



CHARLOTTE'S WEBTM

STANLEY BROTHERS

CRAFTED IN NATURE. PERFECTED BY SCIENCE. TRUSTED BY FAMILIES.

Q2 2019

CNSX: CWEB | OTCQX: CWBHF

Forward-Looking Information

Certain statements contained in this presentation constitute forward-looking statements and forward-looking information (collectively, “forward-looking statements”). Such forward-looking statements relate to possible events, conditions or financial performance of the Company based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “will likely result”, “are expected to”, “will continue”, “is anticipated”, “believes”, “estimated”, “intends”, “plans”, “projection”, “outlook” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this presentation should not be unduly relied upon by investors. The forward-looking statements speak only as of the date of this presentation and are expressly qualified, in their entirety, by this cautionary statement.

In addition, the Company’s assessment of, and targets for, sales of hemp-derived CBD products, expansion of retail locations through which the Company’s products may be sold, expansion of the Company’s distribution channels, including overseas distribution, development of improvements to the Company’s products and related bioavailability technology, the isolation of additional cannabinoid products, annual revenue, and Adjusted EBITDA, are considered forward-looking statements.

The forward-looking statements and other forward-looking information are based on management’s opinions, estimates and assumptions in light of our experience and perception of historical trends, current trends, current conditions and expected future developments, as well as other factors that management currently believes appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking statements, there can be no assurance that the underlying opinions, estimates, and assumptions will prove to be correct. For further details on the forward-looking statements included in this presentation, see “Forward-Looking Statements” and “Forward-Looking Statements relating to Growth Strategy.”

All of the forward-looking information contained in this presentation is expressly qualified by the foregoing cautionary statements. Investors should read the the Company’s public filings and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in any securities of the Company.

Non-IFRS Measures and Industry Metrics

This presentation makes reference to certain non-IFRS measures including key performance indicators used by management. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. The Company uses non-IFRS measures including “EBITDA” and “Adjusted EBITDA” which may be calculated differently by other companies. These non-IFRS measures and metrics are used to provide investors with supplemental measures of the Company’s operating performance and liquidity and thus highlight trends in its business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies in similar industries. Management also uses non-IFRS measures and metrics, in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of executive compensation. Prospective investors should review the section entitled “Management’s Discussion and Analysis” in the Company’s public filings for a discussion of the use of “EBITDA” and “Adjusted EBITDA” and reconciliations thereof to the most directly comparable IFRS measures.

A person wearing blue jeans and brown work boots is standing on a mound of dirt. The image is overlaid with a semi-transparent dark band containing three text elements. The background shows a clear blue sky and some sparse vegetation.

**BRAND
POWER**

**PRODUCT
QUALITY**

**FINANCIAL
STRENGTH**



CHARLOTTE IS OUR INSPIRATION

In August 2013, CNN aired a documentary featuring Charlotte Figi, whose well-being had significantly improved after the use of the Stanley brothers' customized extract

