

November 22, 2021



# Vinco Ventures, Inc. Reports Financial Results for the Third Quarter Ended September 30, 2021

Fairport, NY, Nov. 22, 2021 (GLOBE NEWSWIRE) -- Vinco Ventures, Inc. (NASDAQ:BBIG), a digital media and content technologies holding company ("Vinco Ventures," or the "Company"), today announced results for the third quarter ended September 30, 2021.

"We are very pleased with our operational developments in the quarter, which included key building blocks of our strategy to create a global media and content platform," said Lisa King, Chief Executive Officer of Vinco Ventures. "Importantly, through our joint venture, ZVV Media, we completed the acquisition of an 80% interest in Lomotif, a global, pure play video-sharing social networking platform and we are making good progress on extending the brand to additional geographies, including the U.S. and India. We also announced the planned spin-off of our blockchain business, Cryptyde," continued Ms. King.

## Operational Highlights:

- Vinco Ventures and ZASH Global Media and Entertainment Corporation through their joint venture, ZVV Media Partners, LLC ("ZVV"), completed the acquisition of an 80% interest in Lomotif Private Limited ("Lomotif").
- Lomotif officially launched in India this past weekend following the beta test in the third quarter. Lomotif worked in India with Social Kyte, a popular influencer platform with over 90,000 member influencers. The Lomotif expansion into India, a large target market, continues to progress with user growth.
- Lomotif worked with EDC Las Vegas to extend the Lomotif brand in the U.S. through a three-day event in October that reached and engaged a large audience. Specifically, Lomotif activated over 150 influencers and the Lomotif brand received over 51 million views on TikTok and over 40 million Instagram story views.
- ZVV through its business arrangements with Zash completed its first TV series, Preach, and its first feature film, Camp Hideout. Both projects are expected to be monetized in the first half of 2022.
- Cryptyde is set to release the limited-edition Nick Cannon Presents: SucStress - The E-NFT Album, featuring Nick Cannon and the Ncredible Gang, on its E-NFT.com platform.
- Cryptyde recently launched recording Artist Tory Lanez album "When It's Dark" on the E-NFT.com platform. "When It's Dark" is the first album to go platinum on the blockchain with over 1,000,000 units sold.
- The Company's subsidiary, Cryptyde, Inc. ("Cryptyde"), filed its preliminary Form 10 registration statement with the SEC in connection with the planned spin-off of Cryptyde, which currently owns, directly or indirectly, 100% of EVNT Platform, LLC,

CW Machines, LLC and Ferguson Containers, Inc. The distribution date is expected to occur in early 2022.

- EVNT Platform, LLC launched a business effort, CW Machines, LLC, with Wattum Management, a global supplier of bitcoin mining equipment and services. The venture is expected to focus on simplifying consumer ownership of mining equipment through the integration of smart contract technologies.

### **Third Quarter 2021 Financial Highlights:**

- Cash, cash equivalents, and restricted cash totaled \$149.9 million at September 30, 2021.
- Revenue decreased 11.5% to \$2.23 million from \$2.52 million in the third quarter of 2020, driven primarily by the decrease in sales of personal protective equipment in the Edison Nation Medical division.
- Gross profit margin decreased to 31.4% from 40.3% in the third quarter of 2020. The decrease is mainly attributed to the decrease in sales of personal protective equipment in the Edison Nation Medical division.
- Selling, general and administrative expenses were \$25.9 million, of which \$6.2 million was stock based compensation, \$5.6 million was due to legal and professional fees related to transactions and filings, and \$5.1 million and \$6.2 million related to the operating expenses (excluding Stock Based Compensation) of ZVV and Lomotif, respectively, since the close of the Lomotif transaction on July 23, 2021.
- Net loss in the third quarter of 2021 was \$542.5 million, or (\$7.59) per basic and diluted share, compared to a net loss of \$2.8 million, or (\$0.30) per basic and diluted share in the third quarter of 2020. The increase in the net loss is primarily due to the issuance of warrants during the quarter and the change in estimated fair value of outstanding warrants as of September 30, 2021, as well as the costs associated with the Lomotif transaction and the results of its operations, which were consolidated into the Company's financial results for the first time this quarter. On a non-GAAP basis, net loss for the three months ended September 31, 2021 without the \$494.1 million of losses due to warrant activity was \$48.4 million or (\$0.68) per share. See below for reconciliation of Non-GAAP information to the most comparable measure calculated under U.S. generally accepted accounting principles ("GAAP").

### **Vinco Ventures, Inc. Third Quarter 2021 Conference Call**

**Event Date:** Tuesday November 23, 2021

**Event Time:** 8:30AM Eastern Standard Time

**The audio conference call can be accessed through:**

1- 877-407-2991 (U.S. participants)

1- 201-389-0925 (International participants)

A live and archived webcast presentation will be available at:

<https://investors.vincoventures.com/>.

