



DELOTA PROVIDES CORPORATE UPDATE ON SIGNIFICANT GROWTH AND PROGRESS

Highlights:

- **Largest omni-channel retailer of nicotine vape products in Ontario with 29 brick-and-mortar stores¹ and a Canada-wide e-commerce platform with a combined total of over 220,000 loyalty members.**
- **Achieved double-digit growth annually within its corporate retail locations since 2021.**
- **Projected revenue of over \$33.5 million for the year ended January 31, 2024, an increase of over 29% year over year, with gross margins of approximately 40%.**
- **Strategic growth plan with defined priorities for 2024 and beyond.**

Vaughan, Ontario – April 11, 2024 – Delota Corp. (“**Delota**” or the “**Company**”) (CSE: NIC) (FRA: S62) a leading Canadian omni-channel retailer of nicotine-based products is pleased to provide a corporate update on its operational growth and progress. Since acquiring its flagship brand, [180 Smoke Vape Store](#), the Company has seen consistent and meaningful growth across its entire platform.

Cameron Wickham, CEO of Delota, commented, “I am excited to provide this corporate update on the significant growth and progress we have made across our entire business. Delota is at the forefront of Canada’s smoke-free movement, offering innovative alternatives to traditional combustible tobacco. We cater specifically to adult consumers, and our aim is to redefine the way individuals transition away from smoking by providing an unparalleled retail experience and a carefully curated range of products. We are the largest omni-channel nicotine vape retailer in Ontario and have a mission to increase our national footprint to be the largest provider of nicotine-based products in the country. We are thrilled to enter into our next phase of growth, leveraging our existing infrastructure and team of over 145 employees to support our strategic growth initiatives.”

Operational Highlights

Delota is the largest omni-channel nicotine-based product retailer in Ontario, with a mission of being the largest national supplier of nicotine-based products. Currently, the Company has 29 brick-and-mortar stores across Ontario and a Canada-wide e-commerce platform with a combined total of over 220,000 loyalty members. On average, each store generates monthly traffic of over 3,000 customers and approximately \$65,000 per month in revenue.

The Company has been committed to providing an enhanced retail experience, having recently revamped its store brand guidelines, ensured a consistent product mix, streamlined promotional activities, and integrated new and existing customers through a unified loyalty program. Delota has

¹ Largest omni-channel retailer by number of stores in Ontario.

prioritized boosting same store sales in existing locations by increasing operational effectiveness and streamlining processes. Since 2021, the Company has achieved double digit growth within its corporate retail locations.

As part of our organic expansion plans, the Company is targeting to open an additional two to three net new stores per quarter in 2024. Looking forward, the Company also plans to expand outside of Ontario to increase its footprint nationally. Opening net new stores will add to both topline revenue as well as positive Earnings Before Interest Tax Depreciation Amortization (EBITDA) moving forward. There is significant potential for growth, whether through organic expansion or through strategic M&A by converting acquired brick-and-mortar stores to align with 180 Smoke's brand identity.

The Canadian nicotine vape market continues its robust growth and is projected to reach \$2 billion by 2025². 180 Smoke has outpaced the Canadian market growth by 22.3% from 2020 to 2022². The Company is well positioned to capitalize on this market growth and will continue to increase its market share both organically and through acquisition.

Financial Highlights

Since acquiring 180 Smoke in 2021, Delota has achieved meaningful operational effectiveness and revenue growth. 180 Smoke's revenue prior to the acquisition by Delota amounted to \$12.9 million on its financial statements for the year ended December 31, 2020. Delota's growth is notable based on its most recently reported and upcoming financial statements:

- Delota reported revenue of \$23.9 million for the nine months ended October 31, 2023, with gross profit of \$9.8 million and 41% gross margins in its latest unaudited interim financial statements.
- Delota is projecting revenue of over \$33.5 million for the year ended January 31, 2024 with gross margins of approximately 40% on an unaudited basis. This reflects an increase of over 29% year over year.

The Company's primary focus remains on its nicotine vape division which makes up almost 90% of Delota's total revenue which will continue to be the key priority moving forward. The Company is assessing various options for its legacy cannabis division which currently operates three brick-and-mortar stores under the Offside Cannabis banner name. Last year, Delota closed two underperforming dispensary locations, and as a result of these closures, the cannabis division now operates on a cash-flow positive basis.

Strategic Priorities

Delota has a defined growth plan for 2024, which includes three key strategic priorities: (1) to expand its product offering to include other nicotine-based products; (2) to increase its brick-and-mortar footprint organically across Ontario; and (3) to assess strategic tuck-in acquisition opportunities and expand its geographical brick-and-mortar footprint outside of Ontario.

² E-Cigarettes – Consumer Market Outlook at Statista, as of December 2023

About Delota Corp.

Delota Corp. is a nicotine vape enterprise that spearheads the smoke-free revolution in Canada, catering to adult consumers seeking alternative to traditional combustible tobacco. With a strong emphasis on delivering exceptional retail experiences and carefully curated product offerings, the Company is dedicated to redefining the way people transition away from smoking. The Company's flagship brand, [180 Smoke Vape Store](#), stands as Ontario's largest specialty omnichannel vape retailer, fueling innovation, growth, and leadership in the retail vape space.

Investors interested in learning more about Delota can visit www.delota.com.

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Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. The Company may not actually achieve its plans, projections, or expectations. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: the adequacy of our cash flow and earnings, the availability of future financing and/or credit, developments and changes in laws and regulations, consumer sentiment towards the Company's products, failure of counterparties to perform their contractual obligations, government regulations, competition, loss of key employees and consultants, and general economic, market or business conditions, the impact of technology and social changes on the products and industry, as well as those risk factors discussed or referred to in disclosure documents filed by the Company with the securities regulatory authorities in certain provinces of Canada and available at www.sedarplus.ca. Given

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