UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2021

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

Commission file number: 001-38448

VINCO VENTURES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada (State or Other Jurisdiction of Incorporation or Organization)	**82-2199200** (I.R.S. Employer Identification No.)
1 West Broad Street, Suite 1004 **Bethlehem, Pennsylvania** (Address of Principal Executive Offices)	**18018** (Zip Code)

(866) 900-0992
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller Reporting Company ☒
	Emerging Growth Company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	**BBIG**	**Nasdaq**

As of August 17, 2021, there were 65,564,435 shares of the registrant's common stock outstanding.

EDISON NATION, INC.

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USE OF MARKET AND INDUSTRY DATA

This Quarterly Report on Form 10-Q includes market and industry data that we have obtained from third-party sources, including industry publications, as well as industry data prepared by our management on the basis of its knowledge of and experience in the industries in which we operate (including our management's estimates and assumptions relating to such industries based on that knowledge). Management has developed its knowledge of such industries through its experience and participation in these industries. While our management believes the third-party sources referred to in this Quarterly Report on Form 10-Q are reliable, neither we nor our management have independently verified any of the data from such sources referred to in this Quarterly Report on Form 10-Q or ascertained the underlying economic assumptions relied upon by such sources. Furthermore, internally prepared and third-party market prospective information, in particular, are estimates only and there will usually be differences between the prospective and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Also, references in this Quarterly Report on Form 10-Q to any publications, reports, surveys or articles prepared by third parties should not be construed as depicting the complete findings of the entire publication, report, survey or article. The information in any such publication, report, survey or article is not incorporated by reference in this Quarterly Report on Form 10-Q.

Solely for convenience, we refer to trademarks in this Quarterly Report on Form 10-Q without the ® or the ™ or symbols, but such references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights to our own trademarks. Other service marks, trademarks and trade names referred to in this Quarterly Report on Form 10-Q, if any, are the property of their respective owners, although for presentational convenience we may not use the ® or the ™ symbols to identify such trademarks.

OTHER PERTINENT INFORMATION

Unless the context otherwise indicates, when used in this Quarterly Report on Form 10-Q, the terms "Vinco Ventures" "we," "us," "our," the "Company" and similar terms refer to Vinco Ventures, Inc., a Nevada corporation formerly known as Edison Nation, Inc., Xspand Products Lab, Inc. and Idea Lab Products, Inc., and all of our subsidiaries and affiliates.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q for the period ended June 30, 2021 (the "Quarterly Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements relate to future events (including, without limitation, the terms, timing and closing of our proposed acquisitions or our future financial performance). We have attempted to identify forward-looking statements by using terminology such as "anticipates," "believes," "expects," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predict," "should" or "will" or the negative of these terms or other comparable terminology. These statements are only predictions; uncertainties and other factors may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels or activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Our expectations are as of the date this Quarterly Report is filed, and we do not intend to update any of the forward-looking statements after the date this Quarterly Report is filed to confirm these statements to actual results, unless required by law.

You should not place undue reliance on forward looking statements. The cautionary statements set forth in this Quarterly Report identify important factors which you should consider in evaluating our forward-looking statements. These factors include, among other things:

- Our ability to effectively execute our business plan;
- Our ability to manage our expansion, growth and operating expenses;
- Our ability to protect our brands and reputation;
- Our ability to repay our debts;
- Our ability to rely on third-party suppliers outside of the United States;
- Our ability to evaluate and measure our business, prospects and performance metrics;
- Our ability to compete and succeed in a highly competitive and evolving industry;
- Our ability to respond and adapt to changes in technology and customer behavior;
- Risks in connection with completed or potential acquisitions, dispositions and other strategic growth opportunities and initiatives;
- Risks related to the anticipated timing of the closing of any potential acquisitions;
- Risks related to the integration with regards to potential or completed acquisitions;
- Various risks related to health epidemics, pandemics and similar outbreaks, such as the coronavirus disease 2019 ("COVID-19") pandemic, which may have material adverse effects on our business, financial position, results of operations and/or cash flows.

This Quarterly Report on Form 10-Q also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other industry data. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified the statistical and other industry data generated by independent parties and contained in this Quarterly Report and, accordingly, we cannot guarantee their accuracy or completeness, though we do generally believe the data to be reliable. In addition, projections, assumptions and estimates of our future performance and the future performance of the industries in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including, but not limited to, the possibility that we may fail to preserve our expertise in consumer product development; that existing and potential distribution partners may opt to work with, or favor the products of, competitors if our competitors offer more favorable products or pricing terms; that we may be unable to maintain or grow sources of revenue; that we may be unable maintain profitability; that we may be unable to attract and retain key personnel; or that we may not be able to effectively manage, or to increase, our relationships with customers; that we may have unexpected increases in costs and expenses. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

PART I

INDEX TO FINANCIAL STATEMENTS

Vinco Ventures, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS

		June 30, 2021 (Unaudited)		December 31, 2020
Assets				
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
Liabilities and stockholders' equity				
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.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Revenues, net	$ 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
Gross profit	970,622	1,169,046	1,882,403	1,758,673
Operating expenses:				
Selling, general and administrative	5,941,652	2,377,853	17,602,532	5,567,516
Operating loss	(4,971,030)	(1,208,807)	(15,720,129)	(3,808,843)
Other (expense) income:				
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	-	-	-	-
Net loss from continuing operations	$ (178,865,623)	$ (2,030,258)	$ (241,128,943)	$ (5,328,547)
Net income (loss) attributable to noncontrolling interests	22,543	22,241	50,577	22,241
Net loss from continuing operations attributable to Vinco Ventures, Inc.	(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 STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For the six months ended June 30, 2021 and 2020:

	Preferred stock		Common Stock		Additional Paid-in	Accumulated	Noncontrolling	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Interest	Equity
Balance, January 1, 2021	764,618	765	14,471,403	$ 14,471	$ 39,050,260	$ (23,648,898)	$ (1,893,897)	$ 13,522,701
Issuance of common stock to noteholders	-	-	303,483	304	422,368	-	-	422,672
Issuance of common stock to investors	-	-	1,500,000	1,500	3,253,500	-	-	3,255,000
Issuance of common stock to consultants	-	-	1,394,272	1,394	2,034,941	-	-	2,036,335
Issuance of common stock to employees	-	-	2,861,227	2,861	3,289,329	-	-	3,292,190
Issuance of common stock upon exercise of warrants	-	-	31,742,986	31,743	87,753,676	-	-	87,785,419
Offering costs – exercise of warrants	-	-	-	-	(7,379,064)	-	-	(7,379,064)
Conversion under notes payable	-	-	6,139,252	6,139	12,242,368	-	-	12,248,507
Exercise of warrant liabilities	-	-	-	-	89,654,047	-	-	89,654,047
Stock-based compensation			-	-	5,053,704	-	-	5,053,704
Issuance of common stock acquisitions	-	-	750,000	750	1,251,750	-	-	1,252,500
Conversion of preferred stock to common	(764,618)	(765)	764,618	765	-	-	-	-
Shares reserved for future issuance of common stock as consideration for the Emmersive asset acquisition	-	-	-	-	7,400,000	-	-	7,400,000
Net income	-	-	-	-	-	(246,138,300)	50,577	(246,087,723)
Balance, June 30, 2021 (Unaudited)	-	$ -	59,927,241	$ 59,927	$ 244,026,879	$ (269,787,198)	$ (1,843,320)	$ (27,543,712)
Balance, January 1, 2020	-	-	8,015,756	$ 8,016	$ 26,259,576	$ (18,495,462)	$ (317,698)	$ 7,454,432
Issuance of common stock to note holders	-	-	439,400	439	789,575	-	-	790,014
Returned common stock from noteholder	-	-	(153,005)	(153)	153	-	-	-
Issuance of common stock to consultants	-	-	866,250	866	561,896	-	-	562,762
Issuance of warrants to noteholders and beneficial conversion option	-	-	-	-	1,018,953	-	-	1,018,953
Divestiture of Cloud B	-	-	-	-	-	-	(26,392)	(26,392)
Issuance of common stock for divestiture	-	-	150,000	150	404,850	-	-	405,000
Stock-based compensation	-	-	-	-	1,068,380	-	-	1,068,380
Issuance of common stock for Global Clean Solutions, LLC acquisition	-	-	300,000	300	698,700	-	-	699,000
Distributions	-	-	-	-	-	-	(699,000)	(699,000)
Net (loss) income	-	-	-	-	-	(354,888)	22,241	(332,647)
Balance, June 30, 2020 (Unaudited)	-	$ -	9,618,401	$ 9,618	$ 30,802,083	$ (18,850,350)	$ (1,020,849)	$ 10,940,502

For the three months ended June 30, 2021 and 2020:

	Preferred stock		**Common Stock**		**Additional Paid-in**	**Accumulated**	**Noncontrolling**	**Total Stockholders'**
	Shares	**Amount**	**Shares**	**Amount**	**Capital**	**Deficit**	**Interest**	**Equity**
Balance, March 31, 2021 (Unaudited)	764,618	765	25,685,981	$ 25,686	$ 66,002,229	$ (86,118,452)	$ (1,865,863)	$ (21,955,635)
Issuance of common stock to consultants	-	-	451,272	451	(451)	-	-	-
Issuance of common stock to employees	-	-	1,598,355	1,598	(1,598)	-	-	-
Issuance of common stock upon exercise of warrants	-	-	30,862,188	30,862	86,063,953	-	-	86,094,815
Offering costs – exercise of warrants	-	-	-	-	(7,379,064)	-	-	(7,379,064)
Conversions under notes payable	-	-	564,827	565	1,153,922	-	-	1,154,487
Conversion of preferred stock into common stock	(764,618)	(765)	764,618	765	-	-	-	-
Exercise of warrant liabilities	-	-	-	-	89,394,620	-	-	89,394,620
Stock-based compensation			-	-	1,393,268	-	-	1,393,268

	-	-						
Shares reserved for future issuance of common stock as consideration for the Emmersive asset acquisition	-	-	-	-	7,400,000	-	-	7,400,000
Net income (loss)	-	-	-	-	-	(183,668,746)	22,543	(183,646,203)
Balance, June 30, 2021 (Unaudited)	-	$ -	59,927,241	$ 59,927	$ 244,026,879	$ (269,787,198)	$ (1,843,320)	$ (27,543,712)
Balance, March 31, 2020 (Unaudited)	-	$ -	8,676,501	$ 8,677	$ 28,790,704	$ (17,225,970)	$ (344,090)	$ 11,229,321
Issuance of common stock to note holders	-	-	279,400	279	588,411	-	-	588,690
Issuance of common stock for divestiture	-	-	150,00	150	404,850	-	-	405,000
Issuance of common stock to consultants	-	-	212,500	212	(212)	-	-	-
Stock-based compensation	-	-	-	-	319,630	-	-	319,630
Issuance of common stock for Global Clean Solutions, LLC acquisition	-	-	300,000	300	698,700	-	-	699,000
Distributions	-	-	-	-	-	-	(699,000)	(699,000)
Net (loss) income	-	-	-	-	-	(1,624,380)	22,241	(1,602,139)
Balance, June 30, 2020 (Unaudited)	-	-	9,618,401	9,618	30,802,083	(18,850,350)	(1,020,849)	10,940,502

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

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

	Six Months Ended June 30, 2021 (Unaudited)	Six Months Ended June 30, 2020 (Unaudited)
Cash Flow from Operating Activities		
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
Net cash used in operating activities	(9,791,988)	(2,487,898)
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)	-
Net cash used in investing activities	(14,559,069)	(61,917)
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	-
Net cash provided by financing activities	98,858,274	3,899,433
Net increase (decrease) in cash and cash equivalents	74,507,217	1,349,618
Cash and cash equivalents - beginning of period	249,356	412,719
Cash and cash equivalents - end of period	$ 74,756,573	1,762,337
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.

Vinco Ventures, Inc. and Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Basis of Presentation and Nature of Operations

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial statements and with Form 10-Q and Article 10 of Regulation S-X of the United States Securities and Exchange Commission (the "SEC"). Accordingly, they do not contain all information and footnotes required by GAAP for annual financial statements. The condensed consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements contain all the adjustments necessary (consisting only of normal recurring accruals) to present the financial position of the Company as of June 30, 2021 and the results of operations, changes in stockholders' equity, and cash flows for the periods presented. The results of operations for the three and six months ended June 30, 2021 are not necessarily indicative of the operating results for the full fiscal year for any future period.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. The Company's accounting policies are described in the Notes to Consolidated Financial Statements in its Annual Report on Form 10-K for the year ended December 31, 2020, and updated, as necessary, in this Quarterly Report on Form 10-Q.

As used herein, the terms the "Company," "Vinco Ventures" "we," "us," "our" and similar refer to Vinco Ventures, Inc. (f/k/a Edison Nation, Inc.), a Nevada corporation incorporated on July 18, 2017 under the laws of the State of Nevada as Idea Lab X Products, Inc. and also formerly known as Xspand Products Lab, Inc. prior to its name change on September 12, 2018, and/or its wholly-owned and majority-owned operating subsidiaries. On November 5, 2020, the Company (the "Parent") and its wholly owned subsidiary, Vinco Ventures, Inc. (the "Merger Sub"), entered into an Agreement and Plan of Merger (the "Agreement"). Under the terms of the Agreement, the Merger Sub merged with and into the Parent and the Parent became the surviving corporation of the Merger (the "Surviving Corporation"). The name of the Surviving Corporation became Vinco Ventures, Inc. The transaction closed on November 10, 2020.

Vinco Ventures is a vertically-integrated, end-to-end, consumer product research & development, manufacturing, sales and fulfillment company. The Company's proprietary web-enabled platform provides a low risk, high reward platform and process to connect innovators of new product ideas with potential licensees.

As of June 30, 2021, Vinco Ventures had eight wholly-owned subsidiaries: TBD Safety, LLC ("TBD"), Vinco Ventures Shared Services LLC ("Vinco Shared"), Ferguson Containers, Inc. ("Fergco"), CBAV1, LLC ("CB1"), Pirasta, LLC ("Pirasta"), Honey Badger Media LLC ("Honey Badger"), EVNT Platform LLC ("Emmersive Entertainment") and Edison Nation Holdings, LLC. Vinco Ventures owns 50% of Best Party Concepts, LLC and Global Clean Solutions, LLC, all of which are consolidated as VIE's with noncontrolling interests. Edison Nation Holdings, LLC is the single member of Edison Nation, LLC and Everyday Edisons, LLC. Edison Nation, LLC is the single member of Safe TV Shop, LLC.

In April 2021, the Company agreed to unwind the joint venture of Ed Roses, LLC and recognized a loss of $301,645.

Liquidity

For the six months ended June 30, 2021, our operations lost approximately $15,720,129, of which approximately $11,085,000 was non-cash and approximately $1,428,000 was related to transaction costs and other non-recurring items.

At June 30, 2021, we had total current assets of approximately $80,620,757 and current liabilities of approximately $8,829,464 resulting in working capital of approximately $71,791,293, of which $3,333,333 was convertible notes payable. At June 30, 2021, we had total assets of $121,276,499 and total liabilities of $148,820,211, of which 139,695,115 related to the warrant liabilities, resulting in stockholders' deficit of $27,543,712.

The Company believes it has sufficient cash for at least the next twelve months from the date of issuance of these condensed financial statements. The ability to continue as a going concern is dependent upon the Company's ability to attract significant new sources of capital, attain a reasonable threshold of operating efficiencies and achieve profitable operations from the sale of its products.

Our operating needs include the planned costs to operate our business, including amounts required to fund working capital and capital expenditures. Our future capital requirements and the adequacy of our available funds will depend on many factors, including our ability to successfully commercialize our products and services, competing technological and market developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement our product and service offerings.

Note 2 — Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Vinco Ventures, Inc. and its wholly-owned and majority owned subsidiaries. All intercompany balances and transactions have been eliminated.

Reclassifications

Certain amounts previously presented in the consolidated financial statements have been reclassified to conform to the current year presentation. Such reclassifications had no effect on the previously reported net loss, Stockholders' equity or cash flows.

Use of Estimates

Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, together with amounts disclosed in the related notes to the financial statements.

The Company's significant estimates used in these financial statements include, but are not limited to, accounts receivable reserves, the valuation allowance related to the Company's deferred tax assets, the recoverability and useful lives of long-lived assets, debt conversion features, stock-based compensation, certain assumptions related to the valuation of the reserved shares and the assets acquired and liabilities assumed related to the Company's acquisitions. Certain of the Company's estimates could be affected by external conditions, including those unique to the Company and general economic conditions. It is reasonably possible that these external factors could have an effect on the Company's estimates and could cause actual results to differ from those estimates.

Discontinued Operations

A component of an entity that is disposed of by sale or abandonment is reported as discontinued operations if the transaction represents a strategic shift that will have a major effect on an entity's operations and financial results. The results of discontinued operations are aggregated and presented separately in the Consolidated Statement of Operations. Assets and liabilities of the discontinued operations are aggregated and reported separately as assets and liabilities of discontinued operations in the Consolidated Balance Sheet, including the comparative prior year period. The Company's cash flows are reflected as cash flows from discontinued operations within the Company's Consolidated Statements of Cash Flows for each period presented.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents in the consolidated financial statements.

Note 2 — Summary of Significant Accounting Policies — (Continued)

The Company has cash on deposit in several financial institutions which, at times, may be in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Company has not experienced losses in such accounts and periodically evaluates the creditworthiness of its financial institutions. The Company reduces its credit risk by placing its cash and cash equivalents with major financial institutions. The Company had approximately $74,756,573 of cash and cash equivalents at June 30, 2021 of which none was held in foreign bank accounts not covered by FDIC insurance limits as of June 30, 2021.

Accounts Receivable

Accounts receivable are carried at their contractual amounts, less an estimate for uncollectible amounts. Management estimates the allowance for bad debts based on existing economic conditions, historical experience, the financial conditions of the customers, and the amount and age of past due accounts. Receivables are considered past due if full payment is not received by the contractual due date. Past due accounts are generally written off against the allowance for bad debts only after all collection attempts have been exhausted.

No customers represented more than 10% of total accounts receivable.

Inventory

Inventory is recorded at the lower of cost or net realizable value on a first-in, first-out basis. The Company reduces the carrying value of inventories for those items that are potentially excess, obsolete, or slow moving based on changes in customer demand, technology developments, or other economic factors.

Short-Term Investments

Short-term investments consisted of equity securities. The Company classified its investments as trading securities. Accordingly, such investments were reported at fair market value, with the resultant unrealized gains and losses reported as a component of the consolidated statements of operations. Fair value for trading securities was determined by reference to quoted market prices.

Property and Equipment, Net

Property and equipment are stated at cost, net of accumulated depreciation and amortization, which is recorded commencing at the in-service date using the straight-line method over the estimated useful lives of the assets, as follows: 3 to 5 years for office equipment, 5 to 7 years for furniture and fixtures, 6 to 10 years for machinery and equipment, 10 to 15 years for building improvements, 5 years for software, 5 years for molds, 5 to 7 years for vehicles and 40 years for buildings.

Equity Method Investments

We apply the equity method of accounting to investments when we have significant influence, but not controlling interest in the investee. Judgment regarding the level of influence over each equity method investment includes considering key factors such as ownership interest, representation on the board of directors, participation in policy-making decisions and material intercompany transactions. The Company's proportionate share of the net income (loss) resulting from these investments will be reported under a line-item captioned equity method investment income in our Consolidated Statements of Operations. The carrying value of our equity method investments is reported in equity method investments in the Consolidated Balance Sheets. The Company's equity method investments are reported at cost and adjusted each period for the Company's share of the investee's income or loss and dividend paid, if any. The Company classifies distributions received from equity-method investments using the cumulative earnings approach on the Consolidated Statements of Cash Flows. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. The Company did not record any impairments related to its investments in 2021. For the six months ended June 30, 2021, there was no income or loss.

Revenue Recognition

Generally, the Company considers all revenues as arising from contracts with customers. Revenue is recognized based on the five-step process outlined in the Accounting Standards Codification ("ASC") 606:

Step 1 – Identify the Contract with the Customer – A contract exists when (a) the parties to the contract have approved the contract and are committed to perform their respective obligations, (b) the entity can identify each party's rights regarding the goods or services to be transferred, (c) the entity can identify the payment terms for the goods or services to be transferred, (d) the contract has commercial substance and it is probable that the entity will collect substantially all of the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Note 2 — Summary of Significant Accounting Policies — (Continued)

Step 2 – Identify Performance Obligations in the Contract – Upon execution of a contract, the Company identifies as performance obligations each promise to transfer to the customer either (a) goods or services that are distinct, or (b) a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. To the extent a contract includes multiple promised goods or services, the Company must apply judgement to determine whether the goods or services are capable of being distinct within the context of the contract. If these criteria are not met, the goods or services are accounted for as a combined performance obligation.

Step 3 – Determine the Transaction Price – When (or as) a performance obligation is satisfied, the Company shall recognize as revenue the amount of the transaction price that is allocated to the performance obligation. The contract terms are used to determine the transaction price. Generally, all contracts include fixed consideration. If a contract did include variable consideration, the Company would determine the amount of variable consideration that should be included in the transaction price based on expected value method. Variable consideration would be included in the transaction price, if in the Company's judgement, it is probable that a significant future reversal of cumulative revenue under the contract would not occur.

Step 4 – Allocate the Transaction Price – After the transaction price has been determined, the next step is to allocate the transaction price to each performance obligation in the contract. If the contract only has one performance obligation, the entire transaction price will be applied to that obligation. If the contract has multiple performance obligations, the transaction price is allocated to the performance obligations based on the relative standalone selling price (SSP) at contract inception.

Step 5 – Satisfaction of the Performance Obligations (and Recognize Revenue) – Revenue is recognized when (or as) goods or services are transferred to a customer. The Company satisfies each of its performance obligations by transferring control of the promised good or service underlying that performance obligation to the customer. Control is the ability to direct the use of and obtain substantially all of the remaining benefits from an asset. It includes the ability to prevent other entities from directing the use of and obtaining the benefits from an asset. Indicators that control has passed to the customer include: a present obligation to pay; physical possession of the asset; legal title; risks and rewards of ownership; and acceptance of the asset(s). Performance obligations can be satisfied at a point in time or over time.

Substantially all of the Company's revenues continue to be recognized when control of the goods is transferred to the customer, which is upon shipment of the finished goods to the customer. All sales have fixed pricing and there are currently no material variable components included in the Company's revenue. Additionally, the Company will issue credits for defective merchandise, historically these credits for defective merchandise have not been material.

Disaggregation of Revenue

The Company's primary revenue streams include the sale and/or licensing of consumer goods and packaging materials for innovative products. The Company's licensing business is not material and has not been separately disaggregated for segment purposes. The Company's disaggregated revenues for the three and six months ended June 30, 2021 and 2020 was as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues:				
Product sales	$ 2,626,689	$ 5,123,067	$ 5,114,558	$ 7,036,204
Service	-	-	-	-
Licensing	65,122	50,915	142,415	91,124
Total revenues, net	$ 2,691,811	$ 5,173,982	$ 5,256,973	$ 7,127,328

Note 2 — Summary of Significant Accounting Policies — (Continued)

For the three and six months ended June 30, 2021 and 2020, the following customer represented more than 10% of total net revenues:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Customer:				
Customer A	11%	*	11%	*
Customer B	*	11%	*	*
Customer C	*	11%	*	*

* Customer did not represent greater than 10% of total net revenue.

For the three and six months ended June 30, 2021 and 2020, the following geographical regions represented more than 10% of total net revenues:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Region:				
North America	100%	98%	100%	93%

* Region did not represent greater than 10% of total net revenue.

Note 2 — Summary of Significant Accounting Policies — (Continued)

Fair Value of Financial Instruments

The Company measures the fair value of financial assets and liabilities based on the guidance of ASC 820 “Fair Value Measurements and Disclosures” (“ASC 820”) which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example, cash flow modeling inputs based on assumptions)

The carrying amounts of the Company’s financial instruments, such as cash, accounts receivable and accounts payable, approximate fair values due to the short-term nature of these instruments. The carrying amount of the Company’s notes payable approximates fair value because the effective yields on these obligations, which include contractual interest rates, taken together with other features such as concurrent issuance of warrants, are comparable to rates of returns for instruments of similar credit risk. The loan held for investment was acquired at fair value, which resulted in a discount.

