CHARLOTTE'S WEB™
STANLEY BROTHERS

TRUST THE EARTH

BRANDS – SCIENCE - LEADERSHIP

TSX: CWEB | OTCQX: CWBHF

Q2 2020

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Some numbers in this presentation may not be exact or add consistently due to rounding.

CHARLOTTE'S WEB
STANLEY BROTHERS

Founded in 2013
Boulder, Colorado

CHARLOTTE'S WEB WAS NOT STARTED AS A COMPANY,

IT WAS STARTED AS A MISSION

Charlotte is our true north driving our passion and dedication to the best hemp extracts for product **quality**, **safety** and **consistency**.

What began as her story, became the shared story of hundreds of thousands, and the inspiration of many millions more in the journey of their betterment.

#1 BRAND IN THE TOTAL HEMP-DERIVED CBD MARKET [1]

OUTPACING PEERS WITH 2019 REVENUE GROWTH OF

36%
year-over-year[2]

CHARLOTTE'S WEB
ANNUAL REVENUE ($MM)

(1) By market share Company estimates
(2) Represents 2019 growth over 2018
(3) Charlotte's Web, Inc. revenue

CHARLOTTE'S WEB
STANLEY BROTHERS

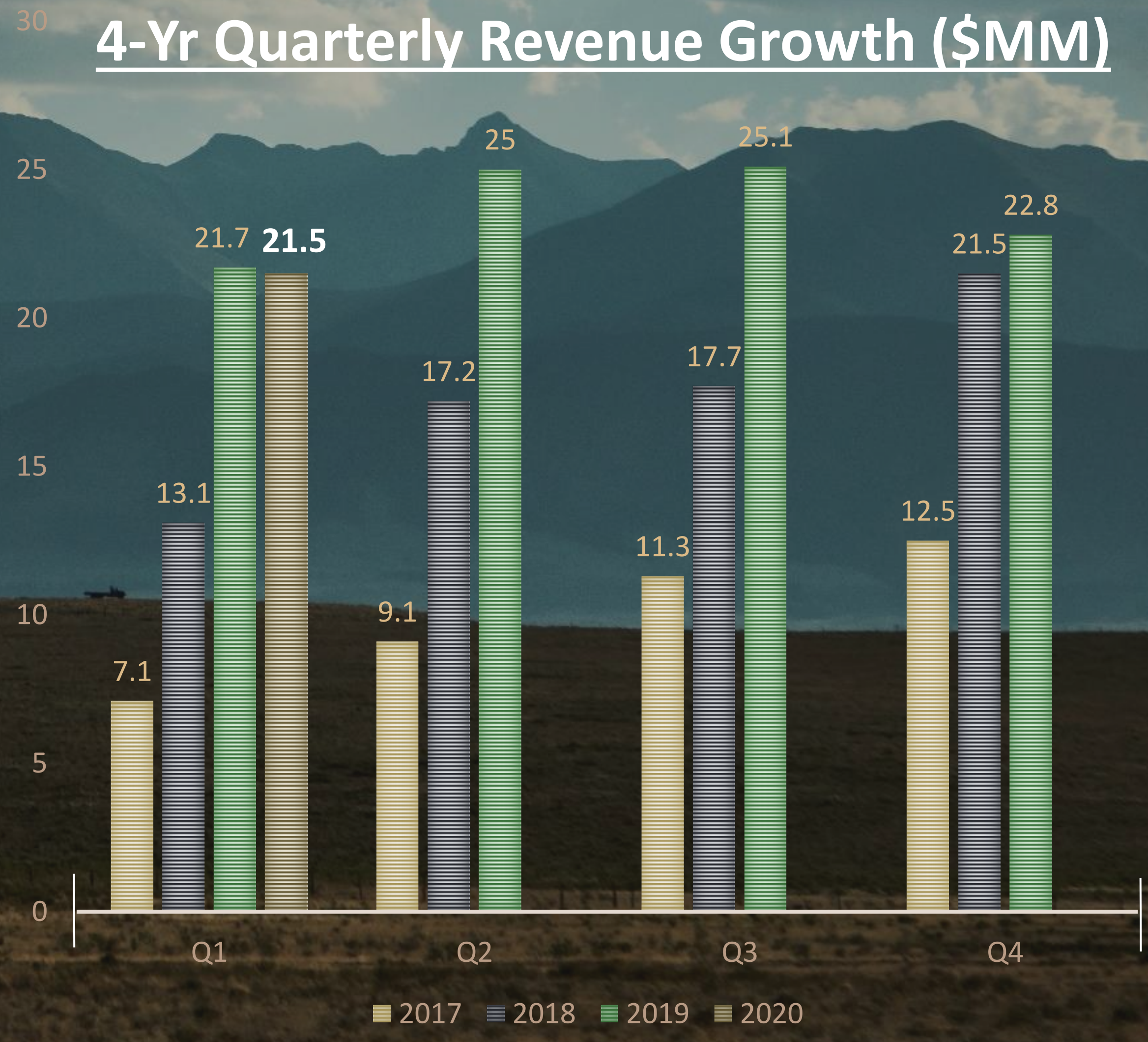
Quarterly Performance – Q1-2020

Q1- 2020 Financial Highlights

- ➢ Organic consolidated revenue of $21.5
- ➢ 70% gross margin
- ➢ Adjusted EBITDA loss of $5.7M
- ➢ $53.0M cash, $114.9M working cap

