



CHARLOTTE'S WEB™
STANLEY BROTHERS

BUILDING A GLOBAL CPG COMPANY

TSX: CWEB | OTCQX: CWBHF

September 2019

DISCLAIMERS

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 Charlotte’s Web Holdings, Inc. (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 cannabidiol (“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, Adjusted EBITDA, and the Company’s outlook on expected regulatory developments regarding the 2018 Farm Bill, 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 “Cautionary Note Regarding Forward-Looking Statements” in the final base shelf prospectus of the Company dated April 8, 2019 and available on the Company’s SEDAR profile at www.sedar.com. 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 close-up photograph of a person's legs from the knees down, wearing blue denim jeans and brown leather work boots. They are standing on a mound of dark, loose soil. The background is slightly blurred, showing some greenery and a clear sky. A semi-transparent dark grey horizontal band is overlaid across the middle of the image, containing three white text labels.

**BRAND
POWER**

**PRODUCT
QUALITY**

**FINANCIAL
STRENGTH**

The Stanley Brothers

Founded in 2013
Boulder, Colorado



CHARLOTTE'S WEB WAS NOT
STARTED AS A COMPANY,

IT WAS STARTED AS A MISSION

Our dedication to creating the best hemp extracts makes us an industry leader for product quality, safety and consistency.

Our high-quality hemp extract harnesses powerful botanical benefits. We simply serve as nature's stewards.

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

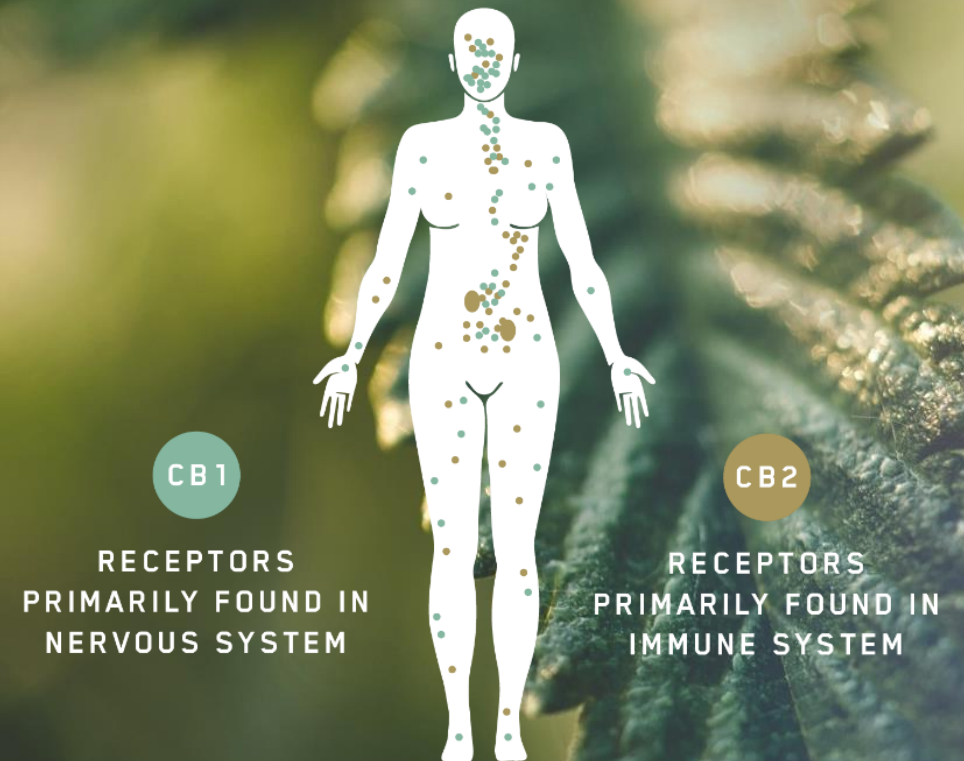


HOW HEMP WORKS

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.

The Company believes that 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.