The following fair value of financial assets and liabilities and the input level used to determine the fair value at June 30, 2021 is presented below:

	Fair Value Measurements as of June 30, 2021		
	Level 1	Level 2	Level 3
Assets:			
Short-term investments	$ 895,600	$ -	$ -
Liabilities:			
Warrant liability	-	-	139,695,115
Total	895,600	-	139,695,115

The following fair value of financial assets and liabilities and the input level used to determine the fair value at December 31, 2020 is presented below:

	Fair Value Measurements as of December 31, 2021		
	Level 1	Level 2	Level 3
Assets:			
Short-term investments	$ 1,018,000	$ -	$ -
Liabilities:			
Warrant liability	-	-	-
Total	1,018,000	-	-

The following table presents a reconciliation of the Company’s liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the six months ended June 30, 2021:

	Warrant Liability (Level 3)
Balance, December 31, 2020	$ -
Issuance of warrants	228,575,715
Change in fair value	773,447
Exercise of warrants	(89,654,047)
Balance, June 30, 2021	$ 139,695,115

U.S. equity stocks represent investment in stocks of U.S. based companies. The valuation inputs for U.S. equity stocks are based on the last published price reported on the major stock market on which the securities are traded and are primarily classified as Level 1. Securities whose valuation inputs are not based on observable market information are classified as Level 3.

Warrant Accounting

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, “Derivatives and Hedging”.

The Company classifies a warrant to purchase shares of its common stock as a liability on its consolidated balance sheets as this warrant is a free-standing financial instrument that may require the Company to transfer consideration upon exercise (Please see **Note 11 — Warrant Liability** for further information). Each warrant is initially recorded at fair value on date of grant using the Black-Scholes model and net of issuance costs, and it is subsequently re-measured to fair value at each subsequent balance sheet date. Changes in fair value of the warrant are recognized as a component of other income (expense), net in the consolidated statement of operations and comprehensive loss. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the warrant.

Sequencing Policy

Under ASC 815-40-35, the Company follows a sequencing policy whereby, in the event that reclassification of contracts from equity to assets or liabilities is necessary pursuant to ASC 815 due to the Company's inability to demonstrate it has sufficient authorized shares as a result of certain securities with a potentially indeterminable number of shares, shares will be allocated on the basis of the earliest issuance date of potentially dilutive instruments, with the earliest grants receiving the first allocation of shares. Pursuant to ASC 815, issuance of securities to the Company's employees or directors are not subject to the sequencing policy.

Note 2 — Summary of Significant Accounting Policies — (Continued)

Foreign Currency Translation

The Company uses the United States dollar as its functional and reporting currency since the majority of the Company's revenues, expenses, assets and liabilities are in the United States. Assets and liabilities in foreign currencies are translated using the exchange rate at the balance sheet date, while revenue and expense accounts are translated at the average exchange rates prevailing during the year. Equity accounts are translated at historical exchange rates. Gains and losses from foreign currency transactions and translation for the three and six months ended June 30, 2021 and 2020 and the cumulative translation gains and losses as of June 30, 2021 and December 31, 2020 were not material.

Net Earnings or Loss per Share

Basic net income (loss) per common share is computed by dividing net loss by the weighted average number of vested common shares outstanding during the period. Diluted net income per common share is computed by dividing net income by the weighted average number vested of common shares, plus the net impact of common shares (computed using the treasury stock method), if dilutive, resulting from the exercise of dilutive securities. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive.

As of June 30, 2021 and 2020, the Company excluded the common stock equivalents summarized below, which entitled the holders thereof to ultimately acquire shares of common stock, from its calculation of earnings per share, as their effect would have been anti-dilutive.

	June 30, 2021	June 30, 2020
Selling Agent Warrants	-	160,492
Shares reserved in exchange for the cancellation of certain non-voting membership interest in Edison Nation Holdings, LLC	-	990,000
Shares reserved in exchange for the cancellation of certain non-voting membership interest in EVNT, LLC	1,000,000	-
Placement Agent Warrants	4,911,692	-
Options	80,000	80,000
Convertible shares under notes payable	2,700,587	999,536
Warrants for noteholders	45,491,829	750,000
Warrants for investors	1,500,000	-
Restricted stock units	-	270,000
Series B Convertible Stock	-	-
Shares to be issued	-	46,500
Total	$ 55,684,108	$ 3,296,528

Note 2 — Summary of Significant Accounting Policies — (Continued)

Subsequent Events

The Company has evaluated subsequent events through the date which the financial statements were issued. Based upon such evaluation, except for items described in Note 15, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements.

Segment Reporting

The Company uses “the management approach” in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company’s chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company’s reportable segments. The Company’s chief operating decision maker is the Chairman and Chief Executive Officer (“CEO”) of the Company, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. The Company deploys resources on a consolidated level to all brands of the Company and therefore the Company only identifies one reportable operating segment with multiple product offerings.

Note 3 — Acquisitions and Divestitures

Divestiture of Subsidiary

On March 12, 2021, the bankruptcy court approved the sale of the CBAV1, LLC Assets to BTL Diffusion SARL, the winning bidder, at the auction held on March 10, 2021 and March 11, 2021 for a total sum of $3,000,000, which includes a cash payment at closing in the amount of $2,650,000, less certain closing costs and credits, and additional royalty payments in the amount of $150,000 on April 15, 2022 and in the amount of $200,000 on April 15, 2023 ("CBAV1-BTL Transaction").

A first closing of the CBAV1-BTL Transaction occurred on April 16, 2021, with the transfer of assets and release of funds completed on April 21, 2021 ("Final Closing"). Contemporaneously with the Final Closing, a certain license agreement between CBAV1 and Edison Nation, LLC ("Edison Nation") terminated and any remaining operational assets of Edison Nation were transferred to BTL.

The table below shows the assets that the Company transferred to BTL and the components of the loss on discontinued operations:

	June 30, 2021
Cash received from buyer	2,529,565
Accounts receivable	(293,005)
Inventory	(665,522)
Prepaid expenses	(160,666)
Intangible assets	(5,540,952)
Loss on divestiture	4,130,580
Operating loss of discontinued operations	178,200
Bankruptcy costs	650,000
Loss on discontinued operations	4,958,780

On February 17, 2020, the Company divested its Cloud B, Inc. subsidiary and entered into an Agreement for the Purchase and Sale of Cloud B, Inc.(the "Purchase Agreement"), with Pearl 33 Holdings, LLC (the "Buyer"), pursuant to which the Buyer purchased from the Company (and the Company sold and assigned) 80,065 shares of common stock of Cloud B (the "Cloud B Shares") for $1.00 and an indemnification agreement as described below, constituting a 72.15% ownership interest in Cloud B, based on 110,964 shares of Cloud B's common stock outstanding as of February 17, 2020. In accordance with the agreement, all of the liabilities of Cloud B were assumed by Pearl 33.

On February 17, 2020, as part of the sale of Cloud B, Inc., the Company entered into an indemnification agreement with Pearl 33 Holdings, LLC in connection with the divestiture of Cloud B, Inc., whereby pursuant to such agreement the Company is limited to the issuance of 150,000 shares of the Company's common stock to the Buyer for indemnification of claims against Cloud B Inc. In addition, the Company shall indemnify the Buyer for expenses (including attorneys' fees and all other costs, expenses and obligations) in connection with defending any Claim in connection with the Cloud B. The Company has recorded $405,000 related to the fair value of the 150,000 shares of common stock which will be issued to the Buyer.

The table below shows the assets and liabilities that the Company was relieved of in the transaction:

	February 17, 2020
Accounts payable	4,005,605
Accrued Expenses	370,289
Income Tax Payable	14,473
Notes Payable	900,000
Non-Controlling Interest	26,393
Shares to be issued to Buyer	(405,000)
Gain on divestiture	$ 4,911,760

Please *see* **Note 15 — Discontinued Operations** for further information.

Divestiture of Subsidiary- SRM Entertainment, LTD

On November 30, 2020, the Company and its wholly owned subsidiary, SRM Entertainment, LTD entered into a Stock Exchange Agreement with Jupiter Wellness, Inc. ("Jupiter"). Under the terms of the Exchange Agreement, Jupiter agreed to purchase all outstanding shares of common stock (the "Exchange Shares") issued by SRM from the Company. As consideration for the purchase of the Exchange Shares, Jupiter issued the Company 200,000 shares of its restricted common stock, symbol JUPW as listed on NASDAQ Capital Markets. Please *see* **Note 15 — Discontinued Operations** for further information.

Acquisitions

On September 29, 2020, the Company entered into a Purchase and Sale Agreement (the "Agreement") with Graphene Holdings, LLC, Mercury FundingCo, LLC, Ventus Capital, LLC and Jetco Holdings, LLC (together the "Sellers") to acquire all outstanding Membership Units (the "Units") of TBD Safety, LLC ("TBD"). Collectively, the Sellers owned all outstanding Units of TBD. Under the terms of the Agreement, the Company issued a total of Two Million Two Hundred Ten Thousand Three Hundred Eighty-Two (2,210,382) shares of the Company's common stock and a total of Seven Hundred Sixty-Four Thousand Six Hundred Eighteen (764,618) shares of a newly designated Preferred Stock (the "Preferred"). In addition, the Company and Sellers entered into a Registration Rights Agreement (the "Registration Rights Agreement") in favor of the Sellers obligating the Company to register such common stock and shares of common stock to be issued upon conversion of the Preferred within 120 days after the Closing. The Sellers also had an Earn Out Consideration, which provides that at such time as the assets purchased in the Agreement achieve cumulative revenue of $10,000,000, the Sellers will earn a total of One Hundred Twenty-Five Thousand (125,000) shares of common stock. The closing of the transaction occurred on October 16, 2020.

Asset Acquisitions

Emmersive Entertainment

On April 17, 2021, Vinco Ventures, Inc. ("Vinco") and EVNT Platform, LLC, a wholly owned subsidiary of Vinco ("the Company" or "Buyer"), entered into (and closed on) a certain Asset Contribution Agreement ("Asset Contribution Agreement") with Emmersive Entertainment, Inc. ("Emmersive" or "Seller"), pursuant to which Emmersive contributed/transferred to the Company the assets used for Emmersive's business, which include digital assets, software and certain physical assets (the "Contributed Assets") in consideration for, among other things, the Company assuming certain obligations of Emmersive, hiring certain employees, and issuing 1,000,000 preferred membership units ("Preferred Units") in the Company to Emmersive and/or its shareholders ("Preferred Members") pursuant to a First Amended and Restated Operating Agreement for the Company dated as of April 17, 2021("Amended Operating Agreement"). Certain put rights are associated with Preferred Units, which if exercised by the Preferred Members, obligates Vinco to purchase the Preferred Units in exchange for 1,000,000 shares of Vinco Venture's common stock ("Put Rights"). In addition, the Preferred Members have the opportunity to earn up to 4,000,000 Conditional Preferred Units if certain conditions are satisfied for each of the four earn out targets ("Earn-Out Targets"). The Earn-Out Targets are described below:

Earn-Out Target 1: In the event that the Company (1) develops a minimally viable product for the NFT Technology to validate the utility of the product/platform with features to attract and transact with customers and (2) is successful on-boarding a minimum of 10 approved influential celebrities on or before December 31, 2021, the Company shall issue to Emmersive and/or Emmersive's Shareholders, 1,000,000 Conditional Preferred Units, with Put Rights.

Earn-Out Target 2: In the event that the Company generates a minimum of $7,000,000 in annualized booked revenues inclusive of revenues generated from the celebrities onboarded by the Company (collectively "Attributed Revenue") in any three-calendar-month period ending on or before March 31, 2022 (i.e. more than $1,750,000 in Attributed Revenue in a period of three consecutive calendar months), the Company shall issue to Emmersive and/or Emmersive's Shareholders 1,000,000 Conditional Preferred Units, with the Put Rights.

Earn-Out Target 3: In the event that the Company generates a minimum of $28,000,000 in annualized Attributed Revenues in any three-calendar-month period ending on or before December 31, 2022 (i.e. more than $7,000,000 in Attributed Revenue in a period of three consecutive calendar months), the Company shall issue to Emmersive and/or Emmersive's Shareholders 1,000,000 Conditional Preferred Units, with Put Rights.

Earn Out Target 4: In the event that the Company generates a minimum of $62,000,000 in annualized Attributed Revenues in any three-calendar-month period ending on or before December 31, 2023 (i.e. more than $15,500,000 in Attributed Revenue in a period of three consecutive calendar months), the Company shall issue to Emmersive and/or Emmersive's Shareholders 1,000,000 Conditional Preferred Units, with Put Rights.

On April 17, 2021, the transactions under both the Asset Contribution Agreement and Amended Operating Agreement closed. The Preferred Units and Conditional Preferred Units were valued at $2,100,00 and $5,300,000, respectively, and recorded as an intangible asset.

Honey Badger

On November 10, 2020, the Company, through its wholly owned subsidiary, Honey Badger Media, LLC, entered into a series of transactions to acquire certain assets and license a platform with Honey Badger Media, LLC, a Delaware limited liability company, for $300,000 and 750,000 shares of common stock. The transaction was treated as an asset purchase and not accounted for as a business combination due to substantially all of the fair value of gross assets acquired were concentrated to a group of similar identifiable assets which was media licensing assets. In addition, there was limited inputs, processes and outputs, which did not meet the requirements to be a business. On January 5, 2021, the Company issued 750,000 shares of our common stock in connection with the asset acquisition.

Note 3 — Acquisitions and Divestitures (continued)

HMNRTH

On March 11, 2020, the Company issued 238,750 shares of our common stock to acquire the assets of HMNRTH, LLC. On July 1, 2020, the Company made payment in the amount of $70,850 to the principals of HMNRTH, LLC. The transaction was treated as an asset purchase and not accounted for as a business combination due to the limited inputs, processes and outputs, which did not meet the requirements to be a business.

Note 4 — Variable Interest Entities

The Company is involved in the formation of various entities considered to be Variable Interest Entities ("VIEs"). The Company evaluates the consolidation of these entities as required pursuant to ASC Topic 810 relating to the consolidation of VIEs. These VIEs are primarily partnerships formed to supply consumer goods to through various distribution and retail channels.

The Company's determination of whether it is the primary beneficiary of VIE is based in part on an assessment of whether or not the Company and its related parties are exposed to the majority of the risks and rewards of the entity. Typically, the Company is entitled to substantially all or portion of the economics of these VIEs. The Company is the primary beneficiary of the VIE entities.

In April 2021, the Company agreed to unwind the joint venture of Ed Roses, LLC and recognized a loss of $301,645.

The following table presents the carrying values of the assets and liabilities of entities that are VIEs and consolidated by the Company at June 30, 2021:

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 3,845	$ 10,481
Accounts receivable, net	-	94,195
Inventory	-	240,158
Prepaid expenses and other current assets	-	-
Total current assets	3,845	344,834
Property and equipment, net	-	-
Total assets	$ 3,845	$ 344,834
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 29,164	$ 217,558
Accrued expenses and other current liabilities	43,473	113,576
Line of credit, net of debt issuance costs of $0 and $15,573, respectively	1,133,652	1,133,652
Notes payable, current	-	150,000
Due to related party	315,666	315,666
Total current liabilities	1,521,955	1,930,452

Note 4 — Variable Interest Entities — (Continued)

The following table presents the operations of entities that are VIEs and consolidated by the Company at June 30, 2021:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues, net	$ 92,945	$ 1,051,945	$ 307,339	$ 1,274,477
Cost of revenues	9,530	789,000	93,685	994,923
Gross profit	83,415	262,945	213,654	279,554
Operating expenses:				
Selling, general and administrative	4,320	136,648	104,741	203,562
Operating income	79,095	126,297	108,913	75,992
Other (expense) income:				
Interest expense	(34,010)	(21,331)	(7,760)	(56,956)
Total other (expense) income	(34,010)	(21,331)	(7,760)	(56,956)
Loss before income taxes	45,085	104,966	101,153	19,036
Income tax expense	-	-	-	-
Net income	$ 45,085	$ 104,966	$ 101,153	$ 19,036

At June 30, 2021, the Company had one unconsolidated VIE, ZVV Media Partners, LLC (“ZVV”), for which the Company held a variable interest.

Global Clean Solutions, LLC

On May 20, 2020 (the “Effective Date”), the Company entered into an Agreement and Plan of Share Exchange (the “Share Exchange Agreement”) with PPE Brickell Supplies, LLC, a Florida limited liability company (“PPE”), and Graphene Holdings, LLC, a Wyoming limited liability company (“Graphene”, and together with PPE, the “Sellers”), whereby the Company purchased 25 membership units of Global Clean Solutions, LLC, a Nevada limited liability company (“Global”) from each of PPE and Graphene, for a total of fifty (50) units, representing fifty percent (50%) of the issued and outstanding units of Global (the “Purchase Units”). The Company issued 250,000 shares of its restricted common stock, $0.001 par value per share (the “Common Stock”) to PPE, and 50,000 shares of Common Stock to Graphene, in consideration for the Purchase Units. Global Clean Solutions, LLC is a VIE. The fair value of the shares of $699,000 was treated as a distribution to the noncontrolling interest members.

Pursuant to the terms of the Share Exchange Agreement, the Sellers may earn additional shares of Common Stock upon Global realizing the following revenue targets: (i) In the event that Global’s total orders equal or exceed $1,000,000, Graphene shall receive 200,000 shares of Common Stock; (ii) In the event that Global’s total orders equal or exceed $10,000,000, PPE shall receive 100,000 shares of restricted Common Stock; and (iii) In the event that Global’s total orders equal or exceed $25,000,000, Graphene shall receive 125,000 shares of restricted Common Stock. Additionally, the Company shall be entitled to appoint two managers to the Board of Managers of Global. The fair value of the shares is expensed over the estimated vesting period and is adjusted based on the number of shares that vest.

Note 4 — Variable Interest Entities — (Continued)

On the Effective Date, the Company entered into an Amended Limited Liability Company Agreement of Global (the "Amended LLC Agreement"). The Amended LLC Agreement amends the original Limited Liability Company Agreement of Global, dated May 13, 2020. The Amended LLC defines the operating rules of Global and the ownership percentage of each member: Vinco Ventures, Inc. 50%, PPE 25% and Graphene 25%.

On the Effective Date, the Company (as "Guarantor") entered into a Secured Line of Credit Agreement (the "Credit Agreement") with Global and PPE. Under the terms of the Credit Agreement, PPE is to make available to Global a revolving credit loan in a principal aggregate amount at any one time not to exceed $2,500,000. Upon each drawdown of funds against the credit line, Global shall issue a Promissory Note (the "Note") to PPE. The Note shall accrue interest at 3% per annum and have a maturity date of six (6) months. In the event of a default, any and all amounts due to PPE by Global, including principal and accrued but unpaid interest, shall increase by forty (40%) percent and the interest shall increase to five (5%) percent (the "Default Interest").

On the Effective Date, the Company (as "Guarantor") entered into a Security Agreement (the "Security Agreement") with Global (as "Borrower") and PPE as the secured party, whereby the Company placed 1,800,000 shares of Common Stock (the "Reserve Shares") in reserve with its transfer agent in the event of default under the Credit Agreement. In the event of a default that is not cured by the defined cure period, the PPE may liquidate the Reserve Shares until the Global's principal, interest and associated expenses are recovered. The number of Reserve Shares may be increased through the issuance of True-Up shares in the event the original number of Reserve Shares is insufficient.

Note 5 — Short-Term Investments

As of June 30, 2021 and December 31, 2020, short-term investments consisted of the following:

	June 30, 2021	December 31, 2020
Jupiter Wellness, Inc. (JUPW) (i)	$ 1,040,000	$ 1,040,000
Unrealized losses	(144,400)	(22,000)
Total short-term investments	$ 895,600	$ 1,018,000

(i) On November 30, 2020, the Company and its wholly owned subsidiary, SRM Entertainment, LTD entered into a Stock Exchange Agreement with Jupiter Wellness, Inc. (“Jupiter”). Under the terms of the Exchange Agreement, Jupiter purchased all outstanding shares of common stock (the “Exchange Shares”) issued by SRM from the Company. As consideration for the purchase of the Exchange Shares, Jupiter issued the Company 200,000 shares of its restricted common stock, symbol JUPW as listed on NASDAQ Capital Markets. On June 30, 2021, the closing price of JUPW was $4.48 on the Nasdaq.

Note 6 — Property and Equipment, net

As of June 30, 2021 and December 31, 2020, property and equipment consisted of the following:

	June 30, 2021	December 31, 2020
Land	$ 79,100	$ 79,100
Buildings – rental property	463,635	463,635
Building improvements	800,225	800,225
Equipment and machinery	4,144,145	4,122,917
Furniture and fixtures	368,137	368,137
Computer software	55,500	-
Molds	79,300	79,300
Vehicles	533,866	521,962
	6,523,908	6,435,276
Less: accumulated depreciation	(5,490,098)	(5,424,475)
Total property and equipment, net	$ 1,033,810	$ 1,010,801

Depreciation expense for the six months ended June 30, 2021 and 2020 was $65,623 and $169,141, respectively.

Note 7 — Loan Receivable

As of June 30, 2021 and December 31, 2020, loan receivable consisted of the following:

	June 30, 2021	December 31, 2020
Loan to Zash Global Media and Entertainment Corporation (i)	$ 5,000,000	$ -

(i) On February 18, 2021, the Company loaned $5,000,000 to ZASH Global Media and Entertainment Corporation (“ZASH”). The interest rate on the note is 3% per annum. The maturity date of the loan is August 17, 2023. The purpose of the loan is to engage in the acquisition, development and production of consumer facing content and related activities.

Note 8 — Equity Method Investments

As of June 30, 2021 and December 31, 2020, the carrying amount of equity method investments consisted of the following:

	June 30, 2021	December 31, 2020
Investment in ZVV Media Partners, LLC (i)	$ 12,000,000	$ -

(i) On January 19, 2021, the Company, ZVV Media Partners, LLC (“ZVV”) and ZASH entered into a Contribution Agreement (the “Agreement”). The Company and ZASH established the newly formed entity, ZVV, in order to engage in the development and production of consumer facing content and related activities.

Note 9 — Goodwill

For the six months ended June 30, 2021, there was no change in the carrying amount of goodwill.

The Company utilized the simplified test for goodwill impairment. The amount recognized for impairment is equal to the difference between the carrying value and the asset’s fair value. The valuation methods used in the quantitative fair value assessment was a discounted cash flow method and required management to make certain assumptions and estimates regarding certain industry trends and future profitability of our reporting units.

Note 10 — Debt

As of June 30, 2021 and December 31, 2020, debt consisted of the following:

	June 30, 2021	December 31, 2020

Line of credit:		
Lines of credit	$ 1,133,652	$ 1,133,652
Receivable financing	-	367,301
Total lines of credit	1,133,652	1,500,953
Senior convertible notes payable:		
Senior convertible notes payable– related parties	422,272	1,428,161
Convertible notes payable	10,000,000	591,104
Debt issuance costs	(6,821,756)	(280,511)
Total long-term senior convertible notes payable	3,600,516	1,738,754
Less: current portion of long-term notes payable	(3,333,333)	(577,260)
Noncurrent portion of long-term convertible notes payable	267,183	1,161,494
Notes payable:		
Notes payable	35,151	1,932,088
Debt issuance costs	-	(34,997)
Total long-term debt	35,151	1,897,091
Less: current portion of long-term debt	(15,185)	(1,301,212)
Noncurrent portion of long-term debt	19,966	595,879
Notes payable – related parties:		
Notes payable	876,500	2,827,512
Debt issuance costs	-	(33,833)
Total notes payable – related parties:	876,500	2,793,679
Less: current portion of long-term debt – related parties	(876,500)	(1,389,922)
Noncurrent portion of long-term debt – related parties	$ -	$ 1,403,757

Note 10 — Debt — (Continued)

Convertible Notes Payable

Hudson Bay Financing- February 2021

On February 23, 2021 (the "Effective Date"), the Company consummated the closing of a private placement offering (the "Offering") whereby pursuant to the Securities Purchase Agreement (the "Purchase Agreement") entered into by the Company on February 18, 2021 with one accredited investor (the "Investor"), the Company issued a Senior Convertible Note for the purchase price of $10,000,000 (the "Note") and five (5) year warrants (the "February Warrants") to purchase shares of the Company's common stock, par value $0.001 per share ("Common Stock"). The Company issued the February Warrants to the Investor representing the right to acquire an aggregate of 18,568,188 shares of Common Stock. The February Warrants contain an exercise price of $3.722 per share.

The Note carries an interest rate of 6% per annum compounding monthly and matures on February 23, 2022. The Note contains a voluntary conversion mechanism whereby the Noteholder may convert at any time after the Issuance Date, in whole or in part, the outstanding principal and interest under the Note into shares of the Common Stock at a conversion price of $4.847 per share (the "Conversion Shares"). The Note shall be a senior unsecured obligation of the Company and its subsidiaries. The Note contains customary events of default (each an "Event of Default"). If an Event of Default occurs, interest under the Note will accrue at a rate of twelve percent (12%) per annum and the outstanding principal amount of the Note, plus accrued but unpaid interest, liquidated damages and other amounts owing with respect to the Note will become, at the Note holder's election, immediately due and payable in cash. Upon completion of a Change of Control (as defined in the Note), the Note's holder may require the Company to purchase any outstanding portion of the Note in cash at a price in accordance with the terms of the Note.