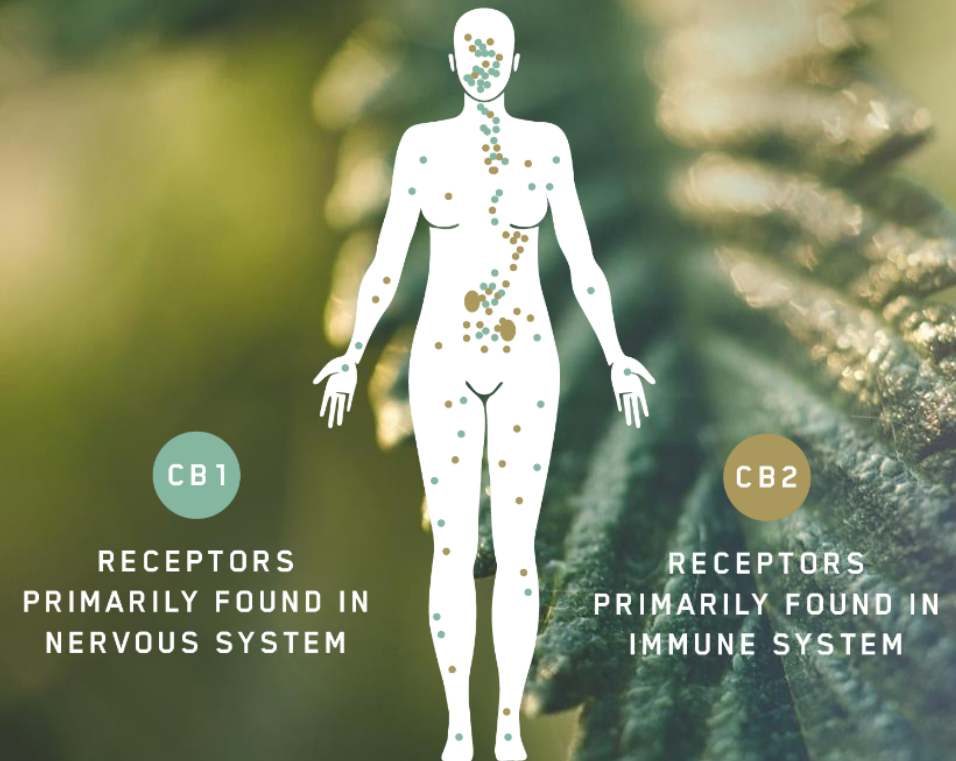


WHY HEMP WORKS

THE ENDOCANNABINOID SYSTEM (ECS)

A physiological system in the body made of a vast and vital receptor network **responsible for supporting and maintaining good health**, even when faced with external changes.

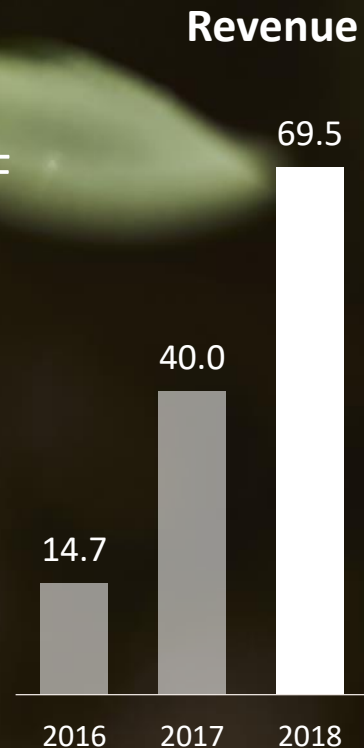
CBD and the **80+ phytocannabinoids** in Charlotte's Web stimulate these receptors and support the function of the ECS. These receptors are located throughout the body.



