

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities in those jurisdictions. The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws, and may not be offered or sold within the United States of America, its territories and possessions, any state of the United States or the District of Columbia (collectively, the “United States”) unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, any U.S. persons. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of GURU Organic Energy Corp. at 602-7236 Waverly Street, Montreal, Québec, H2R 0C2; telephone 1-514-845-4878, and are also available electronically under the Company’s profile on SEDAR at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue and Secondary Offering

June 28, 2021



GURU ORGANIC ENERGY CORP.

\$52,600,000

3,287,500 Common Shares

This short form prospectus qualifies the distribution (the “**Offering**”) of an aggregate of 3,287,500 common shares (the “**Offered Shares**”) of GURU Organic Energy Corp. (“**GURU**” or the “**Company**”) of which 1,100,000 Offered Shares (the “**Treasury Shares**”) are being issued and sold by GURU and an aggregate of 2,187,500 Offered Shares (the “**Secondary Shares**”) are being sold by the Selling Shareholders (as defined below) at a price of \$16.00 per Offered Share (the “**Offering Price**”). See “Selling Shareholders” and “Plan of Distribution”.

The Offering is being underwritten by a syndicate of underwriters co-led by Stifel Nicolaus Canada Inc. (“**Stifel GMP**”) and CIBC World Markets Inc. (“**CIBC WM**” and collectively with Stifel GMP, the “**Co-Lead Underwriters**”), and including Echelon Wealth Partners Inc., Laurentian Bank Securities Inc. and Scotia Capital Inc. (collectively with the Co-Lead Underwriters, the “**Underwriters**”).

The outstanding common shares of GURU (the “**Common Shares**”) are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the trading symbol “**GURU**”. The TSX has conditionally approved the listing of the Treasury Shares and the Private Placement Shares (as defined below), subject to the Company fulfilling all the listing requirements of the TSX on or before September 12, 2021. On June 11, 2021, the last complete trading day before the announcement of the Offering, the closing price of the Common Shares on the TSX was \$17.00.

Price: \$16.00 per Offered Share

	Price to the Public	Underwriters' Fee ⁽¹⁾	Net Proceeds ⁽²⁾
Per Treasury Share	\$16.00	\$0.80	\$15.20
Per Treasury Share (president's list)	\$16.00	\$0.48	\$15.52
Total (Offering of Treasury Shares)	\$17,600,000	\$860,000	\$16,740,000
Per Secondary Share	\$16.00	\$0.80	\$15.20
Total (Offering of Secondary Shares)	\$35,000,000	\$1,750,000	\$33,250,000
Total ⁽³⁾	\$52,600,000	\$2,610,000	\$49,990,000

- (1) Pursuant to the Underwriting Agreement (as defined below), the Company and the Selling Shareholders have agreed to pay to the Underwriters a fee equal to 5% of the gross proceeds of the Offering (the “**Underwriters’ Fee**”) (including in respect of any Over-Allotment Shares (as defined below)) subject to a reduced Underwriters’ Fee of 3% for up to \$1,000,000 in Treasury Shares sold by the Underwriters to certain investors on the president’s list. See “Plan of Distribution”.
- (2) After deducting the Underwriters’ Fee, but before deducting the expenses of the Offering, which are estimated to be approximately \$500,000 (of which the incremental expenses of the offering of the Secondary Shares, estimated to be \$100,000, will be borne by the Selling Shareholders on a pro rata basis) which, together with the Underwriters’ Fee, will be paid out of the gross proceeds of the Offering.
- (3) Messrs. Joseph Zakher, Eric Graveline and Carl Goyette (each, a “**Selling Shareholder**”, and collectively, the “**Selling Shareholders**”) have granted to the Underwriters an option (the “**Over-Allotment Option**”) to purchase from the Selling Shareholders up to an aggregate of 493,125 additional Common Shares (the “**Over-Allotment Shares**”), to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable in whole or in part at any time up to 30 days after the date of Closing (as defined below). If the Over-Allotment Option is exercised in full and assuming that \$1,000,000 of Offered Shares are sold to certain investors on the president’s list, the total “Price to the Public”, the “Underwriters’ Fee” and the “Net Proceeds” to the Company (after deducting the Underwriters’ Fee but before deducting the expenses of the Offering which are estimated to be approximately \$500,000 (of which the incremental expenses of the offering of the Secondary Shares, estimated to be \$100,000, will be borne by the Selling Shareholders on a pro rata basis)) will be \$60,490,000, \$3,004,500 and \$16,740,000, respectively, and the “Net Proceeds” to the Selling Shareholders (after deducting the Underwriters’ Fee only) will be \$40,745,500. This short form prospectus qualifies the grant of the Over-Allotment Option and the issuance and sale of the Over-Allotment Shares upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Shares that form part of the Underwriters’ over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context otherwise requires, references to Offered Shares in this short form prospectus include the Over-Allotment Shares. See “Plan of Distribution”. For more information about the Selling Shareholders, see “Selling Shareholders”.

An investment in the Offered Shares is subject to certain risks. Prospective investors should carefully consider the risks described under “Risk Factors”.

The following table sets out the number of Offered Shares that may be sold by the Selling Shareholders to the Underwriters pursuant to the Over-Allotment Option:

Underwriters’ Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	493,125 Over-Allotment Shares	30 days from Closing	\$16.00 per Over-Allotment Share

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued and sold by the Company or sold by the Selling Shareholders, as applicable, and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution”, and subject to the approval of certain legal matters on behalf of the Company and the Selling Shareholders by Fasken Martineau DuMoulin LLP, and on behalf of the Underwriters by Dentons Canada LLP. The Offering Price and the other terms of the Offering were determined by negotiation between the Company, the Selling Shareholders and the Co-Lead Underwriters. **The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at such price, the Offering Price may be decreased.** See “Description of Securities being Distributed” and “Plan of Distribution”.

In addition to and concurrent with the Offering, the Company intends to complete a private placement offering of approximately 1,997,594 Common Shares of the Company (the “**Private Placement Shares**”) at the Offering Price for gross proceeds to the Company of approximately \$31,961,504, through the Agents (as defined herein) (the “**Concurrent Private Placement**”). The Company intends to enter into subscription agreements (collectively, the “**Subscription Agreements**”) with certain accredited investors (collectively, the “**Subscribers**”) providing for the sale by the Company, on a private placement prospectus-exempt basis, of the Private Placement Shares. This

Prospectus does not qualify the distribution of the Private Placement Shares issuable pursuant to the Concurrent Private Placement. The Private Placement Shares offered pursuant to the Concurrent Private Placement will be subject to a statutory hold period in Canada of four months and one day after the date of closing of the Concurrent Private Placement. The Concurrent Private Placement is conditional upon the Offering closing concurrently with the Concurrent Private Placement. The Offering is not conditional upon the closing of the Concurrent Private Placement. See “Concurrent Private Placement”.

The Co-Lead Underwriters are acting as the Company’s agents in connection with the Concurrent Private Placement (collectively, the “**Agents**”) and have entered into an agency agreement dated June 18, 2021 (the “**Agency Agreement**”) with the Company. Pursuant to the Agency Agreement, the Company has agreed to pay to the Agents a fee equal to 4% of the gross proceeds of the Concurrent Private Placement (the “**Agents’ Fee**”). The Company has also agreed to reimburse certain expenses pursuant to the Underwriting Agreement, the Agency Agreement and the Subscription Agreements. See “Plan of Distribution” and “Concurrent Private Placement”.

