

**INTERIM
CONDENSED
CONSOLIDATED
FINANCIAL
STATEMENTS**

Three-month and nine-month periods
ended July 31, 2025 and 2024



GURU ORGANIC ENERGY CORP.

Table of Contents

Interim Condensed Consolidated Financial Statements of
GURU Organic Energy Corp.

Interim Condensed Consolidated Statements of Financial Position2

Interim Condensed Consolidated Statements of Income (Loss) and
Comprehensive Income (Loss).....3

Interim Condensed Consolidated Statements of Changes in Equity4

Interim Condensed Consolidated Statements of Cash Flows5

Notes to the Interim Condensed Consolidated Financial Statements 6

GURU ORGANIC ENERGY CORP.

Interim Condensed Consolidated Statements of Financial Position

As at July 31, 2025 and October 31, 2024

	July 31, 2025	October 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 9,231,875	\$ 25,510,969
Short-term investments	15,000,000	-
Trade and other receivables	6,017,656	4,283,221
Income taxes receivable	6,841	6,876
Refundable investment tax credits	68,750	50,000
Inventories	5,709,619	5,966,889
Prepaid expenses	151,838	229,768
	36,186,579	36,047,723
Fixed assets	841,161	1,108,351
Right-of-use assets	939,039	1,066,276
Other assets	271,649	377,998
Long-term deposit	48,250	48,250
Deferred tax assets	419,494	486,569
	38,706,172	39,135,167
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	8,176,816	7,039,652
Current portion of lease liabilities	399,744	364,795
	8,576,560	7,404,447
Lease liabilities	628,227	797,833
Stock warrant obligations	-	2,163
	9,204,787	8,204,443
Shareholders' Equity		
Share capital (note 7)	79,901,368	80,508,900
Contributed surplus	2,138,711	1,805,735
Deficit	(52,631,095)	(51,495,181)
Accumulated other comprehensive income	92,401	111,270
	29,501,385	30,930,724
	38,706,172	39,135,167

See accompanying notes to interim condensed consolidated financial statements.

GURU ORGANIC ENERGY CORP.

Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

Three-month and nine-month periods ended July 31, 2025 and 2024

	Three-month periods ended		Nine-month periods ended	
	July 31, 2025	July 31, 2024	July 31, 2025	July 31, 2024
Net revenue (note 8)	\$ 10,434,918	\$ 7,939,813	\$ 24,626,003	\$ 23,086,922
Cost of goods sold	2,999,344	3,538,104	8,732,591	10,438,498
Gross profit	7,435,574	4,401,709	15,893,412	12,648,424
Selling, general and administration expenses (note 9)	6,327,748	6,985,737	17,903,479	20,550,866
Net financial income (note 11)	(209,444)	(370,582)	(659,484)	(1,163,722)
	6,118,304	6,615,155	17,243,995	19,387,144
Income (loss) before income taxes	1,317,270	(2,213,446)	(1,350,583)	(6,738,720)
Income taxes expense:				
Deferred	19,355	17,010	64,401	21,477
	19,355	17,010	64,401	21,477
Net income (loss)	1,297,915	(2,230,456)	(1,414,984)	(6,760,197)
<i>Other comprehensive income (loss):</i>				
Item that is or may be reclassified subsequently to consolidated statements of income (loss):				
Foreign operations - foreign currency translation differences	6,888	13,460	(18,869)	(9,151)
Total comprehensive income (loss)	1,304,803	(2,216,996)	(1,433,853)	(6,769,348)
Basic income (loss) per share (note 12)	\$0.04	\$ (0.07)	\$ (0.05)	\$ (0.22)
Diluted income (loss) per share (note 12)	\$0.04	\$ (0.07)	\$ (0.05)	\$ (0.22)

See accompanying notes to interim condensed consolidated financial statements.

GURU ORGANIC ENERGY CORP.