CHARLOTTE'S WEB IS THE #1 BRAND IN THE HEMP-DERIVED CBD MARKET¹

OUTPACING THE INDUSTRY WITH REVENUE GROWTH OF

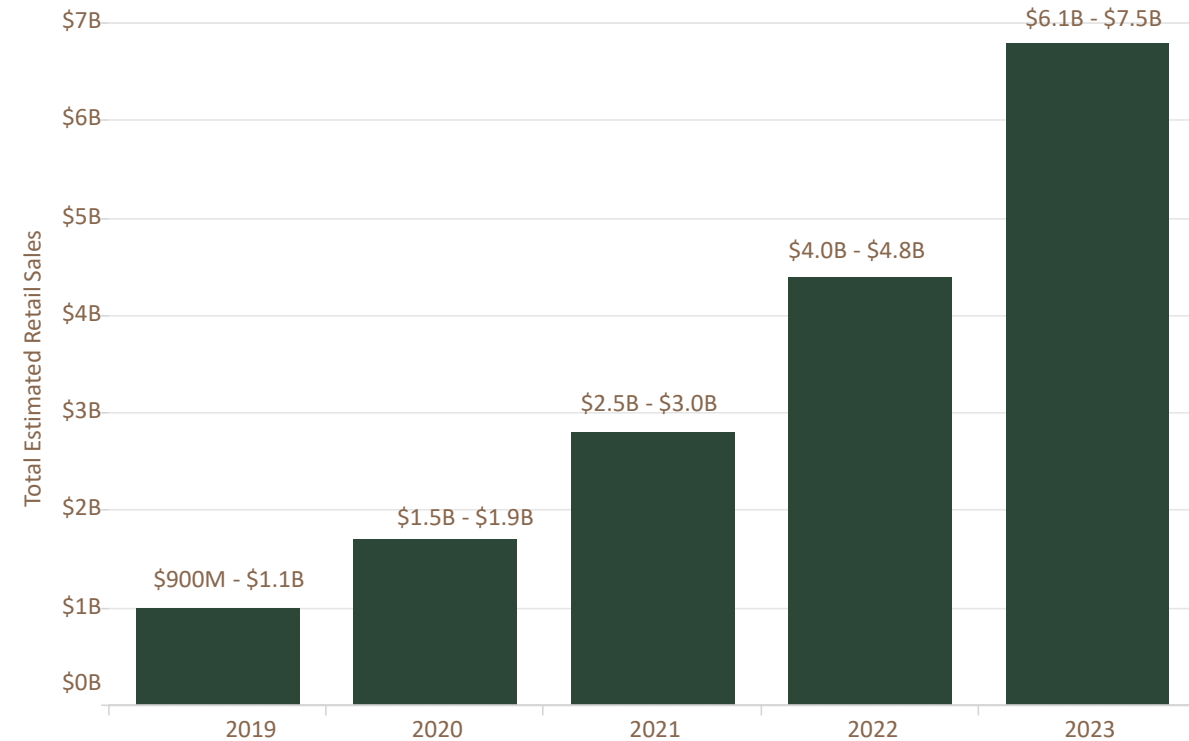
74%
year-over-year²



(1) By market share
(2) Represents 2018 growth over 2017

CBD MARKET FORECASTS KEEP INCREASING

Annual U.S. Hemp-Derived CBD Retail Sales Estimates:
2019-2023



Source: Hemp Industry Daily

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CHARLOTTE'S WEB SUPPORTS AMERICANS WITH A VARIETY OF NEEDS

SUPPORT FOR EXERCISE INDUCED INFLAMMATION

52% or **183 Million Americans** exercise and likely feel the effects of aches and strains*

SUPPORT FOR HEALTHY SLEEP CYCLES

30% or **66.7 Million Americans** experience insomnia annually**

SUPPORT FOR STRESS

18 % or **40 Million Americans** diagnosed in the US†

SUPPORT FOR A SENSE OF CALM AND FOCUS

11% or **24.4 Million Americans** diagnosed with attention disorders*

*Center for Disease Control

**Perelman School of Medicine at the University of Pennsylvania

†Anxiety and Depression Association of America

CHARLOTTE'S WEB IMPROVING LIFE NATURALLY



12 Liquid products

4 Capsule products

4 Topical Products

2 Canine Products

CBD Isolate

**BEST-IN-CLASS INDUSTRIAL HEMP-
BASED WELLNESS PRODUCTS WITH
NATURALLY OCCURRING CBD**

A **market leader** in the production and distribution of innovative **hemp-based, CBD wellness products**

Strives to improve customers' lives and meet their demands for stringent **product quality, efficacy** and **consistency**

Multiple new SKUs are planned for 2019, including **consumables, pet offerings** and **innovative topicals/cosmetics**



FEDERAL LEGALIZATION OF HEMP

HEMP-DERIVED CBD UNDER FEDERAL LAW

December 20, 2018

2018 Farm Bill Signed into Law

- Hemp de-scheduled and permanently removed from Controlled Substances Act (CSA)
- Removed from the jurisdiction of the Drug Enforcement Agency (DEA)
- Hemp now an agricultural commodity
- Redefined hemp to include its “extracts, cannabinoids and derivatives”
- U.S. federal law protects sale of hemp derived CBD
- Hemp defined as Cannabis sativa with less than 0.3% THC

COMPLIANCE AND CERTIFICATIONS

January 2019

U.S. Hemp Authority™ Certification

- Charlotte's Web certified by the U.S. Hemp Authority™
- Designed to increase consumer and law enforcement confidence in hemp products being sold in the market today by designating them as safe and legal.
- Certification Program provides high standards, best practices and self-regulation for the hemp industry
- Requires meeting stringent self-regulatory standards for Current Good Manufacturing Practices (cGMP) and passing an annual third-party audit.
- www.USHempAuthority.org.

