

August 23, 2021



# Vinco Ventures, Inc. Reports Financial Results for the Second Quarter Ended June 30, 2021

Bethlehem, P.A., Aug. 23, 2021 (GLOBE NEWSWIRE) -- Vinco Ventures, Inc. (NASDAQ:BBIG), a digital media merger and acquisitions company, today announced results for the second quarter ended June 30, 2021.

***Company to Host Second Quarter 2021 Earnings Conference Call on August 25, 2021***

## **Company Highlights**

- Vinco Ventures and ZASH Global Media and Entertainment through their Joint Venture, ZVV Media Partners, LLC completes acquisition of eighty percent (80%) interest in Lomotif.
- Lomotif has achieved a record number of Monthly Active Users (MAUs) with over 30 million MAUs according to Data Analysis Firm Sensor Tower
- The Lomotif India initiative continues to work well with robust user growth on a monthly basis. India will remain a focus target market.
- Vinco Ventures currently has approximately \$80 million cash as of today's date.
- The current registered warrants (approximately 44 million) provide the Company with additional capital of more than \$140 million when exercised.
- In April of 2021, The Company acquired the assets of Emmersive Entertainment in an all-stock deal. Utilizing the Emmersive assets, the Company developed the EVNT Platform which operates the NFT Commerce site, E-NFT.com.
- The Company 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 has announced the "spin out" of the EVNT Platform into its own Publicly traded company. The date of record has not been set.

## **Second Quarter 2021 Financial Highlights (Three Months Ended June 30, 2021):**

- For the three months ended June 30, 2021 revenue decreased to \$2.69 million as compared to \$5.17 million for the three months ended June 30, 2020, a 47.97% decrease. The decrease in revenue is mainly attributed to the decrease in sales of Personal Protective Equipment in the Edison Nation Medical division.
- For the three months ended June 30, 2021 gross profit decreased by \$198,424 as compared to the three months ended June 30, 2020 gross profit, a decrease of 16.97%. The decrease in gross profit is mainly attributed to the decrease in sales of Personal Protective Equipment in the Edison Nation Medical division.

- For the three months ended June 30, 2021 gross margin increased to 36.06% as compared to the three months ended June 30, 2020 gross margin of 22.59%. The lower margins in the prior period are due to revenues from the lower margin Edison Nation Medical division.

### **Second Quarter 2021 Financial Summary Revenue (Six Months Ended June 30, 2021):**

- For the six months ended June 30, 2021 revenue decreased to \$5.26 million as compared to \$7.13 million for the six months ended June 30, 2020, a 26.24% decrease. The decrease in revenue is mainly attributed to the decrease in sales of Personal Protective Equipment in the Edison Nation Medical division.
- For the six months ended June 30, 2021 gross profit increased by \$123,730 as compared to the six months ended June 30, 2020 gross profit, an increase of 7.04%.
- For the six months ended June 30, 2021 gross margin increased to 35.81% as compared to the six months ended June 30, 2020 gross margin of 24.68%. The lower margins in the prior period are due to revenues from the lower margin Edison Nation Medical division.

### **Net Loss**

- Net loss in the second quarter of 2021 was \$183.89 million, or (\$5.13) per basic and diluted share, compared to a net loss of \$1.62 million, or (\$0.18) per basic and diluted share in the second quarter of 2020. The increase in the net loss is primarily due to the issuance of warrants during the period.
- Net loss for the first six months of 2020 was \$246.14 million, or (\$8.95) per basic and diluted share, compared to a net loss of \$0.35 million, or (\$0.04) per basic and diluted share in the first six months of 2021. The increase in the net loss is primarily due to the issuance of warrants during the period.

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

**Event Date:** Wednesday August 25, 2021

**Event Time:** 5:00PM Eastern Standard Time

**Event Duration:** 60 minutes

**The conference call can be accessed through the following numbers:**

1- 844-602-0380 (U.S. participants)

1- 862-298-0970 (International participants)

To access the live webcast presentation, visit:

<https://www.webcaster4.com/Webcast/Page/2479/42594>

A webcast replay will be available until August 25, 2022.

Questions can be submitted to [investors@vincoventures.com](mailto:investors@vincoventures.com) on or before 2pm on August

24, 2021.

### Conference Replay:

A teleconference replay will be available until September 8, 2021.