In accordance with and subject to applicable laws, the Underwriters may affect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering (the “**Closing**”) is expected to occur on or about July 6, 2021 or such other date as may be agreed upon by the Company, the Selling Shareholders and the Underwriters (the “**Closing Date**”). However, the Offered Shares are to be taken up by the Underwriters, if at all, on or before a date that is not later than 42 days after the date of the receipt of this short form prospectus.

The Offered Shares will be conducted under the book-based system. A purchaser of Offered Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a participant (a “**CDS Participant**”) in the system of CDS Clearing and Depository Services Inc. (“**CDS**”) through which the Offered Shares are purchased. No certificates will be issued unless specifically requested or required under the U.S. Securities Act.

Investors should rely only on the information contained in or incorporated by reference in this short form prospectus. GURU, the Selling Shareholders and the Underwriters have not authorized anyone to provide investors with different or additional information.

CIBC WM is a subsidiary of a Canadian chartered bank (the “Lender”), which is the principal lender to the Company. Consequently, the Company and each of the Selling Shareholders may be considered a “connected issuer” of CIBC WM within the meaning of applicable securities legislation. As at June 25, 2021, the consolidated indebtedness of the Company to the Lender was nil. See “Relationship between GURU and the Underwriters”.

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Offered Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Offered Shares.

Eric Graveline, a director of the Company and a Selling Shareholder, resides outside of Canada. Eric Graveline has appointed GURU Organic Energy Corp., 602-7236 Waverly Street, Montréal, Québec, H2R 0C2, as its agent for service of process. Purchasers are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See “Enforcement of Judgments Against Foreign Persons”.

The registered and head office of the Company is located at 602-7236 Waverly Street, Montreal, Québec, H2R 0C2.

TABLE OF CONTENTS

General Matters	1	Prior Sales	12
Forward-Looking Information	1	Trading Price and Volume	13
Non-IFRS Measures	2	Concurrent Private Placement	13
Notice to United States Residents	2	Risk Factors	13
Documents Incorporated by Reference	3	Eligibility for Investment	16
Marketing Materials	4	Interest of Experts	17
The Company	4	Auditors, Transfer Agent and Registrar	17
Consolidated Capitalization	5	Purchasers' Statutory Rights	17
Use of Proceeds	5	Enforcement of Judgments Against Foreign Persons	17
Plan of Distribution	6	Certificate of the Company	C-1
Relationship between GURU and the Underwriters	10	Certificate of the Underwriters	C-2
Selling Shareholders	11		
Description of Securities being Distributed	11		

GENERAL MATTERS

In this short form prospectus, unless otherwise indicated or the context otherwise requires, the terms “GURU”, “Company”, “we”, “us” and “our” are used to refer to GURU Organic Energy Corp., GURU Beverage Inc. and GURU Beverage Co., its only subsidiaries.

Unless otherwise indicated, all dollar amounts in this short form prospectus are expressed in Canadian dollars. In addition, and unless otherwise indicated, the disclosure in this short form prospectus assumes that the Over-Allotment Option has not been exercised by the Underwriters.

The audited consolidated financial statements of the Company for the year ended October 31, 2020, and the unaudited interim condensed consolidated financial statements of the Company for the three and six-month periods ended April 30, 2021, incorporated by reference in this short form prospectus, are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The Company does not undertake to update the information contained or incorporated herein by reference, except as required by the applicable securities laws.

The Offered Shares being offered for sale under this short form prospectus may only be sold in those jurisdictions in which offers and sales of the Offered Shares are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Offered Shares in any jurisdiction where it is unlawful to do so. The information contained in this short form prospectus is accurate only as of the date of this short form prospectus, regardless of the time of delivery of this short form prospectus or of any sale of the Offered Shares.

FORWARD-LOOKING INFORMATION

This short form prospectus and documents incorporated by reference herein contain certain statements which may constitute “forward-looking information” or “forward-looking statements” under applicable Canadian securities laws. All statements other than statements of historical fact contained in this short form prospectus and in documents incorporated by reference herein, including, but not limited to, statements with respect to the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets. In certain cases, forward-looking information for matters that are not historical facts can be identified by the use of words such as “may”, “would”, “should”, “could”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “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 involves known and unknown risks and uncertainties and other factors, including those described under the heading “Risk Factors” herein and under the heading “Risk Factors” in the AIF (as defined below) and in documents incorporated by reference herein, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Specifically, these risk factors include, but are not limited to: 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; revenues derived entirely from energy drinks; increased competition; relationships with co-packers and/or their ability to manufacture 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; 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; impact on our statement of loss of the valuation at fair value of any derivative financial instruments; no assurance of continued profitability or positive EBITDA; and conflicts of interest.

Although the forward-looking information contained or incorporated by referenced herein is based upon what we believe are reasonable assumptions, investors are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information, including the availability of capital resources, business performance, market conditions and customer demand.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than where a duty to update such information or provide further disclosure is imposed by applicable law.

NON-IFRS MEASURES

This short form prospectus and the documents incorporated by reference herein contain references to certain measures that are not defined under IFRS.

These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of GURU's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of GURU's financial information reported under IFRS.

The Company uses non-IFRS measures, including Adjusted EBITDA and Adjusted EBITDA Margin and net cash (debt) to provide investors with supplemental measures of its operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. GURU believes that investors, securities analysts and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, and assess GURU's ability to meet its future debt service, capital expenditure and working capital requirements.

Please refer to GURU's Annual MD&A (as defined below) and Interim MD&A (as defined below), incorporated by reference into this short form prospectus, for the definitions of Adjusted EBITDA and Adjusted EBITDA Margin and net cash (debt) presented by the Company and the reconciliation, where applicable, to the most directly comparable IFRS measure.

NOTICE TO UNITED STATES RESIDENTS

THE OFFERED SHARES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES WITHOUT SUCH

REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SHORT FORM PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in each of the provinces of Canada are available at www.sedar.com and are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the annual information form of GURU dated January 20, 2021, for the fiscal year ended October 31, 2020 (the “**AIF**”);
- (b) the audited consolidated financial statements of GURU, the notes thereto and the auditors’ report thereon for the years ended October 31, 2020, and October 31, 2019;
- (c) the management’s discussion and analysis of GURU for the year ended October 31, 2020 (the “**Annual MD&A**”);
- (d) the management information circular of GURU dated January 20, 2021, prepared in connection with the Company’s annual and special meeting of shareholders held on March 17, 2021;
- (e) the unaudited interim condensed financial statements of GURU and the notes thereto for the three-month and six-month periods ended April 30, 2021 and April 30, 2020;
- (f) the management’s discussion and analysis for the three-month and six-month periods ended April 30, 2021 and April 30, 2020 (the “**Interim MD&A**”);
- (g) the material change report dated November 3, 2020, relating to the announcement of the completion of the RTO (as defined below);
- (h) the material change report dated June 17, 2021 relating to the announcement of the Offering, the Concurrent Private Placement and the execution of the distributor agreement (the “**PepsiCo Distribution Agreement**”) with The Pepsi Bottling Group (Canada), ULC (“**PepsiCo Beverages Canada**”); and
- (i) the template version of the term sheet dated June 14, 2021 prepared and filed in connection with the Offering (the “**Marketing Materials**”).

