



GURU ORGANIC ENERGY FILES \$15 MILLION LAWSUIT AGAINST PEPSI FOR BREACH OF DISTRIBUTION AGREEMENT & MISUSE OF CONFIDENTIAL PRODUCT INFORMATION

GURU will also file Competition Tribunal Application and contest Pepsi's \$4.4 Million Lawsuit

KEY HIGHLIGHTS

- *GURU has filed a Statement of Claim in the Ontario Superior Court of Justice seeking \$15 million in damages against The Pepsi Bottling Group (Canada) ULC ("Pepsi"), plus recovery of profits from Pepsi's competing "Rockstar Island Bliss" product and recovery of \$164,753 in unpaid receivables.*
- *GURU's claim alleges breaches of the parties' Distribution Agreement, including Pepsi's failure to provide "Fair Share" of Shelf in favour of PepsiCo-owned and PepsiCo-affiliated competing brands, withholding of GURU inventory from retailers during the transition period, and breach of confidence in relation to GURU's confidential product information.*
- *GURU's claim includes the additional recovery of profits from the Rockstar Island Bliss product, which will be determined through the court process.*
- *GURU intends to make an application to the Canadian Competition Tribunal requesting an inquiry into Pepsi's conduct as a dominant distributor in the Canadian non-alcoholic beverage market. In particular, in respect of Pepsi having leveraged GURU's market presence and trade investments to expand its own shelf allocation, which was then disproportionately assigned to competing Pepsi-affiliated brands.*
- *Pepsi has filed its own separate lawsuit against GURU claiming approximately \$4.4 million for post-termination payables. GURU intends to fully contest this claim and, even if any amounts were awarded to Pepsi, no additional expense or liability beyond amounts already recorded in GURU's financial statements for its 2025 fiscal year is expected.*
- *GURU's transition to a direct distribution model is now complete and the Company's business operations are now stable and independent of the outcome of this litigation.*
- *GURU has delivered three consecutive EBITDA-positive quarters and record Q1 revenue, demonstrating both the strength of the GURU brand and the value being held back under the former distribution arrangement.*

Montréal, Québec, April 20, 2026 – GURU Organic Energy Corp. (TSX: GURU) ("**GURU**" or the "**Company**"), Canada's leading organic energy drink brand¹, is announcing that it has filed a Statement of Claim in the Ontario Superior Court of Justice seeking damages of \$15,000,000 for breach of contract and breach of the contractual duty of good faith, recovery of Pepsi's profits derived from the "Rockstar Island Bliss" product, payment of \$164,753 in outstanding receivables, and further relief as the Court may deem just. Pepsi also filed a Statement of Claim in the same Court seeking approximately \$4.4 million for post-termination payables. GURU intends to fully contest Pepsi's claim. In addition, even if any amounts were awarded to Pepsi, amounts covered by this claim are already reflected in GURU's October 31 2025 annual financial statements.

¹ Nielsen, 52-week period ended March 20, 2026, All Channels, Canada vs. same period a year ago.

BACKGROUND

On June 14, 2021, GURU and Pepsi entered into an exclusive distribution agreement under which Pepsi became GURU's sole distributor in Canada for an initial ten-year term (the "Distribution Agreement"). On November 22, 2024, Pepsi delivered a without-cause notice of termination of the Distribution Agreement, effective May 22, 2025. On May 23, 2025, GURU successfully transitioned to a direct distribution model in Canada.

