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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2019

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: 333-227420

ICONIC BRANDS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**13-4362274**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
44 Seabro Avenue Amityville, NY	**11701**
(Address of principal executive offices)	(Zip Code)

(866) 219-8112
(Registrant's telephone number, including area code)

N/A
Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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 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**
N/A	N/A	N/A

As of November 13, 2019, the registrant had 13,335,924 shares of common stock, $0.001 par value per share, issued and outstanding.

ICONIC BRANDS, INC.

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FORWARD-LOOKING STATEMENTS

Statements in this Quarterly Report on Form 10-Q may be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934.

Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are often, but not always, made through the use of words or phrases such as "believe," "will," "expect," "anticipate," "estimate," "intend," "plan," and "would." These statements are based on current expectations, estimates and projections about our business based in part on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those set forth in "Item 1A. Risk Factors" in our Annual Report on Form 10-K, and our other filings with the U.S. Securities and Exchange Commission.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. Any forward-looking statements speak only as of the date on which they are made, and we disclaim any obligation to publicly update or release any revisions to these forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Quarterly Report on Form 10-Q or to reflect the occurrence of unanticipated events, except as required by applicable law.

PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

ICONIC BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
Three and Nine Months Ended September 30, 2019 and 2018

CONTENTS

Iconic Brands, Inc. and Subsidiaries
Consolidated Balance Sheets

	September 30, 2019 (Unaudited)	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 1,370,302	$ 191,463
Accounts receivable (less allowance for doubtful accounts of $26,513 and $0, respectively)	192,937	113,506
Inventories	719,148	258,270
Notes receivable from related parties of Green Grow Farms, Inc.	287,700	-
Total current assets	2,570,087	563,239
Right-of-use asset	66,817	-
Leasehold improvements	15,000	-
Intellectual property and production rights intangible asset	1,450,000	
Total assets	$ 4,101,904	$ 563,239
Liabilities and Stockholders' Equity (Deficiency)		
Current liabilities:		
Current portion of operating lease liability	$ 49,272	$ -
Accounts payable and accrued expenses	1,670,949	1,311,475
Loans payable to officer and affiliated entity-non-interest bearing and due on demand	11,722	28,091
Notes payable	250,000	-
Total current liabilities	1,981,943	1,339,566
Non-current portion of operating lease liability	17,545	-
Derivative liability on warrants	-	2,261,039
Total liabilities	1,999,488	3,600,605
Commitments and contingencies (Note 12)		
Stockholders' equity (deficiency):		
Preferred stock, $.001 par value; authorized 100,000,000 shares:		
Series A, 1 and 1 share issued and outstanding, respectively	1	1
Series C, 0 and 1,000 shares issued and outstanding, respectively	-	1
Series D, 0 and 10 shares issued and outstanding, respectively	-	-
Series E, 3,442,116 and 6,602,994 shares issued and outstanding, respectively	3,442	6,603

Series F ($1,000 per share stated value), 3,664 and 0 shares issued and outstanding, respectively	3,664,250	
Common stock, $.001 par value; authorized 2,000,000,000 shares, 13,502,324 and 5,440,312 shares issued and outstanding respectively	13,502	5,440
Common stock to be issued to Escrow Agent, $.001 par value; 0 and 534,203 shares, respectively	-	534
Additional paid-in capital	20,774,601	18,798,438
Accumulated deficit	(21,302,141)	(21,233,083)
Total Iconic Brands, Inc. stockholders equity (deficiency)	3,153,655	(2,422,066)
Noncontrolling interests in subsidiaries and variable interest	(1,051,239)	(615,300)
Total stockholders' equity deficiency	2,102,416	(3,037,366)
Total liabilities and stockholders' equity (deficiency)	$ 4,101,904	$ 563,239

See notes to consolidated financial statements.

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Iconic Brands, Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Sales	$ 267,619	$ 217,139	$ 534,826	$ 422,409
Cost of Sales	120,790	125,304	271,031	244,556
Gross profit	146,829	91,835	263,795	177,853
Operating expenses:				
Officers compensation	103,750	429,588	393,250	432,795
Professional and consulting fees (including stock-based compensation of $0, $0, $775,900 and $23,250, respectively)	147,048	76,370	1,014,133	147,777
Royalties	25,243	21,074	178,710	(47,338)
Special promotion program with customer	-	-	-	597,138

Marketing and advertising	305,222	58,724	389,103	310,779
Occupancy costs	47,312	48,070	102,867	128,564
Travel and entertainment	92,400	34,683	236,114	143,984
Other	430,023	43,849	715,654	147,411
Total operating expenses	1,150,998	712,358	3,029,831	1,861,110
Income (loss) from operations	(1,004,169)	(620,523)	(2,766,036)	(1,683,257)
Other income (expense):				
Income (expense) from derivative liability	-	304,224	-	314,072
Interest expense	-	(10,139)	-	(29,699)
Amortization of debt discounts	-	(6,135)	-	(107,846)
Other income	-	12,665	-	12,665
Total other income (expense) - net	-	300,615	-	189,192
Net income (loss)	(1,004,169)	(319,908)	(2,766,036)	(1,494,065)
Net loss (income) attributable to noncontrolling interests in subsidiaries and variable interest entity	35,846	12,494	435,939	451,593
Net income (loss) attributable to Iconic Brands, Inc.	$ (968,323)	$ (307,414)	$ (2,330,097)	$ (1,042,472)
Net income (loss) per common share:				
Basic and diluted	$ (0.08)	$ (0.05)	$ (0.24)	$ (0.16)
Weighted average common shares outstanding and to be issued to Escrow Agent:				
Basic and diluted	12,525,768	6,376,120	9,742,957	6,346,400

See notes to consolidated financial statements.

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Iconic Brands, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders Equity (Deficiency)
(Unaudited)

	Series A Preferred Stock $.001 par		Series C Preferred Stock $.001 par		Series D Preferred Stock $.001 par		Series E Preferred Stock $.001 par		Series F Preferred Stock $1,000 stated value per share		Common Stock $.001 par		Common Stock to be issued to Escrow Agent $0.001 par		Additional Paid-in Capital	Non-controlling Interests in Sub-sidiaries and Variable Interest Entity	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
<u>Nine Months Ended September 30, 2019</u>																		
Balances, January 1, 2019 (as previously reported)	1	$ 1	1,000	$ 1	10	$ -	6,602,994	$ 6,603			5,440,312	$ 5,440	534,203	$ 534	$ 18,798,438	$ (615,300)	$ (21,233,083)	$ (3,037,366)
Cumulative effect adjustment relating to reduction of derivative liability on warrants, pursuant to ASU 2017-11	-	-	-	-	-	-	-	-			-	-	-	-	-	-	2,261,039	2,261,039
Balance, January 1, 2019 (as adjusted)	1	1	1,000	1	10	-	6,602,994	6,603			5,440,312	5,440	534,203	534	18,798,438	(615,300)	(18,972,044)	(776,327)

Common stock issued to Escrow Agent	-	-	-	-	-	-	-	-			534,203	534	(534,203)	(534)	-	-	-	-
Sale of Series E Preferred Stock and warrants in connection with Securities Purchase Agreement dated September 27, 2018	-	-	-	-	-	-	1,362,520	1,363			-	-	-	-	339,267	-	-	340,630
Issuance of common stock in connection with Settlement and Release Agreement dated Febuary 7, 2019	-	-	-	-	-	-	-	-			120,000	120	-	-	91,080	-	-	91,200
Issuance of common stock in connection with Business Development Agreement dated March 15, 2019	-	-	-	-	-	-	-	-			150,000	150	-	-	199,350	-	-	199,500
Issuance of common stock in exchange for the surrender of Series C Preferred Stock on March 27, 2019	-	-	(1,000)	(1)	-	-	-	-			1,000,000	1,000	-	-	(999)		-	-
Issuance of common stock in exchange for the surrender of Series D Preferred Stock on March 27, 2019	-	-	-	-	(10)	-	-	-			1,000,000	1,000	-	-	(1,000)	-	-	-
Adjustment															(1)		258	257
Net income (loss)	-	-	-	-	-	-	-	-			-	-	-	-	-	(309,697)	(672,667)	(982,364)

	Series A Preferred Stock $.001 par		Series C Preferred Stock $.001 par		Series D Preferred Stock $.001 par		Series E Preferred Stock $.001 par		Series F Preferred Stock $1,000 stated value per share		Common Stock $.001 par		Common Stock to be issued to Escrow Agent $0.001 par		Additional Paid-in Capital	Non-controlling Interests in Sub-sidiaries and Variable Interest Entity	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, March 31, 2019	1	1	-	-	-	-	7,965,514	7,966			8,244,515	8,244	-	-	19,426,135	(924,997)	(19,644,453)	(1,127,104)
Sale of Series E Preferred Stock and warrants in connection with Securities Purchase Agreement dated September 27, 2018	-	-	-	-	-	-	675,000	675			-	-	-	-	168,075	-	-	168,750
Issuance of common stock in exchange for Series E Preferred Stock on April 23, 2019 and May 17, 2019	-	-	-	-	-	-	(1,473,398)	(1,473)			589,359	589	-	-	884	-	-	-
Exercise of warrants at $0.32 per share pursuant to Warrant Exercise Agreements dated May 9, 2019	-	-	-	-	-	-	-	-			960,000	960	-	-	306,240	-	-	307,200
Issuance of common stock in connection with Share Exchange Agreement dated April 17, 2019	-	-	-	-	-	-	-	-			2,000,000	2,000	-	-	1,248,000	-	-	1,250,000
Issuance of common stock in connection with Consulting Agreement dated April 15, 2019	-	-	-	-	-	-	-	-			50,000	50	-	-	94,950	-	-	95,000

Issuance of common stock in connection with Consulting Agreement dated May 23, 2019	-	-	-	-	-	-	-	-			250,000	250	-	-	389,750	-	-	390,000
Adjustment																	(258)	(258)
Net income (loss)	-	-	-	-	-	-	-	-			-	-	-	-	-	(90,396)	(689,107)	(779,503)
Balance, June 30, 2019	1 $	1	- $	-	- $	-	7,167,116 $	7,167			12,093,874 $	12,094	- $	-	$21,634,034	$(1,015,393)	$(20,333,818)	$304,085
Sale of Series F Preferred Stock and warrants in connection with Securities Purchase Agreements dated July 18, 2019	-	-	-	-	-	-	-	-	3,125	3,125,000	-	-	-	-	-	-	-	3,125,000
Placement agent commissions, expenses and stock-based compensation	-	-	-	-	-	-	-	-	-	-	781,250	781	-	-	(323,281)	-	-	(322,500)
Exchange of Series E Preferred Stock for Series F Preferred Stock	-	-	-	-	-	-	(2,725,000)	(2,725)	681	681,250	-	-	-	-	(678,525)	-	-	-
Issuance of common stock in exchange for Series E Preferred Stock	-	-	-	-	-	-	(1,000,000)	(1,000)	-	-	400,000	400	-	-	600	-	-	-

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	Series A Preferred Stock $.001 par		Series C Preferred Stock $.001 par		Series D Preferred Stock $.001 par		Series E Preferred Stock $.001 par		Series F Preferred Stock $1,000 stated value per share		Common Stock $.001 par		Common Stock to be issued to Escrow Agent $0.001 par		Additional Paid-in Capital	Non-controlling Interests in Sub-sidiaries and Variable Interest Entity	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Issuance of common stock in exchange for Series F Preferred Stock	-	-	-	-	-	-	-	-	(142)	(142,000)	227,200	227	-	-	14,773	-	-	-
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(35,846)	(968,323)	(1,004,169)
Balance, September 30, 2019	1	$ 1	-	$ -	-	$ -	3,442,116	$ 3,442	3,664	$ 3,664,250	13,502,324	$ 13,502	-	$ -	$ 20,774,601	$ (1,051,239)	$ (21,302,141)	$ 2,102,416
Nine Months Ended September 30, 2018																		
Balance, January 1, 2018	1	$ 1	1,000	$ 1	10	$ -	-	$ -			4,417,567	$ 4,417	1,913,890	$ 1,914	$ 15,760,206	$ 78,064	$ (17,075,829)	$(1,231,226)
Common stock issued to Escrow Agent	-	-	-	-	-	-	-	-			446,240	446	(446,240)	(446)	-	-	-	-
Net income (loss)	-	-	-	-	-	-	-	-			-	-	-	-	-	(347,747)	349,602	1,855

