

## WORLD CLASS EXTRACTIONS REPORTS OPERATING AND FINANCIAL RESULTS FOR THE THREE-MONTH PERIOD ENDED JULY 31, 2020

~ Q1 2020 revenue of \$2,067,340 compared to Q1 2019 revenue of \$167,802

VANCOUVER, September 30, 2020 – World-Class Extractions Inc. (CSE: **PUMP**) (FRA:**WCF**) (OTCQB:**WCEXF**) (the “**Company**” or “**World-Class**”), is pleased to report the operating and financial results for its first quarter ended July 31, 2020.

### Company Summary and Highlights

#### *Pineapple Express Delivery Inc.*

World-Class holds a controlling interest in Pineapple Express Delivery Inc. (“**PED**”), a company which offers compliant and secure delivery of government-controlled substances and regulated products, including medical and recreational cannabis in Ontario, Manitoba and Saskatchewan, and liquor delivery in certain jurisdictions in Saskatchewan. Within Ontario, PED currently offers same day delivery to 17 locations and 3-day delivery to 31 locations. PED continues to improve and expand its existing delivery services and expects to launch prescription medication delivery in British Columbia and the Greater Toronto Area in the near term.

PED anticipates its revenues will increase over the coming months resulting from expansion into new jurisdictions, and the continuing growth of deliveries for the B2B sector, which has seen month-over-month increases in revenue since May 2020.

Randy Rolph, CEO & Founder of PED stated: “The guiding principles of Pineapple Express Delivery is that clients and patients should be able to receive their regulated product orders (alcohol, prescription medications and cannabis) as quickly, safely and as easily as they can obtain any other product in Canada. The COVID-19 pandemic creates a new landscape for same-day and last-mile delivery, and PED is staying at the forefront in implementing safety requirements for the protection of clients, patients and drivers alike. All PED drivers are trained to follow safe social distancing protocols and are equipped with all necessary PPE items, and driver vehicles are equipped with a 360° security camera. COVID requirements are maintained daily at PED facilities, including disinfecting with special products proven to kill 99.99% of bacteria. PED continues to advance into new territories, offering safe and secure delivery opportunities to better serve the public. PED aspires to be the ‘Amazon’ of regulated products in a very secure and controlled environment of same-day delivery.”

### Financial (unaudited)

- Revenue of \$2,067,340 for the quarter ended July 31, 2020 compared to \$852,890 for the quarter ended April 30, 2020 and \$167,802 revenue for the quarter ended July 31, 2019. The increase in revenue is primarily attributable to the operations of PED. Gross margin for the quarter ended July 31, 2020 was 35%.
- The Company had cash at July 31, 2020 of \$4,205,297 (April 30, 2020 - \$5,632,160).
- Working capital as at July 31, 2020 was \$2,245,857.
- The Company has long-term debt consisting of \$920,919 in non-current portion of lease obligations and \$120,000 in non-current loans payable.
- The net loss and comprehensive loss for the three months ended July 31, 2020 was \$1,094,701 (as compared to July 31, 2019 of \$4,222,132). The decreased loss for the quarter is mainly attributed to the following:

- the decrease in general and administrative expenses - \$1,788,131 for the quarter ended July 31, 2020 (\$2,242,485 July 31, 2019) which included the following notable expenses: consulting fees of \$89,131 (July 31, 2019 - \$317,273); research and development expenses of \$332,999 (July 31, 2019 - \$254,258); lease interest of \$37,090 (July 31, 2019 - \$3,486); filing fees of \$13,232 (July 31, 2019 - \$35,732); office expenses of \$169,887 (July 31, 2019 - \$2,385), professional fees of \$174,503 (July 31, 2019 - \$359,549); rent of \$80,883 (July 31, 2019 - \$38,645), remuneration and benefits of \$632,315 (July 31, 2019 - \$237,519); and share-based payments of \$257,058 (July 31, 2019 - \$993,135);
- the decrease in selling expenses attributed to the costs associated with the revenue generated - \$19,260 for the quarter ended July 31, 2020 (\$377,767 July 31, 2019);
- the decrease in acquisitions fees – nil for the quarter ended July 31, 2020 (\$982,675 July 31, 2019). The acquisition fees for the quarter ended July 31, 2019 are attributed to the merger between World Class Extractions Inc. and Quadron Cannatech Corporation which occurred June 17, 2019; and
- in addition, the loss includes impairment loss of \$15,629, depreciation and amortization of \$152,348, interest and bank charges of \$190,865, and the loss on asset disposal of \$200,276.

Rosy Mondin, CEO of World-Class stated: "Pineapple Express Delivery continues to impress, showing sequential revenue growth with significant operating margins, which World-Class is able to capture on its financial statements. As infectious disease experts warn of the fall/winter surge of COVID-19 infections, we will likely see people return to similar shopping habits as seen early in the pandemic—that is Canadians will increasingly make more purchases online. With PED's territorial and service expansions, we expect PED to continue to be the leader in safe and swift delivery of controlled substances and regulated products."

### **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.

## **Investor Contact**

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## **Cautionary Note Regarding Forward-Looking Statements**

Except for the statements of historical fact contained herein, the information presented in this news release constitutes "forward-looking statements" as such term is used in applicable United States and Canadian laws. These statements involve known and unknown risks, assumptions, uncertainties, and other factors that may cause actual results or events to differ materially. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any other statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and should be viewed as "forward-looking statements". Forward-looking statements in this news release include statements regarding PED's projected preliminary gross margin figures for August 2020 compared to July 2020 the Company's intention to enter into the agreements to outfit and operate cannabis and hemp-based oil extraction facilities, the expected benefits to the Company as a result of the proposed agreements; the terms of the proposed agreements; the effectiveness of the extraction technology. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however these expectations may not prove to be correct. Such statements are only projections and predictions, are based on assumptions known to management at this time, and are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the forward-looking statements, certain of which may be beyond the control of the Company including that the Company may not open the cannabis and hemp oil extraction facilities; the parties not being able to agree to terms of the agreements; that the cannabis and hemp oil extraction facilities may not be fully operational in 2020 if at all; that legislative changes may have an adverse effect on the Company's business and product development; that the Company may not be able to obtain adequate financing to pursue its business plan; general business, economic, competitive, political and social uncertainties; failure to obtain any necessary approvals in connection with the proposed agreements, and other factors beyond the Company's control. 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 statements, 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 statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this news release and in any document referred to in this news release. The Company assumes no obligation to update or supplement any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities.

Forward-looking statements include, but are not limited to, the anticipated closing of any acquisitions by the Company, the continued growth and expansion of the Company's operations, and the receipt of regulatory approvals, including the approval of the CSE.

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.