Note 10 — Debt — (Continued)

Pursuant to the Purchase Agreement, the Investor received a Warrant in an amount equal to 900% of the shares of Common Stock initially issuable to the Investor pursuant to the conversion terms of the Investor's Note. The Warrant contains an exercise price of $3.722 per share, subject to adjustments as provided under the terms of the Warrant. In connection with the closing of the Offering, the Warrant was exercisable for an aggregate of 18,568,188 shares of Common Stock (the "Warrant Shares"). As of June 30, 2021, the Investor has exercised 13,968,188 warrants.

The Company also entered into a Registration Rights Agreement with the Investor (the "Registration Rights Agreement"). The Registration Rights Agreement provides that the Company shall (i) file with the Securities and Exchange Commission (the "Commission") a Registration Statement by 30 days following the Closing Date of the Purchase Agreement to register the Conversion Shares and Warrant Shares (the "Registration Statement"); and (ii) use all commercially reasonable efforts to have the Registration Statement declared effective by the Commission within 60 days following the Closing Date or at the earliest possible date, or 75 days following the Closing Date if the Registration Statement receives comments from the Commission.

Palladium Capital Group, LLC. (the "Placement Agent") acted as placement agent for the Offering. The Placement Agent received cash compensation of $900,000 (8% of the gross proceeds to the Company plus an additional 1% of the gross proceeds to the Company for non-accountable expenses). The Placement Agent also received a Warrant granting the Holder the right to purchase 1,650,346 shares of the Company's common stock at an exercise price of $3.722 with an expiration date of February 23, 2026.

On June 4, 2021, the Company entered into a warrant exercise agreement (the "June 2021 Warrant Agreement") with the Investor whereby the Company agreed to issue additional warrants, to purchase shares of Common Stock at a per-share exercise price equal to $3.30 (the "Incentive Warrants", all pursuant to the terms and conditions set forth in the June 2021 Warrant Agreement. At the Closing (as defined in Section 2 of the June 2021 Agreement), the parties shall execute and deliver a registration rights agreement, (the "Registration Rights Agreement"), pursuant to which the Company will agree to register the shares of Common Stock underlying the Incentive Warrants.

Subject to the terms of June 2021 Warrant Agreement, the Company shall issue and deliver Incentive Warrants to the Investor to initially purchase zero shares of Common Stock, which number of shares shall be subject to adjustment, including the provision of Incentive Warrants on a 1.75-for-one basis for the additional exercise of each Existing Warrant on or prior to July 7, 2021. During the six months ended June 30, 2021, the Investor exercised 15,898,188 warrants and received 27,821,829 incentive warrants.

The June 2021 Warrant Agreement includes customary representations, warranties and covenants, and customary conditions to closing, expense and reimbursement obligations and termination provisions.

On July 7, 2021, the Company entered into an Amendment to the June 2021 Warrant Agreement (the "Amendment Agreement"). Under the terms of the Amendment Agreement, the exercise date for the June Warrants has been extended to August 9, 2021 (the "Adjustment Date").

Hudson Bay Financing- January 2021

On January 25, 2021 (the "Effective Date"), the Company consummated the closing of a private placement offering (the "Offering") whereby pursuant to the Securities Purchase Agreement (the "Purchase Agreement") entered into by the Company on January 21, 2021 with Hudson Bay Master Fund, Ltd (the "Investor"), the Company issued a Senior Convertible Note for the purchase price of $12,000,000 (the "Note") and a five (5) year warrant (the "January Warrant") to purchase shares of the Company's common stock, par value $0.001 per share ("Common Stock"). The Company issued the January Warrants to the Investor representing the right to acquire an aggregate of 15,000,000 shares of the Company's common stock, $0.001 par value per share (the "Common Stock"). The January Warrants contain an exercise price of $2.00 per share.

The Investor converted $11,000,000 of principal and $39,190 of interest into 5,519,595 of the Company's common shares.

The Note carries an interest rate of 6% per annum and matures on the 12-month anniversary of the Issuance Date (as defined in the Note). The Note contains a voluntary conversion mechanism whereby the Noteholder may convert at any time after the Issuance Date, in whole or in part, the outstanding balance of the Note into shares of the Common Stock at a conversion price of $2.00 per share (the "Conversion Shares"). The Note shall be a senior obligation of the Company and its subsidiaries. The Note contains customary events of default (each an "Event of Default"). If an Event of Default occurs, interest under the Note will accrue at a rate of twelve percent (12%) per annum and the outstanding principal amount of the Note, plus accrued but unpaid interest, liquidated damages and other amounts owing with respect to the Note will become, at the Note holder's election, immediately due and payable in cash. Upon completion of a Change of Control (as defined in the Note), the Note's holder may require the Company to purchase any outstanding portion of the Note in cash at a price in accordance with the terms of the Note.

Pursuant to the Purchase Agreement, the Investor received a Warrant in an amount equal to 250% of the shares of Common Stock initially issuable to each Investor pursuant to the Investor's Note. The Warrant contains an exercise price of $2.00 per share. In connection with the closing of the Offering, the Warrant was issued to purchase an aggregate of 15,000,000 shares of Common Stock (the "Warrant Shares"). As of June 30, 2021, the Investor has exercised 15,000,000 warrants.

The Company also entered into a Registration Rights Agreement with the Investor (the "Registration Rights Agreement"). The Registration Rights Agreement provides that the Company shall (i) file with the Securities and Exchange Commission (the "Commission") a Registration Statement by 30 days following the Closing Date to register the Conversion Shares and Warrant Shares (the "Registration Statement"); and (ii) use all commercially reasonable efforts to have the Registration Statement declared effective by the Commission within 60 days following the Closing Date or at the earliest possible date, or 75 days following the Closing Date if the Registration Statement receives comments from the Commission.

Palladium Capital Group, LLC (the "Placement Agent") acted as placement agent for the Offering. The Placement Agent received cash compensation of $1,080,000 (8% of the gross proceeds to the Company plus an additional 1% of the gross proceeds to the Company for non-accountable expenses). The Placement Agent also received a Warrant dated January 25, 2021 granting the Holder the right to purchase 480,000 shares of the Company's common stock at an exercise price of $2.00 with an expiration date of January 25, 2026.

On May 24, 2021, the Company entered into a warrant exercise agreement (the "May 2021 Warrant Agreement") with the Investor who agreed to exercise 2,870,000 shares of Common Stock underlying the January Warrants and the Company agreed to issue additional warrants, to purchase shares of Common Stock at a per-share exercise price equal to $3.20 (the "Incentive Warrants", all pursuant to the terms and conditions set forth in the May 2021 Warrant Agreement. At the Closing (as defined in Section 2(b) of the May 2021 Warrant Agreement), the parties shall execute and deliver a registration rights agreement, (the "Registration Rights Agreement"), pursuant to which the Company will agree to register the shares of Common Stock underlying the Incentive Warrants. During the six months ended June 30, 2021, the Investor exercised 13,070,000 warrants and received 13,070,000 incentive warrants.

Subject to the terms of May 2021 Warrant Agreement, (i) the Investor shall pay to the Company an amount equal to the exercise price of the January Warrants in effect as of the date of such exercise multiplied by 2,870,000 shares (as adjusted for any share split or similar transaction after the date hereof) (the "Exercised Warrant Shares") and (ii) the

Company shall issue and deliver Incentive Warrants to the Investor to initially purchase an aggregate number of shares equal to the number of Exercised Warrant Shares, which number of shares shall be subject to adjustment, including the provision of Incentive Warrants on a one-for-one basis for the additional exercise of each January Warrant on or prior to June 1, 2021.

The May 2021 Warrant Agreement includes customary representations, warranties and covenants, and customary conditions to closing, expense and reimbursement obligations and termination provisions.

Jefferson Street Capital Financing

On July 29, 2020, the Company entered into a Securities Purchase Agreement (the “Agreement”) with Jefferson Street Capital, LLC (the “Investor”) wherein the Company issued the Investor a Convertible Promissory Note (the “Note”) in the amount of $224,000 ($24,000 OID). The Note has a term of six (6) months, is due on January 29, 2021 and has a one-time interest charge of 2%. In addition, the Company issued the Investor 14,266 shares of Common Stock (the “Origination Shares”) as an origination fee. The transaction closed on July 29, 2020. On January 28, 2021, the Company paid all outstanding principal and interest in the amount of $260,233.

Note 10 — Debt — (Continued)

On April 7, 2020, the Company entered into a Securities Purchase Agreement (the "Agreement") with Jefferson Street Capital, LLC (the "Investor") wherein the Company issued the Investor a Convertible Promissory Note (the "Note") in the amount of $168,000 ($18,000 OID). The Note has a term of six (6) months, is due on October 7, 2020 and has a one-time interest charge of 2%. In addition, the Company issued the Investor 10,700 shares of Common Stock (the "Origination Shares") as an origination fee. The transaction closed on April 9, 2020. On October 7, 2020, the Company and Investor entered into a Forbearance Agreement (the "Forbearance Agreement"). Under the terms of the Forbearance Agreement, the Company requested and the Investor agreed to temporarily forebear, until the earlier of (i) December 9, 2020 or (ii) at such time as a default shall occur under and pursuant to the Purchase Agreement, the Note or the Agreement, from exercising its right to convert amounts due under the Note into Common Stock of the Company, in exchange for a one-time cash payment forbearance fee equal to $12,500 paid upon execution of the Agreement. On December 23, 2020, the Investor submitted a Notice of Conversion for $45,000 in principal and $750 in fees. On December 29, 2020, the Company issued 41,730 shares to satisfy the conversion obligation. The Investor converted $54,830 of principal into 54,830 of the Company's common shares. The Note was paid in full on February 1, 2021.

BHP Capital Financing

On April 7, 2020, the Company entered into a Securities Purchase Agreement (the "Agreement") with BHP Capital NY Inc. (the "Investor") wherein the Company issued the Investor a Convertible Promissory Note (the "Note") in the amount of $168,000 ($18,000 OID). The Note has a term of six (6) months, is due on October 7, 2020 and has a one-time interest charge of 2%. In addition, the Company issued the Investor 10,700 shares of Common Stock (the "Origination Shares") as an origination fee. The transaction closed on April 9, 2020. The note was paid in full on January 29, 2021.

Note 10 — Debt — (Continued)

32E Financing

On December 4, 2019, the Company agreed to issue and sell to 32 Entertainment LLC (“32E”) a 10% Senior Secured Note (the “32E Note”), in the principal amount of $250,000. The maturity date of the 32E Note is December 4, 2020. In addition, the Company issued to 32E 10,000 shares of common stock as an inducement to 32E to purchase the 32E Note. The fees were recorded as a debt discount and amortized over the term of the note. The $250,000 of proceeds from the 32E Note was used for general working capital needs of the Company and the repayment of debt related to Horberg Enterprises. On May 19, 2020, the Company entered into an Amendment (the “Amendment”) to the 32E Note. Under the terms of the Amendment, the Company issued to 32E an Amended Subordinate Secured Note (the “Replacement Note”) in the principal amount of $200,000 that accrued interest at 16% annually and matured on May 21, 2021. On May 28, 2020, the Company paid $50,000 toward the principal plus interest in the amount of $6,250 for a total of $56,250. 32E also received 40,000 restricted stock units and surrendered the warrant issued to it in the December 4, 2019 financing transaction. The note was paid in full on January 28, 2021.

Promissory Notes

On January 2, 2020, Ed Roses, LLC (the “Partnership”) entered into a Loan Agreement (the “Agreement”) with Sook Hyun Lee (the “Lender”). Under the terms of the Agreement, the Lender agreed to lend $150,000 to the Partnership for general working capital. The Loan is due on April 15, 2020 (the “Maturity Date”) and accrues interest at 15% per annum. The Agreement shall automatically renew at the Maturity date for successive 90-day periods unless written notice is remitted by either party. On the Maturity date, the Partnership shall pay the Lender all unpaid principal and interest and a $30,000 commitment fee. The Lender shall have a collateral interest in the accounts receivable of the Partnership, including but not limited to 7 Eleven receivables. As collateral, Edison Nation, Inc. placed 75,000 shares of common stock in reserve. The note was paid in full on March 11, 2021.

Note 10 — Debt — (Continued)

On January 10, 2020, the Company entered into a 5% Promissory Note Agreement with Equity Trust Company on behalf of Rawleigh Ralls ("Ralls") for an aggregate principal amount of $267,000 (the "Ralls Note"), pursuant to which Ralls purchased the Ralls Note from the Company for $250,000 and an original issue discount of $17,000, and the Company issued to Ralls a warrant (the "Ralls Warrant") to purchase 125,000 shares of the Company's common stock valued at $86,725 estimated using the Black-Scholes option-valuation model. The Company paid the Note in full on January 27, 2021.

On January 15, 2020, the Company entered into a 5% Promissory Note Agreement with Paul J. Solit & Julie B. Solit ("Solits") for an aggregate principal amount of $107,000 (the "Solit Note"), pursuant to which the Solits purchased the Solit Note from the Company for $100,000 and an original issue discount of $7,000, and the Company issued to the Solits a warrant (the "Solit Warrant") to purchase 50,000 shares of the Company's common stock valued at $31,755 estimated using the Black-Scholes option-valuation model. The Company paid the Note in full on January 27, 2021. The Solit Warrant was exercised on January 22, 2021.

On January 17, 2020, the Company entered into a 5% Promissory Note Agreement with Richard O'Leary ("O'Leary") ("Lender") for an aggregate principal amount of $53,500 (the "O'Leary Note"), pursuant to which O'Leary purchased the O'Leary Note from the Company for $50,000 and an original issue discount of $3,500, and the Company issued to O'Leary a warrant (the "O'Leary Warrant") to purchase 25,000 shares of the Company's common stock valued at $16,797 estimated using the Black-Scholes option-valuation model. The Company paid the Note in full on January 27, 2021. The O'Leary Warrant was exercised on February 18, 2021.

Note 10 — Debt — (Continued)

Paycheck Protection Program

On April 15, 2020, the Company entered into a loan agreement ("PPP Loan") with First Choice Bank under the Paycheck Protection Program (the "PPP"), which is part of the recently enacted Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") administered by the United States Small Business Administration ("SBA"). The Company received proceeds of $789,852 from the PPP Loan. In accordance with the requirements of the PPP, the Company intends to use proceeds from the PPP Loan primarily for payroll costs, subject to thresholds, rent and utilities. The PPP Loan has a 1.00% interest rate per annum and matures on April 15, 2022 and is subject to the terms and conditions applicable to loans administered by the SBA under the PPP. Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The PPP Loan is included in notes payable on the consolidated balance sheet. On May 4, 2021, the Company's PPP loan was forgiven and the carrying value of $789,852 was recorded as a gain on extinguishment as part of interest expense.

On May 4, 2020, TBD Safety, LLC, the Company's wholly owned subsidiary, entered into a loan agreement ("PPP Loan") with First Home Bank under the Paycheck Protection Program (the "PPP"), which is part of the recently enacted Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") administered by the United States Small Business Administration ("SBA"). The Company received proceeds of $62,500 from the PPP Loan. In accordance with the requirements of the PPP, the Company intends to use proceeds from the PPP Loan primarily for payroll costs, subject to thresholds, rent and utilities. The PPP Loan has a 1.00% interest rate per annum and matures on May 4, 2022 and is subject to the terms and conditions applicable to loans administered by the SBA under the PPP. Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The PPP Loan is included in notes payable on the consolidated balance sheet. On April 16, 2021, the TBD Safety PPP loan was forgiven the carrying value of $62,500 was recorded as a gain on extinguishment as part of interest expense.

Receivables Financing

On February 21, 2020, the Company entered into a receivables financing arrangement for certain receivables of the Company not to exceed $1,250,000 at any one time. The agreement allows for borrowings up to 85% of the outstanding receivable based on the credit quality of the customer. The fee is between 1% and 2% of the total invoices financed.

On November 12, 2019, the Company entered into a Receivables Purchase Agreement with a financial institution (the "Receivables Purchase Agreement"), whereby the Company agreed to the sale of $250,000 of receivables for $200,000. The proceeds were used for general working capital. The note was paid in full on February 1, 2021.

In April 2019, we entered into a receivables financing arrangement for certain receivables of the Company. The agreement allows for borrowings up to 80% of the outstanding receivable based on the credit quality of the customer. The fee is between 1% and 2% of the total invoices financed. The receivables financing arrangement was paid in full and terminated on March 30, 2021.

Line of Credit

On the Effective Date, the Company (as "Guarantor") entered into a Secured Line of Credit Agreement (the "Credit Agreement") with Global and PPE. Under the terms of the Credit Agreement, PPE is to make available to Global a revolving credit loan in a principal aggregate amount at any one time not to exceed $2,500,000. Upon each drawdown of funds against the credit line, Global shall issue a Promissory Note (the "Note") to PPE. The Note shall accrue interest at 3% per annum and have a maturity date of six (6) months. In the event of a default, any and all amounts due to PPE by Global, including principal and accrued but unpaid interest, shall increase by forty (40%) percent and the interest shall increase to five (5%) percent (the "Default Interest"). The balance at June 30, 2021 is $1,133,652.

The scheduled maturities of the debt for the next five years as of June 30, 2021, are as follows:

For the Years Ended December 31,	**Amount**
2021 (excluding the six months ended June 30, 2021)	2,017,659
2022	10,015,530
2023	434,386
2024	-
2025	-
Thereafter	-
	12,467,575
Less: debt discount	(6,821,756)
	$ 5,645,819

For the three and six months ended June 30, 2021, interest expense was $2,715,481 and $15,410,414, respectively, of which $277,083 and $190,549 was related party interest expense. For the three and six months ended June 30, 2020, interest expense was $847,154 and $1,571,111, respectively of which $75,692 and $152,326 were related party interest expense.

Note 11 — Warrant Liability

For the six months ended June 30, 2021, the Company issued warrants to purchase shares of the Company's common stock related to multiple private placements. The warrants are as follows:

	Warrant Shares		Exercise Price
Hudson Bay Warrant; January 25, 2021	15,000,000	$	2.000
Palladium Capital Warrant; January 25, 2021	480,000	$	2.000
BHP Capital NY Warrant; January 28, 2021	1,500,000	$	2.200
Hudson Bay Warrant; February 23, 2021	18,568,188	$	3.722
Palladium Capital Warrant; February 23, 2021	1,650,346	$	3.722
Hudson Bay Warrant; May 24, 2021	13,070,000	$	3.200
Palladium Capital Warrant; May 24, 2021	1,200,000	$	3.200
BHP Capital Warrant; June 4, 2021	1,500,000	$	3.200
Hudson Bay Warrant; June 4, 2021	27,821,829	$	3.300
Palladium Capital Warrant; June 4, 2021	2,071,346	$	3.300

The warrants are subject to anti-dilution adjustments outlined in the Agreement. The warrants issued in the first quarter were classified as a liability with an initial fair value of $94,876,534, of which $75,156,534 was immediately expensed and $19,720,000 was recorded as a deferred debt discount. The warrants issued in the second quarter were classified as a liability with an initial fair value of $133,699,181 which was immediately expensed. In addition, the warrants must be valued every reporting period and adjusted to market with the increase or decrease being adjusted through earnings. The change in fair value of the warrant liability for the three and six months ended June 30, 2021 was a loss of 773,447 and 37,154,989, respectively. As of June 30, 2021, the fair value of the warrant liability was $139,695,115.

The warrants were valued using the Black-Scholes pricing model to calculate the grant-date fair value upon issuance of the warrants with the following assumptions:

	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life
Hudson Bay Warrant; January 25, 2021	0.00%	109.95%	0.13%	2.5 years
Palladium Capital Warrant; January 25, 2021	0.00%	109.95%	0.13%	2.5 years
BHP Capital NY Warrant; January 28, 2021	0.00%	110.00%	0.12%	2.5 years
Hudson Bay Warrant; February 23, 2021	0.00%	110.94%	0.11%	2.5 years
Palladium Capital Warrant; February 23, 2021	0.00%	110.94%	0.11%	2.5 years
Hudson Bay Warrant; May 24, 2021	0.00%	115.38%	0.14%	2.5 years
Palladium Capital Warrant; May 24, 2021	0.00%	115.38%	0.14%	2.5 years
BHP Capital Warrant; June 4, 2021	0.00%	117.11%	0.16%	2.5 years
Hudson Bay Warrant; June 4, 2021	0.00%	117.14%	0.16%	2.5 years
Palladium Capital Warrant; June 4, 2021	0.00%	117.14%	0.16%	

The warrants were valued using the Black-Scholes pricing model to calculate the June 30, 2021 fair value of the warrants with the following assumptions:

	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life
Hudson Bay Warrant; January 25, 2021	0.00%	118.33%	0.25%	2.5 years
Palladium Capital Warrant; January 25, 2021	0.00%	118.33%	0.25%	2.5 years
BHP Capital NY Warrant; January 28, 2021	0.00%	118.33%	0.25%	2.5 years
Hudson Bay Warrant; February 23, 2021	0.00%	118.33%	0.25%	2.5 years
Palladium Capital Warrant; February 23, 2021	0.00%	118.33%	0.25%	2.5 years
Hudson Bay Warrant; May 24, 2021	0.00%	118.33%	0.25%	2.5 years
Palladium Capital Warrant; May 24, 2021	0.00%	118.33%	0.25%	2.5 years
BHP Capital Warrant; June 4, 2021	0.00%	118.33%	0.25%	2.5 years
Hudson Bay Warrant; June 4, 2021	0.00%	118.33%	0.25%	2.5 years
Palladium Capital Warrant; June 4, 2021	0.00%	118.33%	0.25%	2.5 years

Note 12 — Related Party Transactions

Forever 8 Fund, LLC

On November 17, 2020, the Company, through its subsidiary, Edison Nation, LLC (the "Vendor"), entered into an Inventory Management Agreement (the "Agreement") with the Forever 8 Fund, LLC ("F8"), an entity which our President holds a 45% ownership interest. Under the terms of the Agreement, F8 desires to maintain inventory of and sell to Vendor certain Products pursuant to the terms and conditions set forth in the Agreement. As consideration for the inventory management services provided under this Agreement, Vendor agrees to pay F8 a fee for each unit of each Product sold on a Platform determined in accordance with the fee schedule set forth in the applicable Product Schedule (the "Fee Schedule") based on the Age of Inventory Sold set forth on the Fee Schedule (the "F8 Fees"). Prior to the signing of the agreement, F8 advanced the Vendor $239,283 that was utilized to pay for deposits with the Vendors factories. This Agreement shall commence on the Effective Date and shall continue in full force and effect until January 31, 2022 (the "Initial Term"), unless terminated earlier as provided in this Agreement. The balance outstanding at June 30, 2021 is $0.

NL Penn Capital, LP and SRM Entertainment Group LLC

As of June 30, 2021 and December 31, 2020, due to related party consists of net amounts due to SRM Entertainment Group LLC ("SRM LLC") and NL Penn Capital, LP ("NL Penn"), the majority owner of both, which are owned by Chris Ferguson, our Chairman and Chief Executive Officer. The amount due to NL Penn was assigned to TXC Services, LLC. The amount due to related parties is related to the acquisitions of Pirasta, LLC and Best Party Concepts, LLC offset by operating expenses that were paid by SRM and Edison Nation on behalf of SRM LLC and NL Penn. As of June 30, 2021 and December 31, 2020, the net amount due to related parties was $15,401 and $32,452, respectively. Such amounts are due currently. NL Penn and affiliated entities may lend additional capital to Edison Nation pursuant to terms and conditions similar to the current working capital lenders to Edison Nation such as Franklin Capital. In addition, Edison Nation borrows working capital from Franklin Capital, and Mr. Ferguson is a personal guarantor on the working capital facility provided to Edison Nation by Franklin Capital.

Note 13— Commitments and Contingencies

Employment Agreements

On February 2, 2021, the Company entered into an Employment Agreement (the “Agreement”) with Christopher Ferguson (the “Executive”) for the role of Chief Executive Officer. The Agreement is effective as of November 12, 2020 (the “Effective Date”) and has a term of three (3) years (the “Term”) from the Effective Date. Thereafter, the Agreement shall automatically be renewed and the Term shall be extended for additional consecutive terms of 1 year (each a “Renewal Term”), unless such renewal is objected to by either the Company or the Executive. The Executive’s initial annual base salary shall be $200,000, less applicable withholdings (the “Base Salary”) and 120,000 common shares that shall vest in their entirety on issuance. For 2021, the Executive shall receive a cash bonus in the amount equal to 30% of the annual Base Salary, and an award of 200% shares of the Company’s common stock, which shall vest in their entirety on issuance (the “Principal Market”), which shall be received by the Executive no later than the first 30 days of the current fiscal year. The Executive shall be entitled to 150,000 shares of the Company’s common stock, due immediately upon an increase of 2.5 times the Enterprise Value of the Company on a 5-day closing average from the effectiveness of the Agreement. As of June 30, 2021, the Enterprise Value has been achieved.