Balance , March 31, 2018	1	1	1,000	1	10	-	-	-			4,863,807	4,863	1,467,650	1,468	15,760,206	(269,683)	(16,726,227)	(1,229,371)
Common stock issued to Escrow Agent	-	-	-	-	-	-	-	-			933,447	934	(933,447)	(934)	-	-	-	-
Sales of Series E Preferred Stock and warrants	-	-	-	-	-	-	1,200,000	1,200			-	-	-	-	298,800	-	-	300,000
Share Exchange Agreement dated May 21, 2018	-	-	-	-	-	-	1,200,000	1,200			(480,000)	(480)	-	-	(720)	-	-	-
Warrants issued to law firm for services	-	-	-	-	-	-	-	-			-	-	-	-	23,250	-	-	23,250
Net income (loss)	-	-	-	-	-	-	-	-			-	-	-	-	-	(91,352)	(688,660)	(780,012)
Balance at June 30, 2018	1	1	1,000	1	10	-	2,400,000	2,400	-	-	5,317,254	5,317	534,203	534	16,081,536	(361,035)	(17,414,887)	(1,686,133)
Debt conversion	-	-	-	-	-	-	-	-	-	-	122,510	123	-	-	76,445	-	-	76,568
Net income (loss)	-	-	-	-	-	-	-	-	-	-		-	-	-	-	(12,495)	(703,414)	(715,909)
Balance at September 30, 2018	1	$ 1	1,000	1	10	$ -	2,400,000	$ 2,400	-	$ -	5,439,764	$ 5,440	534,203	$ 534	$ 16,157,981	$ (373,530)	$ (18,118,301)	$(2,325,474)

See notes to consolidated financial statements

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Iconic Brands, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2019	**2018**
Operating Activities:		
Net income (loss) attributable to Iconic Brands, Inc.	$ (2,330,097)	$ (1,042,472)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Net income (loss) attributable to noncontrolling interests in subsidiaries and variable interest entity	(435,939)	(451,593)
Note payable to consultant issued February 7, 2019 and charged to consulting fees	50,000	-
Stock-based consulting fees	775,700	23,250
Expense (income) from derivative liability	-	(314,072)
Amortization of debt discounts	-	107,846
Changes in operating assets and liabilities:		
Accounts receivable	(79,431)	189,939
Inventories	(460,878)	(218,042)
Prepaid expenses	-	(25,000)
Notes receivable from related parties of Green Grow Farms, Inc.	(287,700)	-
Accounts payable and accrued expenses	359,473	235,487
Accrued interest payable	-	29,698
Net cash used in operating activities	(2,408,872)	(1,464,959)
Investing Activities:		
Leasehold improvements	(15,000)	-
Net cash used in investting activities	(15,000)	-
Financing Activities :		
Proceeds from sale of Series F Preferred Stock and warrants (net of placement agent fees of $322,500)	2,802,500	-
Proceeds from sale of Series E Preferred Stock and warrants	509,380	300,000
Proceeds from exercise of warrants	307,200	
Loans payable to officer and affiliated entity	(16,369)	62,107
Net cash provided by financing activities	3,602,711	362,107
Increase (decrease) in cash and cash equivalents	1,178,839	(1,102,852)

Cash and cash equivalents, beginning of period	191,463	1,237,432
Cash and cash equivalents, end of period	$ 1,370,302	$ 134,580
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid	$ -	$ -
Interest paid	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of common stock to Escrow Agent in connection with Settlement Agreement and Amended Settlement Agreement	$ 534	$ 344,921
Series E Preferred Stock issued in exchange for common stock pursuant to Share Exchange Agreement dated May 21, 2018	$ -	$ 120,000
Issuance of common stock in exchange for surrender of Series C and Series D Preferred Stock	$ 2,000	$ -
Issuance of common stock in exchange for Series E Preferred Stock	$ 989	$ -
Issuance of common stock and note payable in connection with acquisition of 51% of Green Grow Farms, Inc.	$ 1,450,000	$ -
Exchange of Series E Preferred Stock for Series F Preferred Stock	$ 681,250	$ -
Issuance of common stock to placement agent	$ 781	$ -
Issuance of common stock in exchange for Series F Preferred Stock	$ 227	$ -

See notes to consolidated financial statements

ICONIC BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
Three and Nine Months Ended September 30, 2019 and 2018

1. ORGANIZATION AND NATURE OF BUSINESS

Iconic Brands, Inc., formerly Paw Spa, Inc. ("Iconic Brands" or "Iconic"), was incorporated in the State of Nevada on October 21, 2005. Effective December 31, 2016, Iconic closed on a May 15, 2015 agreement to acquire a 51% interest in BiVi LLC ("BiVi"), the brand owner of "BiVi 100 percent Sicilian Vodka," and closed on a December 13, 2016 agreement to acquire a 51% interest in Bellissima Spirits LLC ("Bellissima"), the brand owner of Bellissima sparkling wines. These transactions involved entities under common control of the Company's chief executive officer and represented a change in reporting entity. The financial statements of the Company have been retrospectively adjusted to reflect the operations at BiVi and Bellissima from their inception.

BiVi was organized in Nevada on May 4, 2015. Bellissima was organized in Nevada on November 23, 2015.

Reverse Stock Split

Effective January 18, 2019, the Company effectuated a 1 share for 250 shares reverse stock split which reduced the issued and outstanding shares of common stock at December 31, 2018 from 1,359,941,153 shares to 5,440,312 shares. The accompanying financial statements have been retrospectively adjusted to reflect this reverse stock split.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial statements include the accounts of Iconic, its three 51% owned subsidiaries BiVi, Bellissima, and Green Grow Farms Inc. ("Green Grow"), and United Spirits, Inc., a variable interest entity of Iconic (see Note 5) (collectively, the "Company"). All inter-company balances and transactions have been eliminated in consolidation.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(c) Fair Value of Financial Instruments

Generally accepted accounting principles require disclosing the fair value of financial instruments to the extent practicable for financial instruments which are recognized or unrecognized in the balance sheet. The fair value of the financial instruments disclosed herein is not necessarily representative of the amount that could be realized or settled, nor does the fair value amount consider the tax consequences of realization or settlement.

In assessing the fair value of financial instruments, the Company uses a variety of methods and assumptions, which are based on estimates of market conditions and risks existing at the time. For certain instruments, including cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses, it was estimated that the carrying amount approximated fair value because of the short maturities of these instruments. All debt is carried at face value less any unamortized debt discounts.

(d) Cash and Cash Equivalents

The Company considers all liquid investments purchased with original maturities of ninety days or less to be cash equivalents.

(e) Accounts Receivable, Net of Allowance for Doubtful Accounts

The Company extends unsecured credit to customers in the ordinary course of business but mitigates risk by performing credit checks and by actively pursuing past due accounts. The allowance for doubtful accounts is based on customer historical experience and the aging of the related accounts receivable. At September 30, 2019 and December 31, 2018, the allowance for doubtful accounts was $26,513 and $0, respectively.

(f) Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market, with due consideration given to obsolescence and to slow moving items. Inventory at December 31, 2018 consists of cases of BiVi Vodka and cases of Bellissima sparkling wines purchased from our Italian suppliers. Inventory at September 30, 2019 also includes cases of alcoholic beverages and packaging materials relating to our Hooters line of products introduced in August 2019 and raw materials to be harvested by our 51% owned subsidiary Green Grow.

(g) Intellectual Property and Production Rights Intangible Asset

The intellectual property and production rights intangible asset was acquired in connection with our acquisition of a 51% equity interest in Green Grow Farms, Inc. on May 9, 2019 (see Note 8). This intangible asset will be amortized over its five (5) year estimated economic life commencing October 1, 2019.

(h) Long-Lived Assets

The Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain circumstances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

(i) Revenue Recognition

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers" (Topic 606) which establishes revenue recognition standards. ASU 2014-19 was effective for annual reporting periods beginning after December 15, 2017. We adopted ASU 2014-09 effective January 1, 2018. ASU 2014-09 has not had a significant effect on the Company's financial position and results of operations.

Revenue from product sales is recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) the price is fixed or determinable, (3) collectability is reasonably assured, and (4) delivery has occurred. Persuasive evidence of an arrangement and fixed price criteria are satisfied through purchase orders. Collectability criteria are satisfied through credit approvals. Delivery criteria are satisfied when the products are shipped to a customer and title and risk of loss passes to the customer in accordance with the terms of sale. The Company has no obligation to accept the return of products sold other than for replacement of damaged products. Other than quantity price discounts negotiated with customers prior to billing and delivery (which are reflected as a reduction in sales), the Company does not offer any sales incentives or other rebate arrangements to customers.

(j) Shipping and Handling Costs

Shipping and handling costs to deliver product to customers are reported as operating expenses in the accompanying statements of operations. Shipping and handling costs to purchase inventory are capitalized and expensed to cost of sales when revenue is recognized on the sale of product to customers.

(k) Stock-Based Compensation

Stock-based compensation is accounted for at fair value in accordance with Accounting Standards Codification ("ASC") Topic 718, "Compensation-Stock Compensation". For the nine months ended September 30, 2019 and 2018, stock-based compensation was $775,700 and $23,250, respectively.

(l) Income Taxes

Income taxes are accounted for under the assets and liability method. Current income taxes are provided in accordance with the laws of the respective taxing authorities. Deferred income taxes are provided for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is not more likely than not that some portion or all of the deferred tax assets will be realized.

(m) Net Income (Loss) per Share

Basic net income (loss) per common share is computed on the basis of the weighted average number of common shares outstanding and to be issued to Escrow Agent (see Note 13) during the period of the financial statements.

Diluted net income (loss) per common share is computed on the basis of the weighted average number of common shares and to be issued to Escrow Agent (see Note 13) and dilutive securities (such as stock options, warrants, and convertible securities) outstanding. Dilutive securities having an anti-dilutive effect on diluted net income (loss) per share are excluded from the calculation.

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(n) Recently Issued Accounting Pronouncements

Effective January 1, 2019, we adopted ASU 2016-2 (Topic 842) which establishes a new lease accounting model for lessees. Under the new guidance, lessees are required to recognize right of use assets and liabilities for most leases having terms of 12 months or more. We adopted this new accounting guidance using the effective date transition method, which permits entities to apply the new lease standards using a modified retrospective transition approach at the date of adoption. As such, historical periods will continue to be measured and presented under the previous guidance while current and future periods are subject to this new accounting guidance. Upon adoption we recorded a $100,681 right-of-use asset related to our one operating lease (see Note 15e) and a $100,681 lease liability.

On July 13, 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") 2017-11. Among other things, ASU 2017-11 provides guidance that eliminates the requirement to consider "down round" features when determining whether certain financial instruments or embedded features are indexed to an entity's stock and need to be classified as liabilities. ASU 2017-11 provides for entities to recognize the effect of a down round feature only when it is triggered and then as a dividend and a reduction to income available to common stockholders in basic earnings per share. The guidance is effective for annual periods beginning after December 15, 2018; early adoption is permitted. Accordingly, effective January 1, 2019, the Company has reflected a $2,261,039 reduction of the derivative liability on warrants (see Note 12) and a $2,261,039 cumulative effect adjustment reduction of accumulated deficit.

Certain other accounting pronouncements have been issued by the FASB and other standard setting organizations which are not yet effective and have not yet been adopted by the Company. The impact on the Company's financial position and results of operations from adoption of these standards is not expected to be material.

(o) Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has sustained significant net losses which have resulted in an accumulated deficit at September 30, 2019 of $21,302,141 and has experienced periodic cash flow difficulties, all of which raise substantial doubt regarding the Company's ability to continue as a going concern.

Continuation of the Company as a going concern is dependent upon obtaining additional working capital and attaining profitable operations. The management of the Company has developed a strategy which it believes will accomplish these objectives and which will enable the Company to continue operations for the coming year. However, there is no assurance that these objectives will be met. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from the outcome of this uncertainty.

3. INVESTMENT IN BIVI LLC

On May 15, 2015, Iconic entered into a Securities Exchange Agreement by and among the members of BiVi LLC, a Nevada limited liability company ("BiVi"), under which Iconic acquired a 51% majority interest in BiVi in exchange for the issuance of (a) 4,000 shares of restricted common stock and (b) 1,000 shares of newly created Series C Convertible Preferred Stock.