Vertically integrated business model
ensures **high-quality, efficacy and
consistency**

CULTIVATION

MANUFACTURING

DISTRIBUTION

CULTIVATION:

Advanced technology and customized process

Acres of Hemp Planted

2016	2017	2018
45	70	300

Significant Cultivation Operations

- Over 5 years of experience in hemp plant cultivation
- Company operated farms in Colorado and partner farming in Kentucky and Oregon
- 100% U.S grown. No reliance on foreign or outsourced product.
- Vertical integration ensures control of all aspects of production and quality

R&D and Scalability

- Control from seed to extraction to assure quality
- **Genetics:** proprietary plant genetics
- **Harvesting:** customized machinery and advanced procedures
- **Processing:** state-of-the-art plant drying technology

Hemp Production

All figures shown in lbs



MANUFACTURING:

Current Good
Manufacturing Practices
(cGMP) Certified

In-House Production

- Current: 40,000 ft² manufacturing and R&D facility
- Future: 130,000 ft² manufacturing and R&D facility
- Proprietary Extraction and Isolation Processes¹
- CO₂ Extraction and Alcohol Extraction capability
- Active pharmaceutical ingredient production in-house

Rigid Quality Management

- Tested in-house and by major independent third-party laboratories
- Ability to qualify raw materials and extracts grown or extracted by outside suppliers allowing the company to scale

(1) Patents applied



DISTRIBUTION:

Sold across the United States

Direct to consumer via cwhemp.com

- E-commerce sales 59% of revenue FY2018

Sold through over 4,000 retail locations

- Active discussions with national retail and distribution accounts
- 2018 Farm Bill removed risk for retail distribution

Expanding distribution channels

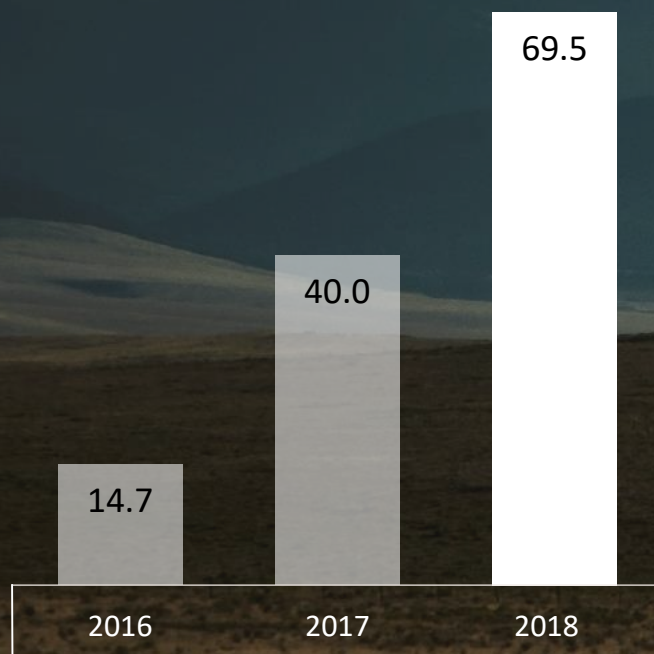
- National grocery, drug, mass market, pet and natural/specialty retailers



