

July 22, 2021



ToughBuilt Industries Inc. Issues Shareholder Letter

Lake Forest, Calif, July 22, 2021 (GLOBE NEWSWIRE) -- ToughBuilt Industries, Inc. ("ToughBuilt" or the "Company") (NASDAQ: TBLT; TBLTW), today issued the following letter to shareholders:

Dear Fellow ToughBuilt Shareholders:

Since ToughBuilt Industries' initial public offering (IPO) in 2018, the Company has experienced significant growth fueled by the rapid expansion of our customer base and product offerings around the world. Thanks to our team's hard work and dedication, which continued unabated through the global COVID-19 pandemic, we have successfully secured some of the world's largest retailers as ToughBuilt customers, established a global manufacturing and distribution network and built an exciting pipeline of next-generation solutions. As a result of our large retailer base and constant innovation, end users - professional and serious DIY builders - have come to rely on ToughBuilt tools and gear to deliver the industry's most advanced designs and technology, grounded in functionality, durability and versatility. The foundation of our business is based on our ability to deliver true innovation in an industry that tends to measure its success by incremental improvements. Our goal is to usher in a new generation of technology-enabled solutions that will give end users never-before-seen versatility, speed and reliability.

CAPITAL MARKETS

In February and March 2021, we raised approximately \$22.8 million through our at-the-market (ATM) program. On July 14, 2021, we closed on a \$40 million direct registered offering to take advantage of favorable market conditions and to remain operationally competitive through a difficult supply chain period. The direct registered offering included warrants to purchase up to approximately 23 million shares of common stock. We intend to use the net proceeds from the offering for working capital purposes.

OUTLOOK

We remain extremely optimistic about the future for ToughBuilt. Over the past few years, we have laid the groundwork for our innovative solutions to come to life and scale around the globe. To sustain our growth and momentum, and to maximize the value from each of our new product releases, we have adopted several operational pillars believed to be crucial to our success:

1. **Earn the trust of our retailer partners.** The fastest way for our products to get into the hands of users is to leverage the vast distribution networks of our large customers around the world, which currently spans over 10,000 stores globally. To maintain these strong relationships, we have to consistently meet their demands and continue to

collaborate to bring differentiated products and solutions to their shelves.

2. **Continuous innovation.** In order to capitalize on our strong partnerships, we need to continuously innovate and introduce exciting new products. As we expand our relationships into new regions, and ultimately gain additional shelf space, each new product release will become increasingly more impactful.
3. **Increase our capabilities.** We have grown fast and continue to grow. To support our growth, we will continue to add talented designers and engineers, and expand our manufacturing and distribution network.

ToughBuilt plans to introduce three to four new product lines before the end of fiscal 2021, each of which will incorporate ToughBuilt qualities of durability, functionality and versatility. Furthermore, we intend to capitalize on the tremendous traction we've gained in Europe and Latin America, with the expectation that we can gain additional market share in 2021 and beyond by establishing new relationships with large home improvement retailers in these geographies. We are confident there is a significant opportunity to disrupt international markets, while continuing to strengthen our brand in the US and Canada.

Beyond 2021, our goal is to deliver next generation technology-enabled equipment and gear for professional and DIY builders. Our pipeline of products in the coming years is expected to leverage technology that saves builders time and money throughout each step of a project. Customers will be able to count on the same level of durability and functionality synonymous with the ToughBuilt brand, as they hold the future of home improvement in their fingertips. In addition to the advances in our pipeline of cutting-edge products, we expect to continue increasing our brand awareness and network in order to successfully roll out our disruptive technology.

Although we are excited to start delivering technology-enabled products to our customers, we want to establish a strong foundation in the industry to bring our vision to light in a significant way. A strong foundation to us means a widespread user base that relies on ToughBuilt products to support a variety of applications, a vast network of distribution and buy-in of our design ideas from retailers around the globe. Our goal is to spend the remainder of 2021 strengthening our foundation and to introduce technology-enabled tools in the coming years, powered by ToughBuilt mobile applications. As we establish our suite of technology-enabled products, we plan to introduce complementary technology and gear that increase the capabilities of our users.

We've entered the second half of 2021 with exciting growth and opportunities ahead. I look forward to your continued support on this journey!

Very truly yours,

Michael Panosian
CEO and Chairman of the Board

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Source: Toughbuilt Industries, Inc