On February 2, 2021, the Company entered into an Employment Agreement (the “Agreement”) with Brett Vroman (the “Executive”) for the role of Chief Financial Officer. The Agreement is effective as of November 12, 2020 (the “Effective Date”) and has a term of three (3) years (the “Term”) from the Effective Date. Thereafter, the Agreement shall automatically be renewed and the Term shall be extended for additional consecutive terms of 1 year (each a “Renewal Term”), unless such renewal is objected to by either the Company or the Executive. The Executive’s initial annual base salary shall be $200,000, less applicable withholdings (the “Base Salary”) and 120,000 common shares that shall vest in their entirety on issuance. For 2021, Executive shall receive a cash bonus in the amount equal to 30% of the annual Base Salary, and an award of 200% shares of the Company’s common stock, which shall vest in their entirety on issuance (the “Principal Market”), which shall be received by the Executive no later than the first 30 days of the current fiscal year. Upon the execution of this agreement, the Executive is entitled to a one-time past performance bonus for the work completed in fiscal years 2018, 2019 and 2020 of 150,000 shares of the Company’s common stock, which shall vest in their entirety on issuance. The Executive shall be entitled to 100,000 shares of the Company’s common stock, due immediately upon an increase of 2.5 times the Enterprise Value of the Company on a 5-day closing average from the effectiveness of the Agreement. As of June 30, 2021, the Enterprise Value has been achieved.

On February 2, 2021, the Company entered into an Employment Agreement (the “Agreement”) with Brian Mc Fadden (the “Executive”) for the role of Chief Strategy Officer. The Agreement is effective as of November 12, 2020 (the “Effective Date”) and has a term of three (3) years (the “Term”) from the Effective Date. Thereafter, the Agreement shall automatically be renewed and the Term shall be extended for additional consecutive terms of 1 year (each a “Renewal Term”), unless such renewal is objected to by either the Company or the Executive. The Executive’s initial annual base salary shall be $200,000, less applicable withholdings (the “Base Salary”) and 120,000 common shares that shall vest in their entirety on issuance. For 2021, the Executive shall receive a cash bonus in the amount equal to 30% of the annual Base Salary, and an award of 200% shares of the Company’s common stock, which shall vest in their entirety on issuance (the “Principal Market”), which shall be received by the Executive no later than the first 30 days of the current fiscal year. Upon the execution of the Agreement, the Executive is entitled to a one-time signing bonus of 150,000 shares of the Company’s common stock, which shall vest in their entirety on issuance. The Executive shall be entitled to 100,000 shares of the Company’s common stock, due immediately upon an increase of 2.5 times the Enterprise Value of the Company on a 5-day closing average from the effectiveness of the Agreement. As of June 30, 2021, the Enterprise Value has been achieved.

Operating Lease

The Company has entered into non-cancellable operating leases for office, warehouse, and distribution facilities, with original lease periods expiring through 2022. In addition to minimum rent, certain of the leases require payment of real estate taxes, insurance, common area maintenance charges, and other executory costs. Differences between rent expense and rent paid are recognized as adjustments to operating lease right-of-use assets on the consolidated balance sheets.

Total rent expense for the three and six months ended June 30, 2021 was $32.724 and $59,277, respectively. Total rent expense for the three and six months ended June 30, 2020 was $122,943 and $269,709, respectively. Rent expense is included in general and administrative expense on the consolidated statements of operations.

As of June 30, 2021, the Company had operating lease liabilities of $107,776 and right of use assets for operating leases of $104,707. During the three and six months ended June 30, 2021 and 2020, operating cash outflows relating to operating lease liabilities was $23,723 and $74,776, respectively, and the expense for right of use assets for operating leases was $24,163 and $77,823, respectively. As of June 30, 2021, the Company’s operating leases had a weighted-average remaining term of 1.6 years and weighted-average discount rate of 4.5%. Excluded from the measurement of operating lease liabilities and operating lease right-of-use assets were certain office, warehouse and distribution contracts that qualify for the short-term lease recognition exception.

Note 13— Commitments and Contingencies — (Continued)

Rental Income

Fergco leases a portion of the building located in Washington, New Jersey that it owns under a month-to-month lease. Total rental income related to the leased space for both the three and six months ended June 30, 2021 was $28,703 and $54,407, respectively, and is included in other income on the consolidated statements of operations. Total rental income related to the leased space for both the three and six months ended June 30, 2020 was $25,703 and $51,407, respectively, and is included in other income on the consolidated statements of operations.

Legal Contingencies

The Company is involved in claims and litigation in the ordinary course of business, some of which seek monetary damages, including claims for punitive damages, which are not covered by insurance. For certain pending matters, accruals have not been established because such matters have not progressed sufficiently through discovery, and/or development of important factual information and legal information is insufficient to enable the Company to estimate a range of possible loss, if any. An adverse determination in one or more of these pending matters could have an adverse effect on the Company's consolidated financial position, results of operations or cash flows.

We are, and may in the future become, subject to various legal proceedings and claims that arise in or outside the ordinary course of business.

Oceanside Traders, LLC v. Cloud b, Inc. and Vinco Ventures, Inc. f/k/a Edison Nation, Inc.

On April 14, 2020, Oceanside Traders, LLC filed a complaint against Cloud B, Inc. and Vinco Ventures, Inc. with the Superior Court of Ocean County, State of New Jersey, alleging breach of contract and other claims resulting in total damages in the amount of $440,383, consisting of $141,007 for failure to pay plaintiff for goods sold, for $138,180 for overpayments and $161,196 for lost profits. On November 9, 2020, Plaintiff filed an amended complaint, adding other defendants, alleging breach of contract, breach of covenant of good faith and fair dealing, quasi-contract/unjust enrichment, conversion, fraud, negligent misrepresentation, fraudulent transfer, and piercing the corporate veil. On December 4, 2020, Vinco Ventures, Inc. filed its amended answer. On December 28, 2020, the other defendants filed a motion to dismiss on jurisdictional grounds which is currently pending before the court. On February 24, 2021, the Company entered into a Settlement Agreement and General Release of All Claims (the "Settlement Agreement") with Edison Nation, LLC, Pearl 33 Holdings, LLC and Christopher Ferguson (collectively, the "Settling Defendants") and Oceanside Traders, LLC (the "Plaintiff"). Under the terms of the Settlement Agreement, the Settling Defendants agreed to pay the Plaintiff the sum of $150,000 within one business day of execution of the Settlement Agreement. In exchange, the Plaintiff agreed to dismiss the Amended Complaint in its entirety and with prejudice against the Settling Defendants. The Company made payment in the amount of $150,000 on February 25, 2021.

Rosenberg Fortuna & Laitman, LLP and Mark Principe v. Safe TV, LLC

On March 13, 2019, Rosenberg Fortuna & Laitman, LLP and Mark Principe filed a complaint against Safe TV Shop, LLC with the Supreme Court of the State of New York, County of Nassau alleging a breach of indemnification arising out of the use of a certain packaging material. On February 12, 2020, the parties entered a Stipulation and Settlement and Consent Agreement for a Consent Judgment in the amount of $50,000. Safe TV, LLC has no assets and there have been no operations by Safe TV, LLC since the date of acquisition by Vinco Ventures, Inc. On April 5, 2021, the Company, through Safe TV Shop, LLC, entered into a Settlement Agreement and Release of Claims (the "Settlement"). Under the terms of the Settlement, the Company is to make payment in the amount of $25,000 on or before April 9, 2021. The Company made payment in the amount of $25,000 on April 8, 2021.

Gerald Whitt, et al. v. Vinco Ventures, CBAV1, LLC, et al.

On October 27, 2020, Gerald Whitt, et al, the minority shareholders of Cloud b Inc. ("Whitt Plaintiffs") filed a civil complaint in the Superior Court of the State of California against Vinco Ventures, Inc., CBAV1, LLC and other parties, alleging fraudulent concealment, breach of fiduciary duty, breach of contract, breach of confidence, intentional misrepresentation, negligent misrepresentation, unfair business practices and civil conspiracy (the "Whitt Complaint"). The Whitt Plaintiffs seek "in excess of $8,000,000" in damages. Defendants' position is that the Whitt Complaint is frivolous and the filing of same was an abuse of process. Defendants have not been served with the Whitt Complaint. On or about June 4, 2021, CBAV1 entered into a settlement agreement with the trustee for Cloud b, Inc., whereby CBAV1 paid $500,000 to the Cloud b Estate for distribution to its unsecured creditors. As part of the settlement, all derivative claims on behalf of Cloud b, Inc. in the Whitt Complaint were released as to CBAV1 and its affiliates, shareholders, officers, directors, employees and other parties. There are a limited number of non-derivative claims that were not released.

In re CBAV1, LLC, Debtor, Chapter 11 Bankruptcy/In re Cloud b, Inc., Debtor Chapter 7 Bankruptcy

On October 30, 2020, CBAV1, LLC filed a voluntary petition under Chapter 11 of title 11 of the United States Code, as amended (the "Bankruptcy Code"). On October 30, 2020, Cloud b filed a voluntary petition under Chapter 7 of the Bankruptcy Code. On November 15, 2020, a prospective buyer entered into a non-binding letter of intent to purchase the CBAV1 Assets for $2,250,000. On December 18, 2020, CBAV1, LLC filed a motion to sell substantially of the CBAV1 Assets free and clear of all interests, liens, claims and encumbrances. On that same date, CBAV1, LLC also filed a motion to approve (i) certain procedures for the submission of bids in connection with the sale of substantially all of the assets, (ii) the break-up fee and expense reimbursement, (iii) scheduling an auction and (iv) scheduling a sale hearing. On January 21, 2021, the prospective buyer entered into an asset purchase agreement to buy the CBAV1 Assets for $2,250,000, on terms and conditions set forth therein. On March 12, 2021, the court approved the sale of the CBAV1 Assets to the winning bidder at the auction held on March 10, 2021 and March 11, 2021 for the total sum of $3,000,000 US. A cash payment in the amount of $2,650,000, less certain credits, was made at closing on April 21, 2021 with additional payments in the amounts of $150,000 US due on April 15, 2022 and $200,000 US on April 15, 2023.

Vinco Ventures, Inc., et al. v. Milam Knecht & Warner, LLP, Michael D. Milam, Gerald Whitt, Alexander Whitt, et al.

On December 31, 2020, Vinco Ventures, Inc., and other parties, filed a complaint against the Whitt Plaintiffs, and other parties, with the United States District Court for Eastern District of Pennsylvania, alleging intentional misrepresentation, negligent misrepresentation, negligence, conspiracy, unfair business practices, abuse of process, civil extortion, trade libel and defamation. Defendants entered their appearances, Plaintiffs filed an amended complaint and Defendants filed motions to dismiss the complaint, which are currently pending before the Court.

Note 14 — Stockholders' Equity

Common Stock

The Company is authorized to issue 250,000,000 shares of common stock. As of June 30, 2021 and December 31, 2020, there were 59,927,241 and 14,471,403 shares of common stock issued and outstanding, respectively.

On January 29, 2021 (the "Effective Date"), the Company consummated the closing of a private placement offering of $3,300,000 whereby pursuant to the Securities Purchase Agreement entered into by the Company on January 28, 2021 with BHP Capital NY Inc (the "Investor"), the Company issued 1,500,000 shares of restricted common stock and a five (5) year warrant to purchase shares of the Company's common stock.

During the six months ended June 30, 2021, warrant shares of 31,742,986 were exercised and the Company received net proceeds of $87,785,419.

Preferred Stock

On October 16, 2020, the Company filed a Certificate of Designation (the "Designation") with the Secretary of State of Nevada, which designates 1,000,000 shares of the Company's preferred stock, par value $0.001 per share, as Series B Convertible Preferred Stock ("Series B"). Pursuant to the terms of the Designation, holders of the Series B shall be entitled to dividends, a liquidation preference and shall have conversion rights. Each share of Series B shall be convertible into 1 share of Common Stock, on or after the twelve-month anniversary of the Original Issue Date at the option of the Holder thereof, for a total not to exceed 1,000,000 shares of Common Stock. The holders of the Series B shall have no voting rights.

On February 2, 2021, the Company filed an Amendment to the Certificate of Designation (the "Amendment") for the Company's Series B Convertible Preferred Stock ("Preferred Stock"). Under the Amendment, each share of Preferred Stock shall entitle the holder thereof to vote on all matters voted on by the holders of Common Stock, voting together as a single class with other shares entitled to vote at all meetings of the stockholders of the Corporation. With respect to any such vote, each share of Preferred Stock shall entitle the holder thereof to cast the number of votes equal to the number of whole shares of Common Stock into which such shares of Preferred Stock are then convertible (the "Conversion Shares"). Such right may be exercised at any annual meeting or special meeting, or pursuant to any written consent of stockholders.

On March 25, 2020, the Company filed a certificate of amendment to the Company's articles of incorporation with the Secretary of State of the State of Nevada in order to: (i) increase the number of shares of the Company's authorized preferred stock, par value $0.001 per share, from 0 shares to 30,000,000 shares of preferred stock; (ii) clarify the application of the forum selection clause in the Company's amended and restated articles of incorporation, specifically that such clause does not apply to federal causes of actions arising under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and (iii) include affirmative changes to correspond to the Company's First Amended and Restated Bylaws, confirming that the Company's shareholders may vote by written consent.

On May 26, 2021, the Company issued 764,618 shares of common stock valued at $1,276,912 upon conversion of the Company's Series B Preferred Stock.

The Company is authorized to issue 30,000,000 shares of preferred stock. As of June 30, 2021 and December 31, 2020, there were 0 and 764,618 shares of Series B Preferred Stock issued and outstanding, respectively.

Stock-Based Compensation

On September 6, 2018, the Company's board of directors approved an amendment and restatement of the Company's omnibus incentive plan solely to reflect the Company's name change to Edison Nation, Inc. Thus, the Edison Nation, Inc. Omnibus Incentive Plan (the "Plan") which remains effective as of February 9, 2018, provides for the issuance of up to 1,764,705 (287,659 remaining as of June 30, 2021) shares of common stock to help align the interests of management and our stockholders and reward our executive officers for improved Company performance. Stock incentive awards under the Plan can be in the form of stock options, restricted stock units, performance awards and restricted stock that are made to employees, directors and service providers. Awards are subject to forfeiture until vesting conditions have been satisfied under the terms of the award. The exercise price of stock options is equal to the fair market value of the underlying Company common stock on the date of grant.

The following table summarizes stock option awards outstanding at June 30, 2021:

	Shares	Weighted Average Exercise Price	Remaining Contractual Life in Years	Aggregate Intrinsic Value
Balance, December 31, 2020	80,000	$ 7.01	3.2	-
Granted	-	-	-	-
Balance, June 30, 2021	80,000	$ 7.01	2.9	-
Exercisable, June 30, 2021	80,000	$ 7.01	2.9	-

As of June 30, 2021, there were no unvested options to purchase shares of the Company's common stock and there was no unrecognized equity-based compensation expense that the Company expected to recognize over a remaining weighted-average period.

Other Stock Awards

The Company issued 2,861,227 shares of common stock to employees for services valued at $7,495,864 for the six months ended June 30, 2021.

The Company issued 1,457,849 shares of common stock to vendors for services valued at $3,365,840 for the six months ended June 30, 2021.

From time to time, the Company grants shares of common stock to consultants and non-employee vendors for services performed. The awards are valued at the market value of the underlying common stock at the date of grant and vest based on the terms of the contract which is usually upon grant.

Note 14 — Stockholders' Equity (continued)

BHP Capital NY Inc. Private Placement – January 2021

On January 28, 2021 (the "Effective Date"), the Company consummated the closing of a private placement offering (the "Offering") whereby pursuant to the Securities Purchase Agreement (the "SPA") entered into by the Company on January 28, 2021 with BHP Capital NY Inc (the "Investor"), the Company issued 1,500,000 shares of restricted common stock and a five (5) year warrant (the "Warrant") to purchase shares of the Company's common stock, par value $0.001 per share ("Common Stock").

Pursuant to the SPA, the Investor received a Warrant in an amount equal to 100% of the shares of Common Stock issued to the Investor under the SPA. The Warrant contains an exercise price of $2.20 per share. In connection with the closing of the Offering, the Warrant was issued to purchase an aggregate of 1,500,000 shares of Common Stock (the "Warrant Shares").

The Company also entered into a Registration Rights Agreement with the Investor (the "Registration Rights Agreement"). The Registration Rights Agreement provides that the Company shall (i) file with the Securities and Exchange Commission (the "Commission") a Registration Statement by 30 days following the Closing Date to register the Conversion Shares and Warrant Shares (the "Registration Statement"); and (ii) use all commercially reasonable efforts to have the Registration Statement declared effective by the Commission within 60 days following the Closing Date or at the earliest possible date, or 75 days following the Closing Date if the Registration Statement receives comments from the Commission.

On January 28, 2021 (the "Effective Date"), the Company consummated the closing of a private placement offering (the "Offering") whereby pursuant to the Securities Purchase Agreement (the "SPA") entered into by the Company on January 28, 2021 with BHP Capital NY Inc (the "Investor"), the Company issued 1,500,000 shares of restricted common stock and a five (5) year warrant (the "Warrant") to purchase shares of the Company's common stock, par value $0.001 per share ("Common Stock").

Pursuant to the SPA, the Investor received a Warrant in an amount equal to 100% of the shares of Common Stock issued to the Investor under the SPA. The Warrant contains an exercise price of $2.20 per share. In connection with the closing of the Offering, the Warrant was issued to purchase an aggregate of 1,500,000 shares of Common Stock (the "Warrant Shares").

On June 4, 2021, the Company entered into a warrant exercise agreement (the "Agreement") with BHP Capital NY Inc. ("BHP") who agreed to exercise a portion of the January Warrants and the Company agreed to issue additional warrants, to purchase shares of Common Stock at a per-share exercise price equal to $3.20 (the "Incentive Warrants", all pursuant to the terms and conditions set forth in the Agreement. At the Closing (as defined in Section 2(b) of the Agreement), the Parties shall execute and deliver a registration rights agreement (the "Registration Rights Agreement"), pursuant to which the Company will agree to register the shares of Common Stock underlying the Incentive Warrants. Subject to the terms of Agreement, (i) BHP shall pay to the Company an amount equal to the exercise price in effect as of the date of such exercise multiplied by 1,500,000 shares (as adjusted for any share split or similar transaction after the date hereof) (the "Exercised Warrant Shares") and (ii) the Company shall issue and deliver Incentive Warrants to BHP to initially purchase an aggregate number of shares equal to the number of Exercised Warrant Shares, which number of shares shall be subject to adjustment upon the exercise of further shares pursuant to the January Warrants. During the six months ended June 30, 2021, the Investor exercised 1,500,000 warrants and received 1,500,000 incentive warrants.

Note 15 — Discontinued Operations

Discontinued operations are accounted for in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Section 360-10-35 Property, Plant and Equipment. In accordance with FASB ASC Section 360-10-35, the net assets of discontinued operations are recorded on our consolidated balance sheets at carrying value. The results of operations of discontinued operations are segregated from continuing operations and reported separately as discontinued operations in our consolidated statements of loss and comprehensive loss.

On March 12, 2021, the bankruptcy court approved the sale of the CBAV1, LLC Assets to BTL Diffusion SARL, the winning bidder, at the auction held on March 10, 2021 and March 11, 2021 for a total sum of $3,000,000, which includes a cash payment at closing in the amount of $2,650,000, less certain closing costs and credits, and additional royalty payments in the amount of $150,000 on April 15, 2022 and in the amount of $200,000 on April 15, 2023 ("CBAV1-BTL Transaction").

A first closing of the CBAV1-BTL Transaction occurred on April 16, 2021, with the transfer of assets and release of funds completed on April 21, 2021 ("Final Closing"). Contemporaneously with the Final Closing, a certain license agreement between CBAV1 and Edison Nation, LLC ("Edison Nation") terminated and any remaining operational assets of Edison Nation were transferred to BTL.

On November 30, 2020, the Company (the "Seller") and its wholly owned subsidiary, SRM Entertainment, LTD ("SRM") entered into a Stock Exchange Agreement (the "Exchange Agreement") with Jupiter Wellness, Inc. ("Jupiter")(the "Buyer"). Under the terms of the Exchange Agreement, the Buyer agreed to purchase all outstanding shares of common stock (the "Exchange Shares") issued by SRM from the Seller. As consideration for the purchase of the Exchange Shares, the Buyer agreed to exchange 200,000 shares of its restricted common stock (the "Consideration Shares"), symbol JUPW as listed on NASDAQ Capital Markets. The Company made the decision to divest the amusement park business due to the slow re-openings of amusement parks around the world and the investment that would have been needed to remain open and the investment required to relaunch as the amusement parks begin to get back to full capacity.

The following table presents the carrying values of the assets and liabilities of our discontinued operations at June 30, 2021 and December 31, 2020, respectively:

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Accounts receivable, net	$ -	$ 220,964
Inventory	-	559,737
Prepaid expenses and other current assets	-	261,980
Total current assets	-	1,042,680
Intangible assets, net	-	5,739,524
Total assets	$ -	$ 6,782,204
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 120,729	$ 487,454
Total current liabilities	$ 120,729	$ 487,454

The following table presents the summary results of operations of our discontinued operations for the three and six months ended June 30, 2021 and 2020, respectively:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	**2021**	**2020**
Revenues, net	$ -	$ 1,706,044	697,883	3,419,808
Cost of revenues	-	884,848	490,195	1,939,541
Gross profit	-	821,196	207,688	1,480,267
Operating expenses:				
Selling, general and administrative	99,286	393,077	385,888	1,396,127
Operating income	(99,286)	428,119	178,200	84,140
Other (expense) income:				
(Loss) gain on disposal	(4,308,780)	-	(4,308,780)	4,911,760
Total other (expense) income	(4,308,780)	-	(4,308,780)	4,911,760
(Loss) income before income taxes	(4,408,066)	428,119	(4,486,980)	4,995,900
Income tax expense	-	-	-	-
Net (loss) income	$ (4,408,066)	$ 428,119	(4,486,980)	4,995,900

Note 16 — Subsequent Events

On July 7, 2021, the Company entered into an amendment agreement with Hudson Bay in connection with the January warrants and February warrants which extended the exercise period of the warrant exercise agreement dated June 4, 2021 to August 9, 2021.

On July 23, 2021, Vinco entered into a Securities Purchase Agreement (the "Purchase Agreement") with BHP Capital NY Inc. (the "Purchaser") whereby Vinco agreed to (i) issue and sell to the Purchaser up to 1,007,194 shares of Vinco's common stock, par value $0.001 per share (the "Purchased Shares") at a purchase price of $2.78 per share and (ii) issue warrants (the "Warrants") to purchase up to 1,007,194 shares of Vinco's Common Stock (the "Warrant Shares") with an exercise price of $2.78 per share, resulting in an aggregate of $2,800,000 of Purchased Shares and Warrants. The Warrants are immediately exercisable and have a term of exercise equal to three (3) years. In connection with the Purchase Agreement, Vinco and the Purchaser also entered into a Registration Rights Agreement, dated as of July 23, 2021, whereby Vinco agree to prepare and file, within 40 days of the closing, with the SEC a registration statement covering the resale of all Purchased Shares and Warrant Shares issued and sold to the Purchaser pursuant to the Purchase Agreement. In the event that such registration statement is not filed within 40 days of the closing, or if such registration statement does not become effective within 80 days of its filing, Vinco shall issue an additional 50,360 shares of Common Stock and warrants to purchase an additional 50,360 shares of Common Stock to the Purchaser.

On July 22, 2021 (the "Effective Date"), Vinco Ventures, Inc. (the "Company") consummated the closing of a private placement offering (the "Offering") whereby pursuant to the Securities Purchase Agreement (the "Purchase Agreement") entered into by the Company on July 22, 2021 with one accredited investor (the "Investor"), the Company issued a Senior Secured Convertible Note in the amount of $120,000,000 for the purchase price of $100,000,000 ($20,000,000 OID)(the "Note") and five (5) year warrants (the "Warrant") to purchase shares of the Company's common stock, par value $0.001 per share ("Common Stock").

The Note shall carry no interest unless and until an event of default shall occur and matures on July 22, 2022. The Note contains a voluntary conversion mechanism whereby the Noteholder may convert at any time after the Issuance Date, in whole or in part, the outstanding principal and interest under the Note into shares of the Common Stock at a conversion price of $4.00 per share (the "Conversion Shares"). The Note shall be a senior secured obligation of the Company and its subsidiaries. The Note contains customary events of default (each an "Event of Default"). If an Event of Default occurs, interest under the Note will accrue at a rate of twelve percent (18%) per annum and the outstanding principal amount of the Note, plus accrued but unpaid interest, liquidated damages and other amounts owing with respect to the Note will become, at the Note holder's election, immediately due and payable in cash. Upon completion of a Change of Control (as defined in the Note), the Note's holder may require the Company to purchase any outstanding portion of the Note in cash at a price in accordance with the terms of the Note.