Prior to May 15, 2015, BiVi was beneficially owned and controlled by Richard DeCicco, the controlling shareholder and chief executive officer of Iconic Brands, Inc.

4. INVESTMENT IN BELLISSIMA SPIRITS LLC

On December 13, 2016, Iconic entered into a Securities Purchase Agreement with Bellissima Spirits LLC ("Bellissima") and Bellissima's members under which Iconic acquired a 51% majority interest
in Bellissima in exchange for the issuance of a total of 10 shares of newly designated Iconic Series D Convertible Preferred Stock. Each share of Iconic Series D Convertible Preferred Stock was convertible into the equivalent of 5.1% of Iconic common stock issued and outstanding at the time of

conversion.

Prior to December 13, 2016, Bellissima was controlled by Richard DeCicco, the controlling shareholder and chief executive officer of Iconic.

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5. UNITED SPIRITS, INC.

United Spirits, Inc. ("United") is owned and managed by Richard DeCicco, the controlling shareholder and chief executive officer of Iconic. United provides distribution services for Iconic, BiVi and Bellissima (see Note 15d) and is considered a variable interest entity ("VIE") of Iconic. Since Iconic has been determined to be the primary beneficiary of United, we have included United's assets, liabilities, and operations in the accompanying consolidated financial statements of Iconic. Summarized financial information of United follows:

Balance Sheets		September 30, 2019		December 31, 2018
Cash and cash equivalents	$	55,658	$	38,793
Intercompany receivable from Iconic (A)		114,507		204,461
Right-of-use asset		66,817		-
Total assets	$	236,982	$	243,254
Accounts payable and accrued expense	$	197,029	$	11,338
Loans payable to officer and affiliated entity		54,668		71,037
Intercompany payable to Bellissima (A)		320,260		335,257
Intercompany payable to BiVi (A)		66,876		56,854
Operating lease liability		66,817		-
Total Liabilities		705,650		474,486
Noncontrolling interest in VIE		(468,668)		(231,333)
Total liabilities and stockholders deficiency	$	236,982	$	243,153

Statements of operations:	Nine months ended September 30,			
		2019		**2018**
Intercompany distribution income (A)	$	8,934	$	7,665
Royalty expense		127,500		-
Officers compensation		82,000		-
Other operating expenses net		36,870		7,479
Total operating expenses		246,370		7,479
Net income (loss)	$	(237,436)	$	186

(A) Eliminated in consolidation

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6. INVENTORIES

Inventories consist of:

	September 30, 2019	December 31, 2018
Finished goods:		
Hooters brands	$ 324,255	$ -
Bellissima brands	132,602	206,988
BiVi brands	46,620	51,282
Total finished goods	503,477	258,270
Raw materials:		
Hooters brands	85,671	-
Green Grow plants	130,000	-
Total raw materials	215,671	-
Total	$ 719,148	$ 258,270

7. NOTES RECEIVABLE FROM RELATED PARTIES OF GREEN GROW FARMS, INC.

The notes receivable at September 30, 2019 arose from cash advances in the three months ended September 30, 2019 and consist of:

Promissory note from Apolise LLC dated July 1, 2019 in the amount of up to $300,000, interest at 4% and principal due July 31, 2020	$ 174,000
Promissory note from Peter Scalise dated July 27, 2019 in the amount of up to $200,000, interest at 4% and principal due July 26, 2020	50,200
Promissory note from Equity Markets Adv LLC dated July 27, 2019 in the amount of up to $200,000, interest at 4% and principal due July 26, 2020	50,000
Payment for Green Grow Farms Texas LLC	13,500
Total	$ 287,500

8. ACQUISITION OF 51% OF GREEN GROW FARMS, INC. AND INTANGIBLE ASSET

On May 9, 2019, Iconic closed on a Share Exchange Agreement (the "Agreement") with Green Grow Farms, Inc. ("Green Grow") and NY Farms Group Inc. ("NY Farms"). Pursuant to the Agreement, Iconic acquired a 51% equity interest in Green Grow in exchange for (i) a cash amount due NY Farms of $200,000 and (ii) 2,000,000 shares of Company common stock. In addition, the Company has agreed to issue up to an additional 6,000,000 shares based upon gross revenues reached by Green Grow (at a rate of 120,000 shares per $1,000,000 of gross revenues up to a maximum of $50,000,000) within 36 months of the Closing. The $1,450,000 total consideration (i.e., the $200,000 note payable plus the $1,250,000 fair value of the 2,000,000 shares of Iconic common stock) of the acquisition over the $0 other identifiable net assets of Green Grow at May 9, 2019 has been recognized as an intellectual property and production rights intangible asset.

Green Grow was incorporated in New York on February 28, 2019 and has had no revenues since inception. On September 6, 2019, Green Grow was granted a license by New York State to grow hemp. On September 11, 2019, Green Grow signed a Sublease Agreement and Operating Agreement with Romanski Farms, Inc. to use certain real property in Baiting Hollow, New York to plant and grow hemp for CBD extraction. The lease has a term of one year and provides for monthly rent of $1,133 to be paid by Green Grow.

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of:

	September 30, 2019	December31, 2018
Accounts payable	$ 165,163	$ 175,405
Accrued officers compensation	1,122,500	811,250
Accrued royalties	325,751	174,985
Other	57,535	149,835
Total	$ 1,670,949	$ 1,311,475

10. DEBT

Effective October 4, 2018, the then remaining debt and accrued interest thereon was satisfied through (1) the issuance of a total of 2,077,994 shares of our Series E convertible preferred stock (which are convertible into a total of 831,198 shares of common stock) plus warrants to acquire 831,198 shares of our common stock (for $519,499 debt and accrued interest), (2) the issuance of a total of 122,510 shares of our common stock (for $76,569 debt and accrued interest), and (3) cash (for $90,296 debt and accrued interest).

At September 30, 2019, notes payable consist of:

Amount due New York Farms Group Inc. pursuant to Share Exchange Agreement dated April 17, 2019 (closed May 9, 2019) relating to the acquisition of 51% of Green Grow Farms, Inc.	$ 200,000
Amount due to a former Bellissima consultant pursuant to a Settlement and Release Agreement dated February 7, 2019, due December 31, 2019	50,000
Total	$ 250,000

11. DERIVATIVE LIABILITY ON CONVERTIBLE DEBT

In September 2018, the then Company entered into Securities Exchange Agreements and other agreements with holders of all convertible debt then outstanding to have such debt satisfied (which occurred effective October 4, 2018 – see Note 10). Accordingly, the Company reduced the then derivative liability from $255,294 at September 30, 2018 to $0.

12. DERIVATIVE LIABILITY ON WARRANTS

From September 2017 to November 2017, in connection with the sale of a total of 480,000 shares of common stock (see Note 13), the Company issued a total of 480,000 Common Stock Purchase Warrants (the "Warrants") to the respective investors. The Warrants were exercisable into ICNB common stock at a price of $2.50 per share, were to expire five years from date of issuance, and contained "down round" price protection.

Effective May 21, 2018, in connection with the sale of a total of 120,000 shares of Series E Preferred Stock (see Note 13), the Company issued a total of 480,000 Warrants to four investors. These warrants were exercisable into ICNB common stock at a price of $2.50 per share, were to expire five years from date of issuance, and contained "down round" price protection.

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The down round provision of the above Warrants required a reduction in the exercise price if there were future issuances of common stock equivalents at a lower price than the $2.50 exercise price of the Warrants. Accordingly, we recorded the $2,261,039 fair value of the Warrants at December 31, 2018 as a derivative liability. The $1,565,039 increase in the fair value of the derivative liability from $696,000 at December 31, 2017 to $2,261,039 at December 31, 2018 was charged to expense from derivative liability.

Assumptions used to calculate the fair value of the Warrants at December 31, 2018 include (1) stock price of $0.95 per share, (2) exercise prices from $0.625 to $2.50 per share, (3) terms ranging from 2.25 years to 4.5 years, (4) expected volatility of 148%, and (5) risk free interest rates range from 2.46% to 2.51%.

Effective January 1, 2019 (see Note 2), the Company adopted ASU 2017-11 and reduced the $2,261,039 derivative liability on warrants at December 31, 2018 to $0 and recognized a $2,261,039 cumulative effect adjustment reduction of accumulated deficit.

13. CAPITAL STOCK

Preferred Stock

The one share of Series A Preferred Stock, which was issued to Richard DeCicco on September 10, 2009, entitles the holder to two votes for every share of Common Stock Deemed Outstanding and has no conversion or dividend rights.

The 1000 shares of Series C Preferred Stock, which were issued to Richard DeCicco on May 15, 2015 pursuant to the Securities Exchange Agreement (see Note 3) for the Company's 51% investment in BiVi, entitled the holder in the event of a Sale (as defined) to receive out of the proceeds of such Sale (in whatever form, be it cash, securities, or other assets), a distribution from the Company equal to 76.93% of all such proceeds received by the Company prior to any distribution of such proceeds to all other classes of equity securities, including any series of preferred stock designated subsequent to this Series C Preferred Stock. Effective March 27, 2019, pursuant to a Preferred Stock Exchange Agreement, Mr. DeCicco exchanged the 1,000 shares of Series C Preferred Stock for 1,000,000 shares of Company common stock.

The 10 shares of Series D Preferred Stock, which were issued to Richard DeCicco and Roseann Faltings (5 shares each) on December 13, 2016 pursuant to the Securities Purchase Agreement (See Note 4) for the Company's 51% investment in Bellissima, entitled the holders to convert each share of Series D Preferred Stock to the equivalent of 5.1% of the common stock issued and outstanding at the time of conversion. Effective March 27, 2019, pursuant to a Preferred Stock Exchange Agreement, Mr. DeCicco and Ms. Faltings exchanged the 10 shares of Series D Preferred Stock for 1,000,000 shares of Company common stock (500,000 shares each).

Effective May 21, 2018, the Company entered into a Share Purchase Agreement with the four investors who purchased 480,000 shares of common stock pursuant to a Securities Purchase Agreement dated October 27, 2017. The Exchange Agreement provided for the exchange of the 480,000 shares of common stock for 1,200,000 shares of Series E Preferred Stock. Each share of Series E Preferred Stock is convertible into 0.4 shares of common stock, is entitled to 0.4 votes on all matters to come before the common stockholders or shareholders generally, is entitled to dividends on an as-converted-to-common stock basis, is entitled to a distribution preference of $0.25 upon liquidation, and is not redeemable.

Also effective May 21, 2018, the Company sold a total of 1,200,000 shares of Series E Preferred Stock and 480,000 warrants to the four investors referred to in the preceding paragraph for $300,000 cash pursuant to an Amendment No. 1 to Securities Purchase Agreement.

Effective October 4, 2018, the Company closed on the first tranche of the Securities Purchase Agreement dated September 27, 2018 with nine (9) accredited investors for the sale of an aggregate of 4,650,000 shares of our Series E convertible preferred stock and warrants to acquire 1,860,000 shares of our common stock (at an exercise price of $1.25 per share for a period of five years) for gross proceeds of $1,162,500. The first tranche sale was for

1,550,000 shares of our Series E Preferred stock and warrants to acquire 620,000 shares of our common stock for gross proceeds of $387,500.

As a condition to the closing at the first tranche, the Company entered into Securities Exchange Agreements with holders of convertible notes totaling $519,499 who exchanged their convertible notes for an aggregate of 2,077,994 shares of our Series E Preferred stock plus warrants to acquire 831,198 shares of our common stock. Also, holders of convertible notes totaling $76,569 exchanged their notes for an aggregate of 122,510 shares of our common stock and holders of convertible notes totaling $90,296 were paid off with cash.

On November 30, 2018 and December 20, 2018, the Company received two payments of $71,875 and $71,875 respectively (totaling $143,750) in exchange for 287,500 and 287,500 shares of Series E Preferred Stock (totaling 575,000 shares) respectively at $0.25 per share. These payments represented advance payments in connection with the second tranche of the Securities Purchase Agreement dated September 27, 2018 which closed February 7, 2019.