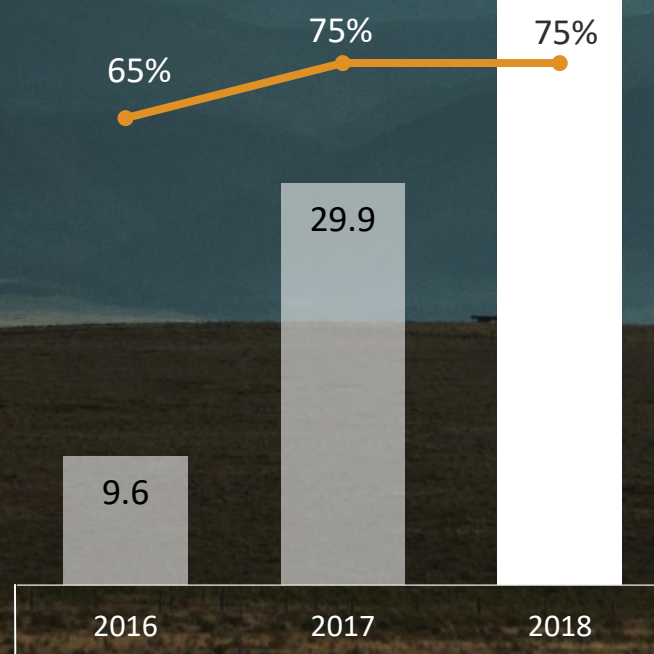
STRONG FINANCIAL PERFORMANCE

All figures shown in millions, US\$

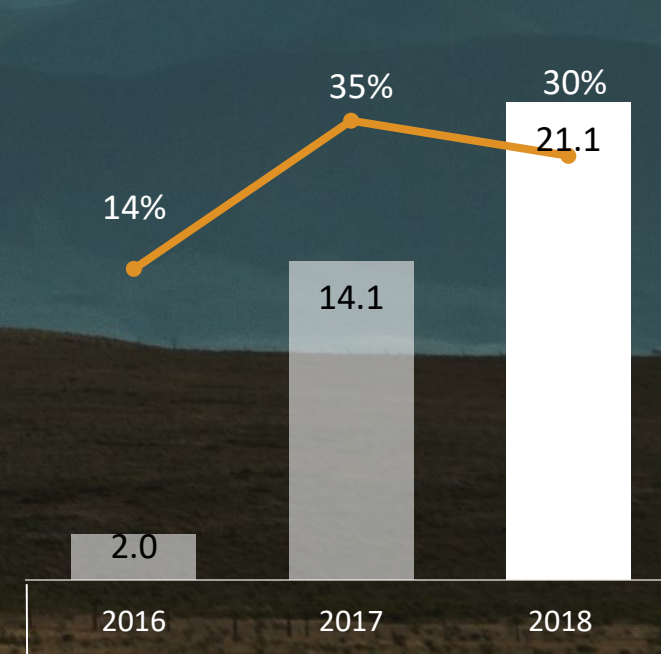
Revenue and Growth



Gross Profit and Margin



Adjusted EBITDA and Margin¹



SELECT BALANCE SHEET INFORMATION

All figures shown in millions, US\$

DECEMBER 31 2018

CASH	\$73.4
WORKING CAPITAL	\$93.8
TOTAL ASSETS	\$107.9
TOTAL LIABILITIES	\$17.6
SHAREHOLDER'S EQUITY	\$121.5



LEADERSHIP TEAM



Hess Moallem
Chief Executive Officer

- Previously, General Counsel for Onnit Labs
- Consumer-packaged goods industry executive and attorney
- Juris Doctor degree from California Western School of Law and Undergraduate Chemistry degree, University of Texas



Rich Mohr
Chief Financial Officer

- Over 25 years of leadership in public and private companies
- MBA from Regis University and a Bachelor's degree in Accounting from Colorado State University.



Stephen Lermer
Chief Operating Officer

- 38 years at start-up, mid and large-scale global pharmaceutical, cosmetic and CPG operations, product development, manufacturing, distribution
- Prior senior positions at Dupont, Johnson & Johnson, Burroughs Wellcome (now GlaxoSmithKline), Rhone Poulenc (now Sanofi), Orion Oyj and Akela Pharma



Eugenio Mendez
Chief Growth Officer

- Previously, VP Global Marketing - Water, Enhanced Water and Sports Drinks for Coca-Cola and Sen. Global Category Dir. of Rums for Bacardi.
- Over 25 years multinational CPG experience
- MBA and BS, Industrial Engineering from Monterrey Institute of Technology and Higher Education



Jared Stanley
VP Cultivation



Mark Kuspa
VP Sales



Nathan Gerhardt
VP Regulatory
and Compliance



Bo Becker
VP Marketing



Tamarah Saif
VP Human Resources

BOARD OF DIRECTORS

Joel Stanley, Chairman

Former CEO of CWB Holdings, Inc. (“CWB”) and Chairman of Charlotte’s Web Holdings, Inc. since 2013
Co-founded CWB with his six brothers, which was incorporated in December 2013
Leading professional in the cannabis industry, actively educating decision makers at the legislative level