Pursuant to the Purchase Agreement, the Investor received a Warrant in an amount equal to 100% of the shares of Common Stock initially issuable to the Investor pursuant to the conversion terms of the Investor's Note. The Warrant contains an exercise price of $4.00 per share, subject to adjustments as provided under the terms of the Warrant. In connection with the closing of the Offering, the Warrant was issued for an aggregate of 32,697,548 shares of Common Stock (the "Warrant Shares").

The Company also entered into a Registration Rights Agreement with the Investor (the "Registration Rights Agreement"). The Registration Rights Agreement provides that the Company shall (i) file with the Securities and Exchange Commission (the "Commission") a Registration Statement by 30 days following the Closing Date of the Purchase Agreement to register the Conversion Shares and Warrant Shares (the "Registration Statement"); and (ii) use all commercially reasonable efforts to have the Registration Statement declared effective by the Commission within 60 days following the Closing Date or at the earliest possible date, or 75 days following the Closing Date if the Registration Statement receives comments from the Commission.

Palladium Capital Group, LLC. (the "Placement Agent") acted as placement agent for the Offering. The Placement Agent received cash compensation of $1,000,000 plus a Note of $8,000,000 which is deferred and only due upon the closing of the merger with Zash (8% of the gross proceeds to the Company plus an additional 1% of the gross proceeds to the Company for non-accountable expenses).

On July 19, 2021, Zash, Lomotif Private Limited ("Lomotif"), the Lomotif selling shareholders and ZVV, entered into a Deed of Variation and Supplement (the "Deed of Variation") whereby, among other things, Zash novated all of its rights and obligations under the Lomotif SPA to ZVV and ZVV assumed all of Zash's rights and obligations under the Lomotif SPA as if ZVV had been a party to the Lomotif SPA in place of Zash. On July 23, 2021, ZVV paid as consideration $100 million from the Senior Secured Convertible Note that closed on July 22, 2021, which resulted in ZVV acquiring an 80% interest in Lomotif.

On July 1, 2021, the Company issued a total of 30,000 shares valued at $94,800 to an employee for severance.

On August 18, 2021, the Company entered into a warrant exercise agreement (the "Agreement") with the Investor whereby the Parties agreed that, subject to the satisfaction (or waiver) of the conditions set forth in Sections 4 and 5 of the Agreement: (i) the Investor shall pay to the Company an amount equal to the Exercise Price as defined in the January Warrants and February Warrants (the "Existing Warrants") in effect as of the date of such exercise multiplied by the Existing Warrant shares as defined in the Agreement; (ii) the Company shall issue and deliver to the Investor the Existing Warrant shares as set forth in Section 1 of the Existing Warrants; (iii) the Company shall issue and deliver to the Investor additional warrants to purchase an aggregate of 20,500,000 shares of Common Stock at an exercise price of $2.655 per share, subject to adjustments provided therein (the "August Series A Warrants"); and (iv) the Company shall issue and deliver to the Investor additional warrants to purchase an aggregate of 2,000,000 shares of Common Stock at an exercise price of $2.655 per share, subject to adjustments provided therein (the "August Series B Warrants," and together with the August Series A Warrants, the "August Warrants"). The terms of the August Series A Warrants and the August Series B Warrants are substantially identical, except that, upon stockholder approval, the August Series B Warrants will be subject to an Alternate Cashless Exercise, as defined therein.

In addition, pursuant to the Agreement, the Parties also agreed, among other things, that (i) upon entering into the Agreement, the exercise price of the July Warrants is reduced to $2.655 per share; and (ii) the definition of "Initial Exercisability Date" (as defined in the June Incentive Warrant) is amended to mean August 18, 2021.

On August 18, 2021, the Investor exercised the remaining 4,600,000 warrants under the February Warrants at a price of $3.722 for a total amount of $17,121,200.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Overview

Vinco Ventures: End-to-end product innovation, development and commercialization

Our Company was incorporated on July 18, 2017 in the State of Nevada under the name of Idea Lab X Products, Inc, On September 12, 2017, we filed an Amendment to our Articles of Incorporation changing the name to Xspand Products Lab, Inc., and then on September 7, 2018 we filed an Amendment to our Articles of Incorporation changing the name to Edison Nation, Inc. On November 5, 2020, the Company (the "Parent") and its wholly owned subsidiary, Vinco Ventures, Inc. (the "Merger Sub"), entered into an Agreement and Plan of Merger (the "Agreement"). Under the terms of the Agreement, the Merger Sub merged with and into the Parent and the Parent became the surviving corporation of the Merger (the "Surviving Corporation"). The name of the Surviving Corporation became Vinco Ventures, Inc. The transaction closed on November 10, 2020.

Vinco Ventures, Inc. seeks to be involved with every step of the consumer product life cycle – from ideation, to research and development, manufacturing, sales, packaging and fulfillment. The Company also seeks to raise awareness of the Vinco Ventures brand name as a diversified consumer products business through a number of media channels.

The first stage of development for any consumer product is the impetus to turn an idea into a salable commodity. Considered to be the "go-to" resource for independent innovators with great consumer product invention ideas, Vinco Ventures through its Edison Nation web portal maintains a consumer-facing online presence whereby innovators can submit ideas for consideration by us. If an idea is successfully chosen, Vinco Ventures will apply its proprietary, web-enabled new product development ("NPD") and commercialization platform that can take a product from idea through final e-commerce sale. Vinco Ventures presently engages with over 180,000 registered online innovators and entrepreneurs interested in accessing the Company's NPD platform to bring innovative, new products to market focusing on high-interest, high-velocity consumer categories. The Company generates revenue from its web presence by charging a fee for each idea submission, and also through subscription-based plans for innovators that wish to submit high volumes of ideas.

Since its inception, the Edison Nation web portal has received over 200,000 idea submissions, with products selling in excess of $250 million at retail through the management of over 300 client product campaigns with distribution across diverse channels including e-commerce, mass merchandisers, specialty product chains, entertainment venues, national drug chains, and tele-shopping. These clients include many of the largest manufacturers and retailers in the world including Amazon, Bed Bath and Beyond, HSN, Rite Aid, P&G, and Black & Decker. The Company generates revenue from licensing agreements with such manufacturers and retailers. Such agreements are entered into when innovators submit their ideas through Vinco Ventures' web portal. Occasionally, the Company also generates revenue from innovators that wish to use the Company's product development resources, but license or distribute products themselves.

Vinco Ventures has a number of internally developed brands ("EN Brands") which act as a launchpad for new innovative items that have matriculated through the innovation portal. These EN Brands include Cloud B, Pirasta, Uber Mom, Lily and Grey, Trillion Trees, and Barkley Lane. Additionally, the Company offers a partnership model for entrepreneurs and businesses that are seeking to elevate their existing brands. Recent partnerships for Vinco Ventures include 4Keeps Roses and Mother K. Within the partnership model, the Company seeks to identify new lines of distribution and provide innovation through development of new item that enhance the brands overall image and consumer adoption.

Once most consumer products are ideated, developed, manufactured, and possibly even licensed, they must be packaged and distributed. Currently, we maintain a logistics center in Clearwater, Florida. The Company generates revenue from the sale of custom packaging for many of the products that have run through our NPD or in-house product development process. The Company also sells packaging products to a number of other entities that are not related to the Company's product development process, including pharmaceutical and e-commerce companies. For packaging products, the Company does not have long-term agreements with customers, and instead manufactures and sells its packaging products subject to purchase orders from its customers.

Once a product is ready for distribution, consumer awareness must be raised in order to sell the product. Accordingly, the Company has begun to pursue a media strategy. First, the Company is seeking to re-release episodes of the 'Everyday Edisons' television program, while simultaneously seeking a distribution partner for forthcoming episodes. The Company intends to generate revenue from the Everyday Edisons brand by entering into a contract with a broadcast network or online streaming service. The Company is seeking to expand its web presence by acquiring or creating other innovator-facing internet media properties. The Company intends to generate revenue from such internet media through the display of paid advertisements on its properties.

Market Strategy

The process for developing and launching consumer products has changed significantly in recent years. Previously, Fortune 500 and other companies maintained multimillion-dollar research and development divisions to develop and launch products to be sold primarily on retail shelves and supported by large television and print advertising investment. The emergence of e-commerce giants, including Amazon.com, has caused retail shelf space to no longer be a requirement to launch a new product. Crowdfunding sites like Kickstarter enable solo entrepreneurs to inexpensively produce an advertising video and quickly introduce a new product to millions of potential customers, and to quickly gain those customers for a low cost of acquisition relative to the cost and time required in prior years as expensive traditional advertising investment is no longer required to gain market awareness. For example, according to Statista.com, crowdfunded sales of products will exceed $18.9 billion in 2021. The consumer shift away from brick and mortar retailers toward e-commerce has resulted in the bankruptcy or downsizing of many iconic retailers which sold toys, including Toys R Us, Sears, Kmart, and K-B Toys, with the resultant loss in shelf space and available locations helping to drive our market opportunity. By utilizing the opportunities to market products over the internet, rather than through traditional, commercial channels, we believe we can reach a much broader market for our brands and products.

Leveraging Evolving Market Opportunities for Growth

The Company believes that its anticipated growth will be driven by six macroeconomic factors:

- The significant growth of ecommerce (Up 32.4% in 2020 versus 2019 (eMarketer 2020));
- The increasing velocity of “brick and mortar” retail closures;
- Product innovation and immediate delivery gratification driving consumer desire for next-generation products with distinctive sets of features and benefits without a reliance on brand awareness and familiarity;
- The marriage of media-based entertainment and consumer goods
- The rapid adoption of crowdsourcing to expedite successful new product launches; and
- The opportunity to market products over the internet and television, rather than through traditional, commercial channels, to reach a much broader, higher qualified target market for brands, and products.

In addition, we intend to acquire more small brands that have achieved approximately $1 million in retail sales over the trailing twelve-month period with a track record of generating free cash flow. By leveraging our expertise in helping companies launch thousands of new products and our ability to create unique, customized packaging, we will seek to elevate the value of these acquired brands by improving each part of their launch process, based on our own marketing methodologies.

We believe our acquisition strategy will allow us to acquire small brands using a combination of shares of our common stock, cash and other consideration, such as earn-outs. We intend to use our acquisition strategy in order to acquire up to ten or more small brands per year for the next three years. In situations where we deem that a brand is not a “fit” for acquisition or partnership, we may provide the brand with certain manufacturing or consulting services that will assist the brand to achieve its goals.

On November 30, 2020, the Company and its wholly owned subsidiary, SRM Entertainment, LTD entered into a Stock Exchange Agreement with Jupiter Wellness, Inc. (“Jupiter”). Under the terms of the Exchange Agreement, Jupiter agreed to purchase all outstanding shares of common stock (the “Exchange Shares”) issued by SRM from the Company. As consideration for the purchase of the Exchange Shares, Jupiter issued the Company 200,000 shares of its restricted common stock, symbol JUPW as listed on NASDAQ Capital Markets. The Company made the decision to divest the amusement park business due to the slow re-openings of amusement parks around the world and the investment that would have been needed to remain open and the investment required to relaunch as the amusement parks begin to get back to full capacity. Please *see* **Note 15 — Discontinued Operations** for further information.

One Company Initiative

During 2020, the Company had three distinct business units, which allows the Company to focus on growing sales and leveraging operations. The units consist of:

● Innovate. The Vinco Ventures New Product Development ("NPD") platform helps inventors go from idea to reality. This is accomplished by optimizing the Company's new product election process through deeper analytics to predict success on platforms like crowdfunding and web marketplaces like Amazon. The Company drives brand awareness of the platform by producing content for inventors and innovators on media platforms including our own Everyday Edison's television show.

● Build and Launch. Distributed by geography, industry skillset and expertise in the development process to ensure efficient product build and launch our teams of product designers and developers take the product from the concept to the consumers' hand. The bulk of the Company's operations are part of this business unit, and the Company will continue to develop this unit to meet the needs of our product launch schedule.

● Sell. Our omni-channel sales effort is divided into three groups: (1) business-to-business revenue opportunities including traditional brick and mortar retailers, (2) online marketplaces and direct-to-consumer revenue opportunities, and (3) our NiTRO Team (Near Term Revenue Opportunities). NiTRO, identifies brands and products lines that would benefit from being part of Vinco Ventures.

In November 2020, in connection with the name change and startup of Honey Badger, the Company set a path for new key fundamentals in their strategy. Vinco Ventures, Inc. plans to leverage the new market opportunity by utilizing their B.I.G. Strategy: Buy. Innovate. Grow.

● Buy. Acquisitions is our model. We will seek to acquire significant brands to continue to add to the Portfolio.

● Innovate. – Leverage the internal traffic platforms of Honey Badger, our brands are able to quickly innovate and determine the highest conversion traffic and target accordingly. Once identified, we scale while maintaining conversions for success.

● Grow. More targeted traffic equals more conversions. With our internal engines, we are able to expedite growth of our acquired brands to reach their target numbers quicker.

Innovate: The Vinco Ventures New Product Development & Commercialization Platform

New product ideas have little value without the ability and skill required to commercialize them. The considerable investment and executional "know how" needed to initiate a process – from idea to product distribution – has always been a challenge for the individual innovator. Vinco Ventures' web presence is designed to take advantage of online marketplace and crowdfunding momentum for our future growth mitigating new product development risk while allowing for optimized product monetization based on a product's likelihood to succeed. To that end, Vinco Ventures empowers and enables innovators and entrepreneurs to develop and launch products, gain consumer adoption and achieve commercial scale efficiently at little to no cost.

The cornerstone of Vinco Ventures' competitive advantage is its NPD platform, which is designed to optimize product licensing and commercialization through best-in-class digital technologies, sourcing / manufacturing expertise and one of the largest sets of go-to-market solutions. The NPD platform can take a product from idea through ecommerce final sale in a matter of months versus a year or more for capital intensive and inefficient new product development protocols traditionally used by legacy manufacturers serving "big box" retailers.

Product Submission Aggregation

Interested innovators enter the Vinco Ventures web site to register for a free account by providing their name and email address. The member then creates a username and password to use on the site. Once registered, the member is provided with their own unique, password protected dashboard by which they can begin submitting ideas and join online member forums to learn about industry trends, common questions, engage in member chats, and stay informed of the latest happenings at Vinco Ventures. They can also track the review progress of ideas they submit through their dashboard.

Vinco Ventures accepts ideas through a secure online submission process. Once a member explores the active searches in different product categories being run on the platform for potential licensees seeking new product ideas to be commercialized, the member can submit their new product ideas for processing. Vinco Ventures regularly works with different companies and retailers in various product categories to help them find new product ideas.

Registered members pay $25 to submit an idea. This submission fee covers a portion of the cost to review each idea submitted to the platform. There are no additional fees after the submission fee.

Although the platform might not have an active search that matches the innovator's idea, the Vinco Ventures licensing team hosts an ongoing search for new consumer product ideas in all categories.

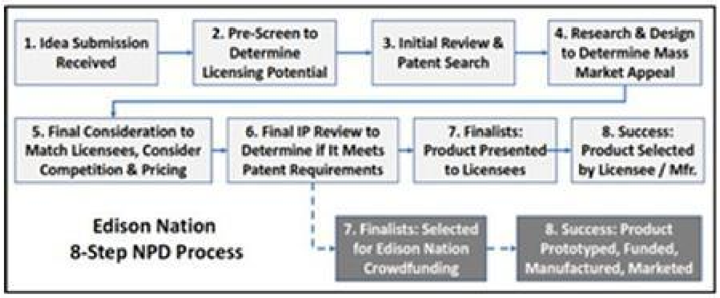
"Insider Membership" is Vinco Ventures' premium level of membership. Members that are insiders ("Insiders") receive feedback on all their ideas submitted and gain access to online features that aren't available to registered members. In addition, Insiders pay $20 for each idea submitted (20% discount vs. a registered member), can opt-in ideas for free, as well as receive other benefits. An annual membership costs $99, or $9.25 / month automatically debited from a credit card each month. Also included online is feedback to the innovator on the status of each stage of the process and notification when ideas are not selected to move forward during any stage in the review process.

Insiders also have access to the Insider Licensing Program (the "ILP"). The primary benefit of the ILP is having the Vinco Ventures licensing team working directly on an innovator's behalf to help secure a licensing agreement with one of the company's manufacturing partners. If an idea is selected for commercialization by a retail partner, Vinco Ventures will invest in any necessary patent applications, filings and maintenance. The innovator's name is included on any patent or patent application that Vinco Ventures files on the member's behalf after the idea has been selected.

In addition to the above member programs, Vinco Ventures ASOTV (*"As Seen on TV"*) Team hosts a search for new products suitable for marketing via DRTV (*"Direct Response TV"*) and subsequent distribution in national retail chains including mass merchandisers, specialty retail, drug chains and department stores.

Product Submission Review

Led by the Company's licensing team (which has over 150 years of combined experience in a variety of industries and product categories), all ideas submitted by innovators through the Company's website are reviewed and assessed through an 8-stage process. Vinco Ventures' product idea review process is confidential with non-disclosure agreements executed with every participating registered or "Insider" member.



The NPD platform's database of over 85,000 product ideas helps determine which inventions have a substantial market opportunity quickly through proprietary algorithms that have been developed incorporating continuous learning from marketplace experience and changes in category requirements.

Selected ideas are assessed by the licensing team based on nine key factors: competing products, uniqueness, retail pricing, liability & safety, marketability, manufacturing cost, patentability, consumer relevant features and benefits, and commercialization.

The time required to review ideas depends upon different variables, such as: the number of searches concurrently running on Vinco Ventures platform, idea volume and complexity of the search, how many presentation dates to licensees are pending, the date an idea is submitted.

Presentation dates to potential licensees are usually set a few weeks following the close of the search. After the presentation has been given to a licensing / retail partner, the partner has 45 days to 6 months to select ideas on which they will move forward.

The ILP incorporates a four-stage process:

- **Stage #1 — Preliminary Review:** The licensing team performs a preliminary review to ensure an invention meets the program criteria. Factors that might stall an idea from moving forward include: an invention is cost-prohibitive, has engineering challenges, and/or major players in the marketplace have already launched products like it. If none of these apply, an idea will be approved and move on to the preparation phase.
- **Stage #2 — Preparation:** The licensing team performs a best partner review. Vinco Ventures' retail and manufacturing contacts are assessed, and the team begins to plan which licensors would be the best fit for an idea. A gap analysis and visits the store shelves are executed to gain greater understanding of marketplace potential.
- **Stage #3 — Pitching:** At this phase, an idea can become a "Finalist." The licensing team begins to proactively pitch an idea to potential licensees using a proprietary presentation system. When a company expresses interest, the team proceeds into term sheets and negotiations while staying in constant contact with the prospect until the best possible deal is struck for the innovator.
- **Stage #4 — Outcome:** In the end, the market decides what products will be successful. There are no guarantees. If for some reason Vinco Ventures is not successful in finding a licensing partner, a complete debrief is given to the Insider.

Due to the public nature of licensing, Vinco Ventures only accepts ideas from Insiders that are patented or patent-pending. A valid provisional patent application is required. The cost of submitting an idea to the ILP is $100, and a member must be an "Insider" to be considered.

The Vinco Ventures ASOTV new product development process follows a six-stage protocol appropriate for the broadcast-based sales channel. For more information regarding the ASOTV process, the Vinco Ventures NPD platform, its features and member benefits, visit https://app.edisonnation.com/faq.

Acquisition of Intellectual Property

Once an innovator's idea is judged to be a potentially viable, commercial product and selected for potential commercialization, the Company acquires intellectual property rights from the innovator.

Once an innovator's intellectual property is secured, the innovator's product idea can then either be licensed to a manufacturer or retailer or developed and marketed directly by Vinco Ventures. In either case, Vinco Ventures serves as the point-of-contact with the innovator for term sheets, royalty negotiation and concluding licensing agreements. Vinco Ventures also maintains contact with the innovator to keep them engaged during product development.

In general, innovators are paid a percentage of the Company's revenue from the commercialization of the innovator's intellectual property. This percentage varies with the Company's investment in the development of the intellectual property, including whether the Company decides to license the innovator's idea for commercialization or instead, to directly develop and market the innovator's idea.

Build and Launch: Product Design and Development

With product design, product prototyping and creation of marketing assets all resourced with expert Vinco Ventures in-house capabilities, we have made protracted, high-cost, high-risk research and development models obsolete.

Vinco Ventures custom designs most products in-house for specific customers and their needs. We utilize our existing tooling to produce samples and prototypes for customer reviews, refinement and approval, as well as our in-house packaging design and fabrication resources.

The Company's design and product development professionals are dedicated to the commercialization and marketability of new product concepts advanced through the company's NPD platform and for licensors / partners like Disney World and Universal Studios.

No matter the product, Vinco Ventures' objective is to optimize its marketability, function, value and appearance for the benefit of the consumer end user. From concept and prototyping, through design-for-manufacture, special attention is paid to a product's utility, ease of use, lowest cost bill of materials, and how it "communicates" its features and benefits through design.

The combined experience and expertise of the Company's team spans many high-demand categories including household items, small appliances, kitchenware, and toys. The Company's in-house capabilities are complimented by third-party engineering and prototyping contractors, and category-specific expert resources within select manufacturers.

Manufacturing, Materials, and Logistics

To provide greater flexibility in the manufacturing and delivery of products, and as part of a continuing effort to reduce manufacturing costs, Vinco Ventures has concentrated production of most of the Company's products in third-party manufacturers located in China and Hong Kong. The Company maintains a fully staffed Hong Kong office for sourcing, overseeing manufacturing and quality assurance.

Vinco Ventures utilizes a variety of contracted manufacturing facilities to supply a majority of its products. The Company continues to explore more efficient and expert manufacturing partners to gain greater economies of scale, potential consolidation, and cost savings on an on-going basis.

Products are also purchased from unrelated enterprises with specific expertise in the design, development, and manufacture those specialty products.

We base our production schedules on customer orders and forecasts, considering historical trends, results of market research, and current market information. Actual shipments of ordered products and order cancellation rates are affected by consumer acceptance of product lines, strength of competing products, marketing strategies of retailers, changes in buying patterns of both retailers and consumers, and overall economic conditions. Unexpected changes in these factors could result in a lack of product availability or excess inventory in a product line.

Most of our raw materials are available from numerous suppliers but may be subject to fluctuations in price.

Sell: Paths to Market

Vinco Ventures partners with many of the biggest and most well-known online entities, consumer products companies and retailers. They use the Company's platform as a "think engine" to develop targeted products, significantly reduce research and development expense, and expedite time to market.

Each potential licensee of an innovator's idea publishes an exclusive page on the Vinco Ventures web site with innovation goals and timeline for their search. Appropriate new product ideas are submitted in 100% confidence with all intellectual property safely guarded.

Once the search concludes, Vinco Ventures presents each potential licensee with the best patent protected, or patentable ideas that can be selected for development.

Licensing partners and customers include Amazon, Bed, Bath & Beyond, Church & Dwight, Black & Decker, HSN, Worthington Industries, Pampered Chef, Boston America Corp., Walmart, Target, PetSmart, "As Seen on TV," Sunbeam, Home Depot, and Apothecary Products.

Online Marketplace and Crowdfunding

Vinco Ventures has established a commercialization path to include the development and management of crowdfunding campaigns. This is evolving to be a engine for future growth. The benefits of crowdfunding include increased product testing efficiency, decreased financial risk, and the ability to get closer to the end consumer, simultaneously.

The ability for consumers to re-order product not only gauges marketplace demand, but it can also be leveraged as a quantitative "proof point" for potential sales to licensees. Most importantly, the money pledged for orders can be used to finance manufacturing and ecommerce launch marketing costs as negative working capital.

Sales, Marketing, and Advertising

Our Omni-channel sales effort is divided into three groups: (1) business-to-business revenue opportunities including traditional brick and mortar retailers, (2) online marketplaces and direct-to-consumer revenue opportunities, and (3) our NiTRO Team (Near Term Revenue Opportunities). NiTRO, identifies brands and products lines that would benefit from being part of Vinco Ventures.

Vinco Ventures' business to business team sells products through a diverse network of manufacturers, distributors and retailers. New customer prospects are gained through outbound sales calls, trade show participation, web searches, referrals from existing customers.

The online team for the company has expertise in selling products on platforms such as the Amazon marketplace as well as portals like Walmart.com and "crowd-funded" websites such as Kickstarter and Indiegogo.

The NiTRO team identifies small, unique brands that could benefit from becoming part of a larger consumer products organization with more resources. The team seeks to negotiate a mutually beneficial agreement whereby the respective branded products become part of Vinco Ventures' portfolio of consumer products.