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this short form prospectus and before completion or withdrawal of the Offering, will be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained in this short form prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a

material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

MARKETING MATERIALS

The Marketing Materials are not part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus. Any “template version” of “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) filed by the Company with a securities commission or other similar authority in Canada after the date of this short form prospectus and before the termination of the distribution of the Offered Shares is deemed to be incorporated by reference into this short form prospectus.

THE COMPANY

Business of the Company

GURU is a dynamic, fast-growing beverage company launched in 1999. The Company markets organic energy drinks in Canada and across the United States through a distribution network of more than 21,000 points of sale, and through guruenergy.com and Amazon. GURU has built an inspiring brand with a clean list of organic plant-based ingredients. Its drinks 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.

Corporate Structure

The Company is the entity resulting from a reverse take-over transaction (the “**RTO**”) completed on October 29, 2020 by way of the three-cornered amalgamation involving GURU Organic Energy Corp. (formerly “Mira X Acquisition Corp.”), Mira X Subco Inc., 6384269 Canada Inc. (“**6384269**”), 3597407 Canada Inc. (“**3597407**”) and 9600990 Canada Inc. (together with 6384269 and 3597407, the “**GURU PrivateCo Entities**”). On January 11, 2021, the Company completed a continuance under the Canada Business Corporations Act (the “**CBCA**”).

Our registered and head office is located at 602-7236 Waverly Street, Montreal, Québec, H2R 0C2.

For an additional description of the Company, see “Corporate Structure” in the AIF, which is incorporated by reference herein.

Recent Developments

PepsiCo Distribution Agreement

On June 14, 2021, GURU announced that it had entered into the PepsiCo Distribution Agreement, an exclusive long-term national distribution agreement in Canada with PepsiCo Beverages Canada for GURU’s energy drinks. Effective October 4, 2021, PepsiCo Beverages Canada will sell, distribute, and merchandise GURU’s organic, plant-based and better-for-you energy drinks to convenience, foodservice and retail customers nationwide. The PepsiCo Distribution Agreement will significantly broaden GURU’s distribution and reach in Canada. The agreement is for an initial term of 10 years, subject to 5-year renewal periods. In addition, GURU has granted PepsiCo Beverages Canada warrants (the “**PepsiCo Warrants**”) in respect of up to 1,650,000 Common Shares in tranches based on commercial milestones that are exercisable only on a change of control and that may only be repurchased for cash if a third party was to acquire GURU or exercisable for Common Shares of GURU only if PepsiCo Beverages Canada or an affiliate were the acquirer. The PepsiCo Warrants have a term of 10 years and their issuance is conditional upon the approval of the TSX. The foregoing is qualified in its entirety by the actual terms of the PepsiCo Distribution Agreement, a copy of which is available under GURU’s profile at www.sedar.com.

Additional points of sale

On June 14, 2021, the Company announced that over 800 additional points of sale were confirmed with The Fresh Market, Weis Markets and Raley’s in the U.S., and Canadian Tire Gas+ in Canada which will continue to be served under the PepsiCo Distribution Agreement.

Launch of Yerba Mate in the U.S. Market

On May 19, 2021, GURU announced the imminent launch of GURU Yerba Mate in the U.S. market which was made available for delivery effective June 1, 2021 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.

\$10 Million Credit Facility

On April 20, 2021, the Company announced that it had entered into a three-year committed \$10 million credit facility with a Canadian chartered bank, replacing its then-existing credit facilities.

Presence further increased in convenience channel across Canada

On March 17, 2021, the Company announced that its plant-based energy drink products were going to become available in over 500 On-the-Run (Parkland), 250 Husky (Cenovus Energy), 300 Petro-Canada (Suncor), 147 Needs Atlantic (Sobey's) and 50 MacEwen Petroleum convenience and gas bar locations across Canada, resulting in an increase in GURU's presence in Canadian markets outside of Québec to over 4,500 points of sale.

Presence in Canadian markets outside of Québec strengthens

On March 4, 2021, the Company announced that its plant-based energy drink products were going to become available in over 1,130 Circle K and 140 Winks convenience stores across Canada.

Continuance under the CBCA

On January 11, 2021, the Company, formerly governed by the Business Corporations Act (*Ontario*), completed its continuance under the CBCA.

Launch of GURU Yerba Mate

On November 5, 2020, GURU launched GURU Yerba Mate, an organic plant-based energy drink inspired by the Amazon which is infused with natural and organic energy boosting ingredients.

Trading on the TSX

On November 2, 2020, the Common Shares ceased trading on the TSX-V and were listed and posted for trading on the Toronto Stock Exchange under the ticker symbol "GURU".

CONSOLIDATED CAPITALIZATION

There has been no material change in the share and loan capital of the Company since April 30, 2021, being the end of the period of the most recently filed financial statements of the Company.

There are 29,237,549 issued and outstanding Common Shares as at June 25, 2021. After giving effect to the Offering and the Concurrent Private Placement of 3,097,594 common shares, for gross proceeds of \$49,561,504, management expects the number of issued and outstanding Common Shares to be 32,335,143. It is not expected that the Offering or the Concurrent Private Placement will result in a material change to the loan capital of the Company.

USE OF PROCEEDS

The net proceeds to be received by the Company from the Offering and the Concurrent Private Placement, after deducting the Underwriters' Fee of \$860,000 (assuming the full purchase under the president's list), the Agents' fee of \$1,278,460, and the estimated expenses of the Offering and the Concurrent Private Placement to be borne by the Company, will be approximately \$16,340,000 and \$30,583,044 respectively. The net proceeds to be received by the Selling Shareholders from the sale of the Secondary Shares, after deducting the Underwriters' Fee of \$1,750,000 and the estimated incremental expenses of the offering of the Secondary Shares to be borne by them, will be approximately \$33,150,000. The Company will not receive any proceeds for any such sale of Secondary Shares by the Selling Shareholders.

If the Over-Allotment Option is exercised in full, the net proceeds to be received by the Selling Shareholders from the sale of the Over-Allotment Shares, after deducting the Underwriters' Fee of \$394,500 in relation therewith and the estimated incremental expenses of the offering of the Secondary Shares to be borne by them, will be approximately \$40,645,500. The Company will not receive any proceeds from any such sale of Over-Allotment Shares by the Selling Shareholders.

GURU intends to use the vast majority of the net proceeds of the Offering and the Concurrent Private Placement to fund marketing and selling expenses under, and in connection with the PepsiCo Distribution Agreement, including with respect to certain minimum advertising and marketing expenditures required by the PepsiCo Distribution Agreement.

