

August 24, 2021



MCOA Reports Second Quarter and Six Month 2021 Financial Results and Provides Corporate Update

LOS ANGELES, CA / ACCESSWIRE / August 24, 2021 Marijuana Company of America, Inc. (OTC PINK:MCOA) ('the Company'), a diversified holding company with operations and investments throughout the cannabis industry, today announced its financial results for the second quarter and six months ended June 30, 2021, and provided an update on its recent acquisition and other corporate developments including its recent shift in business strategy as it expands into the Legalized Cannabis THC Industry.

"During the second quarter 2021, we strengthened our capital resources by reducing significant debt and have made further inroads in our mission to grow our vertical portfolio of Cannabis businesses. This is reflected with the June 2021 addition of cDistro (Retail Service / Wholesale Prices) distributor of CBD brands, along with smoke and vape shop related products to wholesalers, c-stores, specialty retailers, and consumers in North America," said Jesus Quintero, CEO of Marijuana Company of America, Inc. "This acquisition represents significant upside and growth in revenue as we continue our focus on executing the strategy with diversification within the Cannabis industry thru acquisitions along with organic growth. Unfortunately, the second quarter revenues aren't fully reflected in the Company's 10Q as the acquisition occurred just prior to the quarter end. We expect a substantial increase in reported revenues when the full quarter of cDistro's earnings are reflected on the consolidated financial statements for Q3 2021."

Quintero noted, "In the second quarter we saw improvement in corporate growth despite the negative impacts of the industry-wide supply chain shortages and other limitations due to the COVID-19 Pandemic. Fortunately, these constraints have lessened considerably in the last month. Despite these near-term challenges, we remain positive on the overall outlook for the Company as we continue to execute on our growth strategy to enable us to generate significantly more revenue by increasing the overall volume of products, we will be able to deliver. I believe and am confident that MCOA is well positioned to drive our business forward. Improving shareholder value will always continue to be the primary focus of our organization."

Financial Summary of Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

- Total revenues for the three months ended June 30, 2021 and 2020, were \$16,880 and \$82,958, respectively, a decrease of \$66,078. This decrease is attributable to our new eCommerce sales platform as well as the slowing of the general market demand for CBD products and services due to the COVID-19 pandemic. Changes to our sales strategy include the rebranding of hempSMART's products.
- For the three months ended June 30, 2021 and 2020, gross profit was \$13,579 and

\$43,771, respectively, a decrease of \$30,192. This decrease was primarily attributed to new pricing and promotions associated with our sales restructuring and new sales strategies, along with the effects of the COVID-19 pandemic during the three months ended June 30, 2021. As a result, the gross margins were 80.4% and 56.2% for the three months ended June 30, 2021 and 2020, respectively.

- MCOA net loss for the three months ended June 30, 2021 and 2020 was \$1,828,117 and \$186,819, respectively, an increase of \$1,641,298. The net loss of \$1,828,117 for the three months ended June 30, 2021 represents 10,830% of total revenues for the period. The net loss of \$186,819 for the three months ended June 30, 2020, represents 225.2% of total revenues for the period.

Quintero added, "During the summer of 2021, we have witnessed the introduction of the most comprehensive cannabis reform ever proposed at the Federal level. Combined with U.S. state-level liberalization and the investments we are making at MCOA including cDistro acquisition and our newly formed joint venture with Cannabis Global Inc. (OTC PINK:CBGL) to develop the manufacturing of licensed THC products at the Lynwood, CA facility and partnership with Eco Innovation Group (OTC PINK:ECOX) to develop the critical extraction technology and corresponding machine for ecofriendly THC extraction will position us to drive the expected strongest revenue growth in our Company history."