1- 877-481-4010 (U.S. participants)

1-91 919-882-23319-882-2331 (International participants)

Passcode: 42594

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

	June 30, 2021 <u>(Unaudited)</u>	December 31, 2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 74,756,573	\$ 249,356
Accounts receivable, net	2,907,002	1,382,163
Short-term investments	895,600	1,018,000
Inventory	852,147	1,127,725
Prepaid expenses and other current assets	1,209,435	522,259
Current assets of discontinued operations	-	1,042,680
Total current assets	80,620,757	5,342,183
Property and equipment, net	1,033,810	1,010,801
Right of use assets, net	104,707	153,034
Loan receivable	5,000,000	-
Equity method investment	12,000,000	-
Intangible assets, net	16,533,373	9,798,813
Goodwill	5,983,852	5,983,852
Non-current assets of discontinued operations	-	5,739,524
Total assets	\$ 121,276,499	\$ 28,028,207
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 1,791,982	\$ 3,618,339
Accrued expenses and other current liabilities	1,284,168	2,101,610
Deferred revenues	131,578	152,040
Current portion of operating leases liabilities	99,293	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 \$6,666,667 and \$0, respectively	3,333,333	577,260
Current portion of notes payable, net of debt issuance costs of \$0 and \$212,848, respectively	15,185	1,301,212
Current portion of notes payable – related parties	876,500	1,389,923
Due to related party	15,401	32,452
Current liabilities of discontinued operations	120,729	487,454
Total current liabilities	8,829,464	11,285,663
Operating leases liabilities –net of current portion	8,483	58,713
Convertible notes payable – related parties, net of current portion, net of debt discount of \$172,984 and \$366,666, respectively	267,183	1,161,495
Notes payable, net of current portion	19,966	595,879
Notes payable – related parties, net of current portion	-	1,403,756
Warrant liability	139,695,115	-
Total liabilities	\$ 148,820,211	\$ 14,505,506
Commitments and Contingencies (Note 12)	-	-

### Stockholders' equity

Preferred stock, \$0.001 par value, 30,000,000 shares authorized as of June 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 June 30, 2021 and December 31, 2020, respectively	-	765
Common stock, \$0.001 par value, 250,000,000 shares authorized 59,927,241 and 14,471,403 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	59,927	14,471
Additional paid-in-capital	244,026,879	39,050,260
Accumulated deficit	(269,787,198)	(23,648,898)
Total stockholders' (deficit) equity attributable to Vinco Ventures, Inc.	(25,700,392)	15,416,598
Noncontrolling interests	(1,843,320)	(1,893,897)
Total stockholders' equity	(27,543,712)	13,522,701
Total liabilities and stockholders' equity	\$ 121,276,499	\$ 28,028,207

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

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenues, net</b>	\$ 2,691,811	\$ 5,173,982	\$ 5,256,973	\$ 7,127,328
Cost of revenues	1,721,189	4,004,936	3,374,570	5,368,655
<b>Gross profit</b>	970,622	1,169,046	1,882,403	1,758,673
<b>Operating expenses:</b>				
Selling, general and administrative	5,941,652	2,377,853	17,602,532	5,567,516
Operating loss	(4,971,032)	(1,208,807)	(15,720,129)	(3,808,843)
<b>Other (expense) income:</b>				
Rental income	28,703	25,703	54,407	51,407
Interest expense	(2,715,481)	(847,154)	(15,410,414)	(1,571,111)
Loss on issuance of warrants	(133,699,181)	-	(208,855,715)	-
Change in fair value of warrant liability	(37,154,989)	-	(773,447)	-
Change in fair value of short-term investment	(52,000)	-	(122,000)	-
Loss on disposal of interest in joint venture	(301,645)	-	(301,645)	-
Gain on divestiture	-	-	-	-
Total other (expense) income	(173,894,593)	(821,451)	(225,408,814)	(1,519,704)
Loss before income taxes	(178,865,623)	(2,030,258)	(241,128,943)	(5,328,547)
Income tax expense	-	-	-	-
<b>Net loss from continuing operations</b>	\$ (178,865,623)	\$ (2,030,258)	\$ (241,128,943)	\$ (5,328,547)
<b>Net income (loss) attributable to noncontrolling interests</b>	22,543	22,241	50,577	22,241

<b>Net loss from continuing operations attributable to Vinco Ventures, Inc.</b>	(178,888,166)	(2,052,499)	(241,179,520)	(5,350,788)
Net loss from discontinued operations	(4,780,580)	428,119	(4,958,780)	4,995,900
Provision for income taxes for discontinued operations	-	-	-	-
Net loss attributable to Vinco Ventures, Inc.	\$ (183,668,746)	\$ (1,624,380)	\$ (246,138,300)	\$ (354,888)
Net loss per share:				
Net (loss) income per share - basic	\$ (5.13)	\$ (0.18)	\$ (8.95)	\$ (0.04)
Net (loss) income per share - diluted	\$ (5.13)	\$ (0.18)	\$ (8.95)	\$ (0.04)
Weighted average number of common shares outstanding – basic and diluted	35,831,466	8,920,554	27,489,580	8,551,012