The intended allocation of the net proceeds of the Offering and the Concurrent Private Placement will be as follows:

Use of Net Proceeds:	Amount
Marketing and Selling Expenses under, and in connection with the PepsiCo Distribution Agreement (incl. advertising and media, experiential marketing, sales and marketing resources, in-store materials, sales support and management, inventory, corporate and product development and working capital)	\$33,000,000
Sales and Marketing Expenses, Brand Awareness and Market Expansion Costs in the United States (incl. advertising and media, experiential marketing, sales and marketing resources, retailer listing and distribution fees, in-store materials, inventory, sales force and product broker fees, product development, and working capital)	\$11,000,000
General Corporate Purposes	\$2,923,044
Total	\$46,923,044

In the event that the Concurrent Private Placement were not to be completed, the \$16,340,000 in net proceeds to the Company from the Offering will be used to fund marketing and sales expenses under, and in connection with, the PepsiCo Distribution Agreement.

The objectives that the Issuer intends to achieve in the next few years is to substantially increase market share in its core market of the Province of Québec, and to reach a set goal of market share in the rest of Canada. In the U.S., the objective is to accelerate entry in the U.S. convenience & gas channel and to grow its online presence. As for the time frame in which the costs are expected to occur for the marketing and selling expenses relating to the PepsiCo Distribution Agreement, it is estimated to be half in the coming two years and the remainder in the following years. As for the U.S. marketing and selling investment, it is estimated to be half in the coming three years, and the remainder in the following years.

The actual allocation of the net proceeds may vary depending on future developments in the Company's business or unforeseen events. Pending such application of the net proceeds of the Offering and the Concurrent Private Placement, GURU may elect to invest such funds, in whole or in part, in short-term investment-grade securities or bank deposits. The Company intends to use the estimated net proceeds as stated in this short form prospectus; however, there may be circumstances where, for sound business reasons, a reallocation of proceeds may be deemed prudent or necessary.

The Company had negative cash flows from its operating activities of \$137,304 and of \$6,867,302 for the year ended October 31, 2020, and for the six-month period ended April 30, 2021, respectively. The proceeds of the Offering are being used to fund sales and marketing expenses. To the extent that anticipated growth does not materialize as expected, a portion of the proceeds of the Offering could potentially be used to fund negative cash flow in the future. See "Risks relating to the Business - History of Negative Cash Flow".

PLAN OF DISTRIBUTION

Underwriting Agreement

Pursuant to the terms and conditions of an underwriting agreement dated June 18, 2021 among the Company, the Selling Shareholders and the Underwriters (the "Underwriting Agreement"), (i) the Company has agreed to issue and sell, and the Underwriters have agreed to purchase from the Company on the Closing Date, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement,

1,100,000 Treasury Shares at the Offering Price, payable in cash to the Company against delivery of the Treasury Shares, for gross proceeds to the Company of \$17,600,000, and (ii) the Selling Shareholders have agreed to sell, and the Underwriters have agreed to purchase from the Selling Shareholders on the Closing Date, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, an aggregate of 2,187,500 Secondary Shares at the Offering Price, being 937,500, 937,500 and 312,500 Secondary Shares, respectively, from each of Messrs. Joseph Zakher, Eric Graveline and Carl Goyette, payable in cash to the Selling Shareholders against delivery of the Secondary Shares, for aggregate gross proceeds of \$35,000,000.

The obligations of each Underwriter under the Underwriting Agreement may be terminated, at such Underwriter's sole discretion if (i) there shall occur or be announced by the Company any material change (actual, contemplated or threatened) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital, prospects or ownership of the Company or its subsidiaries or a change in any material fact, whether or not in the ordinary course, or there is discovered any previously undisclosed material change or material fact, which has or, in the opinion of such Underwriter, might reasonably be expected to have a significant adverse effect on the business, operations, affairs or capital of the Company and its subsidiaries (taken as a whole) or a significant adverse effect on the market price, value or marketability of the Offered Shares or which results or, in the opinion of such Underwriter, might reasonably be expected to result in the purchasers of a material number of Offered Shares exercising their right under applicable legislation to withdraw from or rescind their purchase of Offered Shares, (ii) there should develop, occur or come into effect or existence any event, action, state, condition (including terrorism, accident or pandemic) or major financial occurrence of national or international consequence, or any law or regulation, including any and all impact of the COVID-19 pandemic or government regulations related thereto that exist following the date of the Underwriting Agreement, which in the sole opinion of the Underwriters, or anyone of them, seriously adversely affects, or involves, or would seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole or the market price or value of the Common Shares, (iii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened or any order is made by any court or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the TSX or a securities commission, which in the reasonable opinion of the Underwriters (or any one of them) operates to prevent or restrict the trading of the Offered Shares or the Common Shares or the distribution of the Offered Shares or which in the reasonable opinion of the Underwriter, acting in good faith, could be expected to have a material adverse effect on the market price or value of the Common Shares, (iv) the Company is in breach of any material term, condition or covenant of the Underwriting Agreement that may not be reasonably expected to be remedied prior to the Closing Date or any material representation or warranty given by the Company in the Underwriting Agreement is not true and correct in all material respects; or (v) the Underwriters shall become aware, as a result of their due diligence review, of any adverse material change with respect to the Company (taken as a whole, in the sole opinion of the Underwriters, or any one of them, acting reasonably) which had not been publicly disclosed or disclosed to the Underwriters prior to the date of the Underwriting Agreement or which occurred after the date of the Underwriting Agreement but prior to the closing time of the Offering and which would have a material adverse effect on the market price or value of the Common Shares.

If an Underwriter fails to purchase the Offered Shares which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Offered Shares. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. The obligations of the Underwriters to purchase the Offered Shares are joint (the equivalent of several in common law) (and not solidary (the equivalent of joint and several in common law)). The Offering Price and the other terms of the Offering were determined by negotiations between the Company and the Co-Lead Underwriters, on their own behalf and for and on behalf of the other Underwriters.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriters' Fee equal to 5% of the gross proceeds of the Offering, subject to a reduced fee of 3% for up to \$1,000,000 of Treasury Shares sold by the Underwriters to certain investors on a president's list.

The Selling Shareholders have granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part and at any time up to 30 days following the Closing to purchase up to 493,125 Over-Allotment Shares at the Offering Price, being 211,340, 211,340 and 70,445 Over-Allotment Shares, respectively, from each of Messrs. Joseph Zakher, Eric Graveline and Carl Goyette, to cover over-allotments, if any, and for market stabilization purposes. In respect of the Over-Allotment Option, the Selling Shareholders have agreed to pay to the Underwriters their respective

proportions of a cash fee equal to the Underwriters' Fee, to be paid from the gross proceeds realized on the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full and assuming that \$1,000,000 of Treasury Shares are sold to certain investors on the president's list, the price to the public, the net proceeds to the Company and the net proceeds to the Selling Shareholders (after deducting the Underwriters' Fee of \$3,004,500 but before deducting the expenses of the Offering to be borne by the Company, which are estimated to be approximately \$400,000, which amount excludes the incremental expenses of the offering of the Secondary Shares to be borne by the Selling Shareholders) will be \$60,490,000, \$16,740,000 and \$40,745,500, respectively. The obligations of the Selling Shareholders under the Underwriting Agreement are joint (the equivalent of several in common law) (and not solidary (the equivalent of joint and several in common law)). As between them, the Selling Shareholders will bear the incremental expenses of the offering of the Secondary Shares attributable to them on a pro rata basis, in addition to their respective portion of the Underwriters' Fee.

