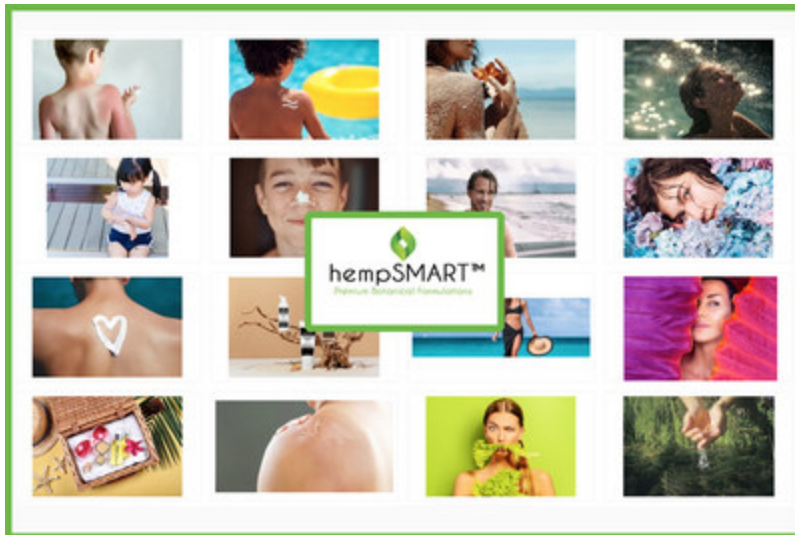


August 25, 2020



# Marijuana Company of America Reports hempSMART™ Product Sales and Financial Highlights for Q2 2020

ESCONDIDO, Calif., Aug. 25, 2020 /PRNewswire/ -- **MARIJUANA COMPANY OF AMERICA INC.** ("MCOA" or the "Company") (OTCQB: MCOA), an innovative hemp and cannabis corporation, is pleased to announce today its hempSMART™ product sales and other financial highlights for the second quarter and six months ending June 30, 2020.



- Total revenues of hempSMART™ products were \$82,958 for the second quarter ended June 30, 2020 as compared to \$208,580 for the second quarter ended June 30, 2019. The decrease is due primarily to the COVID pandemic. The Company anticipates increases in revenue during the remainder of the year due to international expansion, additional financing for product and marketing from the recently effective S-1 registration statement, and an expanded sales model.
- International revenues represented 43% and 36% of total revenues for the second quarter ended June 30, 2020 and 2019, respectively.
- Gross profit for Q2 2020 decreased to \$43,771 generating 52.8% in gross margin, compared to a gross profit of \$179,441 for the same period ended June 30, 2019, representing 86.0% in gross margin.
- Operating expense for Q2 2020 decreased to \$919,006 as compared to \$1,479,110 for Q2 2019, representing a 60.9% reduction in operating expenses This resulted in an improvement to operating loss to \$875,235 for Q2 2020 as compared to \$1,299,669 for Q2 2019, representing a 48.5% improvement.
- Net loss decreased substantially to \$186,819 for the three months ended June 30, 2020 compared to \$419,624 for the three months period ended June 30, 2019, representing a decrease of \$232,805. This is a direct result of management drastically

- reducing expenses, increasing efficiency and changing management earlier this year.
- Total year to date revenues of hempSMART™ products were \$164,777 for the six months ended June 30, 2020 as compared to \$323,390 for the six months ended June 30, 2019, representing a 49% decrease year-over-year.
  - International revenues represented 44.1% and 33.5% of total revenues for the six months ended June 30, 2020 and 2019, respectively.
  - Gross profit for six months ended June 30, 2020 decreased to \$91,385 generating 55.5% in gross margin, compared to a gross profit of \$254,373 for the same period ended June 30, 2019, representing 78.7% in gross margin.
  - Operating expense for six months ended June 30, 2020 decreased to \$1,358,777 as compared to \$2,468,147 for the same period in 2019, representing a 45% reduction in operating expenses. This resulted in an improvement to operating loss to \$1,267,392 for six months ended June 30, 2020 as compared to \$2,213,774 for the same period in 2019, representing a 42.7% improvement.
  - Net loss decreased substantially to \$2,305,121 for the six months ended June 30, 2020 compared to a net loss of \$4,652,001 for the same period in 2019, a decrease of \$2,346,880. This reduction in net loss is the result of management's focus on reducing expenses and relying less on convertible debt financing.
  - Total assets decreased marginally to \$1,009,641 as of June 30, 2020 from \$1,143,722 as of December 31, 2019.
  - The Company's total current liabilities decreased substantially to \$8,169,790 as of June 30, 2020 as compared to \$11,745,065 for the year ended December 31, 2019, representing a 30% reduction in debt. This is a result of the company settling convertible debt and reducing its operational expense.
  - The Company's investment in Natural Plant Extract of California (NPE) experienced several positive changes during Q2. An investor acquired the property and a 40% interest in the business. This helped to settle some legacy debts and give favorable terms for the lease. In addition, NPE was able to sell its non-storefront retail delivery license for \$650,000, giving NPE the sufficient funds to expand its marijuana distribution and manufacturing operations.

Jesus Quintero, CEO and CFO commented, "COVID-19 significantly affected our revenues and gross profit for Q2 and the six months ended June 30, 2020. However, the Company will continue to market its products aggressively as we continue to support our affiliate sales. We expect to see sustainable demand for our uniquely formulated hempSMART™ CBD product brand during the rest of 2020 as our new marketing strategies and platforms become more effective as the COVID-19 situation improves. Our goal is to expand our hempSMART brand in the United States as well as internationally in the European and Latin American marketplaces. We are going also to be entering the retail market for the first time in the Company's history, and look forward to this expansion that will immediately generate additional revenue and afford us the opportunity to bring even more products to the marketplace than we could before."

Please review the Form 10Q filed with the Securities and Exchange Commission on Aug. 14, 2020 for additional financial details.

#### **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™", that targets

general health and well-being; (2) an affiliate marketing program to promote and sell its legal hemp-based consumer products containing CBD; (3) leasing of real property to separate business entities engaged in the growth and sale of cannabis in those states and jurisdictions where cannabis has been legalized and properly regulated for medicinal and recreational use; and, (4) the expansion of its business into ancillary areas of the legalized cannabis and hemp industry, as the legalized markets and opportunities in this segment mature and develop.

### **About Our hempSMART Products Containing CBD**

The United States Food and Drug Administration (FDA) has not recognized CBD as a safe and effective drug for any indication. Our products containing CBD derived from industrial hemp are not marketed or sold based upon claims that their use is safe and effective treatment for any medical condition as drugs or dietary supplements subject to the FDA's jurisdiction.

### *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](http://www.sec.gov).*



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