Effective February 7, 2019, the Company closed on the second tranche of the Securities Purchase Agreement dated September 27, 2018. The Company received the remaining $243,750 (of the $387,500 total second tranche proceeds) and issued the investors the remaining total of 975,000 shares of Series E Preferred Stock (of the 1,550,000 total second tranche shares) and warrants to acquire 620,000 shares of our common stock.

On February 12, 2019 and March 18, 2019, the Company received two payments of $71,880 and $25,000 respectively (totaling $96,880) in exchange for 287,520 and 100,000 shares of Series E Preferred Stock (totaling 387,520 shares) respectively at $0.25 per share. These payments represent advance payments in connection with the third tranche of the Securities Purchase Agreement dated September 27, 2018. The third tranche of $387,500 is expected to occur when certain closing conditions are satisfied.

On April 25, 2019 and September 4, 2019, the Company received payments of $71,875 and $96,875 respectively (totaling $168,750) in exchange for 287,500 and 387,500 shares of Series E Preferred Stock (totaling 675,000 shares) respectively at $0.25 per share. These payments represent advance payments in connection with the third tranche of the Securities Purchase Agreement dated September 27, 2018. The third tranche of $387,500 is expected to occur when certain closing conditions are satisfied.

On April 23, 2019, a stockholder converted 673,398 shares of Series E Preferred Stock into 269,359 shares of Iconic common stock.

On May 17, 2019, a stockholder converted 800,000 shares of Series E Preferred Stock into 320,000 shares of Iconic common stock.

On July 18, 2019, Iconic entered into Securities Purchase Agreements with certain accredited investors (the "Investors") for the sale of an aggregate of 3,125 shares of newly designated Series F Convertible Preferred Stock plus 5,000,000 warrants at a price of $1,000 per share of Series F Convertible Preferred Stock or for a total of $3,125,000 (which was collected in full from July 18, 2019 to August 2, 2019). On August 2, 2019, Iconic paid $322,500 in commissions and expenses to the placement agent of this offering. Each share of Series F Convertible Preferred Stock has a stated value of $1,000, is convertible into 1,600 shares of common stock (subject to adjustment under certain circumstances), has no voting rights, is entitled to dividends on an as-converted-to common stock basis, is entitled to a distribution preference of $1,000 upon liquidation, and is not redeemable. Each warrant is exercisable into one share of common stock at an exercise price of $0.625 per share (subject to adjustment under certain circumstances) for a period of five years from the date of issuance.

We also entered into separate Registration Rights Agreements with the Investors, pursuant to which the Company agreed to undertake to file a registration statement to register the resale of the shares underlying the Series F Convertible Preferred Stock and Warrants within thirty (30) days following the closing date (the "Filing Date"), to cause such registration statement to be declared effective within 60 days following the earlier of (i) the date that the registration statement is filed with the Securities and Exchange Commission and (ii) the Filing Date, and to maintain the effectiveness of the registration statement until all of such shares of Common Stock have been sold or are otherwise able to be sold pursuant to Rule 144 under the Securities Act, without any restrictions. If we fail to file the registration statement or have it declared effective by the dates set forth above, among other things, the Company is obligated to pay the Investors liquidated damages in the amount of 1% of their subscription amount, per month, until such events are satisfied.

Concurrently with the closing of the financing transaction described above, we entered into Securities Exchange Agreements with certain holders of our Series E Convertible Preferred Stock and exchanged their 2,725,000 shares of Series E Convertible Preferred Stock for an aggregate of 681.25 shares of our Series F Convertible Preferred Stock.

From July 26, 2019 to August 28, 2019, three investors converted a total of 1,000,000 shares of Series E Preferred Stock into a total of 400,000 shares of Iconic common stock.

From September 19, 2019 to September 27, 2019, three investors converted a total of 14.20 shares of Series E Preferred Stock into a total of 227,200 shares of Iconic common stock.

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Common Stock

On March 28, 2017, the Company executed a Settlement Agreement and Release (the "Settlement Agreement") with 4 holders of convertible notes payable. Notes payable and accrued interest totaling $892,721 were satisfied through the Company's agreement to irrevocably reserve a total of 1,931,707 shares of its common stock and to deliver such shares in separate tranches to the Escrow Agent upon receipt of a conversion notice delivered by the Escrow Agent to the Company.

On May 5, 2017, the Company executed an Amended Settlement Agreement and Release (the "Amended Settlement Agreement") replacing the Settlement Agreement and Release dated March 28, 2017 (see preceding paragraph). The Amended Settlement Agreement is with 5 holders of convertible notes payable (the 4 holders who were parties to the Settlement Agreement and Release dated March 28, 2017 and one additional holder) and provided for the satisfaction of notes payable and accrued interest totaling $1,099,094 (a $206,373 increase from the $892,721 amount per the Settlement Agreement and Release dated March 28, 2017) through the Company's agreement to irrevocably reserve a total of 2,452,000 shares of its common stock (a 520,293 shares increase from the 1,931,707 shares per the Settlement Agreement and Release dated March 28, 2017) and deliver such shares in separate tranches to the Escrow Agent upon receipt of a conversion notice delivered by the Escrow Agent to the Company.

In the quarterly period ended September 30, 2017, the Company issued an aggregate of 284,777 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement. In the quarterly period ended September 30, 2017, the Company issued an aggregate of 253,333 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement.

From September 2017 to November 2017, pursuant to a Securities Purchase Agreement dated October 27, 2017 (the "SPA"), the Company issued a total of 480,000 shares of its common stock and 480,000 warrants to four investors for a total of $300,000 cash. The Warrants are exercisable into ICNB common stock at a price of $2.50 per share, expire five years from date of issuance, and contain "down round" price protection (see Note 10).

On January 2, 2018, the Company issued 103,447 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement.

On January 19, 2018, the Company issued 216,127 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement.

On March 14, 2018, the Company issued 126,667 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement.

On April 5, 2018, the Company issued 172,000 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement.

On April 9, 2018, the Company issued 280,296 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement.

On April 12, 2018, the Company issued 481,151 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement.

On August 14, 2018, the Company issued 51,938 shares of its common stock in settlement of convertible notes payable and accrued interest payable totaling $32,461.

On September 7, 2018, the Company issued 70,572 shares of its common stock in settlement of convertible notes payable and accrued interest payable totaling $44,108.

Effective May 21, 2018, the Company entered into a Share Purchase Agreement with the four investors who purchased 480,000 shares of common stock pursuant to a Securities Purchase Agreement dated October 27, 2017. The Exchange Agreement provided for the exchange of the 480,000 shares of common stock for 1,200,000 shares of Series E Preferred Stock. Each share of Series E Preferred Stock is convertible into 0.4 shares of common stock, is entitled to 0.4 votes on all matters to come before the common stockholders or shareholders generally, is entitled to dividends on an as-converted-to-common stock basis, is entitled to a distribution preference of $0.25 upon liquidation, and is not redeemable.

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On January 16, 2019, the Company issued 436,125 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement.

On January 24, 2019, the Company issued 98,078 shares of its common stock to the Escrow Agent pursuant to the Amended Settlement Agreement. This issuance completed the Company's obligation to deliver shares of our common stock to the Escrow Agent.

On February 7, 2019, the Company agreed to issue 120,000 shares of its common stock (issued April 18, 2019) and a $50,000 note payable due December 31, 2019 to a former Bellissima consultant pursuant to a Settlement and Release Agreement. The $141,200 total fair value of the note ($50,000) and the 120,000 shares of common stock ($91,200) was expensed as consulting fees in the three months ended March 31, 2019.

On March 15, 2019, the Company agreed to issue 150,000 shares of its common stock (issued April 8, 2019) to a consulting firm entity pursuant to a Business Development Agreement. The $199,500 fair value of the 150,000 shares of common stock was expensed as consulting fees in the three months ended March 31, 2019.

On March 27, 2019, the Company issued 1,000,000 shares of its common stock to Chief Executive Officer Richard DeCicco in exchange for the surrender of the 1,000 shares of Series C Preferred Stock owned by Mr. DeCicco.

On March 27, 2019, the Company issued a total of 1,000,000 shares of its common stock (500,000 shares to Chief Executive Officer Richard DeCicco; 500,000 shares to Vice President Roseann Faltings) in exchange for the surrender of the 5 shares each of Series D Preferred Stock owned by Mr. DeCicco and Ms. Faltings.

Effective April 15, 2019 the Company issued 50,000 shares of its common stock to a consulting firm entity pursuant to a Consulting Agreement. The $95,000 fair value of the 50,000 shares of Iconic common stock was expensed as consulting fees in the three months ended September 30, 2019.

On April 23, 2019, a stockholder converted 673,398 shares of Series E Preferred Stock into 269,359 shares of Iconic common stock.

On May 8, 2019, Iconic executed Warrant Exercise Agreements with four holders of Company warrants. The holders exercised a total of 960,000 warrants at an agreed price of $0.32 per share and paid the Company a total of $307,200. Pursuant to the Warrant Exercise Agreements, the holders were issued a total of 1,920,000 New Warrants which are exercisable into Company common stock at a price of $2.25 per share for a period of five years.

On May 9, 2019, Iconic closed on a Share Exchange Agreement (the "Agreement") with Green Grow Farms, Inc. ("Green Grow") and NY Farms Group Inc. ("NY Farms"). Pursuant to the Agreement, Iconic acquired a 51% equity interest in Green Grow in exchange for (i) cash consideration of $200,000 and (ii) 2,000,000 shares of Company common stock. In addition, the Company has agreed to issue up to an additional 6,000,000 shares based upon gross revenues reached by Green Grow (at a rate of 120,000 shares per $1,000,000 of gross revenues up to a maximum of $50,000,000) within 36 months of the Closing. The $1,450,000 total consideration (i.e., the $200,000 note payable plus the $1,250,000 fair value of the 2,000,000 shares of Iconic common stock) of the acquisition over the $0 identifiable net assets of Green Grow at May 9, 2019 has been recognized as an intellectual property and production rights intangible asset (see Note 8).

On May 17, 2019, a stockholder converted 800,000 shares of Series E Preferred Stock into 320,000 shares of Iconic common stock.

Effective May 23, 2019, the Company issued 250,000 shares of its common stock to a consulting firm entity pursuant to a Consulting Agreement. The $390,000 fair value of the 250,000 shares of Iconic common stock was expensed as consulting fees in the three months ended September 30, 2019.

From July 26, 2019 to August 28, 2019, three holders converted a total of 1,000,000 shares of Series E Preferred Stock into a total of 400,000 shares of Iconic common stock.

On September 3, 2019, the Company issued a total of 781,250 shares of common stock to the placement agent and five associated individuals for services relating to the offering of 3,125 shares of Series F Preferred Stock which concluded on August 2, 2019 (see Preferred Stock above).

From September 19, 2019 to September 27, 2019, three holders converted a total of 142 shares of Series F Preferred Stock into a total of 227,200 shares of Iconic common stock.

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Warrants

A summary of warrants activity for the period January 1, 2017 to September 30, 2019 follows:

	Common shares Equivalent
Balance, January 1, 2017	-
Issued in year ended December 31, 2017	534,000
Balance, December 31, 2017	534,000
Issued in year ended December 31, 2018	2,361,198
Balance, December 31, 2018	2,895,198
Issued in the three months ended March 31, 2019	620,000
Balance, March 31, 2019	3,515,198
Exercise of warrants in connection with Warrant Exercise Agreements dated May 8, 2019	(960,000)
Issuance of New Warrants in connection with Warrant Exercise Agreements dated May 8, 2019	1,920,000
Balance, June 30, 2019	4,475,198
Issued in the three months ended September 30, 2019	5,000,000
Balance, September 30, 2019	9,975,198

Issued and outstanding warrants at September 30, 2019 consist of:

Year Granted	Number Common Shares Equivalent		Exercise Price Per Share	Expiration Date
2017	54,000	$	2.50	June 22, 2022 to June 30, 2022
2018	400,000	$	0.625	March 28, 2021
2018	30,000	$	2.50	May 21, 2023
2018	831,198	$	1.25	September 20, 2023
2018	620,000	$	1.25	September 20, 2023
2019	620,000	$	1.25	February 7, 2024
2019	1,920,000	$	2.25	May 8, 2024
2019	5,000,000	$	0.625	August 2, 2024
Total	9,475,198			

*** These warrants contain a "down round" provision and thus the exercise price is reduceable to $0.625 per share as a result of the Series F Preferred Stock financing which closed on August 2, 2019.**

In connection with the Company's issuance of a total of $135,019 convertible notes payable in the three months ended September 30, 2017, the Company issued a total of 54,000 Common Stock Purchase Warrants (the 'Warrants") to the respective lenders. The Warrants are exercisable into ICNB common stock at a price of $2.50 per share and expire at dates ranging from September 22, 2022 to September 30, 2022.