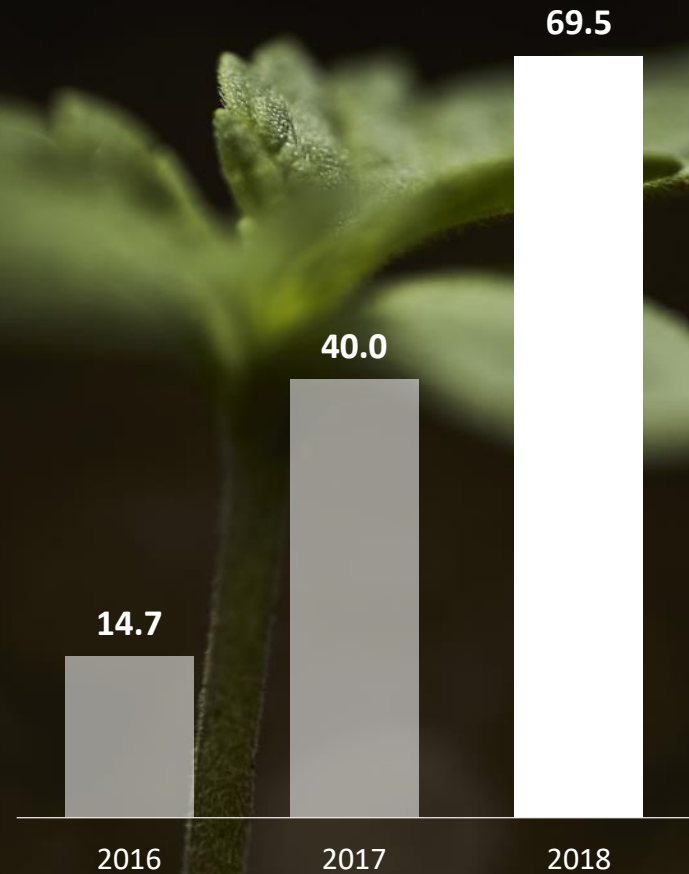
#1 BRAND IN THE TOTAL HEMP-DERIVED CBD MARKET

OUTPACING THE INDUSTRY WITH
2018 REVENUE GROWTH OF

74%
year-over-year¹

(1) Represents 2018 growth over 2017

CHARLOTTE'S WEB Revenue (\$MM)



CHARLOTTE'S WEB
STANLEY BROTHERS





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

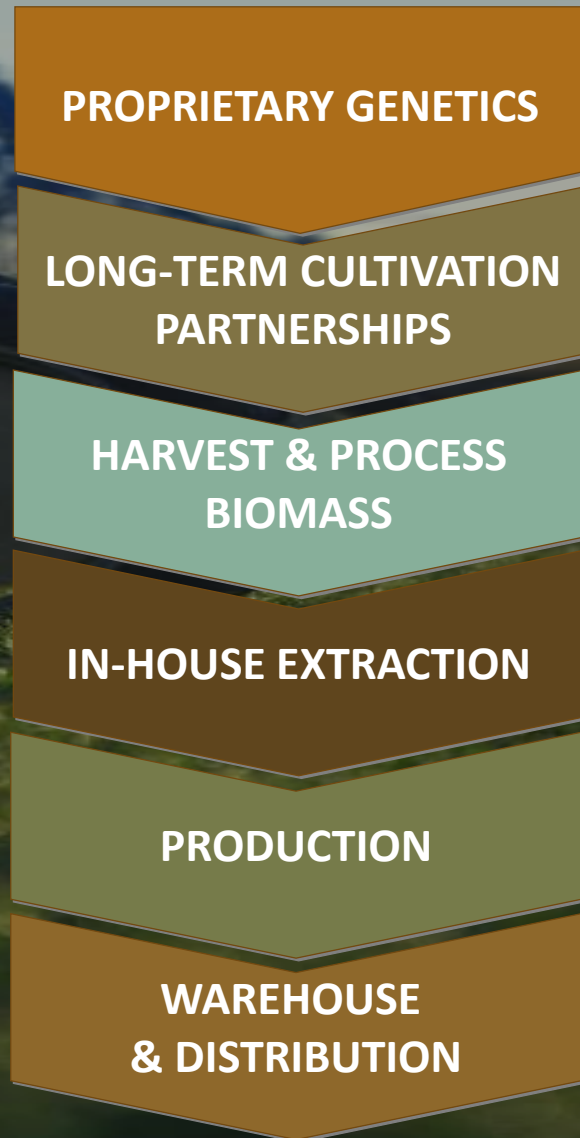
11% or **24.4 Million Americans** diagnosed with attention disorders*

*Center for Disease Control

**Perelman School of Medicine at the University of Pennsylvania

†Anxiety and Depression Association of America

VERTICALLY INTEGRATED SUPPLY CHAIN



- Grown in the U. S. A.
- Traceability of ingredient streams
- Transparency of the manufacturing process
- Quality test at every step of the supply chain
- Consistency and Trust



