

November 19, 2020



Marijuana Company of America Reports hempSMART™ Product Sales and Financial Highlights for Q3 2020

ESCONDIDO, Calif., Nov. 19, 2020 (GLOBE NEWSWIRE) -- **MARIJUANA COMPANY OF AMERICA INC.** ("MCOA" or the "Company") (OTC: MCOA), an innovative hemp and cannabis corporation, is pleased to announce today its hempSMART™ product sales and other financial highlights for the third quarter and nine months ending September 30, 2020.

- Total revenues of hempSMART™ products were \$53,195 for the third quarter ended September 30, 2020 as compared to \$229,371 for the third quarter ended September 30, 2019. This is despite setbacks in sales due to the COVID pandemic and changes to the Company's marketing focus. The Company anticipates increases during the remainder of the year due to international expansion, additional financing the Company expects to receive in Q4 for product and marketing, and an expanded marketing model.
- Operating expense for the three months ended September 30, 2020 decreased to \$607,237 as compared to \$763,151 for the three months ended September 30, 2019, representing a substantial 20.4% reduction in operating expenses. This resulted in an improvement to operating loss to \$591,212 for the third quarter ended September 30, 2020 as compared to \$624,623 for the third quarter ended September 30, 2019, representing a 5.3% improvement.
- Net loss decreased materially to \$1,872,271 for the three months ended September 30, 2020 compared to \$6,226,622 for the three months ended September 30, 2019, representing a decrease of \$4,354,351. 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 \$217,972 for the nine months ended September 30, 2020 as compared to \$552,761 for the nine months ended September 30, 2019, representing a 60.6% decrease year-over-year.
- International revenues represented 43.4% and 39.0% of total revenues for the nine months ended September 30, 2020 and 2019, respectively.
- Operating expense for nine months ended September 30, 2020 decreased to \$1,966,013 as compared to \$3,231,298 for the same period in 2019, representing a 39.2% reduction in operating expenses. This resulted in an improvement to operating loss to \$1,858,604 for the nine months ended September 30, 2020 as compared to \$2,838,396 for the same period in 2019, representing a 34.5% improvement.
- Net loss decreased substantially to \$4,177,391 for the nine months ended September 30, 2020 compared to a net loss of \$10,878,622 for the same period in 2019, a decrease of \$6,701,231. This reduction in net loss is the result of management's focus on reducing expenses and relying less on convertible debt financing.
- Total assets increased to \$2,013,287 as of September 30, 2020 from \$1,143,722 as of

December 31, 2019.

- The Company's total current liabilities decreased significantly to \$7,681,505 as of September 30, 2020 as compared to \$11,745,065 for the year ended December 31, 2019, representing a 35% 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 the second and third quarter. An investor acquired the property and a 40% interest in the business in Q2. 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. Additionally, during Q3, NPE was able to substantially complete the construction of the manufacturing lab.
- During the third quarter, the Company and Global Hemp Group (GHG) entered into a Settlement Agreement relating to the JV investment. GHG agreed to make a \$200,000 payment with \$125,000 paid before September 30, 2020, and \$75,000 payable no later than November 15, 2020, and to issue GHG common stock to the Company equal in value to \$185,000 as of the date of the Agreement, or September 28, 2020, subject to a non-dilutive protection provision. In exchange for the settlement consideration, the Company has agreed to relinquish its ownership interest in the joint venture.

COVID-19 significantly affected our revenues and gross profit for Q3 and for the nine months ended September 30, 2020. However, the Company will continue to market its products aggressively as it continues to a monumental paradigm shift in pivoting and changing its marketing focus to direct to consumer ecommerce.

Jesus Quintero, CEO and CFO of the Company stated "We were very pleased to see the drastic reduction in overhead this quarter without negatively impacting operations. This will help make MCOA a more lean operation with lower expenses so that we can better navigate the ever changing CBD market without being as dependable on convertible debt. We expect to see sustainable demand for our uniquely formulated hempSMART™ CBD product brand during the rest of 2020 and into 2021 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."

Please review the Form 10Q filed with the Securities and Exchange Commission on November 16, 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.

Contact:

ir@marijuanacompanyofamerica.com
888-777-4362

Corporate Communications Contact:

Capvoice
New York, New York
www.NetworkNewsWire.com
212.418.1217 Office
Editor@NetworkNewsWire.com



Source: Marijuana Company of America, Inc.