

## WORLD CLASS EXTRactions REPORTS OPERATING AND FINANCIAL RESULTS FOR THE YEAR ENDED APRIL 30, 2020

*~ 100% increase in revenue from previous periods*

VANCOUVER, September 3, 2020 – World-Class Extractions Inc. (CSE: **PUMP**) (FRA:**WCF**) (OTCQB:**WCXF**) (the “**Company**” or “**World-Class**”), is pleased to report the operating and financial results for its year ended April 30, 2020.

### Company Summary

World-Class is an innovation-driven company with a principle focus on the evolving cannabis and hemp industries. Through its subsidiaries, World-Class is working on partnerships to deploy and manage custom-built extraction centres utilizing its custom systems, technology, and processes to efficiently produce high-quality cannabis and hemp concentrates and end-products.

In addition, Pineapple Express Delivery (“**PED**”), a company in which the Company holds a controlling interest, offers compliant and secure delivery of government regulated products, including medical and recreational cannabis in Ontario, Manitoba and Saskatchewan, and liquor delivery in certain jurisdictions in Saskatchewan.

On July 29, 2020, World-Class announced that a company in which World-Class holds a 50% equity interest, Cobra Ventures Inc. (“**Cobra**”), entered into an agreement to acquire a senior secured convertible debenture of HydRx Farms Ltd. operating as Scientus Pharma (“**HydRx**”) in the principal amount of CDN\$11,500,000, plus accrued and unpaid interest and charges (the “**Debenture**”) from a leading Canadian Licensed Producer, subject to certain closing conditions. Cobra is purchasing the Debenture for CDN\$5,000,000.

### Financial (audited)

- Revenue of \$1,108,292 for the year ended April 30, 2020 compared to nil revenue for the year ended April 30, 2019. Gross margin for the year ended April 30, 2020 was 47%.
- The Company had cash as at April 30, 2020 of \$5,632,160 (April 30, 2019 - \$16,002,152) and current assets of \$8,503,914 (April 30, 2019 - \$20,957,680) to settle current liabilities of \$5,493,417 (April 30, 2019 - \$325,281). \$3,018,134 of the current liabilities relate to convertible debt of \$1,996,405 and resulting derivative liability of \$1,021,729 assumed pursuant to the PED acquisition.
- The net loss and comprehensive loss for the year ended April 30, 2020 was \$48,539,965 (as compared to April 30, 2019 of \$12,354,999). The increased loss for the year is mainly attributed to the following:
  - Due to downturn in the cannabis market and management’s decision to deprioritize the development of the ultrasonic intellectual property technology, there is uncertainty in the realization of future economic benefits from this intellectual property. As a result, the Company assessed and recognized \$7,773,287 in impairment charge against the value of this asset which is equivalent to 100% of its carrying amount.



- Due to uncertainty on the realization of future economic benefits from the ultrasonic technology the patent that relates to the technology was also impaired. As a result, the Company recognized an impairment charge of \$101,367 relating to this ultrasonic patent in the statement of loss and comprehensive loss.
- The Company assessment of the value of the goodwill associated with the QCC acquisition amounted to \$Nil and hence, an impairment loss equal to \$20,450,690 was recognized in the statement of loss and comprehensive loss for the year. Impairment is attributed to a downturn in the cannabis market, declining extraction equipment sales and uncertainty of future economic benefits. The remaining goodwill relates to goodwill assumed upon acquisition of PED.
- In addition, the loss includes a write down of inventories of \$3,406,415, depreciation and amortization expense of \$2,375,327. Selling expenses totaled \$1,108,292 (April 30, 2019 - \$1,162,615). General and administrative expenses totaling \$9,293,522 (April 30, 2019 - \$3,334,014) included the following notable expenses, consulting fees of \$758,880 (April 30, 2019 - \$707,996); development and research expenses of \$1,728,755 (April 30, 2019 - \$81,026); office expenses of \$182,119 (April 30, 2019 - \$19,834), professional fees of \$1,103,618 (April 30, 2019 - \$384,859); rent of \$189,331 (April 30, 2019 - \$21,983), remuneration and benefits of \$2,133,478 (April 30, 2019 - \$Nil); and share-based payments of \$2,468,231 (April 30, 2019 - \$1,864,786).

Rosy Mondin, CEO of World-Class stated: "World-Class has seen a 100% increase in its revenues from prior periods and we anticipate seeing triple-digit revenue growth for the rest of the year. By maximizing the capabilities of our subsidiaries we've been able to capitalize on their successes and the important role they play in supporting the growth of the Canadian cannabis industry. We are pleased with the strong growth from PED - since our acquisition of a controlling interest in PED in March 2020, PED continues to expand its service jurisdictions as well as its delivery of controlled substances, to now include wine, spirits and beer delivery in addition to recreational, medical and B2B cannabis delivery. To further support medical cannabis delivery to patients, PED partnered with Medical Cannabis by Shoppers™ and Spectrum Therapeutics, the medical division of Canopy Growth Corporation. The Soma team completed the commissioning of an independent mobile processing system which efficiently sorts, pelletizes, bags and oxygen-purges acres of hemp crop in hours. In addition, the Company is taking advantage of opportunities to monetize and deploy its extraction systems, and as announced in July 2020 we are purchasing a first position Debenture registered against the assets of HydRx Farms Inc."

"For this year-end," Ms. Mondin continued, "we have taken a extremely conservative accounting approach resulting in the impairment of our intangible assets. World-Class' cash position provides us the flexibility to meet operational obligations, while we pursue other opportunities that may arise during this period of volatility. Management remains hyper-focused as we strategically position ourselves to capitalize on the opportunities ahead in the pursuit of shareholder value. The downturn in the cannabis and hemp industries which began in 2019, and further amplified by the COVID-19 pandemic has certainly presented its challenges but our World-Class teams continue to execute on our growth strategy. We are proud of our ability to adapt and pivot to meet today's market realities. The steps taken this past year will result in a leaner and stronger company that will continue to innovate, maximize production and reduce costs and be a strong industry competitor."



## About World-Class

World-Class is an innovation-driven company with a principle focus on the rapidly evolving cannabis and hemp industries. Through its subsidiaries Soma Labs Scientific Inc. and Greenmantle Products Inc., World-Class deploys and manages custom-built extraction centres utilizing its custom systems, technology, and processes to efficiently produce high-quality cannabis and hemp concentrates and end-products. In addition, through its subsidiary Pineapple Express Delivery Inc. the Company offers compliant and secure delivery of government regulated products, including medical and recreational cannabis in Ontario, Manitoba and Saskatchewan, and liquor delivery in certain jurisdictions in Saskatchewan.

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## Cautionary Note Regarding Forward-Looking Statements

*All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to the Company within the meaning of applicable securities laws, including with respect to the ability of Cobra to close on the acquisition of the Debenture. The Company provides forward-looking statements for the purpose of conveying information about current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. These risks and uncertainties include but are not limited to those identified and reported in the Company's public filings under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.*