EXPANDED PRODUCT PORTFOLIO



12 Liquid Products



4 Capsule Products



4 Topical Products



12 Canine Products – 11 New!

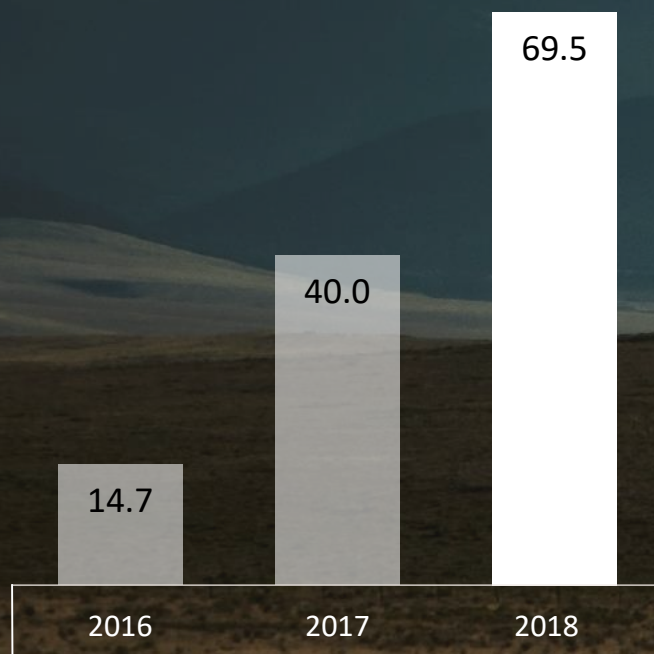


3 Gummies – NEW!



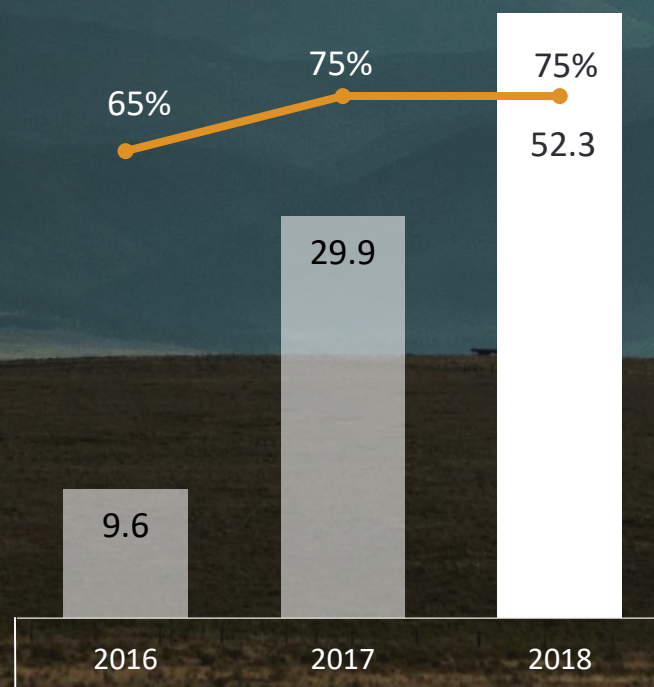
STRONG FINANCIAL PERFORMANCE

Revenue and Growth

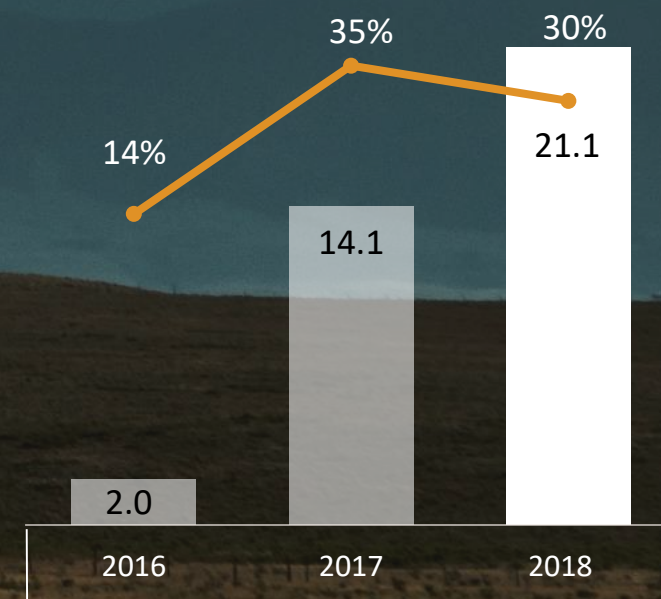


All revenue in USD \$MM

Gross Profit and Margin