GURU'S CLAIM AGAINST PEPSI

GURU's Statement of Claim sets out a series of breaches by Pepsi of the Distribution Agreement and of the duty of good faith and honest contractual performance. The principal allegations include:

- **Failure to provide "Fair Share" of Shelf.** Pepsi, a dominant direct-store-delivery distributor in Canada, leveraged GURU's market share and trade spend contributions to expand its own shelf entitlements, then allocated that space disproportionately to Pepsi-owned and Pepsi-affiliated competing brands in direct breach of the "Fair Share of Shelf" covenants in Schedule 2.5 of the Distribution Agreement. This conduct caused Pepsi to repeatedly fall short of the volume growth targets set out in the annual Joint Business Plans agreed with GURU throughout the term of the Agreement.
- **Withholding of GURU inventory during the transition period.** Following the notice of termination, Pepsi repeatedly represented that distribution would continue on a "business-as-usual" basis. Despite those assurances, Pepsi removed GURU product from designated shelves in certain stores, ceased delivery of GURU products to others, and generated significant out-of-stock conditions, while simultaneously requiring GURU to commit to repurchasing the inventory that Pepsi itself was withholding.
- **Breach of confidence – "Island Breeze" / "Island Bliss".** Under the Distribution Agreement's product-approval process, GURU disclosed to Pepsi, on a confidential basis, the full specifications of its new "Island Breeze" product. Weeks before GURU's launch, Pepsi's Rockstar brand released a competing product called "Island Bliss" that GURU alleges shares substantially similar attributes to its Island Breeze product. Pepsi did not warn GURU of the competing launch.



GURU Island Breeze Punch

Disclosed in confidence to Pepsi under the product-approval process



Rockstar Island Bliss

Launched by Pepsi weeks before GURU's Island Breeze launch

GURU is seeking damages of \$15,000,000, recovery of Pepsi's profits from the Island Bliss product, recovery of the \$164,753 in unpaid receivables, pre- and post-judgment interest, and costs.

COMPETITION TRIBUNAL APPLICATION

In addition to the civil proceedings, GURU is preparing an application to the Canadian Competition Tribunal under the *Competition Act*, requesting an inquiry into Pepsi's conduct as a dominant distributor in the Canadian non-alcoholic beverage market, including the alleged use of shelf allocation to disadvantage an independent competing brand in favour of Pepsi-owned and Pepsi-affiliated products. GURU believes that the conduct described in its Statement of Claim raises issues of broader public interest warranting regulatory review.

PEPSI'S CLAIM - NO INCREMENTAL EXPENSE OR LIABILITY

Pepsi has also filed a Statement of Claim against GURU in the Ontario Superior Court of Justice seeking approximately \$4.4 million, comprising post-termination advertising, marketing and trade spend reconciliations, inventory repurchase amounts, and equipment storage charges alleged to arise under the Distribution Agreement and a related Equipment Services Agreement.

GURU disputes the quantum of several of these amounts and will assert its contractual right to deduct any amounts owed to it by Pepsi under the Distribution Agreement against any repurchase-price amounts claimed by Pepsi.

The commencement of Pepsi's claim does not create any new liability and does not give rise to any additional expense beyond amounts already recorded on GURU's balance sheet. Any eventual settlement or judgment within, or below, would be neutral or favourable to GURU's reported results. GURU expects to fund the litigation

from existing cash on hand. GURU is not revising its previously communicated financial priorities, capital allocation, or any element of its outlook. The litigation process could extend over multiple fiscal years and cash recovery is not expected in fiscal 2026.

COMMENTS FROM MANAGEMENT

Carl Goyette, President and Chief Executive Officer of GURU, commented:

"When we entered into our agreement with Pepsi's Canadian distribution arm in 2021, we did so in good faith and invested significantly in the partnership. Our transition back to direct distribution, which required significant effort and investment, delivered three consecutive quarters of positive Adjusted EBITDA and a record Q1 performance, demonstrating both the strength of the GURU brand and the value that was being held back under the former distribution arrangement. Filing this claim is a matter of defending shareholder value on a set of issues we have attempted to resolve privately. Our focus and our capital remain on expanding distribution, advancing our Zero Sugar pipeline, and executing against the priorities we set out in our March 12 Q1 release."

NEXT STEPS AND DISCLOSURE

GURU will update the market in accordance with its continuing disclosure obligations. The Company does not otherwise intend to comment further on the substance of the allegations outside of its public filings while the matter is before the Court.

