

## WORLD CLASS EXTRactions REPORTS OPERATING AND FINANCIAL RESULTS FOR THE NINE-MONTH PERIOD ENDED JANUARY 31, 2021

~ World-Class continues to show substantial revenue growth quarter-over-quarter with revenue of \$2,649,140 for the quarter ended January 31, 2021 compared to revenue of \$75,562 for the quarter ended January 31, 2020

VANCOUVER, March 25, 2021 – 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 third quarter ended January 31, 2021.

### Financial (unaudited)

- Revenue of \$2,649,140 for the quarter ended January 31, 2021 compared to \$2,289,799 for the quarter ended October 31, 2020 and \$75,562 revenue for the quarter ended January 31, 2020 - a 2,653% revenue growth from January 2020 to January 2021. The increase in revenue is primarily attributable to the operations of PED.
- Gross margin for the quarter ended January 31, 2021 was 27%, consistent with the gross margin figure for the month of January 2021 reported in the Company’s news release dated March 2, 2021, but down slightly from the gross margin figures reported for the individual months of November and December 2020.
- The Company had cash at January 31, 2021 of \$3,017,799 (April 30, 2020 - \$5,632,160).
- Working capital as at January 31, 2021 is \$911,231.
- The Company has long-term debt consisting of \$819,216 in non-current portion of lease obligations and \$92,061 in non-current loans payable.
- The net loss and comprehensive loss for the three months ended January 31, 2021 was \$626,878 (as compared to January 31, 2020 of \$33,144,218). The loss for the three-month quarter ended January 31, 2021 (with comparisons for the quarter ended January 31, 2020) is mainly attributed to the following:
  - depreciation and amortization expense of \$157,600 (2020 - \$775,844), consulting fees of \$8,500 (2020 - \$132,102),; filing fees of \$25,592 (2020 - \$26,075); development and research expenses of \$97,600 (2020 - \$830,180); lease interest of \$66,151 (2020 - \$42,348); office expense of \$140,684 (2020 - \$156,933); professional fees of \$166,328 (2020 - \$195,315); management fees of \$55,500 (2020 - \$57,675), remuneration and benefits of \$544,140 (2020 - \$640,550); share-based payments of \$11,865 (2020 - \$241,131) and impairment loss of \$Nil (2020 - 29,364,656)

### 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 regulated products, including medical and



recreational cannabis in Ontario, Manitoba and Saskatchewan, and liquor delivery in certain jurisdictions in Saskatchewan.

Since the Company's acquisition of a controlling interest in PED, PED has achieved the following milestones:

- A total of 580,732 cannabis and alcohol deliveries for the nine months ended January 31, 2021 were made. The fluctuations in deliveries quarter over quarter are due to the COVID-19 lockdown measures put in place in the Greater Toronto Area with volumes increasing during these lockdowns. Total deliveries per quarters: 209,676 – three months ended January 31, 2021, 181,569 – three months ended October 31, 2020 and 189,487 – three months ended July 31, 2020.
- The number of drivers changed from 55 at the beginning of 2020, to approximately 190 by the end of July 31, 2020, 180 by October 31, 2020 and 200 by January 31, 2021. Efficiencies have also been created by routing deliveries through hub expansions and concentrating drivers to tighter geographical areas, leading to less hours used by drivers for the timely delivery of packages.
- Offering same day cannabis delivery service in 37 cities (183 postal code regions) and 3-day service in 65 cities (288 postal code regions) in Ontario, PED expanded cannabis delivery services to Ottawa, Barrie, Kingston, London, and the Windsor/Chatham region.
- Expanded liquor delivery services to provide same-day and next-day delivery of wine, spirits and beer products from Saskatoon Co-op's Wine-Spirits-Beer retail stores in Saskatoon, Warman and Martensville.
- Partnered with Medical Cannabis by Shoppers™ to offer same-day delivery to their medical cannabis patients in cities in and around the Greater Toronto Area (GTA).
- Partnered with Spectrum Therapeutics, the medical division of Canopy Growth Corporation to bring same-day delivery to medical cannabis patients in the GTA.
- Partnered with CannTrust Inc. to provide deliveries for estora™ medical cannabis products to CannTrust patients in Ontario, under the name "Trust Delivery – Powered by Pineapple Express".
- Several contracts in place with Health Canada license holders for delivery within select provinces in Canada (B2B cannabis delivery services).
- Late-stage applicant to Health Canada to obtain a 'Sale for Medical Purposes' license for its facility located in the GTA. With a population of 6-million people, this sales license gives PED the ability to store inventory for other license holders, allowing PED to leverage its facility in the GTA and offer same day delivery services to the patients of those LPs.