The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at such price, the Offering Price may be decreased.

This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares upon the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those Common Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. In the event that the Over-Allotment Option is exercised in part, the number of Over-Allotment Shares purchased by the Underwriters from the Selling Shareholders will be allocated pro-rata among the Over-Allotment Shares.

In connection with the Offering, certain of the Underwriters or other registered dealers may distribute this short form prospectus electronically.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. The Offered Shares will be issued as non-certificated book-entry securities registered in the name of CDS or its nominee and no certificates representing Offered Shares will be issued to purchasers of Offered Shares and registration of such Offered Shares will be made through the depository services of CDS. Upon a purchase of any Offered Share, the owner of such share will receive only the customary confirmation from the Underwriter or the registered dealer from or through whom a beneficial interest in the Offered Shares is purchased and who is a CDS Participant. The Offered Shares must be purchased or transferred through a CDS Participant and all rights of holders of Offered Shares must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS Participant through which the holder of Offered Shares holds such Offered Shares.

GURU has agreed to indemnify the Underwriters and their respective subsidiaries and affiliates and each of their directors, officers, employees, shareholders and agents certain liabilities, including liabilities for misrepresentations in this short form prospectus.

Pursuant to the Underwriting Agreement, the Company has agreed, for a period ending on the date that is 90 days from the Closing Date, not to issue or sell, without the prior written consent of the Co-Lead Underwriters (not to be unreasonably withheld), on behalf of the Underwriters, any of its securities or financial instruments convertible or exchangeable into securities of the Company, other than for purposes of director or employee stock options or to satisfy existing instruments of the Company outstanding.

Pursuant to the Underwriting Agreement, each of the directors and executive officers of the Company, and each of the Selling Shareholders (collectively, the "**Locked-Up Persons**"), will enter into agreements with the Underwriters pursuant to which they agreed not to, directly or indirectly, without the prior written consent of the Co-Lead Underwriters (not to be unreasonably withheld), on its own behalf and on behalf of the Underwriters, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other equity securities of the

Company (or securities convertible or exercisable into Common Shares or other equity securities of the Company) held by them, directly or indirectly, on the Closing Date (the “**Locked-Up Securities**”) for a period beginning on the Closing Date and ending on the day that is 90 days following the Closing Date (the “**Lock-Up Period**”), except in respect of the following: (a) sales under the Offering by Selling Shareholders (b) transfers to affiliates of the Locked-Up Persons, or any company, trust or other entity owned by or maintained for the benefit of the Locked-Up Persons; (c) transfers occurring by operation of law or in connection with transactions arising as a result of the death of the Locked-Up Persons; (d) transfers by way of gift or donation to a charitable organization provided, in each of (b), (c) and (d) that any such transferee shall first execute a lock up agreement in substantially the same form agreed to with the Underwriters covering the remainder of the Lock-Up Period; (e) transfers made pursuant to a bona fide take-over bid made to all holders of voting securities of the Company or similar acquisition, business combination or merger transaction, provided that in the event that the take-over or acquisition or merger transaction is not completed, any Locked-Up securities shall remain subject to the restrictions contained in the undertaking; (f) acquisition of Common Shares upon the exercise of existing options; or (g) transfers to any nominee or custodian where there is no change in beneficial ownership, for bona fide tax planning purposes including, but not limited to, transfers into a registered retirement savings plan and where the Locked-Up Securities are still subject to and governed by the original lock-up agreement.

The TSX has conditionally approved the listing of the Treasury Shares and the Private Placement Shares, subject to the Company fulfilling all the listing requirements of the TSX on or before September 12, 2021. On June 11, 2021, the last complete trading day before the announcement of the Offering, the closing price of the Common Shares on the TSX was \$17.00.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including stabilizing transactions, short sales, purchases to cover positions created by short sales, imposition of penalty bids, and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making over-allocating or short sales of the Common Shares, which involve the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the number of Over-Allotment Shares, “naked short sales”, which are short positions in excess of the number of Common Shares they are required to purchase under the Offering. The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market compared with the Offering Price at which they may purchase Over-Allotment Shares through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase in the Offering.

In addition, pursuant to policy statements and/or rules of the relevant securities commissions or similar regulatory authorities, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Common Shares. These exceptions include: (i) a bid or purchase permitted under the *Universal Market Integrity Rules* of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. Those transactions, if commenced, may be interrupted or discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed (including the TSX), in the over-the-counter market, or otherwise.

United States Securities Law

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares in the United States. The Offered Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered, sold or delivered within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable laws of the United States, they will not offer or sell the Offered Shares at any time within the United States. The Underwriting Agreement permits the Underwriters to offer and sell the Offered Shares within the United States through their registered U.S. broker-dealer affiliates in transactions that comply with exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. In particular, the Underwriting Agreement permits the Underwriters to re-offer and re-sell the Offered Shares that they have acquired pursuant to the Underwriting Agreement in the United States to “qualified institutional buyers” within the meaning of, and in compliance with, Rule 144A under the U.S. Securities Act and in compliance with applicable state securities laws. Moreover, the Underwriting Agreement provides that the Company may make sales directly to “accredited investors” within the meaning of and in compliance with, Regulation D under the U.S. Securities Act who are substituted purchasers designated by the Underwriters under the Underwriting Agreement. The Underwriting Agreement further provides that the Underwriters will offer and sell the Offered Shares outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Offered Shares that are offered or sold in the United States will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act, and will be subject to the re-sale and transfer restrictions.

Until 40 days after the commencement of the Offering, any offer or sale of the Offered Shares, within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption under the U.S. Securities Act.

Other than pursuant to certain exceptions, the Offered Shares will be available for delivery in book-based form through CDS or its nominee and will be deposited with CDS on the Closing Date. A purchaser of Offered Shares will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS Participant through which the Offered Shares are purchased. Purchasers who are not issued a certificate evidencing the Offered Shares which are subscribed for by them at closing may request that a certificate be issued in their name. Such a request will need to be made through the CDS Participant through whom the beneficial interest in the securities is held at the time of the request.

RELATIONSHIP BETWEEN GURU AND THE UNDERWRITERS

CIBC WM is a subsidiary of a Canadian chartered bank, the principal lender to the Company pursuant to the terms of a credit agreement (the “**Credit Agreement**”). The Lender has made available to the Company and GURU Beverage Inc., as borrowers: (i) a CDN\$10,000,000 revolving line of credit subject to a springing borrowing base, and (ii) a US\$500,000 uncommitted credit for foreign exchange contracts and interest rate swaps (the “**Credit Facility**”). See “**Credit Facility**” in the Interim MD&A. Accordingly, pursuant to applicable securities legislation, the Company may be considered a “connected issuer” to CIBC WM.

As at June 25, 2021, the consolidated indebtedness of the Company to the Lender under the Credit Facility was nil. The Company is, in all material respects, in compliance with the terms of the Credit Agreement. The Lender has not waived any breach of the Credit Agreement. The Credit Facility is secured by a first ranking security on all of the Company’s movable property, present and future, corporeal and incorporeal. Since the Credit Facility has been made available to the Company, there has been no material adverse change in the financial position of the Company or the value of the security for the Credit Facility.

