

# Delota Reports Record Revenue for the Fourth Quarter and Year Ended January 31, 2024

## Highlights:

- Total revenue of \$34.1 million for the Year Ended 2024, reflecting YoY growth of 31% from the comparative year
  - 40% gross profit margin for the Year Ended 2024
  - Positive Adjusted EBITDA of \$235,552 for the Year Ended 2024
- Total revenue of \$10.2 million for Q4 2024, reflecting YoY growth of 47% from the comparative quarter
  - 38% gross profit margin for Q4 2024
  - Positive Adjusted EBITDA of \$331,138 for Q4 2024
- Segmented Revenue for the Year Ended 2024:
  - Vape - B2C: \$23.4 million, B2B: \$6.9 million
  - Cannabis - B2C: \$3.8 million
- Expanded 180 Smoke Vape Store's brick-and-mortar retail presence to 29 locations solidifying its position as the largest omni-channel specialty vape retailer in Ontario<sup>1</sup>
- Increased system-wide loyalty accounts to over 220,000 members across Canada
- Achieved double-digit growth YoY within corporate retail locations
- Expanded nicotine-based product line with the addition of pouches

Vaughan, Ontario--(Newsfile Corp. - May 31, 2024) - Delota Corp. (CSE: NIC) (FSE: S62) ("**Delota**" or the "**Company**"), a leading Canadian omni-channel retailer of nicotine vape and alternative tobacco products is pleased to report it has filed its annual consolidated financial statements, management discussion and analysis, and associated certifications (collectively, the "**Annual Filings**") for the fiscal year ended January 31, 2024. The Annual Filings may be accessed under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

**Cameron Wickham, CEO of Delota, commented, "I am very pleased with our fourth quarter and annual results for the year ended January 31, 2024, which includes record annual revenue of \$34 million. We have expanded our 180 Smoke footprint across Ontario to 29 stores and strengthened our national e-commerce platform which together, serve over 220,000 loyalty members." He continued, "We have a defined growth strategy, which includes organic brick-and-mortar expansion in Ontario and select provinces across Canada, as well as strategic M&A to accelerate growth. The industry is primed for consolidation, and Delota is well positioned to capitalize on that. As we continue to expand our platform, we will increase top line revenue and add to bottom line profitability. I am very proud of our team and look forward to continuing to excel in this exciting industry."**

## Financial Highlights:

- Total revenue of \$34,069,680 for the year ended January 31, 2024 ("**Year Ended 2024**"), reflecting year-over-year ("**YoY**") growth of 31% as compared to the year ended January 31, 2023
  - 40% gross profit margin for the Year Ended 2024
  - Positive Adjusted EBITDA of \$235,552 for the Year Ended 2024
- Total revenue of \$10,152,051 for the three months ended January 31, 2024 ("**Q4 2024**"), reflecting YoY growth of 47% as compared to the three months ended January 31, 2023
  - 38% gross profit margin for Q4 2024
  - Positive Adjusted EBITDA of \$331,138 for Q4 2024
- Segmented Revenue for the Year Ended 2024:
  - Vape - B2C: \$23,434,410, B2B: \$6,874,734
  - Cannabis - B2C: \$3,760,536

### Other Highlights:

- On April 29, 2024, the Company announced the expansion of its product portfolio with the addition of nicotine-based Siberia White Snus pouches through a partnership with GN Canada, the exclusive Canadian distributor and partner with global snus leader GN Tobacco.
- On April 11, 2024, the Company provided a corporate update on its significant growth and progress.
- On April 2, 2024, the Company changed its stock symbol from "LOTA" to "NIC" on the Canadian Securities Exchange. The new stock symbol is intended to better align with its mission of becoming the largest national specialty retailer of nicotine vape and alternative tobacco products.
- On February 5, 2024, the Company completed debt settlements in the amount of \$215,000 with certain creditors of the Company to preserve cash for working capital through the issuance of 1,535,715 units of the Company at a price of \$0.14 per unit.
- On December 19, 2023, the Company closed a non-brokered private placement of senior secured convertible debenture units for aggregate gross proceeds of \$900,000.
- On December 19, 2023, the Company opened a 180 Smoke Vape Store located at 103 10<sup>th</sup> Street East, Owen Sound, Ontario expanding 180 Smoke's brick-and-mortar presence to 29 locations.
- On September 25, 2023, the Company's common shares commenced trading on the Frankfurt Stock Exchange under the symbol "S62".