The Company cautions that figures for revenue, gross margin, and number of deliveries generated from the services offered by Pineapple Express Delivery have not been audited beyond April 30, 2020 and any monthly updates are based on calculations prepared by the Company and management of Pineapple Express Delivery. Actual results may differ from those reported in this release once figures have been audited.

### Soma Labs

The Company's subsidiary, Soma Labs Scientific Inc. ("**Soma**"), has focused on production, quality and compliance of systems, technologies, processes and procedures for cannabis and hemp extraction and processing, including the BOSS CO2 Extraction System and the BEAST Ethanol Extraction System. World-Class continues to focus on monetizing its Soma Labs' assets, including the extraction and processing systems, technology and processes to produce cannabis and hemp concentrates and end-products.

### Patent Applications and Information

The Company has previously filed, and will continue to file, patent applications directed to its proprietary systems and methods for producing cannabis and hemp extracts. Such systems and methods are believed to be novel and non-obvious, based on the ability of the World-Class Technologies to produce extracts that have substantially greater concentrations of target cannabinoids and possess minimal contaminants. Additional advantages of the World-Class Technologies include the ability to process very large volumes of cannabis and hemp plant material.

The United States Patent and Trademark Office ("**USPTO**") has awarded the Company the following U.S. Patents:

- U.S. Patent No. 10,851,077, issued on December 1, 2020 in relation to the Company's methods for extracting and concentrating cannabinoids and other target compounds from cannabis using ultrasound-enhanced solvent extraction. WCE's patented plant processing technology allows for prompt cannabinoid extraction following harvest, including the root and all other parts of the hemp plant and further utilizes ethanol for extraction, as opposed to the use of toxic hydrocarbon solvents. WCE's patented process additionally uses precisely focused ultrasound to release cannabinoids from the hemp plant that produces CBD yields that are believed to be among the highest in the industry while also minimizing biomass waste and solvent usage.
- U.S. Patent No. 10,946,306, issued on March 16, 2021 in relation to the Company's methods for the systematic extraction and concentration of cannabinoids and other target compounds via solvent extraction from large scale harvests of cannabis and hemp crops. World-Class' patent process minimizes energy consumption, conserves the volume of solvent utilized in the extraction process, and maximizes the quantity of cannabinoids sought to be extracted on a large-scale, commercial basis, than other known cannabinoid extraction techniques.

These patents continue to supplement World-Class' goal to achieve the most sustainable, efficient, and economical method of large-scale commercial production of cannabis plant material.

### Update regarding Cobra Ventures & HydRx Farms Debenture Investment

During the period ended January 31, 2021, World-Class provided a \$2.5M loan to Cobra Ventures Inc. ("**Cobra**") with respect to a debenture purchase of HydRx Farms Ltd. operating as Scientus Pharma ("**HydRx**"). World-Class subsequently sold its 50% interest in Cobra to the remaining shareholder of Cobra, the sale of which included the receipt of all funds (\$2.5 million) previously advanced by World-Class to Cobra. The World-Class loan was paid out in full, and World-Class has no further interest in Cobra and no ongoing role or involvement with HydRx or the HydRx debenture.



## **About World-Class Extractions Inc.**

World-Class is an innovation-driven company with a principle focus on the rapidly evolving cannabis and hemp industries. World-Class offers compliant and secure delivery of government regulated products through its subsidiary Pineapple Express Delivery Inc., including medical and recreational cannabis in Ontario, Manitoba and Saskatchewan, and liquor delivery in certain jurisdictions in Saskatchewan. World-Class continues to investigate opportunities 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.

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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 deployment of extraction and processing systems for cannabis and hemp and the ability of Pineapple Express Delivery to expand its delivery services and to provide discrete shipment of products. 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.*