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Marijuana Company of America Reports Year 2021 Financial Results

LOS ANGELES, CA / ACCESSWIRE / April 19, 2022 Marijuana Company of America, Inc. (OTC PINK:MCOA) ("the Company"), operates, invests, and acquires companies exclusively in the cannabis sector, today announced the financial results for the year ended December 31, 2021, as reported in its annual report on Form 10-K. Here are some of the notable highlights for the FY2021:

- Record revenues for the year end December 31, 2021 were \$1,030,249 or an increase of 267.1 percent.
- The Company lowered its operating expenses by 2.2 percent by becoming more efficient and making better cash flow decisions.
- Significant efforts to expand into South America and move key parts of supply chain to Brazil and Uruguay to improve gross margins and overall profitability.
- MCOA paid off most variable priced convertible notes prior to conversion over the last quarter with funds raised from its Form S-1 registration statement.
- The Company successfully negotiated a full settlement of its largest senior convertible note holder at a fixed price, preserving shareholder value and minimizing the impact of the dilutive nature of the notes, resulting in a decrease of the derivative liability from \$4,426,057 in 2020 to only \$749,756 for the year ended December 31, 2021.
- MCOA has successfully negotiated and completed acquisitions including cDistro, Inc. that resulted in the Company's market capitalization increasing substantially during the year to enhance shareholder value.
- The Company's total stockholder equity increased from a negative \$5,461,367 deficit for the year ended December 31, 2020 to an actual stockholder's surplus of \$230,889. This is the first time in the Company's history that it has had a positive equity position and is solvent. The Company is getting close to being a "Penny Stock" exempt company, which requires more than \$2M in net assets. It plans on achieving this milestone in Q2 or Q3 this year.
- The Company's total assets increased by \$5,853,405 from \$2,106,494 in 2020 to \$7,959,899. The Company expects its assets to continue to increase exponentially if the pending acquisition of VBF closes, as well as with the continued increase in positive operating results.



Total revenues for the year end December 31, 2021 and December 31, 2020, were \$1,030,249 and \$280,653, respectively, an increase of \$749,596 or 261%. This increase is attributed to the Company's hempSMART product lines and new line of businesses including cDistro, Inc., a distributor of hemp and CBD products, and equipment lease rental from new joint venture.

MCOA's Chief Executive Officer, Jesus Quintero, said, "We are excited to have commenced deployment of our new acquisitions, streamlining of our businesses and expansion into consumer markets domestically as well as internationally. Our Company has begun its new path to historical results and success. The new positive trends also complement the political market as the U.S. Congress drives toward the legalization of Cannabis, and we are proud to be part of this trend."

Quintero added, "This year we had been active in our acquisitions that fall into a few different cannabis categories. MCOA is currently in the process of finalizing the acquisition of VBF Brands, Inc., pending regulatory approval which we expect to complete in early 2022. The Company continued to pursue deals to build scale in its existing markets while continuing to look at opportunities that continue to grow our national footprint in the U.S. as an MSO, as well as in emerging markets such as Brazil and Uruguay. This is an exciting time to be part of MCOA, as we enter 2022 with a stronger balance sheet to accelerate our operations and continue to build shareholder value."

For the year ended December 31, 2021 and December 31, 2020, gross profit was \$156,878 and \$121,349, respectively. This increase was attributed to MCOA's hempSMART products and the cDistro, Inc. acquisition. Gross margins were 15.2% and 43.2% for the years ended December 31, 2021 and December 31, 2020, respectively. This decline in gross margins is due to cDistro being a distribution company that experiences slim margins as a reseller.

For the year ended December 31, 2021, operating losses were \$4,711,133 which is a 2.2. percent decrease from operating losses of \$4,854,891 for the year ended 2020. This decrease is attributed to the Company's ability to manage expenses and accordingly become more operationally efficient.

Net losses for the year ended December 31, 2021 and December 31, 2020 decreased by 28% to \$10,191,450 for 2021 as compared to \$12,145,382 in 2020. This represents a decrease in net losses of approximately \$2M for the year ended December 31, 2021 as compared to December 31, 2022.

MCOA believes the reduced operating losses incurred in 2021, as compared to 2020, reflect the effectiveness of the Company's management team in 2021. MCOA expects to continue to reduce its losses as it continues to implement its plan for new sales strategies and cost-cutting measures in the near future until profitability is achieved. The Company plans on utilizing more funds from operations to cover its obligations rather than relying on dilutive equity and debt financing going forward.

For further information on Form 10-K, please visit www.sec.gov. Further details regarding the year ended 2021, will soon be made available in the investor relations section of the Company's website at www.marijuanacompanyofamerica.com.

Forward-Looking Statements

This news release contains "forward-looking statements," which are not purely historical and may include 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.

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