

May 25, 2021



Vinco Ventures, Inc. Reports Financial Results for the Three Months Ended March 31, 2021

Bethlehem, P.A., May 25, 2021 (GLOBE NEWSWIRE) -- Vinco Ventures, Inc. (NASDAQ:BBIG), a digital media merger and acquisitions company, today announced results for the three months ended March 31, 2021.

Company Highlights

- Revenue increased 31.32% for the three months ended March 31, 2021 versus the three months ended March 31, 2020.
- Company enters into Agreement to Complete a Plan of Merger with ZASH Global Media and Entertainment Corporation
- Company enters into joint venture with ZASH Global Media and Entertainment Corporation forming ZVV Media Partners, LLC

Three Months End March 31, 2021 Financial Summary

Revenue

- Revenue for the three months ended March 31, 2021 increased to \$2.57 million as compared to \$1.95 million for the three months ended March 31, 2020, a 31.32% increase.
- Gross Profit for the three months ended March 31, 2021 increased to \$0.9 million as compared to \$0.6 million for the three months ended March 31, 2020, a 56.64% decrease.
- Gross Margin for the three months ended March 31, 2021 increased to 35.54% as compared to 30.19% for the three months ended March 31, 2020, a 17.72% increase.

Net Loss

- Net loss for the three months ended March 31, 2021 was \$62.47 million, or (\$3.27) per basic and (\$3.28) per diluted share, compared to a net gain of \$1.27 million, or \$0.166 per basic and \$0.13 per diluted share for the three months ended March 31, 2020.

Adjusted EBITDA

- Adjusted EBITDA, a non-GAAP measure, totaled a negative \$1.29 million for the three months ended March 31, 2021, compared to a negative \$0.92 million for the three months ended March 31, 2020.
- Adjusted EBITDA includes the addback for the loss on issuance of warrant liability of \$75.2 million offset by a gain on change in fair value of warrant liability of \$36.4 million.

See below, under the heading “Use of Non-GAAP Financial Information,” for a discussion of Adjusted EBITDA and a reconciliation of such measure to the most comparable measure calculated under U.S. generally accepted accounting principles (“GAAP”).

For the three months ended March 31, 2021 and 2020, EBITDA and Adjusted EBITDA consisted of the following:

| | For the Three Months Ended March 31, | |
|--|---|---------------------|
| | 2021 | 2020 |
| Net income (loss) from continuing operations | \$ (62,263,320) | \$ 1,269,492 |
| Net income (loss) from discontinued operations | (178,200) | - |
| Interest expense, net | 12,694,933 | 723,957 |
| Depreciation and amortization | 445,541 | 316,298 |
| EBITDA | (49,301,046) | 2,309,747 |
| Stock-based compensation | 8,697,502 | 1,319,511 |
| Loss on issuance of warrant liability | 75,156,534 | - |
| Change in fair value of warrant liability | (36,381,542) | - |
| Restructuring and severance costs | - | 242,136 |
| Transaction and acquisition costs | 704,565 | 82,736 |
| Other non-recurring costs | - | 40,860 |
| Gain on divestiture | - | (4,911,760) |
| | - | - |
| Adjusted EBITDA | \$ (1,123,987) | \$ (916,770) |

**Vinco Ventures, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS**

| | March 31, 2021 | December 31, 2020 |
|---------------------------|---------------------------|----------------------------------|
| | (Unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 5,525,744 | \$ 249,356 |
| Accounts receivable, net | 1,683,294 | 1,382,163 |
| Short-term investments | 948,000 | 1,018,000 |
| Inventory | 1,123,261 | 1,127,725 |

| | | |
|---|---------------|---------------|
| Prepaid expenses and other current assets | 603,966 | 522,259 |
| Current assets of discontinued operations | 1,354,546 | 1,042,680 |
| Total current assets | 11,238,811 | 5,342,183 |
| Property and equipment, net | 996,217 | 1,010,801 |
| Right of use assets, net | 128,871 | 153,034 |
| Loan receivable | 5,000,000 | - |
| Equity method investment | 7,000,000 | - |
| Intangible assets, net | 9,485,370 | 9,798,813 |
| Goodwill | 5,983,852 | 5,983,852 |
| Non-current assets of discontinued operations | 5,640,238 | 5,739,524 |
| Total assets | \$ 45,473,359 | \$ 28,028,207 |