Interim Condensed Consolidated Statements of Changes in Equity

Nine-month periods ended July 31, 2025 and 2024

	Share capital		Contributed surplus	Deficit	Accumulated other comprehensive income (loss) - foreign currency translation	Total
	Number	Amount				
Balance as of October 31, 2024	30,343,277	\$ 80,508,900	\$ 1,805,735	\$ (51,495,181)	\$ 111,270	\$ 30,930,724
Net loss	-	-	-	(1,414,984)	-	(1,414,984)
DSUs settled (note 14)	54,297	269,996	(269,996)	-	-	-
Stock-based compensation expense (note 14)	-	-	602,972	-	-	602,972
Share buy-back (note 7)	(328,988)	(877,528)	-	279,070	-	(598,458)
Foreign operations - foreign currency translation differences	-	-	-	-	(18,869)	(18,869)
Balance as of July 31, 2025	30,068,586	79,901,368	2,138,711	(52,631,095)	92,401	29,501,385
Balance as of October 31, 2023	30,317,799	\$ 80,335,608	\$ 1,485,005	\$ (42,087,325)	\$ 97,703	\$ 39,830,991
Net loss	-	-	-	(6,760,197)	-	(6,760,197)
RSUs settled (note 14)	6,987	32,925	(32,925)	-	-	-
Stock-based compensation expense (note 14)	-	-	340,625	-	-	340,625
Share buy-back	(9,222)	(24,437)	-	2,196	-	(22,241)
Foreign operations - foreign currency translation differences	-	-	-	-	(9,151)	(9,151)
Balance as of July 31, 2024	30,315,564	80,344,096	1,792,705	(48,845,326)	88,552	33,380,027

See accompanying notes to interim condensed consolidated financial statements.

GURU ORGANIC ENERGY CORP.

Interim Condensed Consolidated Statements of Cash Flow

Nine-month periods ended July 31, 2025 and 2024

	Nine-month periods ended	
	July 31, 2025	July 31, 2024
Cash provided by (used in):		
Operating:		
Net loss	\$ (1,414,984)	\$ (6,760,197)
Adjustments for:		
Depreciation and amortization	693,422	690,216
Income tax	64,401	21,477
Net financial income	(659,484)	(1,163,722)
Stock-based compensation expense (note 14)	602,972	340,625
Loss (gain) on disposal of right-of-use asset and lease	5,769	(3,265)
Net change in non-cash operating working capital (note 13)	(257,716)	923,357
	(965,620)	(5,951,509)
Financing:		
Share buy-back	(598,458)	(23,432)
Interest and financing fees paid	(27,790)	(35,285)
Payment of lease obligation	(290,404)	(299,667)
	(916,652)	(358,384)
Investing:		
Increase in short-term investments	(15,000,000)	-
Additions to fixed assets	(40,999)	(88,481)
Interest income received	649,433	301,727
	(14,391,566)	213,246
Effect of movements in exchange rate on cash held	(5,256)	(2,093)
Cash and cash equivalents, beginning of period	25,510,969	15,825,817
Decrease in cash and cash equivalents	(16,279,094)	(6,098,740)
Cash and cash equivalents, end of period	9,231,875	9,727,077
Cash, cash equivalents, and short-term investments, end of period	24,231,875	27,727,077

See accompanying notes to interim condensed consolidated financial statements.

Additional cash flow information is presented in note 13.

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

GURU Organic Energy Corp. (the "Company" or "GURU") was incorporated under the Canada Business Corporations Act and is listed on the Toronto Stock Exchange. The Company is domiciled in Montréal, Quebec, Canada, where its administrative offices are located. These consolidated financial statements comprise the Company and its wholly owned subsidiaries, GURU Beverage Inc. and GURU Beverage Co. (together, the "Group"). The Group produces, markets, and distributes energy drinks for sale in the Canadian and U.S. markets.

1. Basis of accounting:

These interim condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated financial statements do not include all of the disclosures required for annual consolidated financial statements prepared in accordance with IFRS Accounting Standards ("IFRS") and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended October 31, 2024.

The interim condensed consolidated financial statements of the Company for the three-month and nine-month periods ended on July 31, 2025 and 2024 were authorized by the Board of Directors (the "Board") for issuance on September 10, 2025.

a) Operating segment:

The Company operates in a single operating segment, the distribution of energy drinks.

b) Seasonality of interim operations:

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. In contrast, the U.S. market, with its overall warmer climate, generally does not see the same type of seasonal sales trend.

