

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

VANCOUVER, March 27, 2020 (ACCESSWIRE) – World Class Extractions Inc. (“**World-Class**” or the “**Company**”) (CSE: **PUMP**) (FRA: **WCF**) is pleased to report the operating and financial results for its third quarter ended January 31, 2020.

### Financial (unaudited)

- The Company had cash at January 31, 2020 of \$7,469,714 (April 30, 2019 - \$16,002,152) to settle current liabilities of \$1,352,657 (April 30, 2019 - \$325,281).
- Working capital as at January 31, 2020 is \$13,363,057.
- The Company does not have any loans, convertible debt or long-term debt.
- Revenue of \$75,562 for the quarter ended January 31, 2020 compared to nil revenue for the quarter ended January 31, 2019. Gross margin for the quarter ended January 31, 2020 was 40%.
- The net loss and comprehensive loss for the three months ended January 31, 2020 was \$33,144,217 (as compared to January 31, 2019 of \$3,585,161). The increased loss for the quarter is mainly attributed to the following:
  - due to uncertainty in the realization of future economic benefits from the intellectual property (IP rights for a proprietary technology) as well as uncertainty in market conditions, in general and the cannabis sector, the Company assessed and recognized a \$7,773,287 impairment loss for this asset which is equivalent to 100% of its carrying amount.
  - considering uncertainty in market conditions, in general and the cannabis sector, management assessed uncertainty in the recoverability of goodwill pursuant to the Quadron Cannatech Corporation business combination. As such, the Company fully impaired the goodwill and recorded an impairment loss amounting to \$21,591,369.
  - in addition, the loss includes amortization expense of \$729,128, bad debt \$290,637, consulting fees of \$141,777; development and research expenses of \$830,180; general and administrative expenses of \$173,280, professional fees of \$195,315; investor relations fees of \$90,669, management fees of \$48,000, marketing and research expenses of \$25,957; remuneration and benefits of \$640,550; share-based payments of \$241,131; and travel expenses of \$27,966.

Rosy Mondin, CEO of World-Class stated: “Given market conditions, and challenges faced by the cannabis industry during 2019, along with the impact of the COVID-19 pandemic event, we have taken a very conservative accounting approach resulting in the impairment of our intangible assets. World-Class’ strong balance sheet, with a large cash position, provides us the flexibility to navigate this uncertain time, while also enabling us to realize on the inevitable opportunities that will present during this volatility. Senior Management remain focused and highly motivated in the pursuit of shareholder value.”

## **About World-Class**

World-Class develops, deploys, and manages custom-built extraction centers for licensed cannabis and hemp processors. Utilizing its custom technology and processes, World-Class enables its licensed partners to efficiently produce high-margin cannabis and hemp concentrates and oils. Through its relationships with licensed partners, World-Class also has the ability to offer toll processing of cannabis and hemp to licensed third parties that lack the expertise and equipment required to produce high-quality cannabis and hemp concentrates and end-products. With over half of a decade spent in research and development, the Company allows licensed producers to access the technology required to create value-added products in the expanding concentrate market.

## **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 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.