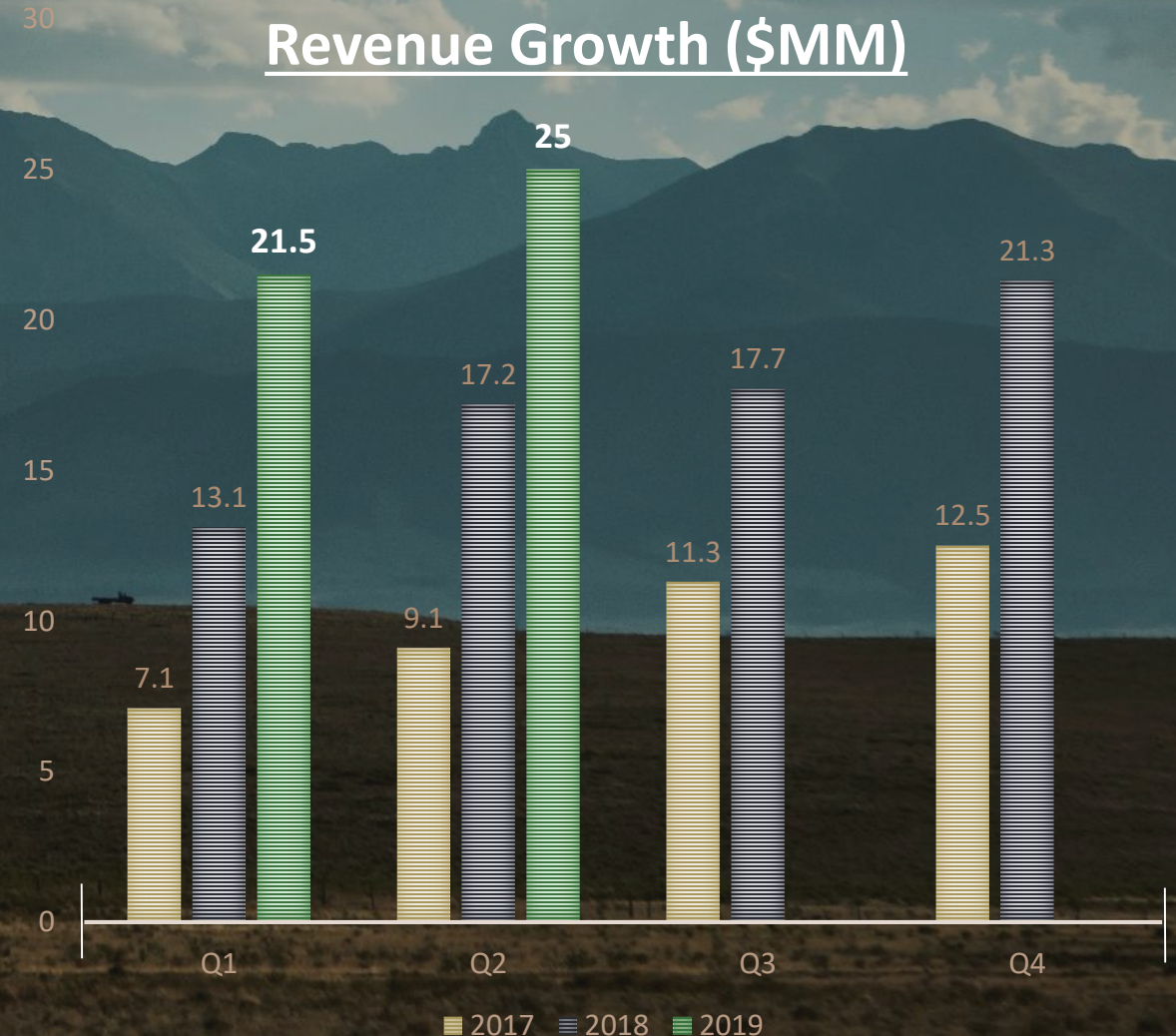
Adjusted EBITDA and Margin¹



PERFORMANCE 1H 2019

Q2 Financial Highlights

- \$25M revenue +45% vs YA, +15% vs Q1
 - 75% gross margin
 - 16% adjusted EBITDA of \$3.9 million
 - 9% net income of \$2.2 million
 - 47% revenue from e-commerce
 - 53% revenue from retail outlets
- Commenced trading on the Toronto Stock Exchange (TSX)