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

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

	<u>Six Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
<b>Cash Flow from Operating Activities</b>		
Net loss from continuing operations attributable to Vinco Ventures, Inc.	\$ (241,179,520)	\$ (5,350,788)
Net income attributable to noncontrolling interests	50,577	22,241
Net loss from continuing operations	(241,128,943)	(5,328,547)
Adjustments to reconcile net (income) loss to net cash used in operating activities:		
Discontinued operations	(4,958,780)	4,995,900
Depreciation and amortization	1,081,623	612,406
Amortization of financing costs	15,597,936	1,227,046

Stock-based compensation	10,003,767	1,588,427
Amortization of right of use asset	48,327	153,820
Gain on debt extinguishment	(852,352)	-
Loss on disposal of discontinued operations	4,130,580	(4,911,760)
Change in fair value of short-term investments	122,400	-
Loss on issuance of warrants	208,855,715	-
Change in fair value of warrant liability	773,447	-
Changes in assets and liabilities:		
Accounts receivable	(1,596,881)	(978,097)
Inventory	169,793	178,227
Prepaid expenses and other current assets	(378,831)	(967,109)
Accounts payable	(819,943)	(344,847)
Accrued expenses and other current liabilities	(775,082)	1,425,622
Operating lease liabilities	(47,714)	(148,518)
Due from related party	(17,050)	9,532
<b>Net cash used in operating activities</b>	<u>(9,791,988)</u>	<u>(2,487,898)</u>

#### Cash Flows from Investing Activities

Purchase of property and equipment	(88,633)	(61,917)
Cash received from sale of assets of CBAV 1, LLC	2,529,564	-
Equity method investment	(12,000,000)	-
Funding of loan receivable	(5,000,000)	-
<b>Net cash used in investing activities</b>	<u>(14,559,069)</u>	<u>(61,917)</u>

#### Cash Flows from Financing Activities

(Repayments) borrowings under line of credit	(379,333)	1,678,540
Borrowings under convertible notes payable	19,720,000	1,436,000
Borrowings under notes payable	73,000	1,767,352
Repayments under notes payable	(2,145,475)	(824,472)
Repayments under notes payable- related parties	(1,951,012)	(14,508)
Fees paid for financing costs	(120,261)	(143,479)
Net proceeds from issuance of common stock	3,255,000	-
Net proceeds from exercise of warrants	80,406,355	-
<b>Net cash provided by financing activities</b>	<u>98,858,274</u>	<u>3,899,433</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	74,507,217	1,349,618
<b>Cash and cash equivalents - beginning of period</b>	249,356	412,719
<b>Cash and cash equivalents - end of period</b>	<u>\$ 74,756,573</u>	<u>1,762,337</u>

#### Supplemental Disclosures of Cash Flow Information

Cash paid during the period for:

Interest	\$ 858,388	\$ 144,740
Income taxes	\$ (14,738)	\$ 235,725

Noncash investing and financing activity:

Shares issued to note holders	\$	422,672	\$	-
Conversions under notes payable	\$	12,248,507	\$	424,000
Issuance of warrants to note holders	\$	208,855,715	\$	-
Shares reserved for EVNT, LLC	\$	7,400,000	\$	-

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

### **About Lomotif**

Lomotif is the leading 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 uniquely focused on empowering creators to share and watch short videos with ease through remix and collaboration. Yang's bold 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 for hip hop, rap, and urban culture across the United States and Latin America. Lomotif is one of five partners selected by Snapchat for a bi-directional integration for posting stories between the two platforms. For additional information about Lomotif Private Limited, please visit Lomotif's website at [www.lomotif.com](http://www.lomotif.com).

### **About ZASH Global Media and Entertainment Corporation**

ZASH Global Media and Entertainment Corporation is an evolving network of synergetic companies working together to disrupt the media and entertainment industry. For additional information about ZASH Global Media and Entertainment Corporation, please visit ZASH's website at [www.zash.global](http://www.zash.global).

### **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. (Buy. Innovate. Grow.) strategy is to seek acquisition opportunities that are poised for scale and will "BE BIG". For more information visit [Investors.vincoventures.com](http://Investors.vincoventures.com).

### **Forward-Looking Statements and Disclaimers**

To the extent any statements contained in this press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 and the information that are based upon beliefs of, and information currently available to, the company's management as well as estimates and assumptions made by the company's 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 company or the company's management identify forward-looking statements. Such statements reflect the current view of the company with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to the company's industry, its operations and results of operations and any businesses that may be acquired by the company. 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 the company believes that the expectations reflected in the forward-looking statements are reasonable, the company cannot guarantee future results, performance, or achievements. Except as required by applicable law, including the security laws of the United States, the company does 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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