and diluted), compared to a net loss of $3.1 million or $(0.11) per share (basic and diluted) for the same period a year ago. The majority of the increase in the net loss reflects the additional costs associated with field and trade marketing launch activities in Ontario, Western and Atlantic Canada, public company costs, and other set-up costs for our expansion plans.

Net loss for the twelve-month period totalled $9.8 million in 2021, or $(0.33) per share (basic and diluted), compared to a net loss of $2.2 million or $(0.10) per share (basic and diluted) for the same period a year ago.

LIQUIDITY AND CAPITAL RESOURCES

Capital Management

The Company's objective in managing its capital is to ensure sufficient liquidity to finance its operations, maximize the preservation of capital and deliver competitive returns on invested capital. To fund its activities, the Company has relied on the private placement financing completed on October 29, 2020, in connection with the reverse acquisition of Mira X and on the private placement and bought deal financing completed on July 6, 2021. The Company manages its excess cash to ensure that it has sufficient reserves to fund its operations and capital expenditures.

Cash Flows

	Twelve-month periods ended	
	October 31, 2021	October 31, 2020
(In thousands of Canadian dollars)	$	$
Cash flow used in operating activities	(10,156)	(137)
Cash flow from financing activities	47,816	30,412
Cash flow used in investing activities	(1,103)	(6)
Effects of movements in exchange rate on cash held	(21)	-
Increase in cash and cash equivalents	36,536	30,269
Cash and cash equivalents, beginning of period	30,418	150
Cash and cash equivalents, end of period	66,954	30,418

Cash flow used in operating activities

For the twelve-month period ended October 31, 2021, operating activities used cash of $10.2 million compared to $0.1 million for the same period last year. The increase in fiscal 2021 is due to the net loss incurred this year, which was mainly attributable to marketing and trade initiatives, and additional investments in working capital, namely in accounts receivable, inventories and accounts payable.

Cash flow from financing activities

Financing activities generated cash flow of $47.8 million in the twelve-month period ended October 31, 2021, compared to $30.4 million for the same period last year. The fiscal 2021 financing cash inflows are principally attributable to the private placement and bought deal financing that took place in July 2021. The fiscal 2020 financing cash inflows relate primarily to the private placement financing completed on October 29, 2020.

Cash flow used in investing activities

Investing activities used cash flow of $1.1 million in the twelve-month period ended October 31, 2021. No investing activity occurred in the same period in 2020. The variance is mainly due to investments in leasehold improvements and the purchase of furniture and equipment for the Company's new premises and in-store equipment.

Credit Facilities

On March 31, 2021, the Company signed a new committed revolving operating credit facility of a maximum authorized amount of $10 million maturing on March 30, 2024. As at October 31, 2021, the credit facilities were not used (October 31, 2020 - US$10,000 (CA$13,318)).

The Company also has an uncommitted credit facility that can be used in the form of foreign exchange contracts or interest rate swaps for a maximum amount of US$500,000 (October 31, 2020 - US$550,000). This credit facility was not used as at October 31, 2021 (October 31, 2020 - nil).

The Company has a letter of credit for a maximum available of $2.5 million for which an amount of EUR300,000 (CA$371,520) was used as of October 31, 2021 (October 31, 2020 - EUR300,000 (CA$465,492)).

The credit facilities noted above are secured by a movable hypothec on the universality of the Company's present and future assets located in the province of Quebec to a maximum of $25 million, a first ranking security on all present and future property in all other Canadian provinces and in the United States and an unlimited corporate guarantee of its U.S. subsidiary. These credit facilities are subject to certain financial covenants, which were met as at October 31, 2021. The previous existing long-term debt has been repaid in full on March 2, 2021.