All revenue in USD \$MM



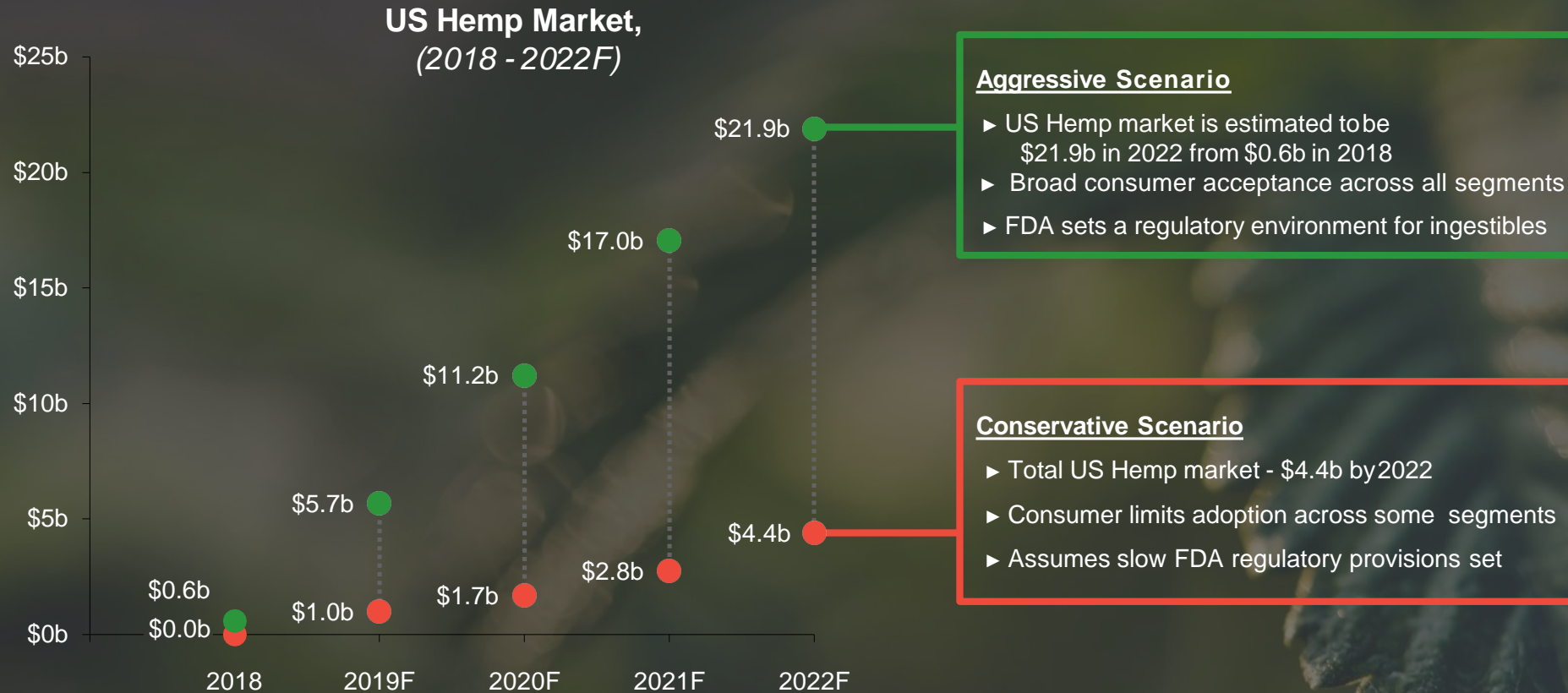
SELECT BALANCE SHEET INFORMATION

All figures shown in millions, US\$

JUNE 30, 2019

CASH	\$51.4
WORKING CAPITAL	\$97.0
CURRENT ASSETS	\$157.2
TOTAL LIABILITIES	\$22.3
