

May 20, 2020



Marijuana Company Of America Reports Increased Revenues And Other Positive Financial Developments In 2019 Annual Report

- Revenue increased from \$252k in 2018 to \$695k in 2019 - increase of 176%**
- Gross Profit increased from \$171k in 2018 to \$447k in 2019 - increase of 161.3%**
- Gross Margin remains stable - 64.2% 2019 vs 67.8% in 2018**
- Operating Loss % decreased from 1513% in 2018 to 931% in 2019**
- Total assets decreased by 40.4% from 2018 to 2019**
- Total liabilities increased by 132.4% from 2018 to 2019**
- Stockholder's deficit decreased by 238.5% from 2018 to 2019**

ESCONDIDO, Calif., May 20, 2020 /PRNewswire/ --**MARIJUANA COMPANY OF AMERICA INC.** ("MCOA" or the "Company") (OTC: MCOA), an innovative hemp and cannabis corporation announces audited financial results for the year ended December 31, 2019, as reported in its annual report on Form 10-K. Here are some of the notable highlights for the FY2019:



- Total revenues of hempSMART products were \$695,076, for the year ended December 31, 2019, as compared to \$252,135, for the year ended December 31, 2018, representing a significant 175.7% increase year to year.
- Gross profit for 2019 increased to \$446,520 on gross sales of \$695,076 (64.2% gross margin), compared to a gross profit of \$170,885 on gross sales of \$252,135 for 2018 (67.8% gross margin).
- Net operating loss for 2019 was 931% vs 1513.1% for 2018.
- For the year ending December 31, 2019, the Company realized the following one-time expense items: loss on settlement of debt and unrealized loss on trading securities.
- Total assets decreased by 40.4% from \$1,919,782 in 2018 to \$1,143,722 in 2019. This decrease is due primarily to the sale of its short-term investments.
- Total liabilities increased by 132.4% from \$ 5,053,887 for 2018 to \$11,745,924 for 2019. This increase was largely due to the increase in Convertible notes payable borrowings and a related increase in Derivative liabilities, along with one-time liabilities for Warrants, contingencies and Subscriptions payable at December 31, 2019.
- Cash used by operating activities for 2019 was \$2,816,232, compared to cash used for operating activities of \$2,385,349 for 2018. Cash used by investing was \$226,169 for 2019, compared to \$686,458 for 2018. Cash provided by financing activities for 2019 was \$2,894,639, compared to \$3,181,553 for 2018.
- Upon the prior CEO's resignation, the management of the Company successfully negotiated the settlement of \$330,797.73 in accrued compensation owed to him by agreeing to issue 6,615,954 in restricted shares. This helped preserve critical capital for the company's operations.
- Successfully negotiated the settlement of the investment terms, which were in breach with NPE with over \$1.5M in past due obligations for \$85K in cash installments and \$56K convertible note.
- Expanded hempSMART sales internationally by initial marketing to several new

countries in Europe in 2019 and organizing the signing up of affiliates in several foreign countries.

Jesus Quintero, MCOA's Chief Executive Officer, said, "Our financial results reflect a transition as our company converts from a Research and Development company to a marketing-product based company. Our financial losses reflect our commitment to terminate non-profitable relationships and investments which have resulted in diminishing cashflows.

MCOA, through its hempSMART brand, has experienced a dramatic increase in sales and gross profits during 2019. As we move forward in 2020, our commitment is to improve shareholder' values through increased sales, steady profitability and expense reductions throughout 2020."

Further details about the Company's financial results are available in its annual report on Form 10K, which will be available in the investor relations section of the Company's website at www.marijuanacompanyofamerica.com.

About Marijuana Company of America Inc.

MCOA is a corporation that participates in: (1) product research and development of legal hemp-based consumer products under the brand name hempSMART™, which targets general health and well-being; (2) an affiliate marketing and retail sales program to promote and sell its legal hemp-based consumer products containing CBD; (3) joint ventures and acquisitions of business entities engaged in the growth and sale of hemp and cannabis products in jurisdictions where cultivation is legal; and (4) the expansion of its business into ancillary areas as market opportunities in this segment mature and develop.

Legal Status of Cannabis

While legalized in California for recreational and medicinal use, cannabis remains a Schedule 1 drug under the Controlled Substances Act (21 U.S.C. § 811) and illegal under the federal law.

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.sec.gov.

For more information, please visit the Company's websites at:

MarijuanaCompanyofAmerica.com

hempSMART.com

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