2. Functional and presentation currency and basis of measurement:

These interim condensed consolidated financial statements are presented in Canadian dollars, the Company's functional currency.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as described in our accounting policies.

3. Use of significant accounting judgements, estimates and assumptions:

The preparation of the Company's interim condensed consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These assumptions and estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The Company's main judgments, estimates, and assumptions are the same as those applied and described in the Company's audited consolidated financial statements for the year ended October 31, 2024.

4. Material accounting policies:

Material accounting policies applied in these interim condensed consolidated financial statements are the same as those applied to the Company's annual audited consolidated financial statements for the year ended October 31, 2024.

5. Standards issued but not yet effective:

IFRS 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged.

The new Accounting Standard introduces significant changes to the structure of a company's income statement, more discipline and transparency in presentation of management's own performance measures (commonly referred to as 'non-GAAP measures'), and less aggregation of items into large, single numbers.

The main impacts of the new Accounting Standard include:

- Introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities (i.e. operating, investing and financing);
- Requiring disclosure about management performance measures (MPMs); and
- Adding new principles for aggregation and disaggregation of information.

IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The extent of the impact of adoption of this new IFRS has not yet been determined and the Company has not determined if it would adopt by anticipation.

IFRS 9 and IFRS 7 Financial Instruments and Financial Instruments: Disclosure - Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments, which amend IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*.

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

The standard amendments clarify the recognition and derecognition date of certain financial assets and liabilities. Also, they clarify the treatment of non-recourse financial assets and contractually linked instruments, and they introduce additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event, and equity instruments classified at fair value through other comprehensive income. The amendments are effective for years beginning on or after January 1, 2026. The extent of the impact of adoption of this new IFRS has not yet been determined

Amendments to IFRS 9 - Accounting for Electronic Payments

In May 2023, the IASB issued amendments to IFRS 9 Financial Instruments to clarify when trade receivables and payables should be recognized or derecognized when settled through electronic payments. The amendments reinforce that:

- Financial instruments are recognized when an entity becomes a party to a contract;
- A financial asset is derecognized when rights to cash flows expire, or the asset is transferred; and
- A financial liability is derecognized when it is settled.

An exception allows earlier derecognition of financial liabilities if, after initiating an electronic payment, the company cannot withdraw or cancel the payment, no longer has access to the cash, and settlement risk is insignificant. This exception does not apply to cheques and must be assessed per payment system.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The extent of the impact of adoption of this new IFRS has not yet been determined

6. Credit facilities:

The Company has a committed revolving operating credit facility to a maximum authorized amount of CAD 10,000,000 expiring March 30, 2026.

The operating credit facility can be used in the form of Canadian dollar loans bearing interest at the prime rate plus 0.50%, Canadian dollar bankers' acceptances bearing interest at 1.75%, American dollar loans bearing interest at the US base rate plus 0.50%, or American dollar LIBOR loans bearing interest at the LIBOR rate plus 1.75%. As at July 31, 2025, the credit facilities were unused (October 31, 2024 - nil).

The Company also has an uncommitted credit that can be used in the form of foreign exchange contracts or interest rate swaps for a maximum amount of USD 100,000. This credit facility was unused as at July 31, 2025 (October 31, 2024 - nil).

The Company has a letter of credit for a maximum available of \$2,500,000, of which an amount of EUR 300,000 (CAD 474,600) has been used as of July 31, 2025 (October 31, 2024 - EUR 600,000; CAD 907,320).

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

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

\$25,000,000, 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 US subsidiary.

These credit facilities are subject to certain financial covenants which were met as at July 31, 2025.

7. Share capital:

	As at	
	July 31, 2025	October 31, 2024
Issued		
30,068,586 (2024 - 30,343,277 common shares)	\$ 79,901,368	\$ 80,508,900

From July 25, 2025, to July 24, 2026, the Company is authorized to repurchase for cancellation up to 1,514,144 common shares, representing approximately 5% of the Company's outstanding shares as of July 14, 2025.

Repurchases are conducted in the normal course of business at market prices through the facilities of the TSX and/or alternative Canadian trading systems, in compliance with TSX rules and policies and applicable exemptions from Canadian securities laws.