SHAREHOLDER'S EQUITY	\$134.9

CATEGORY GROWTH

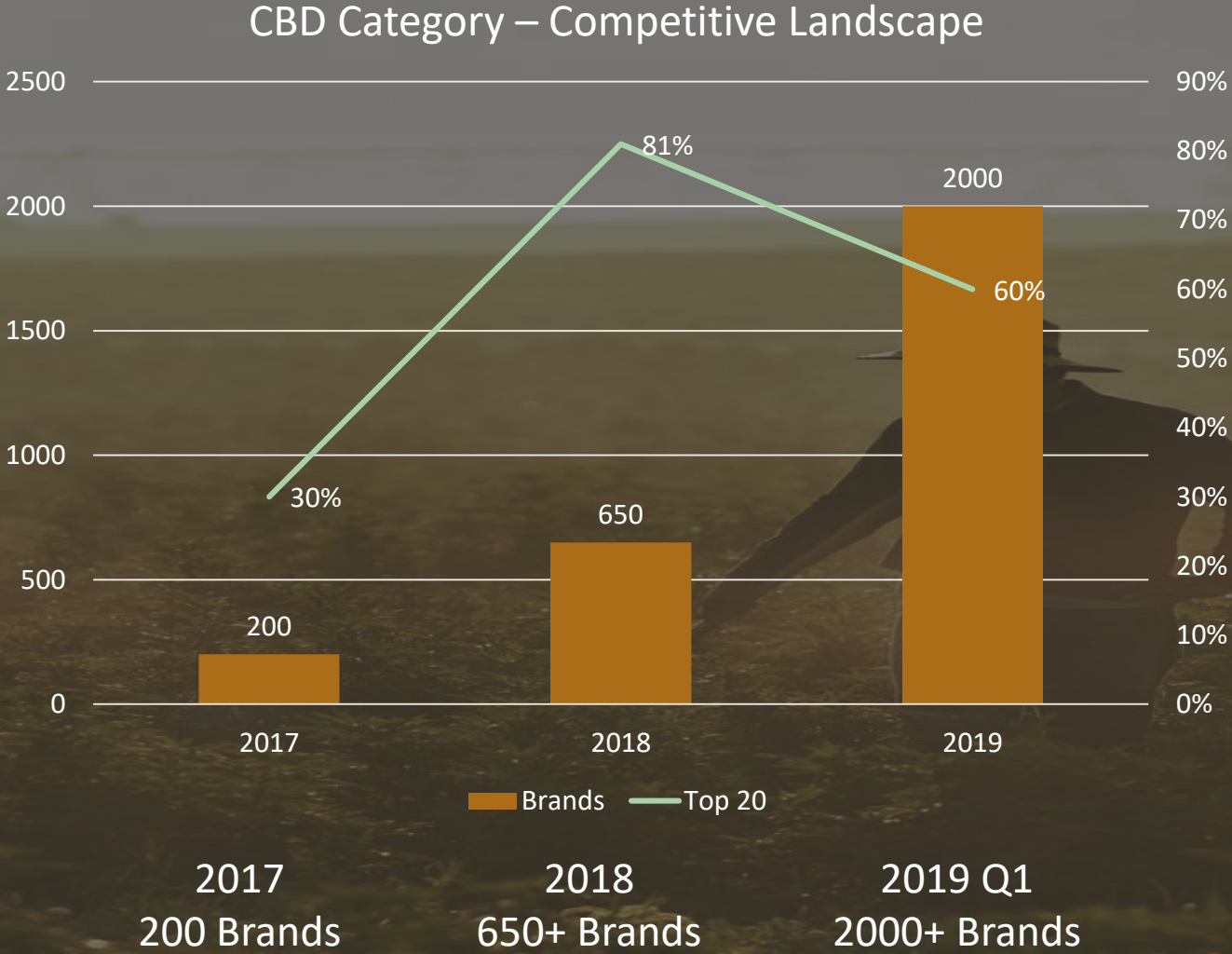


HEMP CBD Gap: Household penetration vs. Interest

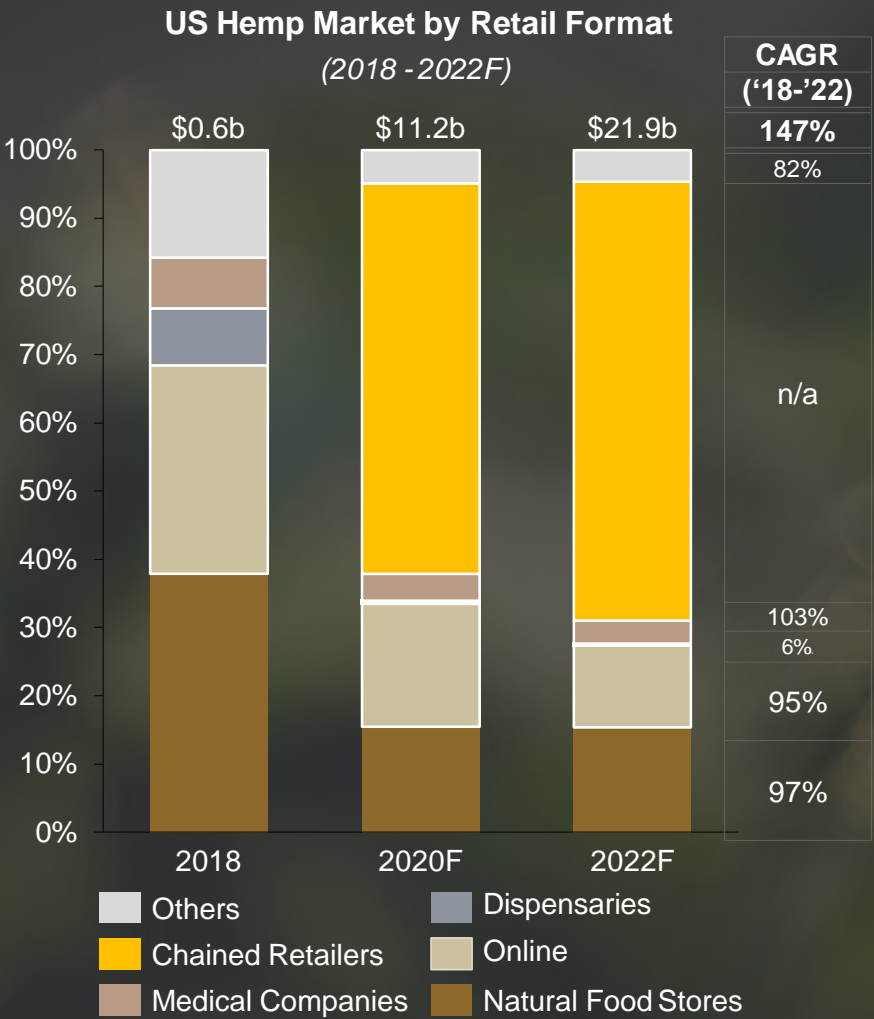
- 7% Household penetration
- 86% "Interested in learning more/trying CBD"