Liabilities and stockholders' equity

Current liabilities:

| | | |
|--|---------------|---------------|
| Accounts payable | \$ 1,339,009 | \$ 3,618,339 |
| Accrued expenses and other current liabilities | 1,344,750 | 2,101,610 |
| Deferred revenues | 131,578 | 152,040 |
| Current portion of operating leases liabilities | 73,054 | 96,777 |
| Income tax payable | 27,643 | 27,643 |
| Line of credit, net of debt issuance costs of \$0 and \$15,573, respectively | 1,133,652 | 1,500,953 |
| Current portion of convertible notes payable, net of debt issuance costs of \$9,827,778 and \$0, respectively | 1,172,222 | 577,260 |
| Current portion of notes payable, net of debt issuance costs of \$0 and \$212,848, respectively | 441,192 | 1,301,212 |
| Current portion of notes payable – related parties | 876,500 | 1,389,923 |
| Due to related party | 15,450 | 32,452 |
| Current liabilities of discontinued operations | 589,363 | 487,454 |
| Total current liabilities | 7,144,413 | 11,285,663 |
| Operating leases liabilities –net of current portion | 58,713 | 58,713 |
| Convertible notes payable – related parties, net of current portion, net of debt discount of \$172,984 and \$366,666, respectively | 249,288 | 1,161,495 |
| Notes payable, net of current portion | 450,002 | 595,879 |
| Notes payable – related parties, net of current portion | 1,291,013 | 1,403,756 |
| Warrant liability | 58,235,565 | - |
| Total liabilities | \$ 67,428,994 | \$ 14,505,506 |
| Commitments and Contingencies (Note 12) | | |

Stockholders' equity

Preferred stock, \$0.001 par value, 30,000,000 shares authorized as of March 31, 2021 and December 31, 2020, respectively

- -

| | | | | |
|--|----|---------------------|----|---------------------|
| Series B Preferred Stock, \$0.001 par value, 1,000,000 shares authorized; 764,618 and 764,618 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively | \$ | 765 | \$ | 765 |
| Common stock, \$0.001 par value, 250,000,000 shares authorized 25,685,981 and 14,471,403 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively | | 25,686 | | 14,471 |
| Additional paid-in-capital | | 66,002,229 | | 39,050,260 |
| Accumulated deficit | | <u>(86,118,452)</u> | | <u>(23,648,898)</u> |
| Total stockholders' (deficit) equity attributable to Vinco Ventures, Inc. | | (20,089,772) | | 15,416,598 |
| Noncontrolling interests | | <u>(1,865,863)</u> | | <u>(1,893,897)</u> |
| Total stockholders' equity | | <u>(21,955,635)</u> | | <u>13,522,701</u> |
| Total liabilities and stockholders' equity | \$ | 45,473,359 | \$ | 28,028,207 |

Vinco Ventures, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | Three Months Ended | |
|---|---------------------------|------------------------|
| | March 31, | |
| | 2021 | 2020 |
| | (Unaudited) | (Unaudited) |
| Revenues, net | \$ 2,565,162 | \$ 1,953,346 |
| Cost of revenues | <u>1,653,381</u> | <u>1,363,719</u> |
| Gross profit | 911,781 | 589,627 |
| Operating expenses: | | |
| Selling, general and administrative | <u>11,660,880</u> | <u>3,288,949</u> |
| Operating loss | <u>(10,749,099)</u> | <u>(2,699,322)</u> |
| Other (expense) income: | | |
| Rental income | 25,704 | 25,704 |
| Interest expense | (12,694,933) | (723,957) |
| Loss on issuance of warrants | (75,156,534) | - |
| Change in fair value of warrant liability | 36,381,542 | - |
| Change in fair value of short-term investment | (70,000) | - |
| Total other income (expense), net | <u>(51,514,221)</u> | <u>(698,253)</u> |
| (Loss) income before income taxes | <u>(62,263,320)</u> | <u>(3,397,575)</u> |
| Income tax expense | - | - |
| Net loss from continuing operations | <u>\$ (62,263,320)</u> | <u>\$ (3,397,575)</u> |
| Net income attributable to noncontrolling interests | <u>28,034</u> | <u>-</u> |
| Net loss attributable to Vinco Ventures, Inc. from continuing operations | <u>(62,291,354)</u> | <u>(3,397,575)</u> |

| | | |
|--|--------------|------------|
| Loss from discontinued operations | (178,200) | (244,693) |
| Gain on divestiture from discontinued operations | - | 4,911,760 |
| Net (loss) income attributable to Vinco Ventures, Inc. | (62,469,554) | 1,269,492 |
| Net (loss) income per share - basic | \$ (3.27) | \$ 0.16 |
| Net (loss) income per share - diluted | \$ (3.28) | \$ 0.13 |
| Weighted average number of common shares outstanding – basic | 19,055,006 | 8,181,470 |
| Weighted average number of common shares outstanding – diluted | 19,055,006 | 9,637,421 |