GURU's business operations, commercial strategy and financial outlook are unaffected by these proceedings. The Company reaffirms the priorities described in its March 12, 2026 Q1 2026 results release: expanding distribution and activation across Canada and the United States, continuing its Zero Sugar innovation pipeline, maintaining pricing discipline, and preserving cost control while investing selectively in high-return brand and e-commerce initiatives.

About GURU Organic Energy

GURU Organic Energy Corp. (TSX: GURU) is a dynamic, fast-growing beverage company that launched the world's first natural, plant-based energy drink in 1999. The Company markets organic energy drinks in Canada and the United States through an estimated distribution network of about 25,000 points of sale, and through www.guruenergy.com and Amazon. GURU has built an inspiring brand with a clean list of organic ingredients, including natural caffeine, and no artificial sweeteners, zero sucralose and zero aspartame, which offer consumers *Good Energy®* that never comes at the expense of their health. The Company is committed to achieving its mission of cleaning up the energy drink industry in Canada and the United States. For more information, go to www.guruenergy.com or follow us @guruenergydrink on Instagram, @guruenergy on Facebook and @guruenergydrink on TikTok.

To explore GURU's range of organic energy drinks, visit www.guruenergy.com or find us on Amazon.

For further information, please contact:

GURU Organic Energy

Carl Goyette, President and CEO
Ingy Sarraf, Chief Financial Officer
514-845-4878
investors@guruenergy.com

strat.eko

Francois Kalos
francois.kalos@guruenergy.com

Forward-Looking Information

This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Such forward-looking information includes, but is not limited to, information with respect to the Company’s objectives and the strategies to achieve these objectives, as well as information with respect to management’s beliefs, plans, expectations, anticipations, estimates and intentions. This forward-looking information is identified by the use of terms and phrases such as “may”, “would”, “should”, “could”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “believe”, or “continue”, the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases. Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects, and risks at a point in time in the context of historical and possible future developments and therefore the reader is cautioned that such statements may not be appropriate for other purposes. Forward-looking information is based upon a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond management’s control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, the following risk factors, which are discussed in greater detail under the “RISK FACTORS” section of the annual information form for the year ended October 31, 2025: management of growth; reliance on key personnel; reliance on key customers; changes in consumer preferences; significant changes in government regulation; criticism of energy drink products and/or the energy drink market; economic downturn and continued uncertainty in the financial markets and other adverse changes in general economic or political conditions, as well as geopolitical developments, global inflationary pressure or other major macroeconomic phenomena; global or regional catastrophic events; fluctuations in foreign currency exchange rates; inflation; revenues derived entirely from energy drinks; increased competition; relationships with co-packers and distributors and/or their ability to manufacture and/or distribute GURU’s products; seasonality; relationships with existing customers; changing retail landscape; increases in costs and/or shortages of raw materials and/or ingredients and/or fuel and/or costs of co-packing; failure to accurately estimate demand for its products; history of negative cash flow and no assurance of continued profitability or positive EBITDA; repurchase of common shares; intellectual property rights; maintenance of brand image or product quality; retention of the full-time services of senior management; climate change; litigation; information technology systems; fluctuation of quarterly operating results; changes in government policies and international trade regulations; conflicts of interest; consolidation of retailers, wholesalers and distributors and key players’ dominant position; compliance with data privacy and personal data protection laws; management of new product launches; use of third-party marketing, including celebrities and influencers; review of regulations on advertising claims, as well as those other risk factors identified in other public materials, including those filed with Canadian securities regulatory authorities from time to time and which are available on SEDAR+ at www.sedarplus.ca. Additional risks and uncertainties not currently known to management or that management currently deems to be immaterial could also cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. Although the forward-looking information contained herein is based upon what management believes are reasonable assumptions as at the date they were made, investors are cautioned against placing undue reliance on these statements, since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information concerning availability of capital resources, business performance, market conditions, and customer demand. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that management anticipates will be realized or, even if substantially realized, that they will have the expected consequences or effects on the business, financial condition, or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and management does not undertake to update or amend such forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable law.