FINANCIAL POSITION

The following table shows the main variances that have occurred in the Company's financial position as at October 31, 2021:

	October 31 2021	October 31 2020	Variance	Significant contributions
(In thousands of Canadian dollars)	$	$	$	
Cash and cash equivalents	66,954	30,418	36,536	Private placement and bought deal financing less investments in working capital, expansion and marketing plans, and leasehold improvements for head office
Trade and other receivables	5,455	2,950	2,505	Increase due to revenue growth in Q4 2021
Inventories	7,338	6,312	1,026	Increase due to revenue growth in Q4 2021 and increase of inventory on hand
Fixed assets	1,103	44	1,059	Increase mainly due to new leasehold improvements for head office, new marketing van and promotional equipment
Right-of-use assets	1,886	206	1,680	Increase mainly due to new lease for head office
Accounts payable and accrued liabilities	10,265	7,345	2,920	Normal course of business, no longer bearing reverse takeover expense payables
Lease liabilities (including current portion)	1,911	184	1,727	Increase mainly due to new lease for head office

DIVIDEND POLICY

The Company has not paid dividends on its common shares since incorporation. The Company's current policy is to retain future earnings to finance its growth. Any future determination to pay dividends will be made at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and other such factors as the Board of Directors may deem relevant.

SELECTED QUARTERLY INFORMATION

The table below presents selected quarterly financial information for the last eight fiscal quarters:

(In thousands of Canadian dollars, except per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net revenue	**8,466**	8,049	7,074	6,602	6,115	6,595	4,062	5,328
Gross profit	**4,314**	5,037	4,435	4,097	3,705	4,351	2,440	3,543
(Net loss) Net income	**(5,982)**	(2,027)	(1,204)	(631)	(3,145)	1,236	(689)	442
Basic (loss) earnings per share *	**$ (0.18)**	$ (0.07)	$ (0.04)	$ (0.02)	$ (0.11)	$ 0.06	$ (0.03)	$ 0.02
Diluted (loss) earnings per share *	**$ (0.18)**	$ (0.07)	$ (0.04)	$ (0.02)	$ (0.11)	$ 0.05	$ (0.03)	$ 0.02

** Earnings per share calculation have been calculated using the 1 to 916 stock split that occurred at time of the RTO (October 29, 2020).*

Factors affecting the variability of quarterly results

There are quarter-over-quarter variations in net revenue that are caused by seasonality as well as sales and marketing campaigns. Exceptionally, the variation in Q2 2020 results versus Q1 2020 results is due to the start of the COVID-19 pandemic.

In addition, Q4 2020 included the $2.9 million cost of the reverse acquisition of Mira X, and Q2 2020 was also impacted by the onset of the COVID-19 pandemic and the operational adjustments that were required in response to it.

TRENDS AND SEASONALITY

In Canada, GURU's sales are somewhat seasonal, tending to be higher in the spring through the fall, from the middle of the second quarter through the end of the fourth quarter, and somewhat lower in winter, from the start of the first quarter through the middle of the second quarter. These trends can also vary due to the success of GURU's marketing campaigns and product launch initiatives. In contrast, the U.S. market, with its overall warmer climate, generally does not exhibit the same level of seasonal sales trends as Canada.

FINANCIAL INSTRUMENTS

Liquidity Risk

Liquidity risk is the Company's ability to meet its financial obligations when they come due. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. It manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities, with the objective of maintaining a balance between continuity of funding and flexibility through borrowing facilities available through its bank and other lenders. The Company's policy is to ensure that it has adequate funding available from operations and other sources as required. The following are the contractual maturities of the Company's financial obligations, including principal and interest, as at October 31, 2021:

(In thousands of Canadian dollars)	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Trade and other payables	10,265	10,265	10,265	-	-
Lease liabilities, including current portion	1,911	2,173	396	1,424	353

Credit Risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Company by failing to discharge an obligation. The Company's credit risk is mainly related to cash and cash equivalents and accounts receivable. The credit risk of cash and cash equivalents is limited given the Company deals with major North American financial institutions.

The Company provides credit to its clients in the normal course of its operations. It carries out credit checks on its clients on a continuing basis and maintains provisions for contingent credit losses that, once they materialize, are consistent with management's forecasts. The Company deals with well-established banners and distributors, thus reducing its credit risk. As of the current balance sheet date, 80% (2020 – 50%) of accounts receivable are concentrated with two (2020 – three) clients who represent together 19% (2020 – 49%) of the year's sales. The Company does not normally require a guarantee for its trade receivables.

Currency Risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company realizes sales and purchases in foreign currency. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations.