As discussed in Note 12, the Company issued a total of 480,000 warrants to four investors from September 2017 to November 2017. The Warrants, which were exercised May 8, 2019 pursuant to Warrant Exchange Agreements (see below), were exercisable into ICNB common stock at a price of $2.50 per share and were to expire five years from date of issuance.

Effective March 28, 2018, the Company issued 400,000 warrants to a lawyer for services rendered. The warrants are exercisable into ICNB common stock at a price of $0.625 per share and expire three years from date of issuance. The $250,000 fair value of the warrants was expensed in the year ended December 31, 2018.

Effective May 21, 2018, the Company issued 30,000 warrants to a law firm for services rendered. The warrants are exercisable into ICNB common stock at a price of $2.50 per share and expire five years from date of issuance. The $23,250 fair value of the warrants was expensed in the three months ended September 30, 2018.

As discussed in Preferred Stock above, the Company issued a total of 480,000 warrants to four investors effective May 21, 2018 in connection with the sale of 1,200,000 shares of Series E Preferred stock for $300,000 cash. These warrants, which were exercised May 8, 2019 pursuant to Warrant Exchange Agreements (see below), were exercisable into ICNB common stock at a price of $2.50 per share and were to expire five years from date of issuance.

Effective October 4, 2018, the remaining debt (see Note 10) and accrued interest thereon was satisfied through (1) the issuance of a total of 2,077,994 shares of our Series E convertible preferred stock (which are convertible into a total of 831,198 shares of common stock) plus warrants to acquire 831,198 shares of our common stock (for $519,499 debt and accrued interest), (2) the issuance of a total of 122,510 shares of our common stock (for $76,569 debt and accrued interest), and (3) cash (for $90,296 debt and accrued interest).

Effective October 4, 2018, the Company closed on the first tranche of the Securities Purchase Agreement dated September 27, 2018 with nine (9) accredited investors for the sale of an aggregate of 4,650,000 shares of our Series E convertible preferred stock and warrants to acquire 1,860,000 shares of our common stock (at an exercise price of $1.25 per share for a period of five years) for gross proceeds of $1,162,500. The first tranche sale was for 1,550,000 shares of our Series E convertible preferred stock and warrants to acquire 620,000 shares of our common stock for gross proceeds of $387,500. The second tranche of $387,500 closed on February 7, 2019 and also was for 1,550,000 shares of our Series E convertible preferred stock and warrants to acquire 620,000 shares of our common stock.

On May 8, 2019, Iconic executed Warrant Exercise Agreements with four holders of Company warrants. The holders exercised a total of 960,000 warrants (which were acquired from September 2017 to November 2017 and on May 21, 2018) at an agreed price of $0.32 per share and paid the Company a total of $307,200. Pursuant to the Warrant Exercise Agreements, the holders were issued a total of 1,920,000 New Warrants which are exercisable into Company common stock at a price of $2.25 per share for a period of five years.

As discussed in Preferred Stock above, the Company issued a total of 5,000,000 warrants to investors as part of the offering of 3,125 shares of Series F Preferred Stock which concluded on August 2, 2019. Each warrant is exercisable into one share of common stock at an exercise price of $0.625 per share (subject to adjustment under certain circumstances) for a period of five years from the date of issuance.

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14. INCOME TAXES

No income taxes were recorded in the periods presented since the Company had taxable losses in these periods.

The provision for (benefit from) income taxes differs from the amount computed by applying the statutory United States federal income tax rate of 21% for the periods presented to income (loss) before income taxes. The sources of the difference are as follows:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Expected tax at 21%	$ (580,868)	$ (313,754)
Nondeductible stock-based compensation	162,897	-
Nondeductible expense (nontaxable income) from derivative liability	-	65,955
Nondeductible amortization of debt discount	-	22,648
Increase (decrease) in valuation allowance	417,971	225,151
Income tax provision	$ -	$ -

Significant components of the Company's deferred income tax assets are as follows:

	September 30, 2019	December 31, 2018
Net operating loss carryforward	$ 4,176,379	$ 3,758,408
Less valuation allowance	(4,176,379)	(3,758,408)
Deferred income tax assets - net	$ -	$ -

Based on management’s present assessment, the Company has not yet determined that a deferred tax asset attributable to the future utilization of the net operating loss carryforward as of September 30, 2019 will be realized. Accordingly, the Company has maintained a 100% valuation allowance against the deferred tax asset in the financial statements at September 30, 2019. The Company will continue to review this valuation allowance and make adjustments as appropriate.

Current United States income tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited.

All tax years remain subject to examination by major taxing jurisdictions.

15. COMMITMENTS AND CONTINGENCIES

a. Iconic Guarantees

On May 26, 2015, BiVi LLC ("BiVi") entered into a License Agreement with Neighborhood Licensing, LLC (the "BiVi Licensor"), an entity owned by Chazz Palminteri ("Palminteri"), to use Palminteri's endorsement, signature and other intellectual property owned by the BiVi Licensor. Iconic has agreed to guarantee and act as surety for BiVi's obligations under certain sections of the License Agreement and to indemnify the BiVi Licensor and Palminteri against third party claims.

On November 12, 2015, Bellissima Spirits LLC ("Bellissima") entered into a License Agreement with Christie Brinkley, Inc. (the "Bellissima Licensor"), an entity owned by Christie Brinkley ("Brinkley"), to use Brinkley's endorsement, signature, and other intellectual property owned by the Bellissima Licensor. Iconic has agreed to guarantee and act as surety for Bellissima's obligations under certain sections of the License Agreement and to indemnify the Bellissima Licensor and Brinkley against third party claims.

b. Royalty Obligations of BiVi and Bellissima

Pursuant to the License Agreement with the Bivi Licensor (see Note 15a. above), BiVi is obligated to pay the BiVi Licensor a Royalty Fee equal to 5% of monthly gross sales of BiVi Brand products payable monthly subject to an annual Minimum Royalty Fee of $100,000 in year 1, $150,000 in year 2, $165,000 in year 3, $181,500 in year 4, $199,650 in year 5, and $219,615 in year 6 and each subsequent year.

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Pursuant to the License Agreement and Amendment No. 1 to the License Agreement effective September 30, 2017 with the Bellissima Licensor (see Note 15a. above), Bellissima is obligated to pay the Bellissima Licensor a Royalty Fee equal to 10% of monthly gross sales (12.5% for sales in excess of defined Case Break Points) of Bellissima Brand products payable monthly. The Bellissima Licensor has the right to terminate the endorsement if Bellissima fails to sell 10,000 cases of Bellissima Brand products in year 1, 15,000 cases in year 2, or 20,000 cases in year 3 and each subsequent year.

c. Brand Licensing Agreement relating to Hooters Marks

On July 23, 2018, United Spirits, Inc. ("United") executed a Brand Licensing Agreement (the "Agreement") with HI Limited Partnership ("the Licensor"). The Agreement provides United a license to use certain "Hooters" Marks to manufacture, market, distribute, and sell alcoholic products.

The Initial Term of the Agreement is from July 23, 2018 through December 31, 2020. Provided that United is not in breach of any terms of the Agreement, United may extend the Term for an additional 3 years through December 31, 2023.

The Agreement provides for United's payment of Royalty Fees (payable quarterly) to the Licensor equal to 6% of the net sales of the licensed products subject to a minimum royalty fee of $65,000 for Agreement year 1 (ending December 31, 2018), $255,000 for Agreement year 2, $315,000 for Agreement year 3 and 4, $360,000 for Agreement year 5, and $420,000 for Agreement year 6.

The Agreement also provided for United's payment of an advance payment of $30,000 to the Licensor to be credited towards royalty fees payable to Licensor. On September 6, 2018, the $30,000 advance payment was paid to the Licensor. The Agreement also provides for United's payment of a marketing contribution equal to 2% of the prior year's net sales of the Licensed Products. If United fails to spend the required marketing contribution in any calendar year, the deficiency will be paid to Licensor.

For the three and nine months ended September 30, 2019, royalties expense under this Agreement was $2,277 and $129,777, respectively.

d. Distribution Agreements

On May 1, 2015, BiVi entered into a Distribution Agreement with United Spirits, Inc. ("United") for United to distribute and wholesale BiVi's product and to act as the licensed importer and wholesaler. The Distribution Agreement provides United the exclusive right for a term of ten years to sell BiVi's product for an agreed distribution fee equal to $1.00 per case of product sold. United is owned and managed by Richard DeCicco, the controlling shareholder and chief executive officer of Iconic.

In November 2015, Bellissima and United agreed to have United distribute and wholesale Bellissima's products under the same terms contained in the Distribution Agreement with BiVi described in the preceding paragraph.

In August 2019, Iconic and United agreed to have United distribute and wholesale Hooters brand products under the same terms contained in the Distribution Agreement with BiVi described in the second preceding paragraph.

e. Compensation Arrangements

Effective April 1, 2018, the Company executed Employment Agreements with its Chief Executive Officer Richard DeCicco ("DeCicco") and its Vice President of Sales and Marketing Roseann Faltings ("Faltings"). Both agreements have a term of 24 months (to June 30, 2020). The DeCicco Employment Agreement provides for a base salary at the rate of $265,000 per annum and a compensation stock award of 300,000 shares of Iconic common stock issuable upon the effective date of the planned reverse stock split. The Faltings Employment Agreement provides for a base salary at the rate of $150,000 per annum and a compensation stock award of 100,000 shares of Iconic common stock issuable upon the effective date of the planned reverse stock split. For the year ended December 31, 2018, we accrued a total of $311,250 officers compensation pursuant to these two Employment Agreements. In 2018, the accrued compensation was allocated 50% to Iconic ($155,625), 40% to Bellissima ($124,500), and 10% to BiVi ($31,125). For the nine months ended September 30, 2019, we accrued a total of $311,250 officers compensation pursuant to these two Employment Agreements which was allocated 50% to Iconic ($155,625), 40% to Bellissima ($124,500), and 10% to BiVi ($31,125).

Prior to April 1, 2018, the Company used the services of its chief executive officer Richard DeCicco and its assistant secretary Roseann Faltings under informal compensation arrangements (without any employment agreements).

As of September 30, 2019 and December 31, 2018, accrued officers compensation was $1,122,500 and $811,250, respectively.

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f. Lease Agreements

On March 27, 2018, United Spirits, Inc. executed a lease extension for the Company's office and warehouse space in North Amityville New York. The extension has a term of three years from February 1, 2018 to January 31, 2021 and provides for monthly rent of $4,478.

At September 30, 2019, the future minimum lease payments under this non-cancellable operating lease were:

Year ending December 31, 2019	$	13,434
Year ending December 31, 2020		53,736
Year ending December 31, 2021		4,478
Total	$	71,648

The operating lease liability of $66,817 at September 30, 2019 as presented in the Consolidated Balance Sheet represents the discounted (at our 10% estimated incremental borrowing rate) value of the future lease payments of $71,648 at September 30, 2019.

On June 1, 2019, Green Grow signed a Sublease Agreement and Operating Agreement with Romanski Farms, Inc. to use certain real property in Baiting Hollow, New York to plant and grow hemp for CBD extraction. The lease has a term of one year and provides for monthly rent of $1,133 to be paid by Green Grow.

On July 26, 2019, Green Grow entered into a Sublease Agreement and a Contract Farming Agreement with a third party entity (the "Farmer") to use 5 acres of property located in Riverhead, New York to plant and grow hemp for CBD Extraction. The lease has a term of five months and provides for monthly rent of $3,000 to be paid by Green Grow. The Contract Farming Agreement has a term ending December 31, 2019 and provides for Green Grow payments to the Farmer of per acre fees based on the potency of the crop yield.

g. Major customers.

For the nine months ended September 30, 2019, three customers accounted for 13%, 12% and 10%, respectively of sales.