## Conference Replay:

A teleconference replay will be available until November 29, 2021.

1- 877-660-6853 (U.S. participants)

1-201-612-7415 (International participants)

Passcode: 13725301

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

	September 30, 2021	December 31, 2020
	(Unaudited)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 49,937,549	\$ 249,356
Restricted cash	100,000,000	-
Short-term investments	282,000	1,018,000
Accounts receivable, net	1,901,182	1,382,163
Inventory	789,727	1,127,725
Prepaid expenses and other current assets	3,855,618	522,259
Loan held for investment	18,150,000	-
Current assets of discontinued operations	-	1,042,680
Total current assets	174,916,076	5,342,183
Property and equipment, net	972,151	1,010,801
Right of use assets, net	80,544	153,034
Intangible assets, net	154,962,061	9,798,813
Goodwill	5,983,852	5,983,852
Non-current assets of discontinued operations	-	5,739,524
Total assets	\$ 336,914,684	\$ 28,028,207
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 5,587,010	\$ 3,618,339
Accrued expenses and other current liabilities	3,040,564	2,101,610
Deferred revenues	64,243	152,040
Current portion of operating leases liabilities	83,408	96,777
Income tax payable	27,643	27,643
Line of credit, net of debt issuance costs of \$0 and \$15,573, respectively	-	1,500,953
Current portion of convertible notes payable, net of debt issuance costs of \$91,518,515 and \$0, respectively	28,481,485	577,260

Current portion of notes payable, net of debt issuance costs of \$0 and \$212,848, respectively	15,357	1,301,212
Current portion of notes payable – related parties	112,835	1,389,923
Due to related party	15,401	32,452
Current liabilities of discontinued operations	-	487,454
Total current liabilities	37,427,946	11,285,663
Operating leases liabilities –net of current portion	-	58,713
Convertible notes payable – related parties, net of current portion, net of debt discount of \$95,089 and \$366,666, respectively	207,183	1,161,495
Notes payable, net of current portion	166,061	595,879
Notes payable – related parties, net of current portion	2,500,000	1,403,756
Warrant liability	468,612,700	-
Total liabilities	<u>\$ 508,913,890</u>	<u>\$ 14,505,506</u>
Commitments and Contingencies (Note 12)		-

### Stockholders' equity

Preferred stock, \$0.001 par value, 30,000,000 shares authorized as of September 30, 2021 and December 31, 2020, respectively	\$ -	\$ -
Series B Preferred Stock, \$0.001 par value, 1,000,000 shares authorized; 0 and 764,618 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	-	765
Common stock, \$0.001 par value, 250,000,000 shares authorized 107,021,381 and 14,471,403 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	107,021	14,471
Additional paid-in-capital	617,952,342	39,050,260
Accumulated deficit	(812,250,328)	(23,648,898)
Total stockholders' (deficit) equity attributable to Vinco Ventures, Inc.	(194,190,965)	15,416,598
Noncontrolling interests	22,191,759	(1,893,897)
Total stockholders' equity	(171,999,206)	13,522,701
Total liabilities and stockholders' equity	\$ 336,914,684	\$ 28,028,207

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

**For the Three Months  
Ended September 30,**

**For the Nine Months  
Ended September 30,**

	<u>2021</u> <u>(Unaudited)</u>	<u>2020</u> <u>(Unaudited)</u>	<u>2021</u> <u>(Unaudited)</u>	<u>2020</u> <u>(Unaudited)</u>
<b>Revenues, net</b>	\$ 2,231,986	\$ 2,522,141	\$ 7,488,959	\$ 9,649,469
Cost of revenues	1,531,840	1,505,234	4,906,410	6,873,889
<b>Gross profit</b>	<u>700,146</u>	<u>1,016,907</u>	<u>2,582,549</u>	<u>2,775,580</u>
<b>Operating expenses:</b>				
Selling, general and administrative	<u>25,869,419</u>	<u>2,617,961</u>	<u>43,471,951</u>	<u>8,185,477</u>
Operating loss	<u>(25,169,273)</u>	<u>(1,601,054)</u>	<u>(40,889,402)</u>	<u>(5,409,897)</u>
<b>Other (expense) income:</b>				
Rental income	17,136	25,704	71,543	77,111
Interest expense	(27,012,312)	(1,004,626)	(42,422,726)	(2,575,737)
Loss on issuance of warrants	(206,948,147)	-	(415,803,862)	-
Change in fair value of warrant liability	(287,117,556)	-	(287,891,003)	-
Change in fair value of short-term investment	(614,000)	-	(736,000)	-
Loss on disposal of interest in joint venture	-	-	(301,645)	-
Other income	<u>649,009</u>	<u>-</u>	<u>649,009</u>	<u>-</u>
Total other (expense) income	(521,025,870)	(978,922)	(746,434,684)	2,498,626
Loss before income taxes	(546,145,143)	(2,579,977)	(787,324,086)	(7,908,524)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net loss from continuing operations</b>	\$ (546,145,143)	\$ (2,579,977)	\$ (787,324,086)	\$ (7,908,524)
<b>Net loss attributable to noncontrolling interests</b>	<u>(3,885,333)</u>	<u>(37,439)</u>	<u>(3,834,756)</u>	<u>(15,198)</u>
<b>Net loss from continuing operations attributable to Vinco Ventures, Inc.</b>	(542,309,810)	(2,542,538)	(783,489,330)	(7,893,326)
Net income (loss) from discontinued operations	(153,320)	(291,506)	(5,112,100)	4,704,394
Provision for income taxes for discontinued operations	-	-	-	-
Net loss attributable to Vinco Ventures, Inc.	\$ (542,463,130)	\$ (2,834,044)	\$ (788,601,430)	\$ (3,188,932)
Net loss per share:				