For the three-month and nine-month periods ended July 31, 2025, the Company has repurchased and cancelled 324,420 and 328,988 common shares, respectively. The number of shares outstanding as of July 31, 2025 includes the share buy-back and cancellation of 328,988 common shares pursuant to the Company's normal course issuer bid

8. Revenue and assets by geography:

The following tables include sales and non-current assets other than deferred tax assets by geography:

	Three-month periods ended		Nine-month periods ended	
	July 31, 2025	July 31, 2024	July 31, 2025	July 31, 2024
Canada	\$ 8,655,984	\$ 6,412,098	\$ 18,775,640	\$ 17,386,094
United States	1,778,934	1,527,715	5,850,363	5,700,828
	10,434,918	7,939,813	24,626,003	23,086,922

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

Non-current assets other than deferred tax assets:

	As at	
	July 31, 2025	October 31, 2024
Canada	\$ 2,100,099	\$ 2,550,796
United States	-	50,079
	2,100,099	2,600,875

9. Selling, general and administration expenses:

	Three-month periods ended		Nine-month periods ended	
	July 31, 2025	July 31, 2024	July 31, 2025	July 31, 2024
Selling and marketing	\$ 3,340,026	\$ 3,959,940	\$ 9,479,443	\$ 12,095,411
General and administration expenses	2,987,722	3,025,797	8,424,036	8,455,455
	6,327,748	6,985,737	17,903,479	20,550,866

10. Additional information on interim condensed consolidated statement of income (loss) and comprehensive income (loss):

	Three-month periods ended		Nine-month periods ended	
	July 31, 2025	July 31, 2024	July 31, 2025	July 31, 2024
Employee total compensation expense	\$ 2,131,999	\$ 1,967,085	\$ 5,384,576	\$ 5,455,179
Depreciation and amortization	206,027	226,970	693,422	690,216

11. Net financial (income) expenses:

	Three-month periods ended		Nine-month periods ended	
	July 31, 2025	July 31, 2024	July 31, 2025	July 31, 2024
Interest on lease liabilities	\$ 9,311	\$ 10,159	\$ 27,791	\$ 35,285
Bank and financing fees	11,245	14,806	35,707	53,369
Foreign exchange loss	8,081	505	13,867	16,836
Interest revenue	(238,081)	(392,908)	(734,686)	(1,263,371)
Net change in fair value of stock warrant obligations	-	(3,144)	(2,163)	(5,841)
	(209,444)	(370,582)	(659,484)	(1,163,722)

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

12. Income (loss) per share:

	Three-month periods ended		Nine-month periods ended	
	July 31, 2025	July 31, 2024	July 31, 2025	July 31, 2024
Net income (loss)	\$ 1,297,915	\$ (2,230,456)	\$ (1,414,984)	\$ (6,760,197)
Basic weighted average number of common shares	30,309,562	30,315,564	30,337,369	30,315,293
Diluted weighted average number of common shares	31,075,432	30,599,045	31,103,239	30,601,535
Basic income (loss) per share	\$0.04	\$ (0.07)	\$ (0.05)	\$ (0.22)
Diluted income (loss) per share	\$0.04	\$ (0.07)	\$ (0.05)	\$ (0.22)

For the nine-month periods ended July 31, 2025 and 2024, and the three-month period ended July 31, 2024, the diluted income (loss) per share calculation did not take into consideration the potential dilutive effect of the stock options, warrants, RSUs and DSUs (refer to note 14), as they are anti-dilutive.

13. Additional cash flow information:

The following details the change in non-cash operating working capital:

	Nine-month periods ended	
	July 31, 2025	July 31, 2024
Trade and other receivables	\$ (1,736,902)	\$ (220,307)
Refundable investment tax credits	(18,750)	(37,500)
Inventories	248,937	(454,266)
Prepaid expenses	77,768	74,262
Accounts payable and accrued liabilities	1,171,231	1,561,168
	(257,716)	923,357

During the nine-month period ended July 31, 2025, no amount of share buy-back was included in accounts payable as at July 31, 2025 (October 31, 2024 - nil).