16. SUBSEQUENT EVENTS

From October 1, 2019 to October 21, 2019, four holders converted a total of 134.75 shares of Series F Preferred Stock into a total of 215,600 shares of Iconic common stock.

ITEM 2 Management's Discussion and Analysis of Financial Condition and Results of Operations

Our Management's Discussion and Analysis contains not only statements that are historical facts, but also statements that are forward-looking (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national and local general economic and market conditions; demographic changes; our ability to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other risks that might be detailed from time to time in our filings with the Securities and Exchange Commission.

Although the forward-looking statements in this Quarterly Statement reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by them. Consequently, and because forward-looking statements are inherently subject to risks and uncertainties, the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. You are urged to carefully review and consider the various disclosures made by us in this report and in our other reports as we attempt to advise interested parties of the risks and factors that may affect our business, financial condition, and results of operations and prospects.

The following discussion and analysis of financial condition and results of operations of the Company is based upon, and should be read in conjunction with, its unaudited financial statements and related notes elsewhere in this Form 10-Q, which have been prepared in accordance with accounting principles generally accepted in the United States.

Summary Overview

We are a global beverage company with expertise in developing, from inception to completion, alcoholic beverages for ourselves and third parties. We also market and place products into national distribution through long standing industry relationships. We engage in "Celebrity Branding" of beverages, procuring products from around the world and branding products with internationally recognized celebrities.

We intend to seek, investigate and, if such investigation warrants, acquire an interest in one or more business opportunities presented to it by persons or firms who or which desire to seek the perceived advantages of a publicly held corporation.

Our Products

BiVi LLC, our subsidiary, is made up of BiVi 100 percent Sicilian Vodka. BiVi LLC's mission is to promote and support the sales endeavors of the distribution network through targeted and national marketing endeavors and working with celebrity partner Chazz Palminteri.

Bellissima Spirits LLC, our subsidiary, entered into a License Agreement with Christie Brinkley, Inc. an entity owned by Christie Brinkley, to use Brinkley's endorsement, signature, and other intellectual property owned by Bellissima Spirits LLC. Bellissima by Christie Brinkley is a line of Organic Prosecco. The line includes a DOC Brut, Sparkling Rose and a Zero Sugar, Zero Carb option which are All Natural and Gluten Free with all Certified Organic and Vegan.

Each of Bivi and Bellissima have granted United Spirits, a variable interest entity of the Company, the exclusive right to sell their products globally.

United Spirits, a variable interest entity of the Company, entered into a Brand Licensing Agreement with HI Limited Partnership to manufacture, market, distribute and sell a line of alcoholic products using certain "Hooters" marks throughout North America,, Europe, Asia and Australia. Hooters brand products include a line of premium spirits designed by the Company's management, currently consisting of Vodka, Gin, American Whiskey, Silver and Gold Tequila products from Mexico, and light and dark rum products from Puerto Rico, as well as a craft Cinnamon Whiskey. United Spirits has granted us the exclusive right to market and distribute the Hooters brand products to (a) "Hooters" branded restaurants, (b) liquor distributors and (c) off-premise, retail establishments.

Reverse Stock Split

Effective January 18, 2019, shares of our common stock were subject to a 1-for-250 reverse stock split which reduced the issued and outstanding shares of common stock at December 31, 2018 from 1,359,941,153 shares to 5,440,312 shares. The discussion below and the accompanying financial statements have been retrospectively adjusted to reflect this reverse stock split.

Going Concern

As a result of our current financial condition, we have received a report from our independent registered public accounting firm for our financial statements for the years ended December 31, 2018 and 2017 that includes an explanatory paragraph describing the uncertainty as to our ability to continue as a going concern. In order to continue as a going concern we must effectively balance many factors and generate more revenue so that we can fund our operations from our sales and revenues. If we are not able to do this we may not be able to continue as an operating company. Until we are able to grow revenues sufficient to meet our operating expenses, we must continue to raise capital by issuing debt or through the sale of our stock. There is no assurance that our cash flow will be adequate to satisfy our operating expenses and capital requirements.

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Results of Operations for the Three months Ended September 30, 2019 and 2018

Introduction

We had sales of $267,619 for the three months ended September 30, 2019 and $217,139 for the three months ended September 30, 2018, an increase of $50,480. Our operating expenses were $1,150,998 for the three months ended September 30, 2019, compared to $712,358 for the three months ended September 30, 2018, an increase of $438,640 or approximately 62%. Our net income (loss) was $(1,004,169) for the three months ended September 30, 2019, compared to $(319,908) for the three months ended September 30, 2018, an increase of $684,261 or approximately 214%.

Revenues and Net Operating Loss

Our operations for the three months ended September 30, 2019 and 2018 were as follows:

	Three months September 30, 2019	Three months September 30, 2018
Sales	$ 267,619	217,139
Cost of sales	120,790	125,304
Gross profit	146,829	91,835
Operating expenses:		
Officers compensation	103,750	429,588
Professional and consulting fees	147,048	76,370
Royalties	25,243	21,074
Special promotion program with customer	-	-
Marketing and advertising	305,222	58,724
Occupancy costs	47,312	48,070
Travel and entertainment	92,400	34,683
Other	430,023	43,849
Total operating expenses	1,150,998	712,358
Income (loss) from operations	(1,004,169)	(620,523)
Total Other income (expense) - net	-	300,615
Net Income (loss)	(1,004,169)	(319,908)
Net loss (income) attributable to noncontrolling interests in subsidiaries and variable interest entity	35,846	12,494
Net income (loss) attributable to Iconic Brands, Inc.	$ (968,823)	(307,414)

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Sales

Our sales are comprised of sales of BiVi Sicilian Vodka, Bellissima Prosecco and Sparkling Wine, and the line of Hooters brand products introduced in August 2019. Sales were $267,619 for the three months ended September 30, 2019 and $217,139 for the three months ended September 30, 2018, an increase of $50,480 or approximately 23%. The increase in sales was a result of primarily due to the August 2019 introduction of Hooters brand products.

Cost of Sales

Cost of sales was $120,790, or approximately 45% of sales, for the three months ended September 30, 2019 and $125,304, or approximately 58% of sales, for the three months ended September 30, 2018. Cost of sales includes the cost of the products purchased from our suppliers, freight-in costs and import duties.

Officers Compensation

Officers compensation was $103,750 for the three months ended September 30, 2019 and $429,588 for the three months ended September 30, 2018, a decrease of $325,838. Officers compensation in 2018 includes a catch-up accrual of $207,500 relating to employment agreements executed April 1, 2018 with our two officers.

Professional and Consulting Fees

Professional and consulting fees were $147,048 for the three months ended September 30, 2019 and $76,370 for the three months ended September 30, 2018, an increase of $70,678. Professional and consulting fees consist primarily of legal and accounting and auditing services. The increase was a result of costs associated with getting our financial statements audited, filing a registration statement, and becoming a fully-reporting issuer.

Royalties

Royalties were $25,243, or approximately 9% of sales, for the three months ended September 30, 2019 and $21,074 for the three months ended September 30, 2018, an increase of $4,169. Royalties increased primarily due to increased sales in 2019.

Marketing and Advertising

Marketing and advertising expenses were $305,222 for the three months ended September 30, 2019 and $58,724 for the three months ended September 30, 2018, an increase of $246,498 or approximately 420%. The increase was a result of a one-time marketing fee of $250,000 incurred in August 2019 in connection with the Hooters sponsorship of a Nascar event.

Occupancy Costs

Occupancy costs were $47,312 for the three months ended September 30, 2019 and $48,070 for the three months ended September 30, 2018, a decrease of $758.

Travel and Entertainment

Travel and entertainment expenses were $92,400 for the three months ended September 30, 2019 and $34,683 for the three months ended September 30, 2018, an increase of $57,717 or approximately 166%. The increase was a result of travel related to new product development.

Other Operating Expenses

Other operating expenses were $430,023 for the three months ended September 30, 2019 and $43,849 for the three months ended September 30, 2018, an increase of $386,174 or approximately 881%. The increase was primarily related to increased investor relations expenses.

Income (Loss) from Operations

We had a (loss) from operations of ($1,004,169) for the nine months ended September 30, 2019 and ($620,523) for the nine months ended September 30, 2018, an increase of $383,646 or approximately 62%. Our loss from operations increased, as set forth above, primarily because certain operating expenses, marketing and advertising and other operating expenses, increased.

Other Income/Expense

Total other income was $0 for the nine months ended September 30, 2019 and $300,615 for the three months ended September 30, 2018. The decrease was primarily due to the absence in 2019 of any derivative liability income.

Our previously outstanding convertible notes contained variable conversion features based on the future trading price of our common stock. Therefore, the number of shares of common stock issuable upon conversion of the notes were indeterminate. Accordingly, we recorded the fair value of the embedded conversion features at December 31, 2017 and September 30, 2018 as a derivative liability. The fair value of the derivative liability dropped to zero at December 31, 2018 after we entered into Securities Exchange Agreements with the holders of all convertible debt. For further details, see Note 8 of our consolidated financial statements for the years ended December 31, 2018 and 2017.

Net Income (Loss)

We had a net (loss) of ($1,004,169) for the three months ended September 30, 2019 and ($319,908) for the three months ended September 30, 2018, an increase of $684,261 or approximately 214%. Our net loss increased, as set forth above, primarily because certain operating expenses, primarily marketing and advertising and other operating expenses, increased, and because of the decrease in our derivative liability income.

Net Loss attributable to Noncontrolling Interests in Subsidiaries and Variable Interest Entity

The net loss attributable to noncontrolling interests in subsidiaries and variable interest entity represents 49% of the net loss of Bellissima, BiVi and Green Grow (which we own 51%) and 100% of United Spirits (which we own 0%) and is accounted for as a reduction in the net loss attributable to the Company. This net loss was $35,846 for the three months ended September 30, 2019 and $12,494 for the three months ended September 30, 2018, an increase of $23,352.

Net Loss Attributable to Iconic Brands, Inc.

The net loss attributable to Iconic Brands, Inc. was ($968,323) for the three months ended September 30, 2019 and ($307,414) for the three months ended September 30, 2018, an increase of $660,909 or approximately 215%. The net loss from Iconic Brands increased primarily as a result of higher marketing and advertising expenses ($246,498), higher other operating expenses ($386,174), and lower other income ($300,615), offset partially by lower officers compensation ($335,838).

Results of Operations for the Nine months Ended September 30, 2019 and 2018

Introduction

We had sales of $534,826 for the nine months ended September 30, 2019 and $422,409 for the nine months ended September 30, 2018, an increase of $112,417 or approximately 27%. Our operating expenses were $3,029,831 for the nine months ended September 30, 2019, compared to $1,861,110 for the nine months ended September 30, 2018, an increase of $1,168,721 or approximately 63%. Our net loss was $2,766,036 for the nine months ended September 30, 2019, compared to $1,494,065 for the nine months ended September 30, 2018, an increase of $1,271,971 or approximately 85%.

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Revenues and Net Operating Loss

Our operations for the nine months ended September 30, 2019 and 2018 were as follows:

	Nine months September 30, 2019	Nine months September 30, 2018
Sales	$ 534,826	$ 422,409
Cost of sales	271,031	244,556
Gross profit	263,795	177,853
Operating expenses:		
Officers compensation	393,250	432,795
Professional and consulting fees	1,014,133	147,777
Royalties	178,710	(47,338)
Special promotion program with customer	-	597,138
Marketing and advertising	389,103	310,779
Occupancy costs	102,867	128,564
Travel and entertainment	236,114	143,984
Other	715,654	147,411
Total operating expenses	3,029,831	1,861,110
Income (loss) from operations	(2,766,036)	(1,683,257)
Total other income (expense) - net	-	189,192
Net Income (loss)	(2,766,036)	(1,494,065)
Net loss (income) attributable to noncontrolling interests in subsidiaries and variable interest entity	435,939	451,593
Net income (loss) attributable to Iconic Brands, Inc.	$ (2,330,097)	$ (1,042,472)

Sales

Our sales are comprised of sales of BiVi Sicilian Vodka, Bellissima Prosecco and Sparkling Wine and the line of Hooters products introduced in August 2019. Sales were $534,826 for the nine months ended September 30, 2019 and $422,409 for the nine months ended September 30, 2018, an increase of $112,417 or approximately 27%. The increase in sales was a result of higher Bellissima volume in 2019 and Hooters brand product sales commencing in August 2019.

