Delota Reports Second Quarter Revenue of $9.8 Million and Over $0.3 Million of Adjusted EBITDA

Highlights:

- **Total revenue of $9.8 million for Q2 2025, reflecting YoY growth of 18% from the comparative quarter**
  - **41.6% gross profit margin for Q2 2025**
  - **Positive Adjusted EBITDA of $315,574 for Q2 2025**
- **Total revenue of $19.6 million for the Six Months Ended 2025, reflecting YoY growth of 24% from the comparative period**
  - **40.7% gross profit margin for the Six Months Ended 2025**
  - **Positive Adjusted EBITDA of $420,940 for the Six Months Ended 2025**
- **Segmented revenue for the Six Months Ended 2025:**
  - **Vape - B2C: $15.5 million, B2B: $2.4 million**
  - **Cannabis - B2C: $1.7 million**
- **Continues to execute on defined expansion plan; opened two additional 180 Smoke Vape Stores in Ontario, expanding retail presence to 31 locations solidifying 180 Smoke's position as the largest omni-channel specialty vape retailer in Ontario[1]**
- **Increased customer loyalty accounts to over 245,000 members across online and brick-and-mortar platforms**

Vaughan, Ontario--(Newsfile Corp. - October 1, 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 quarterly financial statements, management discussion and analysis, and associated certifications (collectively, the "**Quarterly Filings**") for the three and six months ended July 31, 2024. The Quarterly Filings may be accessed under the Company's SEDAR+ profile at www.sedarplus.ca.

Cameron Wickham, CEO of Delota, commented, *"I am very pleased with our second quarter financial results, and improved adjusted EBITDA. The Company is at an inflection point, in which our platform is fully ready to support growth and expansion to become a national specialty vape retailer. As we continue to scale the business, our bottom line will continue to improve with healthy gross margins of approximately 40%. We continue to execute on our defined expansion plan opening two additional 180 Smoke Vape Stores within the quarter. Since the beginning of 2024, we have added almost 30,000 new loyalty customers across the platform, now having over 245,000 loyalty accounts. Looking at the second half of the year, we will continue to scale the business organically across Ontario and look at consolidation opportunities to build our footprint across Canada, targeting the west coast."*

Financial Highlights:

- Total revenue of $9,757,783 for the three months ended July 31, 2024 ("**Q2 2025**"), reflecting YoY growth of 18% as compared to the three months ended July 31, 2023
  - 41.6% gross profit margin for Q2 2025
  - Positive Adjusted EBITDA of $315,574 for Q2 2025
- Total revenue of $19,641,666 for the six months ended July 31, 2024 ("**Six Months Ended 2025**"), reflecting YoY growth of 24% as compared to the six months ended July 31, 2023
  - 40.7% gross profit margin for the Six Months Ended 2025
  - Positive Adjusted EBITDA of $420,940 for the Six Months Ended 2025
- Segmented Revenue for the Six Months Ended 2025:
  - Vape - B2C: $15,472,965, B2B: $2,425,337
  - Cannabis - B2C: $1,743,364

Other Highlights:

- On August 26, 2024, the Company opened an additional 180 Smoke Vape Store located at 499 Main Street South, Unit 60D, Shoppers World, Brampton, expanding 180 Smoke's brick-and-mortar presence to 31 locations across Ontario.
- On July 25, 2024, the Company opened a 180 Smoke Vape Store located at 70 Joseph Street, Parry Sound.
- 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.

Select Financial Information

The following selected financial information as at and for the six months ended July 31, 2024 and the year ended January 31, 2024 are derived from the Company's consolidated financial statements.

	Six Months Ended July 31, 2024 $	Year Ended January 31, 2024 $
Revenue	19,641,666	34,069,680
Net income (loss)	(167,016)	(1,992,576)
Net earnings (loss) per share - basic and diluted	(0.01)	(0.07)
Working capital (deficit)	(854,417)	(771,198)
Total assets	14,423,833	13,735,729

Total non-current liabilities	6,106,756	6,565,672
Total liabilities	13,969,884	13,351,331
Capital stock	7,832,560	7,592,481
Warrant reserve	99,398	99,398
Contributed surplus	503,493	507,005
Accumulated deficit	(7,981,502)	(7,814,486)
Shareholders' equity (deficiency)	453,949	384,398

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.

	Three Months Ended July 31, 2024 $	Three Months Ended July 31, 2023 $	**Six Months Ended July 31, 2024 $**	Six Months Ended July 31, 2023 $
Net income (loss) for the period - as reported	**341,172**	(162,549)	**(167,016)**	(487,173)
Depreciation and amortization	**131,282**	146,341	**263,892**	292,100
Interest and accretion expenses	**203,927**	32,352	**407,845**	62,088
Stock-based compensation	**4,663**	218,981	**7,817**	218,981
Fair value adjustment of derivative liabilities	**(340,970)**	-	**(47,139)**	-
Deferred tax recovery	**(15,944)**	(15,944)	**(31,888)**	(31,888)
Lease adjustments	**(15,459)**	74,106	**(28,800)**	(10,645)
Foreign exchange loss	**6,903**	6,962	**16,229**	13,329
Adjusted EBITDA	**315,574**	300,249	**420,940**	56,792

About Delota Corp.

Delota is the largest omni-channel specialty vape retailer in Ontario with a mission of becoming one of the largest national specialty retailers 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 245,000 members.

Investors interested in learning more about Delota can visit 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 flowand 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 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 newinformation, 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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[1] *Based on number of retail stores in Ontario.*

Delota Corp.