Vinco Ventures, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Three Months Ended | |
|--|---------------------------|--------------------|
| | March 31, | |
| | 2021 | 2020 |
| | (Unaudited) | (Unaudited) |
| Cash Flow from Operating Activities | | |
| Net income (loss) attributable to Vinco Ventures, Inc. | \$ (62,291,354) | \$ (3,397,975) |
| Net income attributable to noncontrolling interests | 28,034 | - |
| Net income (loss) | (62,263,320) | (3,397,975) |
| Adjustments to reconcile net (income) loss to net cash used in operating activities: | | |
| Discontinued operations | (178,200) | 4,667,067 |
| Depreciation and amortization | 445,541 | 316,299 |
| Amortization of financing costs | 12,418,930 | 570,636 |
| Stock-based compensation | 8,697,502 | 1,319,511 |
| Amortization of right of use asset | 24,163 | 77,823 |
| Gain on divestiture | - | (4,911,760) |
| Change in fair value of short-term investments | 70,000 | - |
| Loss on issuance of warrants | 75,156,534 | |
| Change in fair value of warrant liability | (36,381,542) | |
| Changes in assets and liabilities: | | |
| Accounts receivable | (494,130) | 64,359 |
| Inventory | (215,717) | 69,089 |
| Prepaid expenses and other current assets | 139,635 | 33,441 |
| Accounts payable | (804,282) | (215,320) |
| Accrued expenses and other current liabilities | (714,500) | 335,815 |
| Operating lease liabilities | (23,723) | (74,776) |
| Due from related party | (17,001) | (8,115) |
| Net cash used in operating activities | (4,140,110) | (1,153,506) |
| Cash Flows from Investing Activities | | |
| Purchases of property and equipment | (18,228) | (31,918) |

| | | |
|--|---------------------|-----------------|
| Equity method investment | (7,000,000) | - |
| Funding of loan receivable | (5,000,000) | - |
| Net cash used in investing activities | (12,018,228) | (31,918) |

Cash Flows from Financing Activities

| | | |
|---|---------------------|------------------|
| Net (repayments) borrowings under line of credit | (379,333) | 112,862 |
| Borrowings under convertible notes payable | 19,720,000 | 1,100,000 |
| Borrowings under notes payable | 73,000 | 950,000 |
| Repayments under notes payable | (2,141,782) | (672,773) |
| Repayments under notes payable- related parties | (659,999) | (14,508) |
| Fees paid for financing costs | (122,762) | (170,815) |
| Net proceeds from issuance of common stock | 3,255,000 | - |
| Exercise of warrants | 1,690,604 | - |
| Net cash provided by financing activities | 21,434,726 | 1,304,766 |
| Net increase (decrease) in cash and cash equivalents | 5,276,388 | 119,342 |
| Cash and cash equivalents - beginning of period | 249,356 | 412,719 |
| Cash and cash equivalents - end of period | \$ 5,525,744 | 532,062 |

Supplemental Disclosures of Cash Flow Information

Cash paid during the period for:

| | | |
|--------------|-------------|------------|
| Interest | \$ 343,824 | \$ 127,504 |
| Income taxes | \$ (14,738) | \$ - |

Noncash investing and financing activity:

| | | |
|--------------------------------------|---------------|------------|
| Shares issued to note holders | \$ 422,672 | \$ 368,000 |
| Conversions under notes payable | \$ 11,094,020 | \$ - |
| Issuance of warrants to note holders | \$ 22,000,000 | \$ - |

About Vinco Ventures, Inc.

Vinco Ventures, Inc. (BBIG) is a selective acquisitions company focused on digital media and content technologies. Vinco's B.I.G. Strategy (Buy. Innovate. Grow.) is to seek out acquisition opportunities that are poised for scale and will BE BIG. For more information visit Investors.vincoventures.com.

Use of Non-GAAP Financial Information

EBITDA and Adjusted EBITDA is a financial measure that is not calculated in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Management believes that because Adjusted EBITDA excludes (i) certain non-cash expenses (such as depreciation, amortization and stock-based compensation) and (ii) expenses that are not reflective of the Company's core operating results over time (such as restructuring costs, litigation or dispute settlement charges or gains, and transaction-related costs), this measure provides investors with additional useful information to measure the Company's financial performance, particularly with respect to changes in performance from period to period. Edison Nation management uses EBITDA and Adjusted EBITDA (a) as a measure of operating performance; (b) for planning and forecasting in future periods; and (c)

in communications with the Company's Board of Directors concerning the Company's financial performance. The Company's presentation of EBITDA and Adjusted EBITDA are not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation and should not be used by investors as a substitute or alternative to net income or any measure of financial performance calculated and presented in accordance with U.S. GAAP. Instead, management believes EBITDA and Adjusted EBITDA should be used to supplement the Company's financial measures derived in accordance with U.S. GAAP to provide a more complete understanding of the trends affecting the business.

Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding strategy, future operations and plans, including assumptions underlying such statements, are forward-looking statements, and should not be relied upon as representing the Company's views as of any subsequent date. Such forward-looking statements are based on information available to the Company as of the date of this release and involve a number of risks and uncertainties, some beyond the Company's control, that could cause actual results to differ materially from those anticipated by these forward-looking statements, including consumer, regulatory and other factors affecting demand for the Company's products, any difficulty in marketing the Company's products in global markets, competition in the market for consumer products and inability to raise capital to fund operations and service the Company's debt. Additional information that could lead to material changes in the Company's performance is contained in its filings with the SEC. The Company is under no obligation to, and expressly disclaims any responsibility to, update or alter forward-looking statements contained in this release, whether as a result of new information, future events or otherwise.

Investor Relations:

Aimee Carroll
Phone (866) 900-0992
Email: Investors@vincoventures.com



Source: Vinco Ventures, Inc.