Cost of Sales

Cost of sales was $271,031 , or approximately 51% of sales, for the nine months ended September 30, 2019 and $244,556, or approximately 58% of sales, for the nine months ended September 30, 2018. Cost of sales includes the cost of the products purchased from our suppliers, freight-in costs and import duties.

Officers Compensation

Officers compensation was $393,250 for the nine months ended September 30, 2019 and $432,795 for the nine months ended September 30, 2018, a decrease of $39,545.

Professional and Consulting Fees

Professional and consulting fees were $1,014,133 for the nine months ended September 30, 2019 and $147,777 for the nine months ended September 30, 2018, an increase of $866,356. Professional and consulting fees consist primarily of legal and accounting and auditing services. The increase was a result of costs associated with getting our financial statements audited, filing a registration statement, and becoming a fully-reporting issuer.

Royalties

Royalties were $178,710, or approximately 33% of sales, for the nine months ended September 30, 2019 and $(47,338) for the nine months ended September 30, 2018, an increase of $226,048. Royalties increased primarily due to the minimum royalty fees relating to the Hooters agreement signed July 23, 2018 and downward royalty adjustments in the three months ended September 30, 2018 as a result of Bellisima special promotion program expenses incurred in the three months ended March 31, 2018.

Special Promotion Program with Customer

For the nine months ended September 30, 2018, we incurred an expense of $597,138 in connection with a product promotion with a large customer. We did not have a similar expense for the nine months ended September 30, 2019, and do not expect to incur such an expense in the foreseeable future.

Marketing and Advertising

Marketing and advertising expenses were $389,103 for the nine months ended September 30, 2019 and $310,779 for the nine months ended September 30, 2018, an increase of $78,324 or approximately 25%. The increase was a result of the $250,000 one-time marketing fee incurred in August 2019 in connection with the Hooters sponsorship of a Nascar event, offset partially by lower other marketing in 2019.

Occupancy Costs

Occupancy costs were $102,867 for the nine months ended September 30, 2019 and $128,564 for the nine months ended September 30, 2018, a decrease of $25,697 or approximately 20%. The decrease was a result of lower warehouse rental costs.

Travel and Entertainment

Travel and entertainment expenses were $236,114 for the nine months ended September 30, 2019 and $143,984 for the nine months ended September 30, 2018, an increase of $92,130 or approximately 64%. The increase was a result of travel related to new product development.

Other Operating Expenses

Other operating expenses were $715,654 for the nine months ended September 30, 2019 and $147,411 for the nine months ended September 30, 2018, an increase of $568,243 or approximately 385%. The increase was a result of (i) increased investor relations expenses and (ii) higher salaries due to increased head count.

Income (Loss) from Operations

We had a (loss) from operations of ($2,766,036) for the nine months ended September 30, 2019 and ($1,683,257) for the nine months ended September 30, 2018, an increase of $1,082,779 or approximately 64%. Our loss from operations increased, as set forth above, primarily because certain operating expenses, primarily professional and consulting fees and other operating expenses, increased.

Other Income/Expense

Total other income was $0 for the nine months ended September 30, 2019 and $189,192 for the nine months ended September 30, 2018. The decrease was primarily due to reductions of our derivative liability income, offset by increases in interest and amortization costs associated with our convertible notes.

Our previously outstanding convertible notes contained variable conversion features based on the future trading price of our common stock. Therefore, the number of shares of common stock issuable upon conversion of the notes were indeterminate. Accordingly, we recorded the fair value of the embedded conversion features at December 31, 2017 and September 30, 2018 as a derivative liability. The fair value of the derivative liability dropped to zero at December 31, 2018 after we entered into Securities Exchange Agreements with the holders of all convertible debt. For further details, see Note 8 of our consolidated financial statements for the years ended December 31, 2018 and 2017.

Net Income (Loss)

We had a net loss of ($2,766,036) for the nine months ended September 30, 2019 and ($1,494,065) for the nine months ended September 30, 2018, an increase of $1,271,971 or approximately 85%. Our net loss increased, as set forth above, primarily because certain operating expenses, primarily professional and consulting fees and other operating expenses, increased, and because of the decrease in our derivative liability income.

Net Loss attributable to Noncontrolling Interests in Subsidiaries and Variable Interest Entity

The net loss attributable to noncontrolling interests in subsidiaries and variable interest entity represents 49% of the net loss of Bellissima, BiVi and Green Grow (which we own 51%) and 100% of United Spirits (which we own 0%) and is accounted for as a reduction in the net loss attributable to the Company. This net loss was $435,939 for the nine months ended September 30, 2019 and $451,593 for the nine months ended September 30, 2018, a decrease of $15,654.

Net Loss Attributable to Iconic Brands, Inc.

The net loss attributable to Iconic Brands, Inc. was ($2,330,097) for the nine months ended September 30, 2019 and ($1,042,472) for the nine months ended September 30, 2019, an increase of $1,287,625 or approximately 124%.

Liquidity and Capital Resources

Introduction

During the nine months ended September 30, 2019 and September 30, 2018, we had negative operating cash flows. Our cash on hand as of September 30, 2019 was $1,370,302, which was derived from the sale of Series F preferred stock and warrants. Our monthly cash flow burn rate for 2018 was approximately $146,000, and our monthly burn rate through the nine months ended September 30, 2019 was approximately $268,000. We have strong medium to long term cash needs. We anticipate that these needs will be satisfied through the issuance of debt or the sale of our securities until such time as our cash flows from operations will satisfy our cash flow needs.

Our cash, current assets, total assets, current liabilities, and total liabilities as of September 30, 2019 and December 31, 2018, respectively, were as follows:

	September 30, 2019	December 31, 2018	Change
Cash	$ 1,370,302	$ 191,463	$ 1,178,839
Total Current Assets	2,570,087	563,239	2,006,848
Total Assets	4,101,904	563,239	3,538,665
Total Current Liabilities	1,981,943	1,339,566	642,377
Total Liabilities	$ 1,999,488	$ 3,600,605	$ (1,601,117)

Our cash increased $1,178,839 and total current assets increased $2,006,848. Our total current liabilities increased $642,377 as our accounts payable and accrued expenses increased, reflecting our increase in professional and consulting fees. Our total liabilities decreased $1,601,117. Our stockholders' (deficiency) equity increased from ($3,037,366) to $2,102,416 due primarily to proceeds from the sale of preferred stock.

In order to repay our obligations in full or in part when due, we will be required to raise significant capital from other sources. There is no assurance, however, that we will be successful in these efforts.

Cash Requirements

Our cash on hand as of September 30, 2019 was $1,370,302. Based on our minimal sales and annualized monthly burn rate of approximately $268,000 per month, we will need to raise additional funding through strategic relationships, public or private equity or debt financings. If such funding is not available, or not available on terms acceptable to us, our current development plans may be curtailed.

We have funded our operations from proceeds from the sale of equity and debt securities. We will require significant additional capital to make the investments we need to execute our longer-term business plan. Our ability to successfully raise sufficient funds through the sale of debt or equity securities when needed is subject to many risks and uncertainties and, even if we are successful, future equity issuances would result in dilution to its existing stockholders and any future debt securities may contain covenants that limit our operations or ability to enter into certain transactions.

Sources and Uses of Cash

Operations

We had net cash used in operating activities for the nine months ended September 30, 2019 of $(2,408,872), compared to $(1,464,959) for the nine months ended September 30, 2018. For the nine months ended September 30, 2019, the net cash used in operating activities consisted primarily of our net loss of $(2,330,097) plus a net loss attributable to non-controlling interests in our subsidiaries of $(435,939) and inventories of increase ($460,878), offset primarily by stock-based compensation of $775,700 and accounts payable and accrued expenses increase of $359,473. For the nine months ended September 30, 2018, the net cash used in operating activities consisted primarily of our net loss of $(1,042,472) plus a net loss attributable to our subsidiaries of $(451,593), income from derivative liabilities of $(314,072) and inventories increase of ($218,042), offset partially by an increase in accounts payables and accrued expenses of $235,487.

Investments

Except for $15,000 leasehold improvements incurred in 2019, we had no investing activities for the nine months ended September 30, 2019 or September 30, 2018.

Financing

Our net cash provided by financing activities for the nine months ended September 30, 2019 was $3,602,711, compared to $362,107 for the nine months ended September 30, 2018, which consisted principally of proceeds from the sale of our Series F preferred stock and warrants.

July 2019 Financing

On July 18, 2019, we entered into a Securities Purchase Agreements (collectively, the "July 2019 Purchase Agreements") with the certain accredited investors pursuant to which we sold an aggregate of 3,125 shares of our series F convertible preferred stock (the "Series F Convertible Preferred Stock"), plus warrants (the "July 2019 Warrants") to acquire 5,000,000 million shares of our common stock for gross proceeds of $3,125,000, before deducting placement agent and other offering expenses. Each share of Series F Convertible Preferred Stock has a stated value of $1,000 per share (the "Stated Value"), and is convertible, at any time and from time to time at the option of the holder, into such number of shares of Common Stock (subject to certain limitations) determined by dividing the Stated Value by $0.625 (the "Conversion Price"), subject to adjustment.

The Warrants are exercisable for a period of five years from the date of issuance at an exercise price of $0.625 per share, subject to adjustment hereunder (the "Exercise Price"); provided, however, in the event that 90% of the lowest VWAP (as defined in the Warrant) during the three (3) Trading Days immediately following the Effective Date (as defined in the Warrant and such price, the "Reset Price") is less than the then Exercise Price, then the Exercise Price shall be reduced to equal the Reset Price; provided, further, if the initial Registration Statement is declared effective by the Commission prior to the Liquidity Date (as defined in the Warrant) and does not register all of the Registrable Securities (as defined in the Registration Rights Agreement) for resale by the Holders and in the event that 90% of the lowest VWAP during the three (3) Trading Days immediately following the Liquidity Date (the "Liquidity Market Price") is less than the then Exercise Price, then the Exercise Price shall be further reduced to equal to Liquidity Market Price. The Investors may exercise the Warrants on a cashless basis if the shares of common stock underlying the Warrants are not then registered pursuant to an effective registration statement.

The Conversion Price of the Series F Convertible Preferred Stock and the exercise price of the Warrants are subject to full ratchet anti-dilution adjustment for subsequent lower price issuances by the Company, as well as customary adjustments provisions for stock splits, stock dividends, recapitalizations and the like; provided, however, that in no event shall the Conversion Price or the Exercise Price be reduced to less than $0.25 (the "Floor Price"), subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of the July 2019 Purchase Agreement, provided if the Reset Price or Liquidity Market Price is less than the Floor Price, the Exercise Price shall equal the Floor Price. In addition, in the event that either the Effective Date or the Liquidity Date occurs, and thereafter for any reason the Holder is unable to sell any of the Registrable Securities (as defined in the Registration Rights Agreement) (assuming cashless exercise of the Warrants) pursuant to a registration statement or exemption from registration under the Securities Act for at least 30 consecutive Trading Days without limitation, then additional resets shall occur under the Warrant following each resumption of the investor's ability to resell the Registrable Securities (each, a "Resumption Date") until such time that a 30 consecutive Trading Day period is maintained and the Exercise Price shall be adjusted to equal the lesser of (i) the then effective Exercise Price and (ii) the greater of (A) 90% of the lowest VWAP during the three (3) Trading Days immediately following the applicable Resumption Date and (B) the Floor Price.

Each of the Selling Stockholders have contractually agreed to restrict their ability to exercise the Warrants and convert the Series F Convertible Preferred Stock such that the number of shares of the Company common stock held by each of them and their affiliates after such conversion or exercise does not exceed 4.99% or 9.99% (at the election of the Investor) of the Company's then issued and outstanding shares of common stock. As a result, as of the date of this Prospectus, a Selling Stockholder cannot own more than approximately 616,458 shares after giving effect to any issuance to the Selling Stockholder. If our total number of outstanding shares of common stock increases, or if the Selling Stockholder subsequently disposes of shares acquired from us in the open market, then we would be able to sell more shares to the Selling Stockholder before reaching the 4.99% threshold.

