

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

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash	\$ 3,649,407	\$ 134,536
Accounts receivable, net of allowance of \$229,768 and \$180,941 at December 31, 2021 and 2020, respectively	658,091	255,720
Accounts receivable - related parties, net of allowance of \$339,503 and \$332,130 at December 31, 2021 and 2020, respectively	927,874	252,852
Advances to employees	290,915	282,508
Inventory	1,490,639	1,172,775
Real estate lots held for sale	542,885	139,492
Investment	-	53,066
Deposits, current	-	35,854
Prepaid expenses and other current assets	422,129	196,539
Total Current Assets	<u>7,981,940</u>	<u>2,523,342</u>
Long Term Assets		
Accounts receivable, non-current portion, net	3,027,247	-
Property and equipment, net	3,776,941	2,860,222
Operating lease right-of-use asset	1,667,209	-
Prepaid foreign taxes, net	804,265	519,499
Investment - related parties	7,000,000	457
Deferred offering costs	-	67,016
Deposits, non-current	56,130	-
Total Assets	<u>\$ 24,313,732</u>	<u>\$ 5,970,536</u>

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

	December 31,	
	2021	2020
Liabilities, Temporary Equity and Stockholders' Equity (Deficiency)		
Current Liabilities		
Accounts payable	\$ 507,734	\$ 891,168
Accrued expenses, current portion	965,411	1,401,402
Deferred revenue	713,616	933,941
Operating lease liabilities, current portion	175,316	-
Loans payable, current portion	223,356	437,731
Debt obligations	7,000	1,270,354
Convertible debt obligations, net	5,728,348	-
Investor deposits	-	29,950
Other current liabilities	160,578	131,895
Total Current Liabilities	8,481,359	5,096,441
Long Term Liabilities		
Accrued expenses, non-current portion	115,346	169,678
Operating lease liabilities, non-current portion	1,531,183	-
Loans payable, non-current portion	94,000	310,591
Total Liabilities	10,221,888	5,576,710
Commitments and Contingencies (Note 17)		
Series B convertible redeemable preferred stock, par value \$0.01 per share; 902,670 shares authorized; 0 and 901,070 issued and outstanding at December 31, 2021 and 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; 9,881,955 and 5,234,406 shares issued and 9,878,586 and 5,231,037 shares outstanding as of December 31, 2021 and 2020, respectively	98,820	52,344
Additional paid-in capital	121,543,241	96,951,440
Accumulated other comprehensive loss	(11,607,446)	(11,932,801)
Accumulated deficit	(95,726,534)	(93,534,828)
Treasury stock, at cost, 3,369 shares at December 31, 2021 and 2020	(46,355)	(46,355)
Total Gauchó Group Holdings, Inc. Stockholders' Equity (Deficiency)	14,261,726	(8,510,200)
Non-controlling interest	(169,882)	(106,798)
Total Stockholders' Equity (Deficiency)	14,091,844	(8,616,998)
Total Liabilities, Temporary Equity and Stockholders' Equity (Deficiency)	\$ 24,313,732	\$ 5,970,536

GAUCHO GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31,	
	2021	2020
Sales	\$ 4,915,240	\$ 635,789
Cost of sales	(1,211,799)	(726,686)
Gross profit (loss)	3,703,441	(90,897)
Operating Expenses		
Selling and marketing	580,850	320,768
General and administrative	5,389,716	4,814,312
Depreciation and amortization	145,653	170,189
Gain from insurance settlement	-	(30,240)
Total operating expenses	6,116,219	5,275,029
Loss From Operations	(2,412,778)	(5,365,926)
Other Expense (Income)		
Interest expense, net	348,098	245,174
Forgiveness of PPP loan	(242,486)	-
Loss on extinguishment of debt	-	355,602
Gain on debt restructuring	-	(130,421)
Other income	(162,500)	(2,100)
Losses (Gains) from foreign currency translation	33,128	(52,498)
Total other (income) expense	(23,760)	415,757
Net Loss	(2,389,018)	(5,781,683)
Net loss attributable to non-controlling interest	197,312	133,162
Series B preferred stock dividends	-	(721,752)
Net Loss Attributable to Common Stockholders	\$ (2,191,706)	\$ (6,370,273)
Net Loss Per Common Share		
Basic and Diluted	\$ (0.27)	\$ (1.48)
Weighted Average Number of Common Shares Outstanding		
Basic and Diluted	8,019,206	4,310,440