Media Strategy

In order to expand the Company's universe of registered innovators and entrepreneurs submitting ideas on the Vinco Ventures NPD web platform, the Company has entered a global agreement for distribution of two existing 13-episode seasons of the Company's Everyday Edison TV series with a leading digital media service company. The series will be available in its original English version as well as voiceover adaptations in German, French, and Spanish. Distribution is planned for Europe and the Middle East through digital content providers such as Amazon Prime Video.

Sources of Revenue

The Company aggressively pursues six sources of sales volume:

- Our branded products sold through traditional retail channels of distribution and other channels of business to business distribution;
- Our branded products sold through direct to consumer platforms such as the Amazon marketplace as well as portals like Walmart.com;
- Member idea submission and ILP program fees: $25 per submission (registered members); $20 per submission (Insider members); $100 per submission (ILP members);
- *Licensing agents*: We match an innovator's intellectual property with vertical product category leaders in a licensing structure whereby the innovator can earn up to 50% of the contracted licensing fee. Product categories include kitchenware, small appliances, toys, pet care, baby products, health & beauty aids, entertainment venue merchandise, and housewares; and
- *Product principals*: We work with innovators directly, providing such innovators direct access to all of Vinco Ventures' resources. Depending on case-by-case factors, innovators may receive a range of up to 35% - 50% of profits.

Market Overview

The process for developing and launching consumer products has changed significantly in recent years. Previously, Fortune 500 and specialty consumer product companies funded multimillion-dollar NPD divisions to develop and launch products. These products were sold primarily on “big box” retail shelves supported by large marketing investments.

The emergence of ecommerce giants, including Amazon and Walmart.com, has disrupted traditional NPD and commercialization paths and has accelerated a consumer shift away from “brick and mortar” retailers. The result has been the bankruptcy or downsizing of many iconic retailers, including Toys R Us, JC Penney, Macy’s, Sears, Kmart, Office Depot, Family Dollar, and K-B Toys, with a commensurate loss of shelf space and accessible locations.

Moreover, crowdfunding sites, like Kickstarter and Indiegogo, have also disrupted NPD process cycles and are now “mainstream.” In fact, as of October 2018, Kickstarter’s cumulative pledged funding exceeded $3.9 billion according to Kickstarter published data. Statista.com estimates that crowdfunded sales of products will exceed $18.9 billion by 2021.

These crowdfunding sites have enabled individual innovators and entrepreneurs to design, prototype and market unique products to millions of potential customers with significantly lower acquisition costs when compared to the capital and time required by legacy NPD processes.

COVID-19

COVID-19 has caused and continues to cause significant loss of life and disruption to the global economy, including the curtailment of activities by businesses and consumers in much of the world as governments and others seek to limit the spread of the disease, and through business and transportation shutdowns and restrictions on people’s movement and congregation.

As a result of the pandemic, we have experienced, and continue to experience, weakened demand for our traditional products. Many of our customers have been unable to sell our products in their stores due to government-mandated closures and have deferred or significantly reduced orders for our products. We expect these trends to continue until such closures are significantly curtailed or lifted. In addition, the pandemic has reduced foot traffic in the stores where our products are sold that remain open, and the global economic impact of the pandemic has temporarily reduced consumer demand for our products as they focus on purchasing essential goods.

In the United States and Asia, many of our key accounts remain closed or are operating at significantly reduced volumes. As a result, we have made the strategic decision to expand our operations through our Edison Nation Medical (“Ed Med”) division. Through Ed Med, the Company wholesales Personal Protective Equipment (“PPE”) products through an online portal for hospitals, government agencies and distributors.

Given these factors, the Company anticipates that the greatest impact from the COVID-19 pandemic in fiscal 2020 occurred in the first quarter of 2020 resulting in a significant net sales decline as compared to the first quarter of 2019.

In addition, certain of our suppliers and the manufacturers of certain of our products were adversely impacted by COVID-19. As a result, we faced delays or difficulty sourcing products, which negatively affected our business and financial results. Even if we are able to find alternate sources for such products, they may cost more and cause delays in our supply chain, which could adversely impact our profitability and financial condition.

We have taken actions to protect our employees in response to the pandemic, including closing our corporate offices and requiring our office employees to work from home. At our distribution centers, certain practices are in effect to safeguard workers, including a staggered work schedule, and we are continuing to monitor direction from local and national governments carefully. Additionally, our two retail locations have been closed until further notice.

As a result of the impact of COVID-19 on our financial results, and the anticipated future impact of the pandemic, we implemented cost control measures and cash management actions during 2020, including:

- Furloughing a significant portion of our employees in the first quarter of 2020;
- Implementing 20% salary reductions across our executive team and other members of upper-level management in the first and second quarter of 2020;
- Executing reductions in operating expenses, planned inventory levels and non-product development capital expenditures throughout 2020; and
- Proactively managing working capital, including reducing incoming inventory to align with anticipated sales.

Leveraging Evolving Market Opportunities for Growth

Competition and Industry Background

In terms of the Company's consumer products business, competition is intensifying due to trends towards shorter life cycles for the development, production and marketability of consumer products. Competition is also intensifying due to the availability of online-only distributors, including Amazon.com, which can promote a wide variety of consumer products and represent a wide variety of manufacturers at low cost and limited overhead.

Vinco Ventures' competitive set includes other online inventor platforms (e.g., InventHelp, Quirky, Mako Design + Invent, Davison, and Invention City). Each of these companies operate different types of business models that combine different consulting, development and service fees, and royalty structures.

Vinco Ventures was originally founded by the creators of the Emmy Award winning PBS television show, Everyday Edisons. One of the original founders, Louis Freeman, is currently a member of the Vinco Ventures board of directors. The Company's model differs significantly from others in the inventor space in that it assumes the considerable financial risk, manpower and time required to monetize a product, from concept selection through sale. A portion of the commercialized product's net profit is shared with the inventor through a variety of forms of licensing agreements.

The Company also competes with large manufacturing companies who develop and commercialize their own products in categories in which Vinco Ventures currently participates. However, we also are increasing the Company's "co-op-etition" footprint with companies, like Black & Decker, who not only compete in product development but also have become active "cooperative" participants on the Vinco Ventures online innovation platform.

Customers

We sell our products to a diverse network of customers. Domestically, we sell our products to specialty retailers, mass-market retailers and e-commerce sites. Internationally, we sell our products directly to similar retailers and distributors.

One customer represented 11% and 11% of our revenues for the three months ended June 30, 2021 and 2020, respectively. No customers represented more than 10% for the six months ended June 30, 2021 and 2020, respectively.

Intellectual Property

We believe that Vinco Ventures' intellectual property rights have significant value in the marketplace, and that in order to maintain a competitive advantage in the marketplace, that we must continue to develop and maintain the proprietary aspects of our technologies. We rely on a combination of patent, trademark, trade secret, copyright and other intellectual property rights and measures to protect our intellectual property.

We seek protection on our products in as many countries as practical, through registered trademarks, copyrights and patents to the extent that such protection is available, cost effective and valuable to our products and brands. We also rely on other forms of intellectual property rights and measures, including trade secrets and nondisclosure agreements, to maintain and protect proprietary aspects of our products and technologies. We require our employees and consultants to execute confidentiality agreements in connection with their employment or consulting relationships with us. We also require our employees and consultants to disclose and assign to us all inventions conceived during the term of their employment or engagement which relate to our business.

Although we believe we are sufficiently protected, the failure to obtain or the loss of some of these intellectual property rights could have an adverse effect on our business, financial condition and results of operations.

Seasonality

The consumer products business is highly seasonal with consumers making a large percentage of purchases during the traditional holiday season.

These seasonal purchasing patterns and requisite production lead times create risk to our business associated with the underproduction of popular consumer products and the overproduction of less popular consumer products that do not match consumer demand.

These factors increase the risk that the Company may not be able to meet demand for certain products at peak demand times or that our own inventory levels may be adversely impacted by the need to pre-build products before orders are placed. Additionally, as retailers manage their inventories, we may experience cyclical ordering patterns for products and product lines that may cause our sales to vary significantly from period to period.

E-commerce has partially reduced traditional seasonality to moderate seasonality. We intend to expand this flattening of traditional seasonality from e-commerce channels to our business as well, including through the continued emergence of crowd-funded “micro brands” that we believe will further delink demand for our products and services from historical demand fluctuation.

Government Regulations and Environmental Quality

Our products sold in the United States are subject to the provisions of the Consumer Product Safety Act, as amended by the Consumer Product Safety Improvement Act of 2008, the Federal Hazardous Substances Act, and the Consumer Product Safety Improvement Act of 2008, and may also be subject to the requirements of the Flammable Fabrics Act or the Food, Drug, and Cosmetics Act and the regulations promulgated pursuant to such statutes. These statutes and the related regulations ban from the market consumer products that fail to comply with applicable product safety laws, regulations, and standards. The Consumer Product Safety Commission may require the recall, repurchase, replacement, or repair of any such banned products or products that otherwise create a substantial risk of injury and may seek penalties for regulatory noncompliance under certain circumstances. Similar laws exist in some states. We believe that we are in substantial compliance with these laws and regulations. Our products sold worldwide are subject to the provisions of similar laws and regulations in many jurisdictions, including the European Union and Canada. We believe that we are in substantial compliance with these laws and regulations.

We maintain a quality control program to help ensure compliance with applicable product safety requirements. Nonetheless, we may in the future experience, issues in products that result in recalls, withdrawals, or replacements of products. A product recall could have a material adverse effect on our results of operations and financial condition, depending on the product affected by the recall and the extent of the recall efforts required.

Our advertising is subject to the Federal Trade Commission Act, The Children’s Television Act of 1990, the rules and regulations promulgated by the Federal Trade Commission, and the Federal Communications Commission, as well as laws of certain countries that regulate advertising and advertising to children. In addition, our web-based products and services and other online and digital communications activity are or may be subject to US and foreign privacy-related regulations, including the US Children’s Online Privacy Protection Act of 1998 and the EU Data Protection Directive (Directive 95/46/EC) and related national regulations. We believe that we are in substantial compliance with these laws and regulations.

Our worldwide operations are subject to the requirements of various environmental laws and regulations in the jurisdictions where those operations are located. We believe that we are in substantial compliance with these laws and regulations. Our operations are from time to time the subject of investigations, conferences, discussions, and negotiations with various federal, state and local environmental agencies within and outside the United States with respect to the discharge or cleanup of hazardous waste. We are not aware of any material cleanup liabilities.

Furthermore, we are subject to various other federal, state, local and international laws and regulations applicable to its business. We believe that we are in substantial compliance with these laws and regulations.

Factors Which May Influence Future Results of Operations

The following is a description of factors which may influence our future results of operations, and which we believe are important to an understanding of our business and results of operations.

Warrant Liabilities

On January 25, 2021, the Company consummated the closing of a private placement offering (the “Offering”) whereby pursuant to the Securities Purchase Agreement (the “Purchase Agreement”) entered into by the Company on January 21, 2021 with Hudson Bay Master Fund, Ltd (the “Investor”), the Company issued a Senior Convertible Note for the purchase price of $12,000,000 (the “Note”) and a five (5) year warrant (the “Warrant”) to purchase shares of the Company’s common stock, par value $0.001 per share (“Common Stock”). The Investor converted $11,000,000 of principal and $39,190 of interest into 5,519,595 of the Company’s common shares. Pursuant to the Purchase Agreement, the Investor received a Warrant in an amount equal to 250% of the shares of Common Stock initially issuable to each Investor pursuant to the Investor’s Note. The Warrant contains an exercise price of $2.00 per share. In connection with the closing of the Offering, the Warrant was issued to purchase an aggregate of 15,000,000 shares of Common Stock (the “Warrant Shares”).

On February 23, 2021, the Company consummated the closing of a private placement offering (the “Offering”) whereby pursuant to the Securities Purchase Agreement (the “Purchase Agreement”) entered into by the Company on February 18, 2021 with one accredited investor (the “Investor”), the Company issued a Senior Convertible Note for the purchase price of $10,000,000 (the “Note”) and five (5) year warrants (the “Warrant”) to purchase shares of the Company’s common stock, par value $0.001 per share (“Common Stock”). Pursuant to the Purchase Agreement, the Investor received a Warrant in an amount equal to 900% of the shares of Common Stock initially issuable to the Investor pursuant to the conversion terms of the Investor’s Note. The Warrant contains an exercise price of $3.722 per share, subject to adjustments as provided under the terms of the Warrant. In connection with the closing of the Offering, the Warrant was exercisable for an aggregate of 18,568,188 shares of Common Stock (the “Warrant Shares”).

Palladium Capital Group, LLC. acted as placement agent for both Offerings. The Placement Agent received a Warrant granting the Holder the right to purchase 480,000 and 1,650,346 shares, respectively, of the Company’s common stock at an exercise price of $2.00 and $3.722, respectively, with an expiration date of January 25, 2026 and February 23, 2026, respectively.

On January 29, 2021, the Company consummated the closing of a private placement offering of $3,300,000 whereby pursuant to the Securities Purchase Agreement entered into by the Company on January 28, 2021 with BHP Capital NY Inc, the Company issued 1,500,000 shares of restricted common stock and a five (5) year warrant to purchase 1,500,000 shares of the Company’s common stock.

On May 24, 2021, the Company entered into a warrant exercise agreement (the “May 2021 Warrant Agreement”) with the Investor whereby the Company agreed to issue additional warrants, to purchase shares of Common Stock at a per-share exercise price equal to $3.20 (the “Incentive Warrants”). Subject to the terms of May 2021 Agreement, the Company shall issue and deliver Incentive Warrants to the Investor to initially purchase zero shares of Common Stock, which number of shares shall be subject to adjustment, including the provision of Incentive Warrants on a 1.00-for-one basis for the additional exercise of each Existing Warrant.

On June 4, 2021, the Company entered into a warrant exercise agreement (the “Agreement”) with BHP Capital NY Inc. (“BHP”) who agreed to exercise a portion of the January Warrants and the Company agreed to issue additional warrants, to purchase shares of Common Stock at a per-share exercise price equal to $3.20 (the “Incentive Warrants”). Subject to the terms of Agreement, (i) BHP shall pay to the Company an amount equal to the exercise price in effect as of the date of such exercise multiplied by 1,500,000 shares and (ii) the Company shall issue and deliver Incentive Warrants to BHP to initially purchase an aggregate number of shares equal to the number of Exercised Warrant Shares, which number of shares shall be subject to adjustment upon the exercise of further shares pursuant to the January Warrants.

On June 4, 2021, the Company entered into a warrant exercise agreement (the “June 2021 Warrant Agreement”) with the Investor whereby the Company agreed to issue additional warrants, to purchase shares of Common Stock at a per-share exercise price equal to $3.30 (the “Incentive Warrants”). Subject to the terms of June 2021 Agreement, the Company shall issue and deliver Incentive Warrants to the Investor to initially purchase zero shares of Common Stock, which number of shares shall be subject to adjustment, including the provision of Incentive Warrants on a 1.75-for-one basis for the additional exercise of each Existing Warrant.

The warrants are subject to anti-dilution adjustments outlined in the Agreement. The warrants may require cash settlement under certain conditions, such as a tender offer. The warrants were classified as a liability with an initial fair value at the time of issuance of $228,575,715 of which $208,855,715 was immediately expensed as a loss on issuance of warrants and $19,720,000 was recorded as a deferred debt discount.

In addition, the warrants must be valued every reporting period and adjusted to market with the increase or decrease being adjusted through earnings. As of June 30, 2021, the fair value of the warrant liability was $139,695,115. For the three and six months ended June 30, 2021, the Company recorded a loss of $208,855,715 and $75,156,534, respectively. The warrants are valued using the Black-Scholes pricing model to calculate the fair value of the warrants.

EVNT Platform, LLC Asset Contribution Agreement

On April 17, 2021, the Company and EVNT Platform, LLC, a wholly owned subsidiary of the Company, entered into (and closed on) a certain Asset Contribution Agreement ("Asset Contribution Agreement") with Emmersive Entertainment, Inc., pursuant to which Emmersive contributed/transferred to the Company the assets used for Emmersive's business, which include digital assets, software and certain physical assets in consideration for, among other things, the Company assuming certain obligations of Emmersive, hiring certain employees, and issuing 1,000,000 preferred membership units ("Preferred Units") in the Company to Emmersive and/or its shareholders ("Preferred Members") pursuant to a First Amended and Restated Operating Agreement for the Company dated as of April 17, 2021). Certain put rights are associated with Preferred Units, which if exercised by the Preferred Members, obligates Vinco to purchase the Preferred Units in exchange for 1,000,000 shares of Vinco Venture's common stock. In addition, the Preferred Members have the opportunity to earn up to 4,000,000 Conditional Preferred Units if certain conditions are satisfied for each of the four earn out targets. The Earn-Out Targets are described below:

Earn-Out Target 1: In the event that the Company (1) develops a minimally viable product for the NFT Technology to validate the utility of the product/platform with features to attract and transact with customers and (2) is successful on-boarding a minimum of 10 approved influential celebrities on or before December 31, 2021, the Company shall issue to Emmersive and/or Emmersive's Shareholders, 1,000,000 Conditional Preferred Units, with Put Rights.

Earn-Out Target 2: In the event that the Company generates a minimum of $7,000,000 in annualized booked revenues inclusive of revenues generated from the celebrities onboarded by the Company (collectively "Attributed Revenue") in any three-calendar-month period ending on or before March 31, 2022 (i.e. more than $1,750,000 in Attributed Revenue in a period of three consecutive calendar months), the Company shall issue to Emmersive and/or Emmersive's Shareholders 1,000,000 Conditional Preferred Units, with the Put Rights.

Earn-Out Target 3: In the event that the Company generates a minimum of $28,000,000 in annualized Attributed Revenues in any three-calendar-month period ending on or before December 31, 2022 (i.e. more than $7,000,000 in Attributed Revenue in a period of three consecutive calendar months), the Company shall issue to Emmersive and/or Emmersive's Shareholders 1,000,000 Conditional Preferred Units, with Put Rights.

Earn Out Target 4: In the event that the Company generates a minimum of $62,000,000 in annualized Attributed Revenues in any three-calendar-month period ending on or before December 31, 2023 (i.e. more than $15,500,000 in Attributed Revenue in a period of three consecutive calendar months), the Company shall issue to Emmersive and/or Emmersive's Shareholders 1,000,000 Conditional Preferred Units, with Put Rights.

On April 17, 2021, the transactions under both the Asset Contribution Agreement and Amended Operating Agreement closed.

Agreement to Complete a Merger with Zash Global Media and Entertainment Corporation

On January 20, 2021, the Company, and its newly formed wholly owned subsidiary, Vinco Acquisition Corporation (the "Merger Sub"), entered into an Agreement to Complete a Plan of Merger (the "Agreement to Complete") with ZASH Global Media and Entertainment Corporation ("ZASH").

The Agreement contemplates a reverse triangular merger of Merger Sub with and into ZASH in a transaction intended to qualify as a tax-free reorganization under Sections 368(a)(l)(A) and 368(a)(2)I of the Code. Under the terms of the Agreement to Complete, ZASH's holders of common stock, par value $0.001, shall receive shares of Common Stock of the Company in exchange for all issued and outstanding ZASH shares of common stock. ZASH will then become an indirect wholly-owned subsidiary of the Company. In connection with the foregoing, the Company engaged a third-party valuation firm to perform a valuation of ZASH and to issue a Transaction Fairness Opinion. The valuation report will be relied upon to set the resulting post-closing ownership ratio. Upon completion of the closing, ZASH will be the controlling entity.

The certificate of incorporation of the Company will be amended and restated at and as of the Effective Time, in substantial conformance with the certificate of incorporation of ZASH immediately prior to the closing, and the name of the Company will be changed to "ZASH Global Media and Entertainment Corporation." The bylaws of the Company will be amended and restated at and as of the Closing to become the equivalent of the bylaws of ZASH immediately prior to the closing. At the closing, certain officers and directors of the Company and the Merger Sub immediately prior to the Effective Time shall resign and the officers and directors of ZASH immediately prior to the closing will be appointed as officers and directors of the Company and the surviving corporation, in each case until their respective successors are duly elected or appointed and qualified; provided, however that the Company shall have the right to appoint two (2) person to serve as a member of the Board of Directors of the surviving corporation and ZASH shall have the right to appoint three (3) persons to serve as members of the Board of Directors of the surviving company.

On March 30, 2021, the Company, Vinco Acquisition Corporation and ZASH entered into that certain First Amendment to Agreement to Complete a Plan of Merger, which amends the Merger Agreement dated January 20, 2021 to extend the closing date of the merger to on or about May 28, 2021.

On May 28, 2021, the Company, Vinco Acquisition Corporation and ZASH Global Media and Entertainment Corporation ("ZASH") entered into that certain Second Amendment to the Agreement (the "Second Amendment") to define certain milestones with dates to be completed to consummate the closing of the Lomotif Private Limited ("Lomotif") acquisition and the ZASH merger; (i) the Company and ZASH intend to acquire Lomotif through their joint venture, ZVV Media Partners, LLC (the "Joint Venture"); (ii) the Parties have completed an Amended and Restated Limited Liability Company Agreement for the Joint Venture in preparation for the anticipated acquisition of Lomotif through the Joint Venture; (iii) Gemini Valuation Services will complete and present an independent third-party valuation on ZASH on or before June 11, 2021; (iv) sign the final Agreement and Plan of Merger and Reorganization on or before June 24, 2021; (v) issue a formal proxy to shareholders for the approval of the ZASH merger with the Company on or before July 15, 2021; and (vi) extend the closing date to August 31, 2021, but no later than the first business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transaction.

On July 19, 2021, Zash Global Media and Entertainment Corp. ("Zash"), Lomotif Private Limited ("Lomotif"), the Lomotif selling shareholders identified on the signature page to the Lomotif SPA and ZVV MEDIA PARTNERS, LLC ("ZVV"), entered into that certain Deed of Variation and Supplement (the "Deed of Variation") whereby, among other things, Zash novated all of its rights and obligations under the Lomotif SPA to ZVV and ZVV assumed all of Zash's rights and obligations under the Lomotif SPA as if ZVV had been a party to the Lomotif SPA in place of Zash. On July 23, 2021, ZVV closed on the transaction which resulted in ZVV acquiring an 80% interest in Lomotif.

Contribution Agreement with Zash Global Media and Entertainment Corporation

On January 19, 2021, Vinco Ventures, Inc. ("Vinco Ventures"), ZVV Media Partners, LLC (the "Company") and Zash Global Media and Entertainment Corporation ("ZASH") entered into a Contribution Agreement (the "Agreement"). Vinco Ventures and ZASH desire to establish the newly formed Company in order to engage in the development and production of consumer facing content and related activities.

Under the terms of the Agreement, Vinco Ventures and ZASH shall contribute certain assets (the "Contributed Assets") to the Company. At Closing, Vinco Ventures and ZASH shall enter into a limited liability operating agreement of the Company and a content distribution agreement with American Syndication Media Corporation ("ASMC"). The Company shall not assume any liabilities of either Vinco Ventures or ZASH except those liabilities arising in or specifically relating to periods, events or occurrences happening with respect to the Contributed Assets on or after the Closing Date. In consideration of the Contributed Assets, the Company shall issue to Vinco Ventures and ZASH 5,000 Units. The transaction closed on January 19, 2021.

Closing on the Sale of Assets of CBAV1, LLC

On October 30, 2020, the Company received a letter of intent from a prospective purchaser dated October 22, 2020 setting forth the terms of an offer to purchase Cloud b assets from CBAV1, LLC ("CBAV1"), the Company's wholly owned subsidiary (the "LOI"). The Cloud b assets include but are not limited to intellectual property, know how, brand names, trade names, patents, models, internet websites, domains, social network assets, production facilities, including the molds of all products, and inventory ("Cloud b Assets").

By way of background, the Cloud b Assets were pledged as collateral ("Collateral") to secure a promissory note from East West Bank dated in or around May 25, 2011, along with amendments and modifications to the loan agreement ("Secured Note"). On June 4, 2018, CBAV1 acquired the Secured Note in accordance with the Cloud B Assignment of Loan and Security Agreement from East West Bank. On October 30, 2018, pursuant to the Stock Purchase Agreement, the Company became the beneficial owner of 72.16% of Cloud b, Inc.'s shares of common stock. CBAV1 provided Notification of Disposition of Collateral (pursuant to its notice of default dated August 7, 2018 to Cloud b, Inc.) and scheduled a Public Sale of the Collateral to the highest qualified bidder for February 11, 2019 ("Public Sale"). CBAV1 submitted the highest bid for the Collateral at the Public Sale and inured to the benefit of the Cloud b Assets. On February 17, 2020, the Company entered into the Agreement for The Purchase and Sale of Common Stock of Cloud b, Inc. and pursuant therewith, sold its ownership interest in Cloud b, Inc. to the buyer.