The Lender was not involved in the decision to proceed with the Offering or the Concurrent Private Placement or in the determination of the terms of the Offering or the Concurrent Private Placement. It is not currently contemplated that any of the proceeds of the Offering will be used to repay any amounts owed to the Lender pursuant to the Credit Facility.

SELLING SHAREHOLDERS

The following table sets forth information with respect to the ownership of Common Shares by the Selling Shareholders and their affiliates and persons exercising control over the Common Shares held by the Selling Shareholders as at the date hereof, and as adjusted to reflect the sale of an aggregate of 2,187,500 Secondary Shares and 493,125 Over-Allotment Shares, as applicable:

Selling Shareholders	Common Shares Owned, Controlled or Directed Prior to the sale of Secondary Shares and sale of Over-Allotment Shares ⁽¹⁾		Secondary Shares to be Sold Pursuant to the Offering	Over-Allotment Shares to be Sold in the Exercise of the Over-Allotment Option	Common Shares Owned, Controlled or Directed After the Completion of the Offering, the Concurrent Private Placement and the Exercise of the Over-Allotment Option in Full ⁽¹⁾	
	Number	Percentage ⁽²⁾			Number	Number
Joseph Zakher ⁽³⁾	7,648,636	26.16% (25.96%)	937,500	211,340	6,499,796	20.10% (19.96%)
Eric Graveline ⁽⁴⁾	8,219,268	28.11% (27.90%)	937,500	211,340	7,070,428	21.87% (21.72%)
Carl Goyette ⁽⁵⁾	2,272,624	7.77% (7.85%)	312,500	70,445	1,889,679	5.84% (5.93%)
Total	18,140,528	62.05% (61.70%)	2,187,500	493,125	15,459,903	47.82% (47.61%)

- (1) These Common Shares are owned of record by Messrs. Joseph Zakher, Eric Graveline and Carl Goyette. Each of the Selling Shareholders intends to sell Secondary Shares and Over-Allotment Shares held directly or indirectly by them of record.
- (2) Percentages in brackets are on a fully-diluted basis, assuming the exercise in full of outstanding options, restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”, and together with the options, RSUs and PSUs, the “**Equity Incentive Securities**”) and including Equity Incentive Securities owned by Messrs. Joseph Zakher, Eric Graveline and Carl Goyette and excluding any Treasury Shares issued pursuant to the Offering or any Private Placement Shares issued pursuant to the Concurrent Private Placement.
- (3) Joseph Zakher is the Executive Chair, Founder and a Director of the Company. He holds 7,648,636 Common Shares personally.
- (4) Eric Graveline is a Director of the Company. He holds 8,219,268 Common Shares personally.
- (5) Carl Goyette is the President and Chief Executive Officer and Director of the Company. He holds 2,272,624 Common Shares personally.
- (6) Percentages in brackets are on a fully-diluted basis, assuming the exercise in full of outstanding Equity Incentive Securities and including Equity Incentive Securities owned by Messrs. Joseph Zakher, Eric Graveline and Carl Goyette and include the Treasury Shares issued pursuant to the Offering and the Private Placement Shares issued pursuant to the Concurrent Private Placement.

The Secondary Shares and the Over-Allotment Shares to be sold by the Selling Shareholders were acquired by the Selling Shareholders in exchange for their shares of the GURU PrivateCo Entities, the predecessor companies of GURU, in the context of the RTO. Except for the 18,348 subscription receipts issued by 6384269 and purchased by Mr. Carl Goyette in the context of the RTO at a price of \$5.45 per subscription receipt for an aggregate purchase price of \$99,997 (which were subsequently exchanged for 18,348 Common Shares upon completion of the RTO), none of such shares of the predecessor company were purchased by the Selling Shareholders within the two years preceding the date of this short form prospectus.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Description of the Offered Shares

A description of all material attributes and characteristics of the Common Shares can be found in the AIF which is incorporated by reference in this short form prospectus. The TSX has conditionally approved the listing of the Common Shares issuable from the treasury pursuant to the Offering and the Concurrent Private Placement, subject to the Company fulfilling all of the listing requirements on or before September 12, 2021.

As at the close of business on June 25, 2021, 29,237,549 Common Shares were issued and outstanding.

PRIOR SALES

For the 12-month period prior to the date of this short form prospectus, the Company issued the following Common Shares and securities convertible into Common Shares:

<u>Date of Issue/Grant</u>	<u>Type of Security</u>	<u>Price per Security</u>	<u>Number of Securities</u>
October 29, 2020	Common Shares ⁽¹⁾	\$5.45	28,732,635
October 29, 2020	Options ⁽²⁾	\$2.39	53,624
October 29, 2020	Options ⁽²⁾	\$2.63	41,828
October 29, 2020	Options ⁽²⁾	\$2.39	121,514
October 29, 2020	Compensation Options ⁽³⁾	\$5.45	324,799
November 6, 2020	Common Shares ⁽⁴⁾	\$5.45	100,000
November 11, 2020	Common Shares ⁽⁴⁾	\$5.45	40,600
January 25, 2021	Common Shares ⁽⁵⁾	\$2.39	534
January 27, 2021	Common Shares ⁽⁵⁾	\$2.39	267
January 29, 2021	Common Shares ⁽⁵⁾	\$2.39	458
January 29, 2021	Options ⁽⁶⁾	\$21.94	6,513
January 29, 2021	RSU ⁽⁷⁾	-	5,436
January 29, 2021	DSU ⁽⁸⁾	-	2,736
February 3, 2021	Common Shares ⁽⁴⁾	\$5.45	73,080
February 19, 2021	Common Shares ⁽⁴⁾	\$5.45	111,119
March 25, 2021	Options ⁽⁶⁾	\$16.22	10,235
April 30, 2021	Options ⁽⁶⁾	\$16.02	1,808
April 30, 2021	DSU ⁽⁸⁾	-	3,744
June 22, 2021	PepsiCo Warrants	\$16.69	1,650,000
June 23, 2021	Common Shares ⁽⁴⁾	\$2.39	3,537

-
- (1) Common Shares issued in the context of the RTO to shareholders of the GURU PrivateCo Entities.
 - (2) Options to purchase Common Shares issued by the Company pursuant to the Company's omnibus incentive plan in the context of the RTO in exchange for existing options of 6384269.
 - (3) Compensation options (the "**Compensation Options**") issued by the Company in exchange for the existing compensation options issued to the agents acting on behalf of GURU in the context of the RTO private placement.
 - (4) Common Shares issued pursuant to the exercise of Compensation Options.
 - (5) Common Shares issued pursuant to the exercise of Options.
 - (6) Options to purchase Common Shares granted by the Company pursuant to the Company's omnibus incentive plan.
 - (7) RSUs representing a right to receive Common Shares awarded by the Company pursuant to the Company's omnibus incentive plan.
 - (8) DSUs representing a right to receive Common Shares awarded by the Company pursuant to the Company's omnibus incentive plan.

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX under the trading symbol “GURU”. The following table sets forth information relating to the trading of the Common Shares on the TSX for the periods indicated.