Jared Stanley

Vice President of Cultivation Operations of Charlotte’s Web Holdings, Inc.
Co-founded and served as Director of CWB since its inception in 2013
Degree in Applied Human Sciences from Colorado State University and concentration in Construction Management

John Held

Executive VP, General Counsel and Secretary of Omega Protein Corp.
Founded The Byzantium Group, Red Hawk Industries and American Residential Services
Juris Doctor degree from Cornell Law School & B.A. in Economics and International Relations from Bucknell University

William West

Co-Founded and serves as President of Tesseract Medical Research
Served as Senior Vice President and Global Chief Financial Officer at HID Corporation and co-founded ACRE, LLC
MBA from Harvard Business School & Undergraduate degree from Harvard University

Shane Hoyne

Chief Marketing Officer of Quintessential Brands Group
Previously Chief Marketing Officer Europe of Bacardi Global Brands and was the Senior Brand Director for The Heineken Company
MBA from the University of Strathclyde Business School

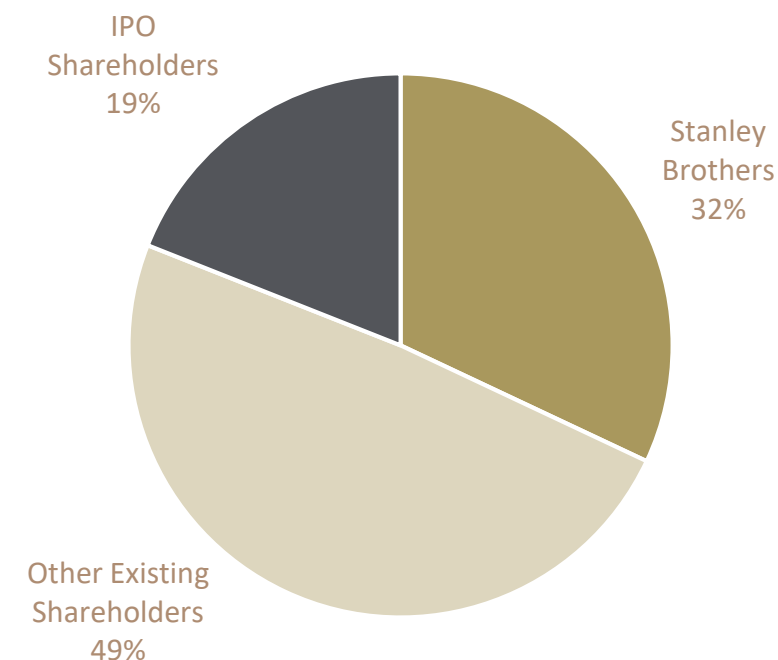
Juan Sartori

Chairman and founder of Union Group
Founded UAG, agricultural assets in Uruguay & Latin America
Bachelor’s degree in Business and Economics from École des Hautes Études Commerciales de Lausanne

CAPITALIZATION AND OWNERSHIP

CAPITALIZATION	March 31, 2019
Basic Common Shares Outstanding	25,375,294
Proportional Voting Shares ¹ (400:1)	169,696.18 (400:1 = 67,878,472)
Effective Basic Common Shares Outstanding	93,253,766
Options & Warrants	13,351,378
Fully Diluted Shares Outstanding	106,605,144

SHARE OWNERSHIP



FOUNDERS AND PRE-IPO SHAREHOLDERS REPRESENT
169,696.18 (400:1) PROPORTIONAL VOTING SHARES¹



BUSINESS SUMMARY

LEADING MARKET POSITION in a rapidly growing segment

ESTABLISHED AND TRUSTED Charlotte's Web brand

POSITIVE INDUSTRY TRENDS support continued growth

CONTINUED INNOVATION to expand market leading product portfolio

SCALABLE CULTIVATION AND PRODUCTION platforms

STRONG FINANCIAL PERFORMANCE

EXPERIENCED MANAGEMENT TEAM



CSE:CWEB | OTCQX:CWBHF

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