

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address

Thoughtful Brands Inc. (the “**Company**”)
Suite 800 - 1199 West Hastings Street
Vancouver, British Columbia V6E 3T5

Item 2 Date of Material Change

March 11, 2021

Item 3 News Release

The Company issued a news release on March 11, 2021 relating to the material change, which was disseminated through Accesswire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Company announced that it has issued 3,460,636 common shares as repayment to settle a USD\$150,000 debt to Juan Patricio Villalba Gomez at a deemed price of CAD\$0.055 per share. Mr. Villalba Gomez has agreed to accept common shares using the Bank of Canada closing rate on February 10, 2021 of CAD\$1.2689. All common shares of the Company issued to Mr. Villalba Gomez will be subject to a thirty-six month time release escrow following the NP 46-201 release schedule, such that 10% are released on closing with the remaining shares released in 15% increments every six months.

Item 5 Full Description of Material Change

See attached news release.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable. This report is not being filed on a confidential basis.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report:

Ryan Hoggan, Chief Executive Officer

Telephone: (604) 423-4733

Item 9 Date of Report

March 15, 2021



CSE: TBI
FWB: 1WZ1
OTCQB: PEMTF

Thoughtful Brands Bolsters Sales Channels in North America and Europe

Franchise Cannabis Joint Venture in Europe Remains in Place

VANCOUVER, BRITISH COLUMBIA, CANADA (March 11, 2021) – **Thoughtful Brands, Inc.** (CSE:**TBI** FWB: **1WZ1**; OTCQB: **PEMTF**) (the “**Company**” or “**Thoughtful Brands**”), an eCommerce technology company that researches, develops, markets, and distributes natural health products through various brands in North America and Europe, has cancelled the acquisition of Franchise Cannabis Corp. (“**FCC**”), previously announced in January. The move allows the existing joint venture with FCC to remain in place, ultimately providing stronger sales and operations networks in North America, and throughout Europe.

The positive changes in the market during Q1 2021 within the cannabis and CBD sectors were key factors in the decision by management to not move ahead with the FCC acquisition. Over the past two quarters, the Company has focused on increasing profitability through improved customer retention rates, contributing to higher net margins as customer acquisition costs were front end loaded and initial margins were typically lowered. Economies of scale are a key lever when it comes to customer acquisition, end-to-end product supply chain management, and timely delivery.

The Company has commenced integration of the production of distillate and isolate produced by its subsidiary, American CBD Extraction. New superior quality CBD products have been formulated and are planned to be introduced to the market in Q2 of 2021. In addition to the new product lines, the Company plans to establish a supply chain for its wholesale hemp biomass throughout the United States and Europe, which will increase topline revenues and contribute to overall net margins.

The Company has also initiated sales in Europe, implementing its proprietary test-marketing program that is currently identifying demand for specific natural health products with the highest net margins. The joint venture with FCC will continue and allow the Company to tailor products to European consumer demands. With a focus on the United Kingdom and Germany, FCC will assist with local licensing, regulatory and supply chain.

“Franchise has a well-established European medical cannabis, genetics and distribution business. Though we are not proceeding with an acquisition, our ongoing, strong relationship with the management team at Franchise will enable us to fulfill our expansion goals in Europe, allowing both of our businesses to flourish. We look forward to a successful joint venture in Germany and the UK with our CBD eCommerce business,” said Ryan Hoggan, CEO of the Company. “This decision also allows us to spend time pursuing our initiatives with American CBD Extraction and other product extensions in the natural health and beauty sectors for the North American market.”

In addition to the above, the Company announces that it has issued 3,460,636 common shares as repayment to settle a USD\$150,000 debt to Juan Patricio Villalba Gomez at a deemed price of CAD\$0.055 per share. Mr. Villalba Gomez has agreed to accept common shares using the Bank of Canada closing rate on February 10, 2021 of CAD\$1.2689. All common shares of the Company issued to Mr. Villalba Gomez will be subject to a thirty-six month time release escrow following the NP 46-201 release schedule, such that 10% are released on closing with the remaining shares released in 15% increments every six months.

About Thoughtful Brands Inc.

Thoughtful Brands Inc. is an eCommerce technology company that researches, develops, markets and distributes natural health products through various brands in North America and Europe.

ON BEHALF OF THE BOARD OF DIRECTORS

THOUGHTFUL BRANDS INC.

Ryan Hoggan
Chief Executive Officer

For further information, readers are encouraged to contact Joel Shacker, President at +604.423.4733 or by email at info@thoughtful-brands.com

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this press release, which has been prepared by management.

Cautionary Note Regarding Forward-Looking Statement

All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to the Company within the meaning of applicable securities laws, including with respect to its plans to increase operations in both Europe and North America with the goal of establishing an international distribution network utilizing its eCommerce technology platform. The Company provides forward-looking statements for the purpose of conveying information about current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. These risks and uncertainties include but are not limited to those identified and reported in the Company's public filings under the Company's SEDAR profile at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.