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Iconic Brands Reports Record Revenues for its Third Quarter 2021 Financial Results

- Innovative premium beverage provider reports best quarterly results in its corporate history with 386% sequential revenue growth and 300% year-over-year revenue growth

- Strong balance sheet with approximately \$55 million in total assets

- Accretive acquisition of TopPop; added approximately 6 million ice pops manufactured and \$2.0 million in sales since the acquisition in July 2021

- New management brings experience from Anheuser-Busch, Jim Beam, as well as innovative packaging expertise working with Fortune 500 and multinational companies

AMITYVILLE, NY, Nov. 23, 2021 (GLOBE NEWSWIRE) -- via [NewMediaWire](#) -- Iconic Brands, Inc. (OTCQB: ICNB) ("Iconic" or the "Company") today reported its financial results for the third quarter ended September 30, 2021. Iconic, together with its wholly owned subsidiary TopPop LLC ("TopPop"), establishes and supports brands, innovates, produces, licenses, packages and sells alcohol and non-alcohol beverages and creates sustainable packaging solutions for the consumable goods market.

Third Quarter 2021 Financial Highlights

- Total revenue of \$2.8 million for the three months ended September 30, 2021, an increase of \$2.1 million or approximately 300% year-over-year, compared to \$712,000 for the three months ended September 30, 2020.
- Gross profit was \$695,000, an increase of 57% year-over-year as compared to gross profit for the same period in 2020.
- Strong balance sheet with ~\$55 million in total assets.

Third Quarter 2021 Corporate and Business Developments

- Iconic completed the first of a two-tranche \$40 million private placement and corporate restructuring that included the acquisition of TopPop, a contract manufacturing company specializing in the development of products containing alcohol, to become a fully integrated manufacturer.

- Announced the expansion of TopPop facilities through the addition of a 64,000 sq. ft. property to meet growing demand from both current and new customers; the Company expects to be in full production by the end of the first quarter of 2022 and expects to have the capacity to manufacture over 150 million ice pops in 2022.
- TopPop manufactured approximately 36 million ice pops during the nine-month period ending September 30, 2021, up from 10 million for the fiscal year ended 2020.
- TopPop has also developed a robust pipeline in the single serve, ready to drink (“RTD”) alcohol cocktail market and anticipates launching a line of products in this market in 2022.
- During the quarter, Iconic added the following to its leadership team of experienced beverage industry executives:
 - Larry Romer, CEO: Brings over 40 years of beverage industry experience to Iconic, including senior management positions with Coca-Cola, The Paddington Corporation, Jim Beam and most recently as Senior VP and GM at Southern Glazer Wine & Spirits in New York.
 - John Cosenza, COO: 30-years of experience at Anheuser-Busch, and in-depth experience in alcohol sales, Mr. Cosenza has extensive connections with major chains for distribution.
 - David Allen, CFO: 22 years of experience as a public company CFO and over 40 years as a Certified Public Accountant.
 - Tom Martin, President & COO of TopPop: A 40-year veteran in the primary and secondary packaging industry. Mr. Martin’s expertise is in sales, engineering and company-building.
 - Tom Belton, CFO of TopPop: 35 years of experience in assisting businesses to create and drive innovation and growth strategies.
- Launched Sonja Sangria by Sonja Morgan into two expressions: Sonja Sangria Red and Sonja Sangria White - SONJA is a premium quality Sangria, developed with the help of American television personality, businesswoman, socialite, and philanthropist Sonja Morgan

Management Commentary

“During the third quarter, we transitioned from a beverage and lifestyle branding company with a diverse portfolio of premium wines and spirits, into a fast-growing, vertically-integrated alcohol products company. We strengthened our leadership team to include executives with expertise in the beverage and consumer products sector. We successfully raised \$40 million to further the expansion of our brands, increased inventory to accommodate demand and increased marketing and other areas. Most notably, during the third quarter, we completed our acquisition of TopPop and brought over several members of the TopPop management team and staff. We are in the process of blending the companies synergistically and using the successful ingredients and values from both companies. TopPop clients include many Fortune 500 and multinational companies and some of the largest brands in the alcohol industry, and specializes in single-use flexible packaging applications in the food, beverage, and health categories including ready-to-freeze (“RTF”) ice pops. RTF is a growing sector in the alcohol beverage industry and since the acquisition of TopPop, we have started expanding our machine and facility capabilities to meet growing demand. TopPop manufactured approximately 36 million ice pops this year to-date, which is up significantly over the 10 million it manufactured in all of 2020. The global alcoholic beverages market reached a value of \$1.58 trillion in 2020, according to Research and Markets, and we believe

we are well-positioned to continue our growth trajectory,” said Chief Executive Officer Larry Romer.