Financial Summary of Six Months Ended June 30, 2021 Compared to Six Months Ended

June 30, 2020

- Total revenues for the six months ended June 30, 2021 and 2020 were \$51,810 and \$164,777, respectively, a decrease of \$112,967. The decrease in total revenues of hempSMART™ products was due to the decrease in volume of sales as a result of the COVID-19 pandemic and our new eCommerce sales platform.
- For the six months ended June 30, 2021 and 2020, gross profit was \$23,329 and \$91,385, respectively, a decrease of \$68,056. This decrease was primarily attributed to our new sales platform and new sales pricing and promotions, along with the effects of the COVID-19 pandemic during the six months ended June 30, 2021. As a result, our gross margins were 45.0% and 56% for the six months ended June 30, 2021 and 2020, respectively.
- MCOA had a net loss for the six months ended June 30, 2021 and 2020 was \$5,486,107 and \$2,305,121, respectively, an increase of \$3,180,986. The net loss of \$5,486,107 for the six months ended June 30, 2021 represents 10,589% of total revenues for the period. The net loss of \$2,305,121 for the six months ended June 30, 2020, represents 1,399% of total revenues for the period.

About Marijuana Company of America, Inc.

Marijuana Company of America is a diversified holding company with operations and investments throughout the cannabis industry. MCOA focuses on acquisitions, as well as sales and marketing efforts of its wholly owned subsidiaries cDistro Distributor and hempSMART™ premium brand of hemp-based CBD (legal cannabidiol) products.

About hempSMART

hempSMART™ offers an extensive full line of premium CBD organic products that are scientifically driven and double lab tested to ensure purity and potency. The Company will direct the sale of its products to wholesalers, distributors, the medical community, online e-commerce consumer platforms, and a proven network affiliate marketing program. The Company has also launched international sales, production, and marketing expansion.

About Natural Plant Extracts (NPE)

MCOA owns a direct investment interest in Natural Plant Extract (NPE), which it expects to explore mutual strategic business opportunities. NPE operates a licensed cannabis manufacturing and distribution business in Lynwood, California. NPE holds a Type 7 California Manufacturing and distribution license, allowing for cannabis product distribution anywhere in the state of California.

MCOA believes that NPE's processing technologies have true national implications. MCOA plans to work along with its other strategic investment Cannabis Global, Inc. (CBGL), who is the controlling shareholder of NPE. It is expected that the Lynwood NPE operation, combined with Cannabis Global Inc. technologies offer even greater opportunities after the expected removal of cannabis as a Scheduled Substance from the Federal Controlled Substances Act is completed.

The natural Plant Extract facility is expected to be fully operational during early 2021 with an initial focus on product manufacturing and distribution. We are especially excited about the existing Type 7 license, which allows NPE to produce cannabis products using volatile solvents. The California Department of Public Health and other regulators severely limit the issuance of this type of license. NPE plans to make full use of the valuable and rare Type 7 asset.

About cDistro

cDistro (Retail Service / Wholesale Prices) distributes CBD brands, along with smoke and vape shop related products to wholesalers, c-stores, specialty retailers, and consumers in North America.

Forward-Looking Statements

This news release contains 'forward-looking statements,' which are not purely historical and may include any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such forward-looking statements include, among other things, the development, costs, and results of new business opportunities and words such as 'anticipate,' 'seek,' 'intend,' 'believe,' 'estimate,' 'expect,' 'project,' 'plan,' or similar phrases may be deemed 'forward-looking statements' within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with new projects, the future U.S. and global economies, the impact of competition, and the Company's reliance on existing regulations regarding the use and development of cannabis-based products. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although we believe that any beliefs, plans, expectations,

and intentions contained in this press release are reasonable, there can be no assurance that any such beliefs, plans, expectations, or intentions will prove to be accurate. Investors should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in our annual report on Form 10-K, our quarterly reports on Form 10-Q, and other periodic reports filed from time to time with the Securities and Exchange Commission.

For more information, please visit www.marijuanacompanyofamerica.com or visit www.sec.gov.

CONTACT:

info@marijuanacompanyofamerica.com

info@mcoainvestments.com

888-777-4362

SOURCE: Marijuana Company of America, Inc.

View source version on accesswire.com:

<https://www.accesswire.com/661029/MCOA-Reports-Second-Quarter-and-Six-Month-2021-Financial-Results-and-Provides-Corporate-Update>