During the three-month period ended October 31, 2021, all else being equal, a hypothetical strengthening of 5.0% of the U.S. dollar or Euro against the Canadian dollar would not have a material impact on the Company's consolidated statement of loss and comprehensive income (loss) for the years ended October 31, 2021 and 2020.

Interest Rate Risk
The Company's credit facility bears interest at a variable rate based on the bank's prime rate plus a percentage. As a result, the Company is exposed to interest rate risk due to fluctuations in the bank's prime rate during the year.

Sensitivity analysis for interest rate risk
An increase or decrease of 100 basis points in the interest rate would not have a material impact on the Company's consolidated statement of loss and comprehensive income (loss) for the years ended October 31, 2021 and 2020.

Derivative Financial Instrument Risk
The Company uses share price instruments occasionally. All derivative financial instruments are recorded at their fair values. Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in income immediately. Refer to note 25 of the Consolidated Financial Statements for further information.

UNRECOGNIZED DEFERRED TAX ASSETS

The Company has unused non-capital losses in the amount of $12.5 million (2020 - $3.9 million), of which $9.9 million have not been recognized. These unrecognized losses expire between 2027 and 2041 and are not recognized because management has determined that their realization is not probable since profitable operations are not expected in the near future because of significant planned investments in growth and market expansion.

The Company also has other unrecognized deductible temporary differences totalling $4.5 million.
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OFF-BALANCE SHEET ARRANGEMENTS

The Company does not currently have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its financial position, changes in net revenues or expenses, results of operations, liquidity or capital resources that are material, other than the lease. The Company's other off-balance-sheet arrangements consist only of obligations under operating leases with terms of 12 months or less or of low dollar value, which are not material.

SEGMENT REPORTING

The Company has one reportable segment, as its principal business activities are developing, marketing, selling, and distributing energy drinks.

RELATED PARTIES

Key Management Personnel

Key management personnel include the members of the Board, as well as the Chief Executive Officer and Chief Financial Officer. The following table presents the compensation of key management personnel recognized in net loss:

	Twelve-month periods ended	
	October 31, 2021	October 31, 2020
	$	$
Short-term employee benefits (includes directors' fees) (i)	1,664,361	1,062,991
Stock-based compensation costs	279,325	31,250

(i) no management fees (2020 - $209,989) were charged by an entity owned by a key management personnel.

Related-Party Transactions

Related parties of the Company include key management personnel, their family members, and companies over which they have significant influence or control. For the year ended October 31, 2021, the Company has not transacted with these related parties, other than as detailed above. For the year ended October 31, 2020, management fees of $209,989 were charged by an entity owned by a key management personnel.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, net revenues, and expenses. Actual results may differ from these estimates. Please refer to note 4 of the Consolidated Financial Statements for the years ended October 31, 2021 and 2020 for further details.

STOCK-BASED COMPENSATION

The omnibus incentive plan (the "Plan") provides for the granting of options to purchase common shares, RSUs and DSUs where at any given time the number of stock options, RSUs and DSUs reserved for issuance should not exceed 10% of the Company's issued and outstanding common shares. Under the plan, options generally vest over a period of four years and expire ten years from the grant date, RSUs generally vest over a period of three years, and DSUs are fully vested when granted. As at October 31, 2021, 2,992,535 stock options/RSUs and/or DSUs were available for issuance (October 31, 2020 - 2,355,826).

For the twelve-month period ended October 31, 2021, 22,090 stock options were granted at a weighted average exercise price of $17.93 per share, 5,063 stock options were exercised at an exercise price of $2.39 per share, and 5,400 stock options were forfeited. Moreover, during this period, 5,436 RSUs and 13,772 DSUs were also granted. Stock-based compensation expense recorded in the twelve-month period was $160,415 (2020 - $64,519) for stock options granted, $54,907 for RSUs (2020 - nil) and $240,000 for DSUs (2020 - nil).

As at October 29, 2020, 324,799 compensation options were granted to GURU's private placement agents and brokers, exercisable only once GURU stock started trading on the TSX (i.e., on November 2, 2020); the totality was exercised at an exercise price of $5.45 per share during the first half of fiscal 2021.