COMPETITIVE EXPANSION



CHANNEL GROWTH



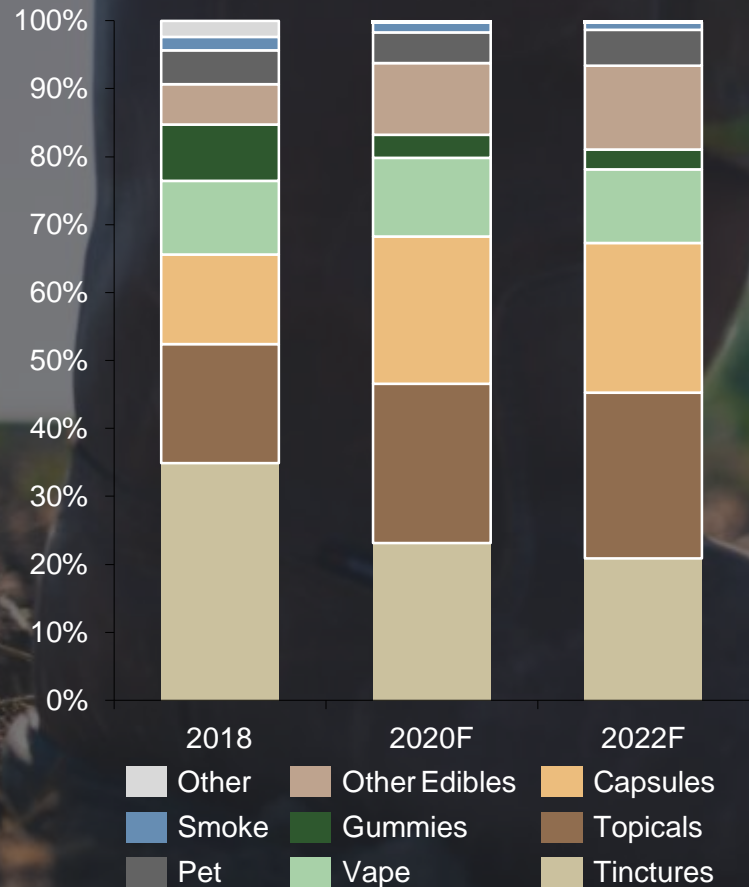
Chained Retailers estimated to represent **64%** of Total Hemp Sales by 2022

Every company must shift to become a Marketing/CPG Company going forward



SEGMENT GROWTH

US Hemp Market Product Segments*
(2018 - 2022F)



- Tinctures, Topicals, Capsules and Other Edibles grow to $\approx 80\%+$ Share of CBD
- Topicals, Capsules, Other Edibles Greatest Growth



BUILD A GLOBAL CPG COMPANY

BUILD OUT of CPG leadership team and top tier CPG sales organization

DEVELOP OPERATIONAL EXCELLENCE

EXPAND cultivation, extraction, production and distribution

EXTEND ACROSS CHANNELS

LAUNCH INNOVATION to expand market leading product portfolio

SCALE DOMESTIC AND INTERNATIONAL platforms

BUILD A CPG-CENTRIC LEADERSHIP TEAM



Deanie Elsner
CEO



Russ Hammer
CFO



Stephen Lermer
COO



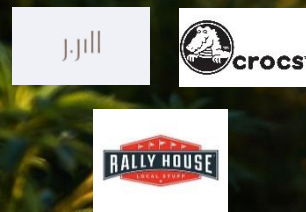
Tony True
CCO



Eugenio Mendez
CGO



Paul Lanham
CIO



Jared Stanley
CULTIVATION



Nathan Gerhardt
REGULATORY



Tamarah Saif
TALENT



Cory Pala
CAPITAL MARKETS



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

Deanie Elsner, CEO

Chief Executive Officer of Charlotte's Web as of May 15, 2019
Former President, Snack Business Unit, Kellogg Company. Former Executive Vice President and Chief Marketing Officer at Kraft Food Groups
Serves on the board of directors at Owens Corning, Inc. and has served on the Board of the Association of National Advertisers as well as the Museum of Science and Industry in Chicago
Business Degree from University of Arizona and MBA Marketing/Finance from University of Chicago Booth School of Business

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

EXPAND CULTIVATION

Cultivation Operations

- Over 6 years of experience in hemp plant cultivation
- Colorado, Kentucky and Oregon
- **Transitioning towards organic hemp**