He continued, “We beat our revenue goals and we believe that we delivered our strongest quarter ever. Quarter-over-quarter revenue growth was 386% and almost 300% year-over-year. In addition to our acquisition of TopPop, the capital raise and our new leadership, we also launched Sonja Sangria by Sonja Morgan, which we believe will be a positive addition to our brand portfolio. Bellissima has been a stable of Iconic and has had success in the health and wellness side of alcohol branding. Building brands that are “Better-for-You and Better-for-the-Planet” is a focus of Iconic’s. Looking ahead, we have a new line of Bellissima Zero Sugar still wines in five different expressions, which we expect to launch in the coming months. We are rebranding and repositioning our Bella Aperitifs and are strategizing new product developments for the Company and for third parties, especially in the RTF space. We plan to continue to grow our current brands, add new lines and look for new opportunities. We had a fantastic third quarter and we look forward to incorporating our acquired businesses and to our future growth opportunities. We believe that Iconic has substantial growth potential and we are constantly looking at ways to enhance shareholder value. We believe that we have a solid foundation for the future and intend to pursue an up-listing of our shares to a national exchange in the first half of 2022.”

Third Quarter 2021 Financial Results

Iconic generated revenue of \$2,846,437, compared to revenue of \$712,198 for the three months ended September 30, 2020, an increase of \$2,134,239 or approximately 300%. This increase of \$2,134,239 was due primarily to a \$2,045,000 increase in sales from newly acquired TopPop, as well as a \$89,000 increase in sales of alcohol-related products.

The Company had a net loss for the three months ended September 30, 2021, of \$3,657,565, as compared to net loss of \$1,219,101 for the three months ended September 30, 2020. The net loss for the three months ended September 30, 2021 included non-cash stock-based compensation expense of approximately \$469,000 and expenses associated with the financing and acquisition of TopPop of approximately \$2,000,000.

Regarding results of operations for the nine months ended September 30, 2021, we generated revenue of \$4,065,884, as compared to revenue of \$2,173,684 for the nine months ended September 30, 2020, an increase of \$1,892,200 or approximately 87%. The increase of \$1,892,200 was due primarily to a \$2,045,000 increase in sales from newly acquired TopPop, offset by a decrease of \$152,800 in sales of our alcohol-related products.

The Company had a net loss for the nine months ended September 30, 2021 of \$6,000,537, compared to a net loss of \$2,608,729 for the nine months ended September 30, 2020.

Operating expenses were \$4,040,691 for the three months ended September 30, 2021, compared to \$1,080,336 for the three months ended September 30, 2020, an increase of \$2,960,355 or approximately 267%. Net operating (loss) was (\$3,345,342) for the three months ended September 30, 2021, compared to (\$637,901) for the three months ended September 30, 2020, an increase of \$2,707,441 or approximately 424%.

Cost of sales was \$2,151,088, or approximately 75% of sales, for the three months ended September 30, 2021, and \$269,763, or approximately 38% of sales, for the three months

ended September 30, 2020. Cost of sales included the cost of the products purchased from the Company's suppliers, freight-in costs and import duties. The significant increase in cost of goods as a percentage of sales, year-over-year, was due to the change in product mix in 2021 as a result of the TopPop acquisition. Cost of goods for the three months ended September 30, 2021 for our alcohol sales were approximately 38%, which is similar to the prior year, while the costs associated with the TopPop acquisition were approximately 95% during the three months ended September 30, 2021, due to significant labor costs and write down of perishable items as the summer production season wound down. The historical cost of goods for TopPop is approximately 65% and the Company expects to achieve that margin in future quarters.

About Iconic

Iconic Brands, Inc., together with its wholly owned subsidiary TopPop, establishes and supports brands, innovates, produces, licenses, packages and sells alcohol and non-alcohol beverages and creates sustainable packaging solutions for the consumable goods market. Iconic's focus on lifestyle branding and the rising "Better-for-You", "Better-for-Planet" consumer category has made it a leader in developing celebrity brands worldwide such as its Bellissima Prosecco by Christie Brinkley brand.

TopPop is a pioneer in flexible packaging. TopPop's creative solutions from inception to full scale production, like its RTF alcohol ice pops make it a harbinger in the "pouch market", which Iconic believes is one of the fastest growing segments of the beverage industry. TopPop's proprietary and visionary applications has made it a leader in providing these products and services, from "design through delivery", to some of the largest Fortune 500 and multinational alcohol beverage companies and brands today.

The Company is vertically integrated, with operations in multiple states, and sells and distributes products across the globe.

Please visit Iconic's websites and follow us on social media.

Websites: Iconicbrandsusa.com; bellissimaprosecco.com; bivivodka.com; toppoppkg.com; [sor](#)

Twitter: @BiviVodka; @sangriasonja

Instagram: @IconicBrandsUSA; @BellissimaProsecco; @sonja_sangria; @Bivivodka

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of management, are not guarantees of performance, and are subject to significant risks and uncertainties. These forward-looking statements should, therefore, be considered in light of various risks, including those set forth in Iconic's reports that it files from time to time with the U.S. Securities and Exchange Commission and which you should review, including those statements under "Item 1A – Risk Factors" in Iconic's Annual Report on Form 10-K.

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Source: Iconic Brands Inc