The July 2019 Purchase Agreements also provide that until the 18 month anniversary of the Effective Date (as defined in the July 2019 Purchase Agreements), in the event of a subsequent financing (except for certain exempt issuances as provided in the July 2019 Purchase Agreements) by the Company, each Investor that invested over $200,000 pursuant to the July 2019 Purchase Agreements will have the right to participate in such subsequent financing up to an amount equal to the Investor's proportionate share of the subsequent financing based on such Investor's participation in this private placement on the same terms, conditions and price provided for in the subsequent financing. The July 2019 Purchase Agreements also provide that for as long as the Series F Convertible Preferred Stock or Warrants are outstanding, if the Company effects a subsequent financing, an Investor may elect, in its sole discretion, to exchange all or a portion of the Series F Convertible Preferred Stock then held by such Investor for any securities issued in a subsequent financing on a $1.00 for $1.00 basis, provided such subsequent financing is not a firm commitment underwritten offering.

From the date of the July 2019 Purchase Agreements until the date that is the earlier of (i) six (6) months following the Effective Date (as defined in the July 2019 Purchase Agreements) and (ii) the date that the VWAP for 10 consecutive Trading Days following the Effective Date is greater than $1.25, subject to adjustment, the Company shall issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of common stock or Common Stock Equivalents (as defined in the July 2019 Purchase Agreements).

We also entered into separate Registration Rights Agreements with the investors, pursuant to which the Company agreed to undertake to file a registration statement to register the resale of the shares underlying the Series F Convertible Preferred Stock and Warrants within thirty (30) days following the closing date (the "Filing Date"), to cause such registration statement to be declared effective within 60 days following the earlier of (i) the date that the registration statement is filed with the Securities and Exchange Commission and (ii) the Filing Date, and to maintain the effectiveness of the registration statement until all of such shares of Common Stock have been sold or are otherwise able to be sold pursuant to Rule 144 under the Securities Act, without any restrictions. If we fail to file the registration statement or have it declared effective by the dates set forth above, among other things, the Company is obligated to pay the investors liquidated damages in the amount of 1% of their subscription amount, per month, until such events are satisfied.

Exchange of Series E Preferred Stock; Securities Exchange Agreements

Concurrently with the closing of the financing transaction described above, we entered into Securities Exchange Agreements with certain holders of our Series E Convertible Preferred Stock to exchange their Series E Convertible Preferred Stock for an aggregate of 681.25 shares of our Series F Convertible Preferred Stock.

Off-Balance Sheet Arrangements; Commitments and Contractual Obligations

As of September 30, 2019, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K and did not have any commitments or contractual obligations.

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ITEM 3 Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 4 Controls and Procedures

(a) Disclosure Controls and Procedures

We conducted an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of September 30, 2019, to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities Exchange Commission's rules and forms, including to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of September 30, 2019, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses identified and described in our Annual Report on Internal Control Over Financial Reporting filed in our Annual Report on Form 10-K.

Our principal executive officers do not expect that our disclosure controls or internal controls will prevent all errors and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our principal executive officers are determined to make our disclosure controls and procedures effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

(b) Changes in Internal Control over Financial Reporting

No change in our system of internal control over financial reporting occurred during the period covered by this report, the three month period ended September 30, 2019, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1 Legal Proceedings

From time to time, we may be subject to litigation and claims arising in the ordinary course of business. We are not currently a party to any material legal proceedings and we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition.

ITEM 1A Risk Factors

The Company is not required to provide the information required by this Item as it is a “smaller reporting company,” as defined in Rule 229.10(f)(1).

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

Except as set forth below or previously reported on a Current Report on Form 8-K, we had no unregistered sales of equity securities during the three month period ended September 30, 2019.

On September 13, 2019, the Company issued an aggregate of 781,250 shares of common stock to a FINRA-registered broker-dealer and certain individuals associated with the broker-dealer for services related to the July 2019 Offering of Series F Convertible Preferred Stock.

On September 27, 2019 a stockholder converted 50 shares of Series F Preferred Stock into 80,000 shares of common stock.

All of the issuances were exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, there was no solicitation, and the investors were accredited or sophisticated.

ITEM 3 Defaults Upon Senior Securities

None.

ITEM 4 Mine Safety Disclosures

Not applicable.

ITEM 5 Other Information

None.

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ITEM 6 Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibits
3.1(1)	Articles of Incorporation of Iconic Brands, Inc.
3.2(1)	Bylaws of Iconic Brands, Inc., as amended
3.3(2)	Certificate of Designation of Series A Convertible Preferred Stock
3.4(2)	Certificate of Designation of Series B Convertible Preferred Stock
3.5(2)	Certificate of Designation of Series C Convertible Preferred Stock
3.6(2)	Certificate of Designation of Series D Convertible Preferred Stock
3.7(2)	Certificate of Designation of Series E Convertible Preferred Stock
10.1	Marketing and Distribution Agreement by and between the Company and United Spirits, Inc., dated April 1, 2019.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Labels Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

(1) Incorporated by reference to Form SB-2 filed on November 30, 2007.
(2) Incorporated by reference to our Registration Statement on Form S-1 filed on September 19, 2018 (File No. 333-227420).

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SIGNATURES

Pursuant to the requirements 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.

Iconic Brands, Inc.

Dated: November 19, 2019

By: */s/ Richard J. DeCicco*
Richard J. DeCicco
Its: Chief Executive Officer

MARKETING AND DISTRIBUTION AGREEMENT

by and between

ICONIC BRANDS, INC.

and

UNITED SPIRITS, INC.

This marketing and distribution agreement (this "Agreement"), dated as of April 1, 2019 (the "Effective Date") is between Iconic Brands, Inc., a Nevada corporation ("Iconic") and United Spirits, Inc., a New York corporation ("United") for the distribution of alcoholic products described herein. Iconic and United are each a "Party" and collectively, the "Parties".

WHEREAS, HI Limited Partnership ("Hooters") owns or controls certain trademarks for the "Hooters" restaurant and products, including USPTO Trade Marks associated with the serial numbers 88062395, 88023053, 87681938, 87681891, 85961933, 85869984 (collectively, the "Hooters Marks"); and

WHEREAS, United holds a license (the "Hooters License") from HI Limited Partnership to market and sell certain alcoholic products utilizing the Hooters Marks (the "Products") in a territory which includes the United States, Europe and Asia as set forth in the Hooters License (the "Territory"); and

WHEREAS, Iconic is a publicly traded, national company with experience in the marketing and distribution of alcoholic and non-alcoholic beverages; and

WHEREAS, the Parties wish to enter into this Agreement for Iconic to market and assist in the distribution of the Products.

HOW, THEREFORE, for the mutual promises and covenants contained herein and other valuable consideration, the sufficiency of which is expressly acknowledged, the Parties agree as follows:

A. TERM

1. The term of this Agreement (the "Term") shall be for a period of five years beginning from the Effective date, unless extended or terminated pursuant to the terms set forth herein.

2. The Term may be extended by up to five years by Iconic upon written notice to United, so long as Iconic is not in breach of this Agreement.

3. This Agreement shall terminate upon the occurrence of any of the following:

a. Termination of the Hooters License;

b. A Party is in breach of any term of the Agreement and has failed to cure such breach upon 30 day's prior written notice from the non-breaching Party; or

c. A Party becomes insolvent, a receiver is appointed over its assets or it is the subject of a bankruptcy or similar insolvency proceeding.

B. MARKETING AND DISTRIBUTION

4. United grants Iconic the exclusive right to market and distribute Product in the Territory on its behalf.

5. Iconic shall use its best efforts to market the Products for sale to (a) "Hooters" branded restaurants; (b) liquor distributors; and (c) off-premise, retail establishments (with all sales being made through distributors licensed to conduct business in the state of such sale).

6. Iconic shall insure all Product merchandising and sales shall conform with Hooters License.

7. United shall act as the licensed wholesaler for the Product.

8. Iconic does not acquire any ownership rights to the Hooters Trademarks or the Hooters License under this Agreement other than the marketing and distribution rights set forth herein.

9. Iconic shall comply with all reasonable instructions from United as to requirements for the use, protection and maintenance of the Hooters Trademarks. Iconic shall do nothing, and shall not permit any action, that will diminish or adversely affect Hooters interests in the Hooters Trademarks or United's rights under the Hooters License.

C. INVOICING AND COMPENSATION

10. United shall receive one dollar ($1.00) per case of Product sold to any wholesaler for retail distribution.

11. Iconic shall be responsible for invoicing and collecting payments on all sales.

12. Iconic shall be responsible for all expenses relating to the product, including payment of royalties due under the Hooters License pursuant to its terms.

D. OWNERSHIP OF PRODUCT

13. All product purchased from its manufacturer shall remain the property of United until title transfers to the distributor or other purchaser or recipient (as may be allowed by law). Iconic shall never hold title to or take possession of any Product.

E. COMPLIANCE WITH LAWS

14. During the term of this Agreement, United shall obtain and maintain in good standing, or otherwise have valid access to, all state and federal licenses required for the performance of this Agreement, including all licenses for the importation of the Product into the Territory.

15. During the term of this Agreement, Iconic shall comply with all federal and state laws with respect to the marketing and distribution of the Product.

F. GOVERNING LAW

16. This Agreement shall be construed under the laws of the State of New York without giving effect to the principals of conflicts of laws that would require the substantive or procedural law of any other jurisdiction.

17. The Parties hereby consent to the exclusive personal jurisdiction and venue of the state and federal courts located in the Eastern District of New York.

G. NOTICE

18. Notices shall be sent to the following addresses:

If to Iconic:

Iconic Brands, Inc.
44 Seabro Avenue
Amityville New York 11701
Attn: Richard DeCicco
Richard,decicco@gmail.com

If to United:

United Spirits, Inc.
44 Seabro Avenue
Amityville New York 11701
Attn: Richard DeCicco
Richard,decicco@gmail.com

19. All notices given under this Agreement shall be effective three business days after being mailed, the following business day when sent via overnight courier or the business day when sent via electronic mail.

20. Either Party may change its notice address upon written notice to the other Party.

H. SAVINGS CLAUSE

21. If any term or provision of this Agreement is determined to be invalid or unenforceable, such term or provision shall be modified so as to enforceable in a manner that effectuates the intent of the Parties.

I. NON-TRANSFERABILITY; BINDING EFFECT

22. This Agreement may not be transferred by either Party without the written consent of the other.

23. This Agreement shall be binding upon and inure to the benefit of the Parties, their successors and permitted assigns.

J. ENTIRE AGREEMENT; COUNTERPARTS

24. This Agreement embodies all of the understandings and material terms for the agreement between the Parties with respect to the transaction contemplated hereby.

25. This Agreement supersedes all prior discussions, negotiations and agreements between the Parties concerning the subject matter of the Agreement.

26. This Agreement may only be amended by a writing executed by both parties.

27. This Agreement may be executed in multiple counterparts and transmitted electronically, with all parts, taken together, constituting one agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, with the intent of being bound by its terms, the Parties have caused their authorized agents to execute this Agreement as of the date first written above.

United Spirits, Inc.

By: /s/ Richard DeCicco
Richard DeCicco
President

Iconic Brands, Inc.

By: /s/ Richard DeCicco
Richard DeCicco
President

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer

I, Richard J. DeCicco, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Iconic Brands, 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 Exhibit 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.

Dated: November 19, 2019

By: */s/ Richard J. DeCicco*
Richard J. DeCicco
Chief Executive Officer

EXHIBIT 31.2

Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer

I, Richard J. DeCicco, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Iconic Brands, 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 Exhibit 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**.**

Dated: November 19, 2019

By: */s/ Richard J. DeCicco*
Richard J. DeCicco
Principal Financial and Accounting Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 USC, SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Iconic Brands, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Richard J. DeCicco, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: November 19, 2019

By: */s/ Richard J. DeCicco*
Richard J. DeCicco
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Iconic Brands, Inc., and will be retained by Iconic Brands, Inc., and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 USC, SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Iconic Brands, Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission on or about the date hereof (the “Report”), I, Richard J. DeCicco, Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: November 19, 2019

By: */s/ Richard J. DeCicco*
Richard J. DeCicco
Principal Financial and Accounting Officer

A signed original of this written statement required by Section 906 has been provided to Iconic Brands, Inc., and will be retained by Iconic Brands, Inc., and furnished to the Securities and Exchange Commission or its staff upon request.