To effectuate the sale of the Cloud b assets to the prospective purchaser, the Company has determined that it is in the best interests of the company and its shareholders for CBAV1 and the prospective buyer to utilize the jurisdiction and protections of the bankruptcy court to effectuate the sale of the Cloud b Assets free and clear of any obligations.

The current assets of CBAV1 were estimated to be in excess of $2,000,000 and the current liabilities were estimated to be less than $100,000.

By utilizing the jurisdiction of the bankruptcy court, the Cloud b Assets can be transferred to the prospective purchaser free and clear of liens and obligations. Any unsecured creditors or minority shareholders of Cloud b, Inc. will have the opportunity to assert any claims or actions within the sale proceeding under the jurisdiction of the bankruptcy court.

On March 12, 2021, the bankruptcy court approved the sale of the CBAV1, LLC Assets to BTL Diffusion SARL, the winning bidder, at the auction held on March 10, 2021 and March 11, 2021 for a total sum of $3,000,000, which includes a cash payment at closing in the amount of $2,650,000, less certain closing costs and credits, and additional royalty payments in the amount of $150,000 on April 15, 2022 and in the amount of $200,000 on April 15, 2023 ("CBAV1-BTL Transaction").

A dry closing of the CBAV1-BTL Transaction occurred on April 16, 2021, with the transfer of assets and release of funds completed on April 21, 2021 ("Final Closing"). Contemporaneously with the Final Closing, a certain license agreement between CBAV1 and Edison Nation, LLC ("Edison Nation") terminated and any remaining operational assets of Edison Nation were transferred to BTL.

Stock Exchange Agreement for Sale of SRM Entertainment, LTD

On November 30, 2020, the Company (the "Seller") and its wholly owned subsidiary, SRM Entertainment, LTD ("SRM") entered into a Stock Exchange Agreement (the "Exchange Agreement") with Jupiter Wellness, Inc. ("Jupiter")(the "Buyer"). Under the terms of the Exchange Agreement, the Buyer agreed to purchase all outstanding shares of common stock (the "Exchange Shares") issued by SRM from the Seller. As consideration for the purchase of the Exchange Shares, the Buyer agreed to exchange 200,000 shares of its restricted common stock (the "Consideration Shares"), symbol JUPW as listed on NASDAQ Capital Markets.

Upon closing, Jupiter delivered 150,000 of the Consideration Shares and held 50,000 of the Consideration Shares in escrow ("Escrow Shares"). Jupiter shall release the Escrow Shares upon SRM generating $200,000 in cash receipts and revenue prior to January 15, 2021. As of the date of the Registration Statement, the Company has received all Exchange Shares.

As a performance based incentive, the Buyer shall pay to the Seller two percent (2%) of gross sales of Jupiter's private label sun care products if such gross sales are in excess of twelve million dollars ($12,000,000) earned during the 2021 calendar year.

At Closing, the Company (as "Stockholder") and Jupiter entered into a Leak Out Agreement, whereby the Company was limited in the sales of the Consideration Shares upon the following terms: (i) As such time as the Stockholder is able to resell the Consideration Shares in accordance with the provisions of Rule 144 of the Securities Act (the "Expiration of the Holding Period"), the Stockholder agrees to limit the resales of such Shares in the public market as follows:

a. No shares in any one day more than ten percent (10%) of the average of the daily trading volume on all trading markets on which the Consideration Shares are then quoted or listed for the five trading days preceding the sale of the Consideration Shares, and;

b. Any permitted resales by the Stockholder shall be at the then current bid price of the Common Stock.

Honey Badger Media Purchase and Licensing Agreement

On November 10, 2020, the Company, through its wholly owned subsidiary, Honey Badger Media, LLC, entered into a series of transactions with Honey Badger Media, LLC, a Delaware limited liability company:

On November 10, 2020, under the terms of the Asset Purchase Agreement (the "Agreement"), the Company (the "Buyer") agreed to purchase from Honey Badger Media, LLC (the "Seller") all of the Seller's rights, title and interest in and to the Internet Websites, Domain Names, and all of the respective content (the "Domains"), and any other rights associated with the domains, including, without limitation, any intellectual property rights, all related Domains, logos, customer lists and agreements, email lists, passwords, usernames and trade names; and all of the related social media accounts including but not limited to, Instagram, Twitter, Facebook, Instagram, and Pinterest at closing (collectively the "Purchased Assets"). In consideration for the sale of the Purchased Assets, the Buyer agreed to pay the Seller the amount of Three Hundred Thousand Dollars (US $300,000).

On November 10, 2020, under the terms of the Platform License Agreement (the "License Agreement"), Honey Badger Media, LLC (the "Licensor") granted the Company (the "Licensee") a perpetual, exclusive, worldwide license (the "License") to implement and commercialize the assets connected with the Platform, including, but not limited to, the right to use all of Licensor's intellectual property rights comprising the Platform, owned by or licensed to Licensor that are utilized as part of the Platform ("Licensed Related Assets"). In consideration for the License, the Licensee agreed to pay to the Licensor a fee equal to thirty percent (30%) of the Net Profits generated from Licensee's clients through the Platform and Licensed Related Assets and the Licensee's parent company agreed to issue the Licensor 750,000 shares of common stock.

Acquisition of HMNRTH, LLC Assets

On March 11, 2020, the Company and its wholly owned subsidiary, Scalematix, LLC (together the "Buyer"), entered into an Asset Purchase Agreement (the "Agreement") with HMNRTH, LLC (the "Seller") and TCBM Holdings, LLC (the "Owner") (together Seller and Owner the "Selling Parties") for the purchase of certain assets in the health wellness industry and related consumer products industry. Under the terms of the Agreement, Buyer is to remit $70,850 via wire transfer at Closing and shall issue to a representative of the Selling Parties Two Hundred Thirty-Eight Thousand Seven Hundred and Fifty (238,750) shares of restricted common stock. The shares were issued on March 16, 2020 and valued at $477,500.

Global Clean Solutions Agreement and Plan of Share Exchange

On May 20, 2020 (the "Effective Date"), the "Company entered into an Agreement and Plan of Share Exchange (the "Share Exchange Agreement") with PPE Brickell Supplies, LLC, a Florida limited liability company ("PPE"), and Graphene Holdings, LLC, a Wyoming limited liability company ("Graphene", and together with PPE, the "Sellers"), whereby the Company purchased 25 membership units of Global Clean Supplies, LLC, a Nevada limited liability company ("Global") from each of PPE and Graphene, for a total of fifty (50) units, representing fifty percent (50%) of the issued and outstanding units of Global (the "Purchase Units"). The Company issued 250,000 shares of its restricted common stock, $0.001 par value per share (the "Common Stock") to PPE, and 50,000 shares of Common Stock to Graphene, in consideration for the Purchase Units.

Pursuant to the terms of the Share Exchange Agreement, the Sellers may earn additional shares of Common Stock upon Global realizing the following revenue targets: (i) In the event that Global's total orders equal or exceed $1,000,000, Graphene shall receive 200,000 shares of Common Stock; (ii) In the event that Global's total orders equal or exceed $10,000,000, PPE shall receive 100,000 shares of restricted Common Stock; and (iii) In the event that Global's total orders equal or exceed $25,000,000, Graphene shall receive 125,000 shares of restricted Common Stock. Additionally, the Company shall be entitled to appoint two managers to the Board of Managers of Global.

Acquisition of TBD Safety, LLC

On September 29, 2020, the Company entered into a Purchase and Sale Agreement (the "Agreement") with Graphene Holdings, LLC, Mercury FundingCo, LLC, Ventus Capital, LLC and Jetco Holdings, LLC (together the "Sellers") to acquire all outstanding Membership Units (the "Units") of TBD Safety, LLC ("TBD"). Collectively, the Sellers owned all outstanding Units of TBD. Under the terms of the Agreement, the Company issued a total of Two Million Two Hundred Ten Thousand Three Hundred Eighty-Two (2,210,382) shares of the Company's common stock and a total of Seven Hundred Sixty-Four Thousand Six Hundred Eighteen (764,618) shares of a newly designated Preferred Stock (the "Preferred"). In addition, the Company and Sellers entered into a Registration Rights Agreement (the "Registration Rights Agreement") in favor of the Sellers obligating the Company to register such common stock and shares of common ctock to be issued upon conversion of the Preferred within 120 days after the Closing. The Sellers also had an Earn Out Consideration, which provides that at such time as the assets purchased in the Agreement achieve cumulative revenue of $10,000,000, the Sellers will earn a total of One Hundred Twenty-Five Thousand (125,000) shares of common stock. The closing of the transaction occurred on October 16, 2020. Please *see* **Note 3 — Acquisitions and Divestitures** for further information.

Edison Nation Medical Operations

Edison Nation Holdings, LLC formed Edison Nation Medical ("EN Medical") in May of 2012 as a partnership with Carolinas Healthcare Systems (now called Atrium). Atrium is the ^{2nd} largest healthcare system in the US. Carolina Health (Atrium) looked to identify a way to aggregate and commercialize the healthcare related innovations that were coming from their physicians, nurses, and patients, and Edison Nation offered a platform to provide that function.

EN Medical built out a separate platform, leveraging the Edison Nation model to look for ideas that improved patient care and lowered costs. EN collected some great ideas, but the market shifted and EN found that the licensing model was very difficult as big medical device companies wanted to acquire companies with sales versus just buying IP and prototypes.

Today, EN Medical operates an online portal granting hospitals, government agencies and distributors access to its catalog of medical supplies and hand sanitizers.

Executive Compensation Agreements

On February 2, 2021, the Company entered into an Employment Agreement (the "Agreement") with Christopher Ferguson (the "Executive") for the role of Chief Executive Officer. The Agreement is effective as of November 12, 2020 (the "Effective Date") and has a term of three (3) years (the "Term") from the Effective Date. Thereafter, the Agreement shall automatically be renewed and the Term shall be extended for additional consecutive terms of 1 year (each a "Renewal Term"), unless such renewal is objected to by either the Company or the Executive. The Executive's initial annual base salary shall be $200,000, less applicable withholdings (the "Base Salary") and 120,000 common shares that shall vest in their entirety on issuance. The Base Salary shall be payable in accordance with the Company's normal payroll procedures in effect from time to time. The Base Salary due of shares, shall be payable within the first 30 days of the year. On each anniversary of the Agreement, the base salary will increase no less than $15,000 ("minimum"). For 2021, the Executive shall receive a cash bonus in the amount equal to 30% of the annual Base Salary, and an award of 200% shares of the Company's common stock, which shall vest in their entirety on issuance (the "Principal Market"), which shall be received by the Executive no later than the first 30 days of the current fiscal year. The Executive shall be entitled to 150,000 shares of the Company's common stock, due immediately upon an increase of 2.5 times the Enterprise Value on a 5-day closing average from the effectiveness of the Agreement. For clarification, the Enterprise Value as of the Company at the effective date was $25,042,464.

On February 2, 2021, the Company entered into an Employment Agreement (the "Agreement") with Brett Vroman (the "Executive") for the role of Chief Financial Officer. The Agreement is effective as of November 12, 2020 (the "Effective Date") and has a term of three (3) years (the "Term") from the Effective Date. Thereafter, the Agreement shall automatically be renewed and the Term shall be extended for additional consecutive terms of 1 year (each a "Renewal Term"), unless such renewal is objected to by either the Company or the Executive. The Executive's initial annual base salary shall be $200,000, less applicable withholdings (the "Base Salary") and 120,000 common shares that shall vest in their entirety on issuance. The Base Salary shall be payable in accordance with the Company's normal payroll procedures in effect from time to time. The Base Salary due of shares, shall be payable within the first 30 days of the year. On each anniversary of the Agreement, the base salary will increase no less than $15,000 ("minimum"). For 2021, Executive shall receive a cash bonus in the amount equal to 30% of the annual Base Salary, and an award of 200% shares of the Company's common stock, which shall vest in their entirety on issuance (the "Principal Market"), which shall be received by the Executive no later than the first 30 days of the current fiscal year. Upon the execution of this agreement, the Executive is entitled to a one-time past performance bonus for the work completed in fiscal years 2018, 2019 and 2020 of 150,000 shares of the Company's common stock, which shall vest in their entirety on issuance. The Executive shall be entitled to 100,000 shares of the Company's common stock, due immediately upon an increase of 2.5 times the Enterprise Value on a 5-day closing average from the effectiveness of the Agreement. For clarification, the Enterprise Value as of the Company at the effective date was $25,042,464.

On February 2, 2021, the Company entered into an Employment Agreement (the "Agreement") with Brian Mc Fadden (the "Executive") for the role of Chief Strategy Officer. The Agreement is effective as of November 12, 2020 (the "Effective Date") and has a term of three (3) years (the "Term") from the Effective Date. Thereafter, the Agreement shall automatically be renewed and the Term shall be extended for additional consecutive terms of 1 year (each a "Renewal Term"), unless such renewal is objected to by either the Company or the Executive. The Executive's initial annual base salary shall be $200,000, less applicable withholdings (the "Base Salary") and 120,000 common shares that shall vest in their entirety on issuance. The Base Salary shall be payable in accordance with the Company's normal payroll procedures in effect from time to time. The Base

Salary due of shares, shall be payable within the first 30 days of the year. On each anniversary of the Agreement, the base salary will increase no less than $15,000 (“minimum”). For 2021, the Executive shall receive a cash bonus in the amount equal to 30% of the annual Base Salary, and an award of 200% shares of the Company’s common stock, which shall vest in their entirety on issuance (the “Principal Market”), which shall be received by the Executive no later than the first 30 days of the current fiscal year. Upon the execution of the Agreement, the Executive is entitled to a one-time signing bonus of 150,000 shares of the Company’s common stock, which shall vest in their entirety on issuance. The Executive shall be entitled to 100,000 shares of the Company’s common stock, due immediately upon an increase of 2.5 times the Enterprise Value on a 5-day closing average from the effectiveness of the Agreement. For clarification, the Enterprise Value as of the Company at the effective date was $25,042,464.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements as well as the reported expenses during the reporting periods. The accounting estimates that require our most significant, difficult and subjective judgments have an impact on revenue recognition, the determination of share-based compensation and financial instruments. We evaluate our estimates and judgments on an ongoing basis. Actual results may differ materially from these estimates under different assumptions or conditions.

Our significant accounting policies are more fully described in Note 2 to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Components of our Results of Operations

Revenues

We sell consumer products across a variety of categories to retailers, distributors and manufacturers. We also sell consumer products directly to consumers through e-commerce channels. In addition, we generate revenues form media properties through social media monetization.

Cost of Revenues

Our cost of revenues includes inventory costs, materials and supplies costs, internal labor costs and related benefits, subcontractor costs, depreciation, overhead and shipping and handling costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of selling, marketing, advertising, payroll, administrative, finance and professional expenses.

Rental Income

We earn rental income from a month-to-month lease on a portion of the building located in Washington, New Jersey that we own.

Interest Expense, Net

Interest expense includes the cost of our borrowings under our debt arrangements.

Results of Operations

Three Months Ended June 30, 2021 versus Three Months Ended June 30, 2020

The following table sets forth information comparing the components of net (loss) income for the three months ended June 30, 2021 and 2020:

	Three Months Ended June 30,		Period over Period Change	
	2021	2020	$	%
Revenues, net	$ 2,691,811	$ 5,173,982	$ (2,482,171)	-47.97%
Cost of revenues	1,721,189	4,004,936	(2,283,747)	-57.02%
Gross profit	970,622	1,169,046	(198,424)	-16.97%
Operating expenses:				
Selling, general and administrative	5,941,652	2,377,853	3,563,799	149.87%
Operating (loss)	(4,971,030)	(1,208,807)	(3,762,223)	-311.23%
Other (expense) income:				
Rental income	28,703	25,703	3,000	11.67%
Interest (expense)	(2,715,481)	(847,154)	(1,868,327)	-220.54%
Loss on issuance of warrants	(133,699,181)	-	(133,699,181)	-100.00%
Change in fair value of warrant liability	(37,154,989)	-	(37,154,989)	-100.00%
Change in fair value of short-term investment	(52,000)	-	(52,000)	-100.00%
Loss on disposal of assets and interests in joint venture	(301,645)	-	(301,645)	-100.00%
Total other (expense), net	(173,894,593)	(821,451)	(173,073,142)	-21,069.20%
Loss before income taxes	(178,865,623)	(2,030,258)	(176,835,365)	-8,709.99%
Income tax expense	-	-	-	-%
Net loss from continuing operations	(178,865,623)	(2,030,258)	(176,835,365)	-8,709.99%
Net income attributable to noncontrolling interests	22,543	22,241	5,793	26.05%
Net loss from continuing operations attributable to Vinco Ventures, Inc.	(178,888,166)	(2,052,499)	(176,841,158)	-8,615.90%
Net income (loss) from discontinued operations	(4,780,580)	428,119	606,319	-141.62%
Net (loss) income attributable to Vinco Ventures, Inc.	$ (183,668,746)	$ (1,624,380)	$ (177,447,477)	-10,924.01%

Revenue

For the three months ended June 30, 2021, revenues decreased by $2,482,171 or 47.97%, as compared to the three months ended June 30, 2020. The decrease was primarily the result of a decrease in revenues from the Edison Nation Medical division.

Cost of Revenues

For the three months ended June 30, 2021, cost of revenues decreased by $2,283,747 or 57.02%, as compared to the three months ended June 30, 2020. The decrease was primarily attributable to the decrease in total consolidated revenues.

Gross Profit

For the three months ended June 30, 2021, gross profit decreased by $198,424, or 16.97%, as compared to the three months ended June 30, 2020. The decrease was primarily a result of the decrease in revenues.

Operating Expenses

Selling, general and administrative expenses were $5,941,652 and $2,377,853 for the three months ended June 30, 2021 and 2020, respectively, representing an increase of $3,563,799, or 149.87%. The increase was primarily the result of an increase in stock-based compensation of $1,037,351, profession fees of $897,021, depreciation and amortization of $326,316 and payroll and related benefits of $702,150.

Rental Income

Rental income was $28,703 and $25,703 for the three months ended June 30, 2021 and 2020, respectively.

Interest expense

Interest expense was $2,715,481 for the three months ended June 30, 2021 versus $847,154 in the previous three months ended June 30, 2020. The increase in interest expense was related to the two financings in the first quarter of $22,000,000 which included the issuance of warrants and beneficial conversion features that were amortized and included as part of interest expense.

Loss on issuance of warrants and change in fair value of warrants

Loss on issuance of warrants was $133,699,181 and $0 for the three months ended June 30, 2021 and 2020, respectively. The issuance of warrants was related to the issuance of warrants in connection with the three private placements completed in the second quarter of 2021. Change in fair value of warrants was a loss of $37,154,989 and $0 for the three months ended June 30, 2021 and 2020, respectively. The change in fair value of warrants was related to a reduction in the warrant liability due to a change in the underlying assumptions of the Black-Scholes model, mostly related to a decrease in the Company's share price.

Income tax expense

Income tax expense was $0 and $0 for the three months ended June 30, 2021 and 2020, respectively.

Six Months Ended June 30, 2021 versus Six Months Ended June 30, 2020

The following table sets forth information comparing the components of net (loss) income for the six months ended June 30, 2021 and 2020:

	Six Months Ended June 30,		Period over Period Change	
	2021	2020	$	%
Revenues, net	$ 5,256,973	$ 7,127,328	$ (1,870,355)	-26.24%
Cost of revenues	3,374,570	5,368,655	(1,994,085)	-37.14%
Gross profit	1,882,403	1,758,673	123,730	7.04%
Operating expenses:				
Selling, general and administrative	17,602,532	5,567,516	12,035,016	216.16%
Operating (loss)	(15,720,129)	(3,808,843)	(11,911,286)	-312.73%
Other (expense) income:				
Rental income	54,407	51,407	3,000	5.84%
Interest (expense)	(15,410,414)	(1,571,111)	(13,839,303)	-880.86%
Loss on issuance of warrants	(208,855,715)	-	(208,855,715)	-100.00%
Change in fair value of warrant liability	(773,447)	-	(773,447)	-100.00%
Change in fair value of short-term investment	(122,000)	-	(122,000)	-100.00%
Loss on disposal of assets and interest in joint venture	(301,645)	-	(301,645)	-100.00%
Gain on divestirure	-	-	-	-%
Total other (expense), net	(225,408,814)	(1,519,704)	(223,889,110)	-14,732.42%
Loss before income taxes	(241,128,943)	(5,328,547)	(236,279,596)	-4,434.22%
Income tax expense	-	-	-	-%
Net loss from continuing operations	(241,608,143)	(5,328,547)	(236,279,596)	-4,434.22%
Net income attributable to noncontrolling interests	50,577	22,241	28,366	127.40%
Net loss from continuing operations attributable to Vinco Ventures, Inc.	(241,179,520)	(5,350,788)	(235,828,732)	-4,407.36%
Net income (loss) from discontinued operations attributable to Vinco Ventures, Inc.	(4,958,780)	4,995,900	(9,914,680)	-200.06%
Net (loss) income attributable to Vinco Ventures, Inc.	$ (246,138,300)	$ (354,888)	$ (245,783,412)	-69,256.61%

Revenue

For the six months ended June 30, 2021, revenues decreased by $1,870,355 or 26.24%, as compared to the six months ended June 30, 2020. The decrease was primarily the result of a decrease in business operations from the Edison Nation Medical division.

Cost of Revenues

For the six months ended June 30, 2021, cost of revenues decreased by $1,994,085 or 37.14%, as compared to the six months ended June 30, 2020. The decrease was primarily attributable to the decrease in total consolidated revenues.

Gross Profit

For the six months ended June 30, 2021, gross profit increased by $123,730, or 7.04%, as compared to the six months ended June 30, 2020. The increase was primarily a result of higher margin revenues in 2021 due to less revenues from the Edison Nation Medical division.

Operating Expenses

Selling, general and administrative expenses were $17,602,532 and $5,567,516 for the six months ended June 30, 2021 and 2020, respectively, representing an increase of $12,035,016, or 216.16%. The increase was primarily the result of an increase in stock-based compensation of $8,415,342, professional fees of $1,452,916, depreciation and amortization of $452,458 and payroll and related benefits of $412,367.

Rental Income

Rental income was $54,407 and $51,407 for the six months ended June 30, 2021 and 2020, respectively.

Interest expense

Interest expense was $15,410,414 for the six months ended June 30, 2021 versus $1,571,111 in the previous six months ended June 30, 2020. The increase in interest expense was related to the two financings in the first quarter of $22,000,000 which included the issuance of warrants and beneficial conversion features that were amortized and included as part of interest expense.

Loss on issuance of warrants and change in fair value of warrants

Loss on issuance of warrants was $208,855,715 and $0 for the six months ended June 30, 2021 and 2020, respectively. The issuance of warrants was related to the issuance of warrants in connection with the three private placements completed in the first six months of 2021. Change in fair value of warrants was a loss of $773,447 and $0 for the six months ended June 30, 2021 and 2020, respectively. The change in fair value of warrants was related to a reduction in the warrant liability due to a change in the underlying assumptions of the Black-Scholes model, mostly related to a decrease in the Company’s share price.

Income tax expense

Income tax expense was $0 and $0 for the six months ended June 30, 2021 and 2020, respectively.

Non-GAAP Measures

EBITDA and Adjusted EBITDA

The Company defines EBITDA as net loss before interest, taxes and depreciation and amortization. The Company defines Adjusted EBITDA as EBITDA, further adjusted to eliminate the impact of certain non-recurring items and other items that we do not consider in our evaluation of our ongoing operating performance from period to period. These items will include stock-based compensation, restructuring and severance costs, transaction costs, acquisition costs, certain other non-recurring charges and gains that the Company does not believe reflects the underlying business performance.

For the three and six months ended June 30, 2021 and 2020, EBITDA and Adjusted EBITDA consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss) from continuing operations	$ (178,865,623)	$ (1,602,139)	$ (241,128,943)	$ (332,647)
Net income (loss) from discontinued operations	(4,780,580)		(4,958,780)	
Interest expense, net	2,715,481	841,529	15,410,414	1,571,111
Income tax expense	-	-	-	-
Depreciation and amortization	636,082	296,108	1,081,623	612,406
EBITDA	(180,294,640)	(464,502)	(229,595,686)	1,850,870
Stock-based compensation	1,306,267	268,916	10,003,769	1,588,427
Loss on issuance of warrant liability	133,699,181	-	208,855,715	-
Change in fair value of warrant liability	37,154,989	-	773,447	-
Restructuring and severance costs	-	189,009	-	431,145
Transaction and acquisition costs	723,760	-	1,428,325	82,736
Other non-recurring costs	-	-	-	40,860
Loss (gain) on divestiture	4,130,580	-	4,130,580	(4,911,760)
Adjusted EBITDA (1)	$ (3,279,863)	$ (6,577)	$ (4,403,850)	$ (917,722)

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 (a) certain non-cash expenses (such as depreciation, amortization and stock-based compensation) and (b) 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. The Company's 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.