Strategic Partnerships

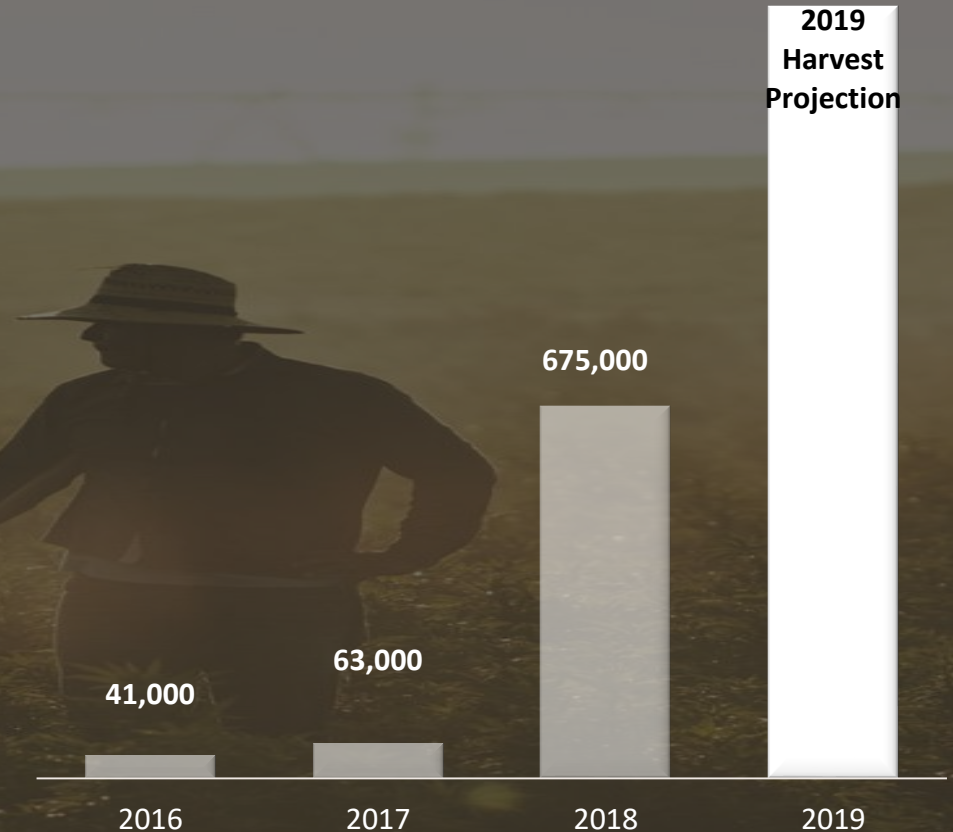
Rodale Institute and Natural Care

To pioneer regenerative farming practices in Appalachian

Center for Discovery

Extending a 3-year commitment to develop optimal hemp genetics in NY

Hemp Production (Lbs)



Hemp Acres Planted	45	70	300	862
Hemp (Lbs)/Acre	911	900	2,250	TBD



EXPAND PRODUCTION & DISTRIBUTION

In-House Production

- **New 137,000 sq ft cGMP grade manufacturing and R&D facility** in addition to current 40,000 ft² facility
- Extraction, production, distribution and R&D expansion
- Required to support high volume national retailers and additional new sales channels
- CPG level shipping and distribution
- Staged buildout with additional expansion options
- Online early 2020

Rigid Quality Management

- Leading CO₂ and alcohol extraction technologies
- Proprietary Extraction and Isolation Processes¹
- Current Good Manufacturing Practices (cGMP) Certifications



EXTEND ACROSS CHANNELS



CHARLOTTE'S WEB[™]
STANLEY BROTHERS

PRESS RELEASE

Charlotte's Web Hemp CBD Topical Products Expanding to 1,350 Kroger Stores Across 22 States

Marks the Largest Distribution Through a Single Retailer for Charlotte's Web

Boulder, Colorado, July 29, 2019 – Charlotte's Web Holdings, Inc. ("Charlotte's Web" or the "Company") (TSX:CWEB, OTCQX:CWBHF), the market leader in [hemp CBD extract products](#), is pleased to announce that The Kroger Co., America's largest grocery retailer, has begun carrying Charlotte's Web products in multiple states with a plan to roll out to a total of 1,350 store locations in 22 states (Arizona, Arkansas, Colorado, Georgia, Illinois, Indiana, Kansas, Kentucky, Michigan, Missouri, Montana, Nevada, Oregon, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Washington, Wisconsin, and Wyoming).

The announcement with Kroger marks a milestone for Charlotte's Web as the largest distribution ever through a

- Mass retailers enter the category
- Regulatory uncertainty causing tempered uptake
- Most national retailers taking topicals only
- Positive FDA resolution would be a demand catalyst

CHARLOTTE'S WEB TOTAL RETAIL DOORS (EOY)



CPG infrastructure buildout is
key to supporting FDM channel

LEGALIZATION & REGULATION OF HEMP INGESTIBLES

FDA Regulating Hemp CBD Ingestibles

- 2018 Farm Bill preserved FDA's authorities over hemp products
- FDA is considering the possibility of new legal pathways for CBD products
- FDA has formed a high-level CBD Policy Working Group committed to evaluating the regulatory frameworks for non-drug uses, including products marketed as foods and dietary supplements
- The Agency completed its period for public comment in July and pledged to report its progress by the early fall



CAPITALIZATION

CAPITALIZATION	August 12, 2019
Basic Common Shares Outstanding	49,253,934
Proportional Voting Shares (400:1)	120,529.07 (400:1 = 48,211,625)
Effective Basic Common Shares Outstanding	97,465,559
Options & Warrants	9,264,205
Fully Diluted Shares Outstanding	106,729,764

A pair of hands, palms up, holding a dark, rich soil. A small, vibrant green seedling with two leaves is growing out of the center of the soil. The background is dark and out of focus, emphasizing the hands and the plant.

TSX:CWEB | OTCQX:CWBHF

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Cory Pala

Director of Investor Relations

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