14. Stock based incentive plan and warrants:

Stock-based incentive plan

The Company may grant its key employees, directors, and consultants stock options to purchase common shares, restricted share units ("RSUs") and deferred share units ("DSUs"). 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.

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

As at July 31, 2025, 1,171,656 stock options, RSUs and/or DSUs were available for issuance (October 31, 2024 - 1,684,590). Changes in the number of outstanding options, RSUs and DSUs related to the Plan were as follows:

	Option(i)		RSU ⁽ⁱ⁾	DSU
	Number	Weighted average exercise price	Number	Number
Outstanding as at October 31, 2024	1,082,470	\$ 2.53	129,871	137,396
Granted	117,231	\$ 1.79	527,789	28,759
Exercised/settled	-	\$ -	-	(54,297)
Forfeited / Settled	(130,369)	\$ 4.15	(3,648)	-
Outstanding as at July 31, 2025	1,069,332	\$ 2.25	654,012	111,858
Exercisable as at July 31, 2025	389,148	\$ 5.06	284,843	-
Outstanding as at October 31, 2023	432,528	\$ 3.51	142,731	102,039
Granted	761,532	\$ 2.02	47,850	35,842
Exercised/settled	-	\$ -	(34,700)	-
Forfeited	(111,590)	\$ 2.83	(26,010)	(485)
Outstanding as at October 31, 2024	1,082,470	\$ 2.53	129,871	137,396
Exercisable as at October 31, 2024	222,915	\$ 4.16	44,580	-

(i) During fiscal October 31, 2024 and the nine-month period ended July 31, 2025, the Company issued conditional 625,000 stock options and 200,000 RSUs based on the attainment of specified non-market performance conditions to be met within the next two, three or five fiscal periods. The exercise price of the options at grant date ranged between \$1.95 to \$2.00 per option. The share-based compensation expense recognized in fiscal 2025 to date related to these stock options and RSUs amounted to \$81,231 and \$53,904, respectively.

For the three-month period ended July 31, 2025, stock-based compensation expense amounted to \$123,346 for options (2024 - \$78,626), \$96,601 for RSUs (2024 - \$37,475); and \$16,250 for DSUs (2024 - \$19,999).

For the nine-month period ended July 31, 2025, stock-based compensation expense amounted to \$315,349 for options (2024 - \$172,721), \$238,872 for RSUs (2024 - \$107,905); and \$48,751 for DSUs (2024 - \$59,999).

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

The fair value of the options granted during the three-month and nine-month periods ended July 31, 2025 was calculated using the Black-Scholes option model with the following assumptions and results:

	Three-month period ended July 31, 2025	Nine-month period ended July 31, 2025
Weighted average fair value of options at grant date	\$ 1.02	\$ 0.91
Weighted average share price	1.95	1.77
Weighted average exercise price	1.95	1.78
Risk-free interest rate	3.49%	3.19%
Dividend yield	-	-
Expected volatility	46%	46%
Expected life	7 years	7 years

The risk-free interest rate is based on the yield of a risk-free Canadian government security with a maturity equal to the expected life of the option from the date of the grant. The assumption of expected volatility is based on the average historical volatility of comparable companies for the period immediately preceding the option grant. The Company does not anticipate paying any cash dividends in the foreseeable future and, therefore, uses an expected dividend yield of zero in the option-pricing model.

Warrants

In 2021, the Company issued 1,650,000 contingent warrants to PepsiCo Canada, each exercisable at a price of \$16.69 per share, but only upon the occurrence of specific triggering events, as defined in the related warrant agreement. These events include a change of control and meeting certain sales volume thresholds, which were not met as at July 31, 2025. It is the Company's position that, in the context of, and the circumstances relating to, the now-terminated distribution agreement, none of the warrants are or will be exercisable in the future. The warrants have been valued at nil (October 31, 2024 - \$2,163).

As disclosed in Note 26 of the annual audited consolidated financial statements for the year ended October 31, 2024, the Company transitioned back to its proven direct distribution model in Canada on May 22, 2025.

15. Financial Instruments

Financial risks

a) Liquidity risk:

Liquidity risk refers to 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

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

financial liabilities. The Company manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching maturity profiles of financial assets and liabilities.