Although Adjusted EBITDA is frequently used by investors and securities analysts in their evaluations of companies, Adjusted EBITDA has limitations as an analytical tool, and investors should not consider it in isolation or as a substitute for, or more meaningful than, amounts determined in accordance with U.S. GAAP. Some of the limitations to using non-GAAP measures as an analytical tool are (a) they do not reflect the Company's interest income and expense, or the requirements necessary to service interest or principal payments on the Company's debt, (b) they do not reflect future requirements for capital expenditures or contractual commitments, and (c) although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and non-GAAP measures do not reflect any cash requirements for such replacements.

Liquidity and Capital Resources

For the six months ended June 30, 2021, our operations lost approximately $15,720,129, of which approximately $11,085,000 was non-cash and approximately $1,428,000 was related to transaction costs and other non-recurring items.

At June 30, 2021, we had total current assets of approximately $80,620,757 and current liabilities of approximately $8,829,464 resulting in working capital of approximately $71,791,293, of which $3,333,333 was convertible notes payable. At June 30, 2021, we had total assets of $121,276,499 and total liabilities of $148,820,211, of which 139,695,115 related to the warrant liabilities, resulting in stockholders' deficit of $27,543,712.

The Company believes it has sufficient cash for at least the next twelve months from the date of issuance of these condensed financial statements. The ability to continue as a going concern is dependent upon the Company's ability to attract significant new sources of capital, attain a reasonable threshold of operating efficiencies and achieve profitable operations from the sale of its products.

Our operating needs include the planned costs to operate our business, including amounts required to fund working capital and capital expenditures. Our future capital requirements and the adequacy of our available funds will depend on many factors, including our ability to successfully commercialize our products and services, competing technological and market developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement our product and service offerings.

Cash Flows

During the six months ended June 30, 2021 and 2020, our sources and uses of cash were as follows:

Cash Flows from Operating Activities

Net cash used in operating activities for the six months ended June 30, 2021 was $9,791,988 which included net loss from continuing operations of $241,128,943 that included $3,465,708 of cash used by changes in operating assets and liabilities, stock-based compensation of $10,003,767, loss on issuance of warrants of $208,855,715, depreciation and amortization of $1,081,623, amortization of financing costs of $15,597,936, gain on debt extinguishment of $852,352 and amortization of right of use assets of $48,327. Net cash used in operating activities for the six months ended June 30, 2020 was $2,487,898 which included a net loss of $332,647 that included $825,190 of cash used by changes in operating assets and liabilities, stock-based compensation of $1,588,427, depreciation and amortization of $612,406, amortization of financing costs of $1,227,046 and amortization of right of use assets of $153,820 which was offset by a gain on divestiture of a subsidiary of $4,911,760.

Cash Flows from Investing Activities

Net cash used in investing activities was $14,559,069 and $61,917 for the six months ended June 30, 2021 and 2020, respectively. Net cash used in investing activities was largely attributable to the Company's equity method investment and funding of loan receivable offset by the receipt of funds related to the sale of the assets of CBAV 1, LLC.

Cash Flows from Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2021 totaled $98,858,274 which related mostly to borrowings under convertible notes and proceeds from the exercise of warrants. Net cash provided by financing activities for the three months ended June 30, 2020 totaled $3,899,433 which related mostly to borrowings under convertible notes and borrowings under notes payable.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and we do not currently have, any relationships with any organizations or financial partnerships, such as structured finance or special purpose entities, that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Principal Executive Officer and Principal Financial and Accounting Officer has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly report. Based on such evaluation, the Company's Principal Executive Officer and Principal Financial and Accounting Officer have concluded that, as of the end of such period covered by this Quarterly Report, the Company's disclosure controls and procedures were not effective to provide reasonable assurance that information that it is required to disclose in reports that the Company files with the SEC is recorded, processed, summarized and reported within the time periods specified by the Exchange Act rules and regulations.

Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2021, there were no changes in our internal control over financial reporting that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of management, including our principal executive officer, we have not completed an evaluation of the effectiveness of our internal control over financial reporting based on the COSO Framework. Based on this evaluation under the COSO Framework, management concluded that our internal control over financial reporting was not effective as of June 30, 2021.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting.

However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of December 31, 2020, management completed an effective assessment of the Company's internal control over financial reporting based on the 2013 Committee of Sponsoring Organizations (COSO) framework. Management has concluded that as of December 31, 2021, our internal control over financial reporting was not effective to detect the inappropriate application of U.S. GAAP. There have not been any changes to internal controls during the three months ended June 30, 2021. Management identified the following material weaknesses set forth below in our internal control over financial reporting.

1. The Company was unable to provide a timely financial reporting package in connection with the year end audit. This was primarily the result of the Company's limited accounting personnel. This also limits the extent to which the Company can segregate incompatible duties and has a lack of controls in place to ensure that all material transactions and developments impacting the financial statements are reflected. There is a risk under the current circumstances that intentional or unintentional errors could occur and not be detected.

We are not required by current SEC rules to include, and do not include, an auditor's attestation report regarding our internal controls over financial reporting. Accordingly, our registered public accounting firm has not attested to management's reports on our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company is party to legal actions that are routine and incidental to its business. However, based upon available information and in consultation with legal counsel, management does not expect the ultimate disposition of any or a combination of these actions to have a material adverse effect on the Company's assets, business, cash flow, condition (financial or otherwise), liquidity, prospects and\or results of operations.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities; Uses of Proceeds from Registered Securities

In connection with the foregoing, the Company relied upon the exemptions from registration provided by Rule 701 and Section 4(a)(2) under the Securities Exchange Act of 1933, as amended:

Issuance of common stock – Year ended December 31, 2021

On April 7, 2021, the Company issued 150,000 shares of common stock valued at $382,500 for consulting services as per the Consulting Agreements entered into on March 31, 2021.

On April 7, 2021, the Company issued 525,541 shares of common stock valued at $924,952 to an employee as per the terms of an employment agreement.

On April 7, 2021, the Company issued 475,541 shares of common stock valued at $836,794 to an employee as per the terms of an employment agreement.

On April 7, 2021, the Company issued 597,273 shares of common stock valued at $1,051,200 to an employee as per the terms of an employment agreement.

On May 19, 2021, the Company issued 501,250 shares of common stock to a noteholder in satisfaction of $1,000,000 principal and $2,500 in accrued interest.

During May and June 2021, the Company issued a total of 13,070,000 shares of common stock valued at $26,140,000 upon exercise of a warrant.

On June 7, 2021, the Company issued a total of 10,000 shares of common stock valued at $44,100 as compensation for inventor advisory services for Edison Nation, LLC.

On June 7, 2021, the Company issued 384,000 shares of common stock valued at $768,000 upon exercise of a warrant.

On June 9, 2021, the Company issued 1,930,000 shares of common stock valued at $3,860,000 upon exercise of a warrant.

On June 9, 2021, the Company issued 1,200,000 shares of common stock valued at $4,466,400 upon exercise of a warrant.

On June 9, 2021, the Company issued a total of 150,000 shares of common stock valued at $382,500 for consulting services.

On June 9, 2021, the Company issued a total of 63,577 shares of common stock valued at $151,987 for the conversion of debt assumed as per the terms of the Asset Contribution Agreement with Emmersive Entertainment, Inc.

On June 9, 2021, the Company issued 10,000 shares of common stock valued at $20,000 upon exercise of a warrant.

On June 9, 2021, the Company issued 1,500,000 shares of common stock valued at $3,300,000 upon exercise of a warrant.

On June 10, 2021, the Company issued 3,000,000 shares of common stock valued at $11,166,000 upon exercise of a warrant.

On June 11, 2021, the Company issued 3,500,000 shares of common stock valued at $13,027,000 upon exercise of a warrant.

On June 11, 2021, the Company issued 100,000 shares of common stock valued at $246,000 for consulting services.

On June 15, 2021, the Company issued 2,368,188 shares of common stock valued at $8,814,396 upon exercise of a warrant.

On June 15, 2021, the Company issued 2,868,188 shares of common stock valued at $10,675,396 upon exercise of a warrant.

On June 16, 2021, the Company issued 1,000,000 shares of common stock valued at $3,722,000 upon exercise of a warrant.

On June 18, 2021, the Company issued 1,400,000 shares of common stock valued at $5,210,800 upon exercise of a warrant.

On June 21, 2021, the Company issued 1,000,000 shares of common stock valued at $3,722,000 upon exercise of a warrant.

On June 30, 2021, the Company issued a total of 41,272 shares of common stock valued at $127,943 for consulting services.

Use of Proceeds

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description	Incorporated By Reference to			Filed Herewith
		Form	Exhibit	Filing Date	
3.1	Articles of Merger, filed with the Secretary of State of Nevada effective September 7, 2018	8-K	3.1	September 12, 2018	
3.2	Second Amended and Restated Bylaws of Edison Nation, Inc.	8-K	3.2	September 12, 2018	
3.3	Second Amended and Restated Articles of Incorporation of Edison Nation, Inc.	8-K	3.1	March 26, 2020	
10.5+	Amended and Restated Edison Nation, Inc. Omnibus Incentive Plan	8-K	3.3	September 12, 2018	
10.21	10% Senior Secured Note with 32 Entertainment LLC, dated December 4, 2019	S-1	10.26	February 12, 2020	
10.22	Common Stock Purchase Warrant with 32 Entertainment LLC, dated December 4, 2019	S-1	10.27	February 12, 2020	

Exhibit Number	Description	Incorporated By Reference to Form	Exhibit	Filing Date	Filed Herewith
10.23	Registration Rights Agreement with 32 Entertainment LLC, dated December 4, 2019	S-1	10.28	February 12, 2020	
10.24	Loan Agreement with Tiburon Opportunity Fund, dated January 2, 2020	S-1	10.29	February 12, 2020	
10.25	5% Note Agreement with Equity Trust Company, Custodian FBO: Rawleigh H. Ralls, dated January 10, 2020	S-1	10.30	February 12, 2020	
10.26	Common Stock Purchase Warrant with Equity Trust Company, Custodian FBO: Rawleigh H. Ralls, dated January 10, 2020	S-1	10.31	February 12, 2020	
10.27	5% Note Agreement with Paul J. Solit and Julie B. Solit, dated January 15, 2020	S-1	10.32	February 12, 2020	
10.28	Common Stock Purchase Warrant with Paul J. Solit and Julie B. Solit, dated January 15, 2020	S-1	10.33	February 12, 2020	
10.29	5% Note Agreement with Richard O'Leary, dated January 17, 2020	S-1	10.34	February 12, 2020	
10.30	Common Stock Purchase Warrant with Richard O'Leary, dated January 15, 2020	S-1	10.35	February 12, 2020	
10.31	Loan Agreement with Greentree Financial Group, Inc., dated January 23, 2020	8-K	10.1	January 29, 2020	
10.32	10% Convertible Promissory Note with Greentree Financial Group, Inc., dated January 23, 2020	8-K	10.2	January 29, 2020	
10.33	Common Stock Purchase Warrant with Greentree Financial Group, Inc., dated January 23, 2020	8-K	10.3	January 29, 2020	
10.34	Amendment Agreement with Greentree Financial Group, Inc., dated January 29, 2020	8-K	10.4	January 29, 2020	
10.35	Asset Purchase Agreement between HMNRTH, LLC, TCBM Holdings, LLC and Edison Nation, Inc. and Scalematix, LLC dated March 11, 2020	8-K	10.1	March 12, 2020	
10.36	Securities Purchase Agreement between Edison Nation, Inc. and Jefferson Street Capital, LLC dated April 7, 2020	8-K	10.3	April 27, 2020	
10.37	Convertible Promissory Note between Edison Nation, Inc. and Jefferson Street Capital, LLC dated April 7, 2020	8-K	10.4	April 27, 2020	
10.38	Securities Purchase Agreement between Edison Nation, Inc. and BHP Capital NY Inc. dated April 7, 2020	8-K	10.1	April 27, 2020	
10.39	Convertible Promissory Note between Edison Nation, Inc. and BHP Capital NY Inc dated April 7, 2020	8-K	10.2	April 27, 2020	
10.40	Promissory Note Small Business Administration-Paycheck Protection Program dated April 15, 2020	8-K	10.8	April 27, 2020	
10.41	Consulting Agreement between Edison Nation, Inc. and Tiburon dated April 24, 2020	8-K	10.5	April 27, 2020	
10.42	Debt Conversion Agreement between Edison Nation, Inc. and Tiburon Opportunity Fund dated April 24, 2020	8-K	10.6	April 27, 2020	
10.43	Distributor Agreement between Edison Nation Holdings, LLC and Marrone Bio Innovations, Inc. dated May 13, 2020	10-K	10.45	May 29, 2020	
10.44	Secured Line of Credit Agreement between Global Solutions, LLC, Edison Nation, Inc. and PPE Brickell Supplies, LLC dated May 20, 2020	8-K	10.1	May 26, 2020	
10.45	Security Agreement between Global Solutions, LLC, Edison Nation, Inc. and PPE Brickell Supplies, LLC dated May 20, 2020	8-K	10.2	May 26, 2020	
10.46	Agreement and Plan of Share Exchange Agreement between Edison Nation, Inc. PPE Brickell Supplies, LLC and Graphene Holdings, LLC dated May 20, 2020	8-K	10.3	May 26, 2020	
10.47	Amended Limited Liability Company Agreement of Global Clean Solutions, LLC dated May 20, 2020	8-K	10.4	May 26, 2020	
10.48	Purchase of Inventory and Repurchase Agreement between Edison Nation, Inc. and Fergco Bros, LLC dated May 7, 2020	10-K	10.50	May 29, 2020	

Exhibit Number	Description	Incorporated By Reference to			Filed Herewith
		Form	Exhibit	Filing Date	
10.49	Amendment to Purchase of Inventory and Repurchase Agreement between Edison Nation, Inc. and Fergco Bros, LLC dated May 15, 2020	10-K	10.51	May 29, 2020	
10.50	Amendment to Senior Secured Note between Edison Nation, Inc. and 32 Entertainment, LLC dated May 19, 2020	10-K	10.52	May 29, 2020	
10.51	Amended Subordinate Secured Note between Edison Nation, Inc and 32 Entertainment, LLC dated May 19, 2020	10-K	10.53	May 29, 2020	
10.52	Agreement for the Purchase and Sale of Common Stock of Cloud B, Inc. dated February 17, 2020	8-K	10.1	February 21, 2020	
10.53	Amendment to Note Agreement and Common Stock Purchase Warrant between Edison Nation, Inc. and Richard O'Leary dated July 10, 2020	S-1	10.55	July 16, 2020	
10.54	Amendment to Note Agreement and Common Stock Purchase Warrant between Edison Nation, Inc. and Equity Trust Company, a Custodian FBO: Rawleigh H. Ralls IRA dated July 10, 2020	S-1	10.56	July 16, 2020	
10.55	Amendment to Note Agreement and Common Stock Purchase Warrant between Edison Nation, Inc. and Paul J. Solit and Julie B. Solit dated July 10, 2020	S-1	10.57	July 16, 2020	
10.56	Convertible Promissory Note between Edison Nation, Inc. and Jefferson Street Capital, LLC dated July 29, 2020	10-Q	10.30	August 18, 2020	
10.57	Memorandum of Understanding between the Global Clean Solutions, LLC, Office Mart, Inc. and ZAAZ Medical, Inc. dated June 8, 2020	10-Q	10.31	August 18, 2020	
10.58	Amendment to Memorandum of Understanding dated August 6, 2020	10-Q	10.32	August 18, 2020	
10.59	Forbearance Agreement between the Company and Jefferson Street Capital, LLC dated October 7, 2020	10-Q	10.33	November 23, 2020	
10.60	Asset Purchase Agreement between Honey Badger Media, LLC and Honey Badger, LLC dated November 10, 2020	8-K	10.1	November 12, 2020	
10.61	Platform License Agreement between Honey Badger Media, LLC and Honey Badger Media, LLC dated November 10, 2020	8-K	10.2	November 12, 2020	
10.62	Inventory Management Agreement between Edison Nation, LLC and Forever 8 Fund, LLC dated November 17, 2020	10-Q	10.36	November 23, 2020	
10.63	Stock Exchange Agreement dated between Jupiter Wellness, Inc, SRM Entertainment, Ltd and Vinco Ventures, Inc. dated November 30, 2020	8-K	1.1	December 3, 2020	
10.64	Agreement to Complete a Plan of Merger between Vinco Ventures, Inc., Vinco Acquisition Corporation and ZASH Global Media and Entertainment Corporation dated January 20, 2021	8-K	10.1	January 21, 2021	
10.65	Contribution Agreement by and among ZVV Media Partners, LLC, Vinco Ventures, Inc. and Zash Global Media and Entertainment Corporation dated January 19, 2021	8-K	10.1	January 21, 2021	
10.66	Senior Convertible Note between Vinco Ventures, Inc. and Hudson Bay Master Fund, Ltd dated January 25, 2021	8-K	4.1	January 25, 2021	
10.67	Securities Purchase Agreement between Vinco Ventures, Inc. and Hudson Bay Master Fund, Ltd dated January 25, 2021	8-K	10.1	January 25, 2021	
10.68	Common Stock Purchase Warrant Agreement between Vinco Ventures, Inc. and Hudson Bay Master Fund, Ltd dated January 25, 2021	8-K	10.2	January 25, 2021	
10.69	Registration Rights Agreement between Vinco Ventures, Inc. and Hudson Bay Master Fund, Ltd dated January 25, 2021	8-K	10.3	January 25, 2021	
10.70	Securities Purchase Agreement between Vinco Ventures, Inc. and BHP Capital NY Inc. dated January 29, 20201	8-K	10.1	February 4, 2021	

Exhibit Number	Description	Incorporated By Reference to Form	Exhibit	Filing Date	Filed Herewith
10.71	Common Stock Purchase Warrant Agreement between Vinco Ventures, Inc. and BHP Capital NY Inc. dated January 29, 2021	8-K	10.2	February 4, 2021	
10.72	Registration Rights Agreement between Vinco Ventures, Inc. and BHP Capital NY Inc. dated January 29, 2021	8-K	10.3	February 4, 2021	
10.73+	Employment Agreement between Vinco Ventures, Inc. and Christopher Ferguson dated February 2, 2021	8-K	10.1	February 8, 2021	
10.74+	Employment Agreement between Vinco Ventures, Inc. and Brett Vroman dated February 2, 2021	8-K	10.2	February 8, 2021	
10.75+	Employment Agreement between Vinco Ventures, Inc. and Brian McFadden dated February 2, 2021	8-K	10.3	February 8, 2021	
10.76	Form of Senior Convertible Note	8-K	4.1	February 23, 2021	
10.77	Form of Securities Purchase Agreement	8-K	10.1	February 23, 2021	
10.78	Form of Warrant	8-K	10.2	February 23, 2021	
10.79	Form of Registration Rights Agreement	8-K	10.3	February 23, 2021	
10.80	Placement Agent Agreement	8-K	10.4	February 23, 2021	
10.81	Common Stock Purchase Warrant Agreement between Vinco Ventures, Inc. and Palladium Holdings, LLC dated February 23, 2021	S-1	10.81	April 30, 2021	
10.82	Amended and Restated Asset Purchase Agreement between CBAV1, LLC and BTL Diffusion SARL	10-K	10.81	April 15, 2021	
10.83	First Amendment to Agreement to Complete a Plan of Merger, dated March 30, 2021, by and among Vinco Ventures, Inc., Vinco Acquisition Corporation and ZASH Global Media and Entertainment Corporation	8-K	10.1	April 9, 2021	
10.84	Asset Contribution Agreement among Emmersive Entertainment, Inc. (“Seller”), Seller’s Shareholders, EVNT Platform, LLC (“Buyer”) a wholly owned subsidiary of Vinco Ventures, Inc. and Vinco Ventures, Inc. (“Buyer’s Owner”), dated as of April 17, 2021.	8-K	2.1	April 21, 2021	
10.85	First Amended and Restated Operating Agreement for EVNT Platform, LLC among Vinco Ventures, Inc., its sole common member, and certain preferred members, dated as of April 17, 2021.	8-K	2.2	April 21, 2021	
10.86	Promissory Note between Zash Global Media and Entertainment Corporation and Vinco Ventures, Inc. dated February 18, 2021	10-Q	10.86	May 24, 2021	
10.87	Warrant Exercise Agreement between Vinco Ventures, Inc. and Hudson Bay Master Fund Ltd dated May 24, 2021	8-K	10.1	May 25, 2021	
10.88	Common Stock Purchase Warrant Agreement between Vinco Ventures, Inc. and Hudson Bay Master Fund Ltd dated May 24, 2021	8-K	10.2	May 25, 2021	
10.89	Registration Rights Agreement between Vinco Ventures, Inc. and Hudson Bay Master Fund Ltd dated May 24, 2021	8-K	10.3	May 25, 2021	
10.90	Second Amendment to Agreement to Complete a Plan of Merger dated May 28, 2021	8-K	10.1	May 28, 2021	
10.91	Warrant Exercise Agreement between Vinco Ventures, Inc. and Hudson Bay Master Fund Ltd dated June 4, 2021	8-K	10.1	June 7, 2021	
10.92	Common Stock Purchase Warrant Agreement between Vinco Ventures, Inc. and Hudson Bay Master Fund Ltd dated June 4, 2021	8-K	10.2	June 7, 2021	
10.93	Registration Rights Agreement between Vinco Ventures, Inc. and Hudson Bay Master Fund Ltd dated June 4, 2021	8-K	10.3	June 7, 2021	
10.94	Convertible Note Subscription Agreement dated June 4, 2021	8-K	10.1	June 10, 2021	
10.95	Form of Senior Secured Convertible Note	8-K	4.1	July 23, 2021	
10.96	Form of Securities Purchase Agreement	8-K	10.1	July 23, 2021	
10.97	Form of Warrant	8-K	10.2	July 23, 2021	
10.98	Form of Registration Rights Agreement	8-K	10.3	July 23, 2021	
10.99	Form of Amendment Agreement	8-K	10.4	July 23, 2021	
10.100	Form of Guaranty	8-K	10.5	July 23, 2021	
10.101	Form of Pledge and Security Agreement	8-K	10.6	July 23, 2021	
10.102	Second Amended and Restated Limited Liability Company Agreement of ZVV Media Partners, LLC	8-K	10.7	July 23, 2021	
10.103	Securities Purchase Agreement between ZASH Global Media and Entertainment Corporation and Lomotif Private Limited	8-K	10.1	July 29, 2021	
10.104	Deed of Variation and Supplement among ZASH Global Media and Entertainment Corporation, Lomotif Private Limited and ZVV Media Partners, LLC	8-K	10.2	July 29, 2021	
10.105	Securities Purchase Agreement between Vinco Ventures, Inc. and the purchaser identified on the signature page thereto dated July 23, 2021	8-K	10.3	July 29, 2021	
10.106	Form of Warrant dated July 23, 2021	8-K	10.4	July 29, 2021	
10.107	Registration Rights Agreement dated July 23, 2021	8-K	10.5	July 29, 2021	
10.108	Warrant Exercise Agreement between the Company and the Investor	8-K	10.1	August 19, 2021	
10.109	Form of Warrant August Series A Warrant	8-K	10.2	August 19, 2021	
10.110	Form of Warrant August Series B Warrant	8-K	10.3	August 19, 2021	
10.111	Form of Registration Rights Agreement	8-K	10.4	August 19, 2021	
21.1	List of Significant Subsidiaries	S-1	21.1	February 12, 2020	
31.1	Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				*
31.2	Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				*
32.1	Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				**
101.INS*	Inline XBRL Instance Document				*
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				*
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				*
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				*
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				*
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				*
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)				*

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 23, 2021

VINCO VENTURES, INC.

By: */s/ Christopher B. Ferguson*

Christopher B. Ferguson
Chairman and Chief Executive Officer
(Principal Executive Officer)

<u>**EXHIBIT 31.1**</u>

VINCO VENTURES, INC.
CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF
THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Christopher B. Ferguson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vinco Ventures, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 23, 2021

/s/ Christopher B. Ferguson
Christopher B. Ferguson
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

VINCO VENTURES, INC.
CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF
THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Brett Vroman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vinco Ventures, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 23, 2021

/s/ Brett Vroman
Brett Vroman
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

VINCO VENTURES, INC.
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED
PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY
ACT OF 2002

In connection with the quarterly report on Form 10-Q for the quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), of Vinco Ventures, Inc. (the "**Company**"), each of the undersigned officers of the Company hereby certify, in their capacity as an executive officer of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 23, 2021	*/s/ Christopher B. Ferguson*
	Christopher B. Ferguson Chief Executive Officer (Principal Executive Officer)
Date: August 23, 2021	*/s/ Brett Vroman*
	Brett Vroman Chief Financial Officer (Principal Financial Officer)