In addition, as at June 14, 2021, 1,650,000 warrants were granted to GURU's exclusive national Canadian distributor at an exercise price of $16.69 per share. The warrants were granted in three equal tranches with each tranche vesting upon the Company realizing specific sales volume targets in Canada, and the exercise of such warrants is conditional upon a change of control announcement. The warrants expire on June 14, 2031. None of the warrants were exercisable as of January 20, 2022.

OUTSTANDING SHARE DATA

	As at January 20, 2022
Shares outstanding	32,335,410
PepsiCo warrants (exercise price of $16.69 per share)	1,650,000
Stock options (average exercise price of $3.99 per share)	221,798
Restricted Share Units (average granted price of $21.94 per share)	5,436
Deferred Share Units (average granted price of $17.43 per share)	13,772
Fully diluted shares	34,226,416

USE OF PROCEEDS FROM FINANCINGS

July 2021 Private Placement and Bought Deal Financing

On July 6, 2021, the Company completed a private placement and bought deal financing and issued 3,097,594 common shares for aggregate gross proceeds of $49.6 million and net proceeds of $46.7 million. The following table shows the estimated use of proceeds, compared with the actual use of proceeds as at October 31, 2021:

(In thousands of Canadian dollars)	Actual use of proceeds	Estimated use of proceeds	Variance
Market expansion costs (including retailer listing and distribution fees, in-store materials, additional sales force and product broker fees)	203	10,814	(10,611)
Marketing and brand awareness	-	28,000	N/M
Product innovation investments / R&D	-	5,000	N/M
General working capital and corporate (including public company operating costs)	-	2,923	N/M
Remaining as at October 31, 2021	46,534	-	46,534
Total net proceeds	46,737	46,737	-
Share issuance costs	2,825	2,825	-
Gross proceeds	49,562	49,562	-

N/M: Not meaningful

October 2020 Private Placement

On October 29, 2020, the Company completed a private placement and issued 6,330,750 common shares for aggregate gross proceeds of $34.5 million (including proceeds from the over-allotment option) and net proceeds of $29.2 million. The following table shows the estimated use of proceeds, compared with the actual use of proceeds as at October 31, 2021:

(In thousands of Canadian dollars)	**Actual use of proceeds**	**Estimated use of proceeds**	**Variance**
Market expansion costs (including retailer listing and distribution fees, in-store materials, additional sales force and product broker fees)	2,719	12,000	(9,281)
Marketing and brand awareness	4,547	10,000	(5,453)
Product innovation investments / R&D	25	3,000	(2,975)
General working capital and corporate (including public company operating costs)	1,405	4,116	(2,711)
Remaining as at October 31, 2021	20,420	-	20,420
Total net proceeds	29,116	29,116	-
Reverse acquisition of Mira X expenses	3,058	3,058	-
Share issuance costs	2,329	2,329	-
Gross proceeds	34,503	34,503	-

SUBSEQUENT EVENTS

None.

RISK FACTORS

Please refer to the risk factors described in the “Risk Factors” section of the Company’s Annual Information Form, dated January 20, 2022.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings, the Company has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer (“Certifying Officers”) that, among other things, report on the design and operating effectiveness of disclosure controls and procedures (“DC&P”) and the design and operating effectiveness of internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES (“DC&P”)

The Company has designed DC&P to provide reasonable assurance that material information relating to the Company is made known to the Certifying Officers, and that information required to be disclosed to satisfy the Company’s continuous disclosure obligations is recorded, processed, summarized, and reported within the time periods specified by applicable Canadian securities legislation. Management, under the supervision of the Certifying Officers, has evaluated the effectiveness of the DC&P and based on that evaluation, the Certifying Officers have concluded that the DC&P were effective as at October 31, 2021.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

The Certifying Officers have designed ICFR or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In designing and evaluating internal controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements.

The control framework used to design the Company's ICFR is based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 framework).

Management, under the supervision of the Certifying Officers, has evaluated the effectiveness of ICFR and based on that evaluation, the Certifying Officers have concluded that the Company's ICFR was effective as at October 31, 2021.

There were no changes to the Company's ICFR for the period beginning on August 1, 2021 and ended October 31, 2021, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.