The Company holds cash in high interest saving accounts bearing interest at 3.25% and fixed-rate short-term investments bearing interest at 3.13% and 3.55% with major North American financial institutions.

The Company's objective is to maintain a balance between continuity of funding and flexibility through borrowing facilities available through the Company's bank and other lenders. The Company's policy is to ensure adequate funding is available from operations and other sources as required.

The following are the contractual maturities of financial obligations:

As at July 31, 2025	Carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Accounts payables and accrued liabilities	\$ 8,176,816	\$ 8,176,816	\$ 8,176,816	-	-
Lease liabilities, including current portion ⁽ⁱ⁾	1,027,971	1,068,585	443,993	624,592	-

As at October 31, 2024	Carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Accounts payables and accrued liabilities	7,039,652	7,039,652	7,039,652	-	-
Lease liabilities, including current portion ⁽ⁱ⁾	1,162,628	1,221,077	396,570	824,507	-

(i) Contractual cash flows include principal and interest.

Capital management

The Company's capital is composed of shareholders' equity, credit facilities, and long-term debt. The Company's objective in managing its capital is to ensure a sufficient liquidity position to finance its operations, to maximize the preservation of capital and to deliver competitive returns on invested capital.

To fund its activities, the Company has relied on private financing, credit facilities and long-term debt. The Company manages its excess cash to ensure that it has sufficient reserves to fund its operations and capital expenditures.

The Company is not subject to any capital requirements imposed by a regulator.

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

b) Credit risk:

Credit risk refers to 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, short-term investments, and accounts receivable. Management believes the credit risk of its cash and cash equivalents and short-term investments 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, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. However, the Company deals with a majority of well-established distributors, thus reducing its credit risk. As of the current balance sheet date, 65% (2024 - 94%) of accounts receivable are concentrated with three (2024 - two) clients who represent together 37% and 16% of the three-month and nine-month periods' net revenues, respectively (2024 - 73% and 70%). The Company does not normally require a guarantee for trade receivables.

The carrying amount of financial assets, net of any impairment provisions, represents the Company's maximum credit exposure.

c) Currency risk:

Currency risk refers to 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. At period-end, the Company's exposure to net monetary assets denominated in foreign currencies was not significant to the Company's financial position.

d) Interest rate risk:

The Company's credit facility and cash equivalents have a variable rate based on the bank's prime rate plus a margin. 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 interim condensed consolidated statement of income (loss) and comprehensive income (loss) for the three-month and nine-month periods ended July 31, 2025 and 2024.

redlined change in note 14.

Fair value measurement

The Company has determined that the fair values of cash and cash equivalents, short-term investments, trade and other receivables, and accounts payable and accrued liabilities approximate their respective carrying amounts at the consolidated statement of financial position date due to the short-term maturity of those instruments.

GURU ORGANIC ENERGY CORP.

Notes to Interim Condensed Consolidated Financial Statements

Three-month and nine-month periods ended July 31, 2025 and 2024

Derivative financial instruments

Derivative financial instruments are utilized by the Company occasionally in the management of its foreign currency exposures, interest rate risks and share price. The Company's policy is not to utilize derivative financial instruments for trading or speculative purposes. 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.

A derivative with a positive fair value is recognized as a financial asset; a derivative with a negative fair value is recognized as a financial liability.

The warrants were classified as Level 3 derivative liabilities that are valued using unobservable inputs to the valuation methodology which are significant to the measurement of the fair value. Level 3 financial liabilities consist of the derivative liabilities for which there is no current market for these securities such that the determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate.

e) Tariff and Other Trade Measures

Following recent global trade developments, including tariff-related announcements by the United States and retaliatory measures by Canada and other jurisdictions, the Company continues to monitor the evolving trade environment and its potential effects on its supply chain and cost structure.

Although the Company is not currently subject to any implemented tariffs that materially affect its operations, management is assessing the possible direct and indirect impacts of tariffs, and other trade protectionist actions in the jurisdictions in which it operates. Given the inherent uncertainty and fluidity of international trade policies, the Company will continue to evaluate developments and respond accordingly.