### Select Financial Information

The following selected financial information for the years ended January 31, 2024, 2023 and 2022 are derived from the Company's annual audited consolidated financial statements.

For the Years Ended January 31,	2024	2023	2022
	\$	\$	\$
Revenue	34,069,680	25,937,502	17,685,848
Net income (loss) for the year	(1,992,576)	7,673,115	(8,844,970)
Net earnings (loss) per share - basic and diluted	(0.07)	0.31	(0.65)
Working capital (deficit)	(771,198)	(1,533,522)	(11,600,886)

Total assets	13,735,729	14,780,382	13,405,060
Total non-current liabilities	6,565,672	6,093,425	6,816,858
Total liabilities	13,351,331	12,622,389	21,920,182
Capital stock	7,592,481	7,528,481	4,528,481
Warrant reserve	99,398	99,398	99,398
Contributed surplus	507,005	352,024	352,024
Accumulated deficit	(7,814,486)	(5,821,910)	(13,495,025)
Shareholders' equity (deficiency)	384,398	2,157,993	(8,515,122)

## Adjusted EBITDA

The Company's "Adjusted EBITDA" is a non-IFRS metric used by management that does not have any standardized meaning prescribed by IFRS and may not be fully comparable to similar measures presented by other companies. Management defines Adjusted EBITDA as the net income (loss) reported, before income taxes and other expense (income) items such as finance costs, finance income, gains and losses related to derivative liability valuations, and adjusted for share-based compensation, depreciation and amortization expenses, gains and losses related to the revaluations of its right-of-use assets and lease liabilities and foreign exchange differences.

The reconciliation of net income (loss) to Adjusted EBITDA is presented below.

For the Years Ended January 31,	2024	2023	2022
	\$	\$	\$
<b>Net income (loss) for the year - as reported</b>	(1,992,576)	7,673,115	(8,898,117)
Depreciation and amortization	575,431	640,904	489,072
Interest and accretion expenses	330,492	162,818	143,173
Stock-based compensation	218,981	-	180,663
Fair value adjustment of derivative liabilities	566,212	-	-
Gain on acquisition of 276 Ontario	-	(8,129,171)	-
Deferred tax recovery	(63,777)	(63,777)	(53,147)
Lease adjustments	567,395	(145,265)	142,822
Foreign exchange loss	33,394	7,745	7,325
Impairment	-	-	6,919,963
<b>Adjusted EBITDA</b>	<b>235,552</b>	<b>146,369</b>	<b>(1,068,246)</b>

## About Delota Corp.

Delota is the largest omni-channel specialty vape retailer in Ontario with a mission of becoming the largest national specialty retailer of nicotine vape and alternative tobacco products. The Company's growth strategy includes aggressively growing its flagship brand, 180 Smoke Vape Store, by expanding its retail footprint organically in Ontario and select provinces across Canada, strengthening its national e-commerce platform, and through strategic M&A to accelerate growth and market consolidation. The Company is committed to expanding its nicotine product assortment, enhancing customer experience, and growing its loyalty accounts, which now exceeds 220,000 members.

Investors interested in learning more about Delota can visit [www.delota.com](http://www.delota.com).

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## Cautionary Statements

*This press release contains "forward-looking statements or information". Forward-looking statements can be identified by words such as: anticipate, intend, plan, goal, seek, believe, project, estimate, expect, strategy, future, likely, may, should, will and similar references to future periods. Examples of forward-looking statements in this press release include statements made regarding information about future plans, expectations and objectives of the Company overall.*

*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](http://www.sedarplus.ca). Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements.*

*Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. Except as required by applicable securities laws, we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.*

*The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*

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<sup>1</sup> Based on number of retail stores in Ontario.



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