

Thoughtful Brands Launches Ecommerce Tech LLC

Newly formed subsidiary follows software acquisition; will grow and manage eCommerce operations for Thoughtful Brands

VANCOUVER, BRITISH COLUMBIA, CANADA (August 28, 2020) – **Thoughtful Brands Inc.** (CSE:**TBI** FWB: **1WZ1**; OTCQB: **PEMTF**) (the “**Company**” or “**Thoughtful Brands**”), a global natural health products and eCommerce technology company, is proud to announce the launch of Ecommerce Tech LLC (“**Ecommerce Tech**”), a new wholly-owned subsidiary of the Company in the United States. Going forward, Ecommerce Tech will serve as the comprehensive operational engine for all Thoughtful Brands eCommerce ventures, which include nutraceutical and hemp-based CBD brands available in North America and Europe.

Ecommerce Tech acquired the rights to a bespoke software platform (the “**Software**”) from Offer Space LLC on August 21, 2020. The acquisition of the Software, which has facilitated more than Cdn\$350 million in consumer transactions, paves the way for Thoughtful Brands to capture previously unrealized value from the products it launches in the online natural health market. The Software acquisition is also expected to allow the Company to launch new products in the emerging natural health markets worldwide more efficiently than before. In addition to providing immediate value to existing brands such as the CBD lines [Nature's Exclusive](#) and [Sativida](#), the newly acquired e-Commerce platform has the potential to lower operating costs and increase profitability across the Company’s natural health product brands. Customer acquisition and customer service are also expected to receive major boosts, with Ecommerce Tech also being able to leverage current customers to cross-sell additional items.

“The formation of Ecommerce Tech LLC along with its ownership and implementation of the Software platform is a significant milestone in executing our long-term strategy to expand the Thoughtful Brands footprint in the global natural health products market,” said Thoughtful Brands CEO Ryan Hoggan. “Now that the digital platform, integral technology and our top brands are all under our umbrella, Ecommerce Tech LLC is poised to be a powerful supporter of our existing brands, set the stage for new strategic acquisitions and spur future ventures with third party clients.”

Thoughtful Brands recently announced that it expanded its portfolio in the nutraceutical and hemp-based CBD product space through the August 2020 acquisitions of Golden Path LLC and Wild Mariposa LLC, two direct-to-consumer eCommerce brands offering natural health products throughout the U.S. The new technology will be applied to these brands, as well as to future clients as the Company further executes its natural products health strategy.

Software Acquisition Update

Ecommerce Operations, LLC has agreed to manage and operate the Software and is entitled to certain bonus payments (each a “**Bonus Payment**” and together, the “**Bonus Payments**”) based on the revenue and profitability of Ecommerce Tech LLC over the next three years. The following Bonus Payments will be payable:

- US\$4,666,667 if the gross revenue derived from Ecommerce Tech LLC exceeds US\$5 million during the 12-months ended August 31, 2021;



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- US\$4,666,667 if the gross revenue derived from Ecommerce Tech LLC exceeds US\$10 million during the 12-months ended August 31, 2022; or
- US\$4,666,667 if the gross revenue derived from Ecommerce Tech LLC exceeds US\$15 million during the 12-months ended August 31, 2023.

Each Bonus Payment will be payable in Common Shares based on the volume-weighted average closing price of the Common Shares on the Canadian Securities Exchange in the ten trading days prior to the date which Ecommerce Operations, LLC requests the Bonus Payment be made. The Common Shares issued in connection with the Bonus Payments will be subject to a four-month and one day statutory hold period from their date of issuance.

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. Through continuous strategic acquisitions, the Company has a strong footprint in the CBD market, as well as the burgeoning psychedelic medicine sector. Thoughtful Brands owns and operates a 110,000 square foot pharmaceutical manufacturing facility in Radebeul, Germany, where its highly skilled team conducts clinical studies utilizing naturally occurring psilocybin and other compounds found in psychedelics for the treatment of opiate addiction, while planning for future opportunities to create proprietary psilocybin products.

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 the ability of the Software to allow the Company to capture previously unrealized value from the products it launches in the online natural health market; the ability of the Software acquisition to allow the Company to launch new products in the emerging natural health markets worldwide more efficiently than before; the ability of the Software to provide immediate value to existing brands such as the CBD lines Nature's Exclusive and Sativida; the potential of the Software to lower operating costs and increase profitability across the Company's natural health product brands; the ability for the Software to boost customer acquisition and customer service; the ability of Ecommerce Tech to leverage current customers to cross-sell additional items; the formation of Ecommerce Tech LLC along with its ownership and implementation of the Software



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platform being a significant milestone in executing the Company's long-term strategy to expand the Thoughtful Brands footprint in the global natural health products market; and having the digital platform, integral technology and the Company's top brands under our umbrella leading to Ecommerce Tech being poised to be a powerful supporter of the Company's existing brands, set the stage for new strategic acquisitions and spur future ventures with third party clients. 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 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.