

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: **Thoughtful Brands Inc.** (the “Issuer”).

Trading Symbol: **TBI**

Number of Outstanding Listed Securities: **389,274,701 common shares were issued and outstanding as of March 31, 2021.**

Date: **April, 2021 (for the month of March 2021)**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are “material information” as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered, nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer continued to focus on its core business of developing and selling CBD products online in the United States and Europe. The Issuer has cancelled the acquisition of Franchise Cannabis Corp. ("FCC"), previously announced in January.

On March 11, 2021, the Issuer announced that it 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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.

In addition the Issuer 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 Issuer 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.

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**On March 8, 2021, the Issuer announced that the letter of intent with Franchise Cannabis Corp. (“FCC”), previously announced in January, has been terminated. The previously announced European joint venture with FCC will continue and allow the Issuer to launch and tailor its products to European consumer demands. In connection with termination of the merger transaction with FCC, the Issuer has agreed to pay FCC \$100,000 in cash and to issue FCC 5,000,000 common shares of the Issuer at a deemed value of \$0.05 per share. The common shares will be subject to a four-month-and-oneday statutory hold period in accordance with applicable securities laws. Following termination of the transaction, the Issuer intends to apply to the Canadian Securities Exchange for the reinstatement of trading in its common shares under the existing ticker symbol “TBI”.**

2. Provide a general overview and discussion of the activities of management.

**During the month-ended March 2021, the Issuer’s principal activities consisted of general administrative and business management.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**The Issuer did not launch any new products or services in March.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned. **None.**
5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**None**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced. **See item 1 above for termination of any contracts or agreements.**
7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or

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the disposition was to a Related Person of the Issuer and provide details of the relationship. **None.**

Describe the acquisition of new customers or loss of customers. **New customers are consistently acquired through Nature's Exclusive's e-commerce platform.**

8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks. **None.**
9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **None.**
10. Report on any labour disputes and resolutions of those disputes if applicable. **None.**
11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None.**

Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness. **None.**

12. Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Common Shares	246,545	Shares for services	N/A
Common Shares	5,000,000	Termination Fee paid to FCC.	N/A
Common Shares	3,460,636	Shares for Debt Settlement	N/A

13. Provide details of any loans to or by Related Persons. **None.**
14. Provide details of any changes in directors, officers, or committee members.  
**None.**
15. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

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**The most significant trends identified by management as likely to impact the Issuer are: (i) the impact of the 2019 novel coronavirus (“COVID-19”), including restrictions such as quarantines, border closures and travel restrictions, business disruptions and related financial impact, the impact on the broader global economy and capital markets, risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, as well as the ability to raise capital to further develop its business; (ii) the changing legal and regulatory environment in the United States with respect to the cultivation of marijuana and hemp, as well as the production and sale of marijuana and hemp and products derived therefrom, particularly in light of the 2020 Presidential election; and (iii) the uncertainty regarding the administration of the Agriculture Improvement Act of 2018 (the “2018 Farm Bill”) as it relates to CBD products sold by the Issuer in the United States.**

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## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated April 7, 2021.

Joel Shacker  
Name of Director or Senior Officer

(signed) Joel Shacker  
Signature

President and Director  
Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer			YY/MM/DD
Thoughtful Brands Inc.		March, 2021	21/04/07
Issuer Address			
Suite 800 – 1199 W Hastings Street,			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver BC V6E 3T5		( )	+1.604.423.4733
Contact Name		Contact Position	Contact Telephone No.
Joel Shacker		President & Director	+1.604.423.4733
Contact Email Address		Web Site Address	
<a href="mailto:IR@thoughtful-brands.com">IR@thoughtful-brands.com</a>		www.thoughtful-brands.com	

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