

GAUCHO GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2021	December 31, 2020
	(unaudited)	
Assets		
Current Assets		
Cash	\$ 2,836,500	\$ 134,536
Accounts receivable, net of allowance of \$215,026 and \$180,941 as of September 30, 2021 and December 31, 2020, respectively	2,353,476	255,720
Accounts receivable - related parties, net of allowance of \$339,503 and \$332,130 as of September 30, 2021 and December 31, 2020, respectively	741,495	252,852
Advances to employees	282,204	282,508
Inventory	1,327,572	1,172,775
Real estate lots held for sale	59,790	139,492
Operating lease right-of-use asset, current portion	311,925	-
Investment	45,182	53,066
Deposits, current	15,269	35,854
Prepaid expenses and other current assets	602,415	196,539
Total Current Assets	8,575,828	2,523,342
Long Term Assets		
Property and equipment, net	3,396,950	2,860,222
Operating lease right-of-use asset, non-current portion	1,396,857	-
Prepaid foreign taxes, net	664,128	519,499
Investment - related parties	3,500,000	457
Deferred offering costs	24,000	67,016
Deposits, non-current	56,130	-
Total Assets	\$ 17,613,893	\$ 5,970,536

GAUCHO GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

	September 30, 2021 <u>(unaudited)</u>	December 31, 2020
Liabilities, Temporary Equity and Stockholders' Equity (Deficiency)		
Current Liabilities		
Accounts payable	\$ 457,129	\$ 891,168
Accrued expenses, current portion	451,278	1,401,402
Deferred revenue	753,302	933,941
Operating lease liabilities, current portion	263,292	-
Loans payable, current portion	249,000	437,731
Debt obligations	7,000	1,270,354
Investor deposits	29,950	29,950
Other current liabilities	130,628	131,895
Total Current Liabilities	2,341,579	5,096,441
Long Term Liabilities		
Accrued expenses, non-current portion	126,103	169,678
Operating lease liabilities, non-current portion	1,470,046	-
Loans payable, non-current portion	94,000	310,591
Total Liabilities	4,031,728	5,576,710
Commitments and Contingencies (Note 13)		
Series B convertible redeemable preferred stock, par value \$0.01 per share; 902,670 shares authorized; 0 and 901,070 issued and outstanding at September 30, 2021 and December 31, 2020, respectively	-	9,010,824
Stockholders' Equity (Deficiency)		
Preferred stock, 11,000,000 shares authorized:		
Series A convertible preferred stock, par value \$0.01 per share; 10,097,330 shares authorized; no shares are available for issuance	-	-
Common stock, par value \$0.01 per share; 150,000,000 shares authorized; 8,784,618 and 5,234,406 shares issued and 8,781,249 and 5,231,037 shares outstanding as of September 30, 2021 and December 31, 2020, respectively	87,845	52,344
Additional paid-in capital	120,184,675	96,951,440
Accumulated other comprehensive loss	(11,598,452)	(11,932,801)
Accumulated deficit	(94,919,120)	(93,534,828)
Treasury stock, at cost, 3,369 shares at September 30, 2021 and December 31, 2020	(46,355)	(46,355)
Total Gaucho Group Holdings, Inc. Stockholders' Equity (Deficiency)	13,708,593	(8,510,200)
Non-controlling interest	(126,428)	(106,798)
Total Stockholders' Equity (Deficiency)	13,582,165	(8,616,998)
Total Liabilities, Temporary Equity and Stockholders' Equity (Deficiency)	\$ 17,613,893	\$ 5,970,536

GAUCHO GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Sales	\$ 2,605,158	\$ 60,228	\$ 3,220,557	\$ 474,546
Cost of sales	(210,437)	(80,995)	(650,003)	(571,621)
Gross profit (loss)	2,394,721	(20,767)	2,570,554	(97,075)
Operating Expenses				
Selling and marketing	100,870	110,687	336,081	160,686
General and administrative	1,370,870	859,967	3,934,500	3,342,240
Depreciation and amortization	35,758	45,906	103,680	138,409
Gain from insurance settlement	-	(30,240)	-	(30,240)
Total operating expenses	1,507,498	986,320	4,374,261	3,611,095
Income (Loss) From Operations	887,223	(1,007,087)	(1,803,707)	(3,708,170)
Other Expense (Income)				
Interest expense, net	49,646	72,459	88,209	193,595
Forgiveness of PPP Loan	-	-	(242,486)	-
Gain on debt restructuring	-	(130,421)	-	(130,421)
Other income	(87,500)	-	(87,500)	-
Gains from foreign currency translation	(6,130)	(14,826)	(34,991)	(35,316)
Total other (income) expense	(43,984)	(72,788)	(276,768)	27,858
Net Income (Loss)	931,207	(934,299)	(1,526,939)	(3,736,028)
Net loss attributable to non-controlling interest	45,086	32,838	142,647	128,355
Series B preferred stock dividends	-	(178,094)	-	(540,217)
Net Income (Loss) Attributable to Common Stockholders	\$ 976,293	\$ (1,079,555)	\$ (1,384,292)	\$ (4,147,890)
Earnings (Loss) Per Common Share - Basic and Diluted				
Basic	\$ 0.11	\$ (0.26)	\$ (0.18)	\$ (1.02)
Diluted	\$ 0.11	\$ (0.26)	\$ (0.18)	\$ (1.02)
Shares used in computing earnings per share:				
Basic	8,658,395	4,110,303	7,530,833	4,049,059
Diluted	8,658,395	4,110,303	7,530,833	4,049,059
Net income (loss)	\$ 931,207	\$ (934,299)	\$ (1,526,939)	\$ (3,736,028)
Other comprehensive income (loss):				
Foreign currency translation adjustments	98,709	(17,837)	334,349	400,686
Comprehensive income (loss)	1,029,916	(952,136)	(1,192,590)	(3,335,342)
Comprehensive loss attributable to non-controlling interests	45,086	32,838	142,647	128,355
Comprehensive income (loss) attributable to controlling interests	\$ 1,075,002	\$ (919,298)	\$ (1,049,943)	\$ (3,206,987)