Net loss per share - basic	\$	(7.59)	\$	(0.30)	\$	(18.63)	\$	(0.29)
Net loss per share - diluted	\$	(7.59)	\$	(0.30)	\$	(18.63)	\$	(0.29)
Weighted average number of common shares outstanding – basic and diluted		71,516,431		9,324,023		42,326,468		10,853,242

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

	<b>Nine Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash Flow from Operating Activities</b>		
Net loss from continuing operations attributable to Vinco Ventures, Inc.	\$ (783,489,330)	\$ (3,188,932)
Net income attributable to noncontrolling interests	(3,834,756)	(15,198)
Net loss from continuing operations	(787,324,086)	(3,204,130)
Adjustments to reconcile net (income) loss to net cash used in operating activities:		
Discontinued operations	(5,112,100)	-
Depreciation and amortization	5,013,544	938,844
Amortization of financing costs	42,324,603	2,015,422
Stock-based compensation	16,829,359	2,765,022
Amortization of right of use asset	80,333	226,167
Gain on debt extinguishment	(852,352)	-
Gain on divestiture	4,130,580	(4,911,760)
Change in fair value of short-term investments	736,000	-
Loss on disposal of joint venture	304,643	-
Loss on issuance of warrants	415,803,862	-
Change in fair value of warrant liability	287,891,003	-
Changes in assets and liabilities:		
Accounts receivable	(591,061)	(1,037,432)
Inventory	232,213	(146,126)
Prepaid expenses and other current assets	(2,835,791)	(612,276)
Accounts payable	2,027,185	(367,355)
Accrued expenses and other current liabilities	(356,941)	1,237,169
Operating lease liabilities	(80,582)	(219,608)
Due from related party	(17,050)	4,753
<b>Net cash used in operating activities</b>	<b>(21,796,639)</b>	<b>(3,311,310)</b>

<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(281,164)	(193,429)
Cash received from sale of assets of CBAV 1, LLC	2,529,565	-
Acquisition, net of cash received	(90,761,200)	-
Funding of loan receivable	(20,150,000)	-
<b>Net cash used in investing activities</b>	<b>(108,662,799)</b>	<b>(193,429)</b>

### Cash Flows from Financing Activities

Borrowings under line of credit	-	1,144,100
Borrowings under convertible notes payable	122,000,000	1,660,000
Borrowings under notes payable	73,000	1,739,852
Repayments under lines of credit	(379,333)	-
Repayments under notes payable	(1,143,318)	(947,127)
Repayments under convertible notes payable	(1,498,462)	-
Repayments under notes payable- related parties	(2,714,677)	(14,508)
Fees paid for financing costs	(10,205,678)	(33,762)
Distributions		(71,931)
Net proceeds from issuance of common stock	6,055,000	-
Net proceeds from exercise of warrants	167,961,099	-
<b>Net cash provided by financing activities</b>	<b>280,147,631</b>	<b>3,476,624</b>
<b>Net increase (decrease) in cash and cash equivalents, and restricted cash</b>	<b>149,688,193</b>	<b>(28,115)</b>
<b>Cash and cash equivalents, and restricted cash – beginning of period</b>	<b>249,356</b>	<b>412,719</b>
<b>Cash and cash equivalents, and restricted cash - end of period</b>	<b>\$ 149,937,549</b>	<b>384,604</b>

### Supplemental Disclosures of Cash Flow Information

Cash paid during the period for:

Interest	\$ 976,282	\$ 239,682
Income taxes	\$ -	\$ 235,725

Noncash investing and financing activity:

Shares issued to note holders	\$ 422,672	\$ 2,292,864
Shares issued to holder of line of credit	\$ 1,178,750	\$ -
Shares issued for the divestiture of Cloud B, Inc.	\$ -	\$ 405,000
Shares issued for the acquisition of Lomotif Private Limited	\$ 10,135,000	\$ -
Conversions under notes payable	\$ 31,251,007	\$ 1,524,000
Issuance of warrants to note holders	\$ 102,938,515	\$ 1,018,953
Shares reserved for EVNT, LLC	\$ 7,400,000	\$ -
Distribution for issuance of shares to noncontrolling interest members of Global Clean Solutions, LLC	\$ -	\$ 699,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Reconciliation to Non-GAAP Net Loss to adjust GAAP Net Loss to exclude losses from issuance of warrants and changes in fair value of warrant liability:**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Net loss attributable to Vinco Ventures, Inc.	\$ (542,463,130)	\$ (2,834,044)	\$ (783,601,430)	\$ (3,188,932)
Less:				
Loss on issuance of warrants	206,948,147	-	415,803,862	-
Change in fair value of warrant liability	<u>287,117,556</u>	<u>-</u>	<u>287,891,003</u>	<u>-</u>
Adjusted Net loss attributable to Vinco Ventures, Inc.	\$ (48,398,427)	\$ (2,834,044)	\$ (84,906,565)	\$ (3,188,932)
Net loss per share:				
Net loss per share – basic	<u>\$ (0.68)</u>	<u>\$ (0.30)</u>	<u>\$ (2.01)</u>	<u>\$ (0.29)</u>
Net loss per share – diluted	<u>\$ (0.68)</u>	<u>\$ (0.30)</u>	<u>\$ (2.01)</u>	<u>\$ (0.29)</u>
Weighted average number of common shares outstanding – basic and diluted	<u>71,516,431</u>	<u>9,324,023</u>	<u>42,326,468</u>	<u>10,853,242</u>

**About Lomotif**

Lomotif is a video-sharing social networking platform that is democratizing video creation. Since the company was co-founded by video enthusiast Paul Yang in 2014, Lomotif has been granted three technology patents focused on empowering creators to share and watch short videos with ease through remix and collaboration. Yang's vision is to build the world's largest video vocabulary to accelerate the world's transition to video-first expression. Lomotif, available in the Apple and Google stores, is a downloadable app that has grown worldwide as a grassroots social community with dedicated users spanning from Asia to South America to the U.S. For additional information about Lomotif, please visit Lomotif's website at [www.lomotif.com](http://www.lomotif.com).

**About Cryptyde**

Cryptyde, Inc. (anticipated: TYDE), is focused on leveraging blockchain technologies to disrupt consumer facing industries.



## About Vinco Ventures

Vinco Ventures, Inc. (BBIG) is focused on the development of digital media and content technologies. Vinco Ventures' consolidated subsidiary, ZVV Media Partners, LLC, a joint venture of Vinco Ventures and ZASH Global Media and Entertainment Corporation, has an 80% ownership interest in Lomotif Private Limited. For more information visit [Investors.vincoventures.com](https://investors.vincoventures.com).

## Forward-Looking Statements and Disclaimers

This press release contains “forward-looking statements” as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, which are based upon beliefs of, and information currently available to, Vinco Ventures' management as well as estimates and assumptions made by Vinco Ventures' management. These statements can be identified by the fact that they do not relate strictly to historic or current facts. When used in this presentation the words “estimate,” “expect,” “intend,” “believe,” “plan,” “anticipate,” “projected,” and other words or the negative of these terms and similar expressions as they relate to the applicable company or its management identify forward-looking statements. Such statements reflect the current view of Vinco Ventures with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to Vinco Ventures and its subsidiaries and consolidated variable interest entities including Lomotif, their industry, financial condition, operations and results of operations. Such factors include, but are not limited to, uncertainties as to the completion and timing of the merger between Vinco Ventures and ZASH Global Media and Entertainment Corporation, the expected benefits from Vinco Ventures' investments in Lomotif and related growth initiatives including anticipated acquisition of AdRizer by ZVV Media Partners and synergies between AdRizer and Lomotif, the expected benefits of Lomotif's participation in and partnership with live entertainment events such as EDC, uncertainties as to the completion and timing of the spin-off of Cryptyde, the failure to satisfy any conditions to complete the spin-off as specified in the Form 10, the expected tax treatment of the spin-off and the impact of the spin-off on the businesses of Vinco Ventures and Cryptyde, the expected benefits for Vinco Ventures, its shareholders and Cryptyde from the recent injection of businesses and assets into Cryptyde and the spin-off, and such other risks and uncertainties described more fully in documents filed by Vinco Ventures with or furnished to the Securities and Exchange Commission, including the risk factors discussed in Vinco Ventures' Annual Report on Form 10-K for the period ended December 31, 2020 filed on April 15, 2021, and Vinco Ventures' Quarterly Reports on Form 10-Q filed thereafter including the Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 filed on November 22, 2021, which are available at [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

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## Investor Relations

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Source: VincO Ventures, Inc.