<u>Calendar Period⁽¹⁾</u>	<u>High-Price</u>	<u>Low-Price</u>	<u>Volume</u>
November 2020 (from November 2, 2020)	\$17.39	\$7.60	3,537,368
December 2020	\$20.25	\$14.05	898,065
January 2021	\$23.48	\$19.57	1,061,205
February 2021	\$22.41	\$16.56	575,615
March 2021	\$17.60	\$14.30	463,929
April 2021	\$19.00	\$15.65	169,773
May 2021	\$17.10	\$12.05	163,149
June 2021 (to June 25, 2021)	\$20.56	\$15.50	936,684

(1) Source for data in the above table is Bloomberg. Past performance should not be seen as an indicator of future performance.

On June 11, 2021, the last complete trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was \$17.00.

CONCURRENT PRIVATE PLACEMENT

The Company intends to enter into Subscription Agreements, which contemplate that the Subscribers will purchase, on a private placement prospectus-exempt basis, 1,997,594 Private Placement Shares at a price of \$16.00 per Private Placement Share, through the Agents, for aggregate gross proceeds of approximately \$31,961,504 to the Company.

The terms of the Subscription Agreements will provide that GURU will agree to issue and sell, and the Subscribers have collectively agreed to purchase, on the date of Closing, 1,997,594 Private Placement Shares at a price of \$16.00 per Private Placement Share, subject to compliance with all of the necessary legal requirements and to the conditions to be contained in the Subscription Agreements.

Pursuant to the Agency Agreement, GURU has agreed to pay the Agents’ Fee equal to 4% of the aggregate gross proceeds of the Concurrent Private Placement, in consideration of services rendered by the Agents in connection with the Concurrent Private Placement. The Company has also agreed in the Agency Agreement to reimburse the Agents for their legal fees and certain other expenses in connection with the Concurrent Private Placement. Under the Concurrent Private Placement, the total price payable by the Subscribers will be \$31,961,504, the Agents’ Fee will be \$1,278,460 and the net proceeds to GURU will be \$30,683,044, before deducting the expenses of the Concurrent Private Placement estimated at \$100,000.

This Prospectus does not qualify the distribution of the Private Placement Shares issuable pursuant to the Concurrent Private Placement. The Private Placement Shares offered pursuant to the Concurrent Private Placement will be subject to a statutory hold period in Canada of four months and one day after the date of Closing. The Concurrent Private Placement is conditional upon the Offering closing concurrently with the Concurrent Private Placement. The Offering is not conditional upon the Concurrent Private Placement closing concurrently with the Offering.

RISK FACTORS

Prior to making an investment decision, investors should consider the investment risks set out below as well as those set out in the AIF and the Interim MD&A incorporated herein by reference, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The Company considers these risks to be the most significant to potential investors in the Company, but do not represent all of the risks associated with an investment in securities of the Company. If any of these risks materializes into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers not to be material in relation to the Company’s business, actually occurs, the Company’s assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected. Such risks discussed below also include forward-looking information and the Company’s actual results may differ substantially from those discussed in these forward-looking statements. See “Forward-Looking Information”.

Risks Relating to the Business

Risks Associated with PepsiCo Distribution Agreement

The PepsiCo Distribution Agreement constitutes a long-term, exclusive distribution agreement for products of GURU in Canada and includes a right of first offer in favor of PepsiCo Beverages Canada and its affiliates with respect to exclusive national distribution agreements for all of the United States or for multi-state distribution arrangements. As a result, the success of the Company in Canada and, if such distribution agreements were put in place in the United States, in the United States, may be dependent, in part on successful distribution and promotion of the Company's products by PepsiCo Beverages Canada under such agreements. In addition, in the event of the termination of the PepsiCo Distribution Agreement for any reason, including by PepsiCo Beverages Canada for convenience, the Company may not be able to put in place an adequate distribution network in a timely manner. Any inability to put in place a distribution network or to do so in a timely manner could have a material adverse effect on the business of the Company. A termination fee is payable under the PepsiCo Distribution Agreement in cases of termination, other than in the case of a breach by PepsiCo Beverages Canada, as well as in connection with a non-renewal of the agreement by GURU. The requirement to pay such fee could have an adverse impact on GURU's financial position. The inability of the Company or the lack of available resources required to fulfill any required marketing or other expenditure requirements under the PepsiCo Distribution Agreement could lead to the Company being in breach of such agreement and the potential termination thereof. In addition, if PepsiCo Beverages Canada were to launch products which are competitive to products of the Company, to the extent they are entitled to do so under the terms of the PepsiCo Distribution Agreement, the existence of such products could have an adverse impact on the business of the Company.

Market Risk Associated with the Pepsi Warrants

The change in the fair value of the Pepsi Warrant may be incorporated in the Company's financial statements for future periods and, if so, would be required to be measured at fair value through profit and loss, resulting from the periodic "mark-to-market" revaluation of the Pepsi Warrant. This valuation will be impacted by, among other inputs, the market price of the Company's Common Shares, the likelihood of sales reaching certain thresholds and the probability of an acquisition of the Company. Some of these inputs may be difficult to value based on traditional accounting or financial models and therefore, the inclusion of such values in the Company's financial statements may not be reflective of current or accurate value at the relevant time. The change in fair value of the liability associated with the Pepsi Warrant, which would be reported through profit and loss, may be required to be reflected in the financial statements of the Company for future periods and such fair value could be materially affected by the factors and inputs identified above.

No Assurance of Continued Profitability or Positive EBITDA

While GURU has achieved profitability and positive EBITDA in the past, there can be no assurance that the achievement of such results will continue or be achieved in the future. In particular, GURU is projecting negative adjusted EBITDA in fiscal 2021, fiscal 2022, fiscal 2023 and possibly fiscal 2024 due to expected increased marketing costs and expenses related to its expansion in accordance with its business and growth plans. The future development of GURU's interests may require additional financing. There are no assurances that such financing will be available, or if available, available upon terms acceptable to GURU. GURU may issue additional equity or debt securities in subsequent offerings (including convertible securities) to finance its operations or expansion which may cause dilution to shareholders. Debt and equity financing, if available, may involve agreements that include covenants limiting or restricting GURU's ability to take specific actions, such as redeeming shares, making investments, incurring additional debt, making capital expenditures, declaring dividends, or placing limitations on GURU's ability to acquire, sell or license intellectual property rights or make strategic acquisitions.

History of Negative Cash Flow

The Company had negative cash flows from its operating activities of \$137,304 and of \$6,867,302 for the year ended October 31, 2020, and for the six-month period ended April 30, 2021, respectively. It is anticipated that the Company will continue to have negative cash flows in the immediate future. Additional financings may be required to fund the Company's operations until such time as it becomes profitable. If the Company is unable to secure such additional financing, it will have a material adverse effect on its business and the Company may have to limit operations in a manner inconsistent with its development and growth. If additional funds are raised through the issuance of equity securities or convertible debt securities, it will be dilutive to the Company's shareholders.

Reliance on Key Customers

Three customers of the Company represented approximately 49% of GURU's revenues for the year ended October 31, 2020, and 34% of GURU's revenue for the six-month period ended April 30, 2021. In the event of any loss or adverse event in the relationship of the Company with any such customers, the Company would have to replace such revenues. Any such loss or inability to replace such revenues could have a material adverse impact on the Company's business and financial condition.

Risks Relating to the Offering

The price of the Common Shares may experience significant fluctuations

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on Common Shares; (vi) sales or perceived sales of Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets; and (iv) conditions created by the ongoing COVID-19 pandemic.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if the Company's operating results or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, there could be a material adverse effect on the Company's business, financial condition and results of operations, as well as the trading price of the Common Shares.

Holders of Common Shares may be subject to dilution resulting from future offerings of Common Shares by the Company. GURU may raise additional funds in the future by issuing Common Shares or securities convertible into, or exercisable or exchangeable for, Common Shares. Holders of Common Shares will have no pre-emptive rights in connection with such further issues. The board of directors has the discretion to determine if an issuance of Common Shares or securities convertible into, or exercisable or exchangeable for, Common Shares is warranted, the price at which such issuance is effected and the other terms of issue of such securities. In addition, additional Common Shares may be issued by the Company in connection with the exercise of options granted under the Company's stock option plan prior to or following the completion of the Offering.

If securities or industry analysts cease to publish research reports or publish inaccurate or unfavourable research about the Company, the trading price and volume of the Common Shares could decline

The trading market for the Common Shares depends in part on the research and reports that securities or industry analysts publish about the Company or our business. If one or more of the analysts who cover the Company downgrade the Common Shares or publish inaccurate or unfavourable research about the Company's business, the trading price of the Common Shares may decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on the Company regularly, demand for the Common Shares could decrease, which could cause the trading price and volume of the Common Shares to decline.

Sales of substantial amounts of the Common Shares may have an adverse effect on the market price of the Common Shares

Sales of substantial amounts of the Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair GURU's ability to raise additional capital through the sale of securities should it desire to do so.

The price at which the Offered Shares are sold by the Underwriters may be less than the Offering Price

The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at such price, the Offering Price may be decreased. The sale by the Underwriters of the Offered Shares at a price lower than the Offering Price could adversely affect the prevailing market prices for the Common Shares.

The Concurrent Private Placement may not be completed

There is no guarantee that all of the conditions to the completion of the Concurrent Private Placement will be satisfied. Completion and the concurrent closing of the Concurrent Private Placement is subject to a number of conditions, including the approval of the TSX. Completion of the Concurrent Private Placement is also conditional upon the closing of the Offering. If the Concurrent Private Placement were not to be completed, the Company will not have access to the aggregate net proceeds from the Concurrent Private Placement but would have access to the net proceeds from the Offering, which would limit the use of proceeds described under "Use of Proceeds" and may adversely impact GURU's ability to complete planned investments.

Actual use of proceeds may vary

The Company currently intends to allocate the net proceeds received from the Offering as described under "Use of Proceeds" in this short form prospectus. However, management will have discretion in the actual application of the net proceeds, and may elect to allocate proceeds differently from that described in "Use of Proceeds" if it is believed it would be in the best interests of the Company to do so as circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Company.

Potential dilution caused by future share issuances

GURU is authorized to issue an unlimited number of Common Shares and may decide to issue additional shares or preferred shares in order to finance investment projects or raise liquidity, which could dilute the share ownership.

Investment eligibility for the Common Shares

The Company will endeavour to ensure that the Common Shares continue to be qualified investments under the Tax Act for trusts governed by RRSPs, RESPs, RRIFs, DPSPs (except a DPSP to which the Company, or an employer that does not deal at arm's length with the Company, has made a contribution), RDSPs and TFSAs, although there is no assurance that the conditions prescribed for such qualified investments will be adhered to at any particular time. The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments.

If any of the foregoing events, or other risk factor events not described herein occur, the Company's business, financial condition or results of operations could suffer. In that event, the market price of GURU's securities could decline and investors could lose all or part of their investment.

ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company, and Dentons Canada LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), the regulations thereunder and the proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and provided that the Offered Shares and Over-Allotment Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the TSX), the Offered Shares will be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered disability savings plans ("**RDSPs**"),

deferred profit sharing plans, registered education savings plans (“**RESPs**”) and tax-free savings accounts (“**TFSAs**”), each as defined in the Tax Act.

Notwithstanding the foregoing, if the Offered Shares are “prohibited investments” for a particular RRSP, RRIF, TFSA, RDSP or RESP for purposes of the Tax Act, the annuitant of the RRSP or RRIF, the holder of the TFSA or RDSP or the subscriber of the RESP, as applicable, will be subject to a penalty tax under the Tax Act. The Offered Shares will generally not be a “prohibited investment” for these purposes unless the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP or the subscriber of the RESP, as applicable: (i) does not deal at arm’s length with the Company for purposes of the Tax Act; or (ii) has a “significant interest”, as defined in the Tax Act, in the Company. Generally, an annuitant, holder or subscriber will not have a “significant interest” in the Company unless the annuitant, holder or subscriber and/or persons not dealing at arm’s length with the annuitant, holder or subscriber, owns directly or indirectly, 10% or more of the issued shares of any class of the capital stock of the Company or of a corporation related to the Company.

In addition, the Offered Shares will generally not be a “prohibited investment” if the Offered Shares are “excluded property” for purposes of the prohibited investment rules, for a RRSP, RRIF, TFSA, RDSP or RESP.

Annuitants under a RRSP or RRIF, holders of a TFSA or RDSP or subscribers of a RESP should consult their own tax advisors as to whether the Offered Shares will be a prohibited investment for such RRSP, RRIF, TFSA, RDSP or RESP in their particular circumstances, including with respect to whether the Offered Shares would be “excluded property”.

INTEREST OF EXPERTS

Certain legal matters in connection with this Offering will be passed upon on behalf of the Company and the Selling Shareholders by Fasken Martineau DuMoulin LLP with respect to matters of Canadian law and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. with respect to matters of U.S. law, and on behalf of the Underwriters by Dentons Canada LLP. As at June 28, 2021, partners and associates of Fasken Martineau DuMoulin LLP and Dentons Canada LLP, beneficially owned, directly or indirectly, less than one percent of the outstanding Common Shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP, 600 de Maisonneuve Blvd. West #1500, Montreal, Québec H3A 0A3. They have advised the Company that they are independent with respect to the Company within the meaning of the *Code of ethics of chartered professional accountants* (Québec).

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal office in Montreal, Québec.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Eric Graveline, a director of the Company and selling securityholder, resides outside of Canada. Eric Graveline has appointed GURU Organic Energy Corp., 602-7236 Waverly Street, Montréal, Québec, H2R 0C2, as its agent for service of process. Purchasers are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

CERTIFICATE OF THE COMPANY

Dated June 28, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in each of the provinces of Canada.

(s) Carl Goyette
Chief Executive Officer

(s) Ingy Sarraf
Chief Financial Officer and Corporate Secretary

On behalf of the Board of Directors

(s) Alain Miquelon
Director

(s) Suzanne Poirier
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: June 28, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in each of the provinces of Canada.

STIFEL NICOLAUS CANADA INC.

(s) Derek Lithwick

CIBC WORLD MARKETS INC.

(s) Emilie Bissonnette

**ECHELON WEALTH
PARTNERS INC.**

(s) Asad Said

**LAURENTIAN BANK
SECURITIES INC.**

(s) Frederic Belisle

SCOTIA CAPITAL INC.

(s) Eric Nguyen