Q1- 2020 Business Highlights

- ➢ DTC sales increased 29% YoY, offsetting a 32% decrease in B2B sales
- ➢ 66% revenue from DTC
- ➢ Signed on first national pet retailer
- ➢ Nearly 12,000 retail doors
- ➢ J.P. Morgan engaged for commercial banking services and $10 million line of credit (extendable to $20M)



All revenue in USD $MM

CHARLOTTE'S WEB
STANLEY BROTHERS

CHARLOTTE'S WEB ADVANTAGE

1. BRAND STRENGTH
2. VERTICALLY INTEGRATED SUPPLY CHAIN
3. INNOVATION, SCIENCE, SAFETY
4. MANAGEMENT TEAM

ADVANTAGE - BRAND STRENGTH

CHARLOTTE'S WEB IS #1 IN MARKET SHARE

AWARENESS

Charlotte's Web is #1 in awareness

Charlotte's Web is #1 in converting awareness to loyalty

SATISFACTION

Charlotte's Web is #1 in satisfaction

Charlotte's Web is #1 in intent to repurchase

Charlotte's Web is #1 in willingness to recommend

Ratings provided by respondents who have purchased the brand

Source: Brightfield survey of 3500 people who have used CBD in the past year. Respondents rated brands they had purchased. Sept. 2019

ADVANTAGE - VERTICALLY INTEGRATED SUPPLY CHAIN

- PROPRIETARY GENETICS
- LONG-TERM CULTIVATION PARTNERSHIPS
- HARVEST & PROCESS BIOMASS
- IN-HOUSE EXTRACTION
- PRODUCTION
- WAREHOUSE & DISTRIBUTION

- Quality, consistency and trust
- Traceability of ingredient streams
- Transparency of the manufacturing process
- Grown in the U. S. A.
- Production Cost Advantages
- Over 50% crop acres certified organic with remainder transitioning

CHARLOTTE'S WEB
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ADVANTAGE - INNOVATION

Original Portfolio

3 Gummies – NEW 2019

12 Canine Products – NEW 2019

Note: Product offering as of Q1, 2020

ADVANTAGE - TESTED. CERTIFIED. SAFE.

All Products Tested up to 20 Times

- Testing through entire cultivation, extraction and manufacturing to final packaged product
- Includes 60-panel toxins test
- Batch test results available for every item sold

Certified

- FDA approved cGMP certified facilities
- NSF International’s dietary supplements Good Manufacturing Practice (GMP) registration
- GRAS (generally recognized as safe) status for full spectrum hemp extract
- Hemp Authority certified products
- NASC certification for pet products

NAVIGATING A DYNAMIC CBD LANDSCAPE

1. BALANCING REGULATORY FRAMEWORK DEVELOPMENT
2. CW COMPETITIVE DIFFERENTIATION
3. FOOD/DRUG/MASS CHANNEL DEVELOPMENT

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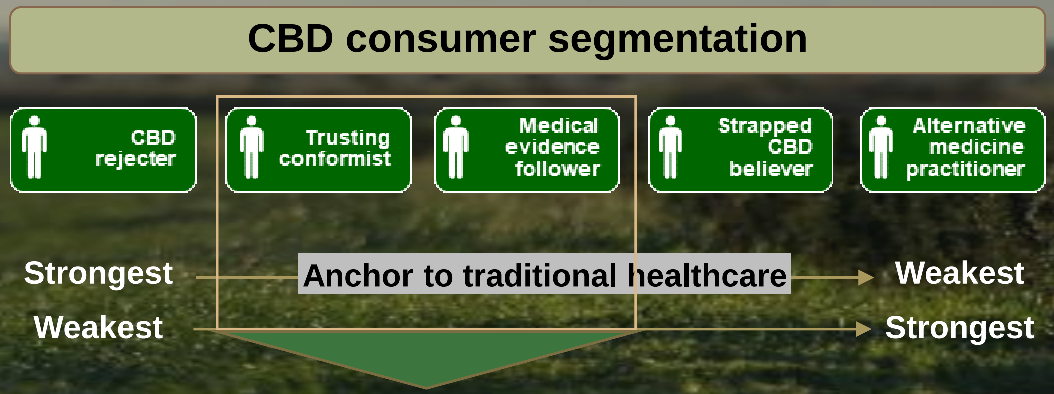
EXPANDING THE PORTFOLIO ADVANTAGE

Topical Segment Underdeveloped

Segment	Charlotte's Web Portfolio Mix	Future Category Mix
Topicals	12%	30%
Tinctures	49%	25%
Capsules	11%	22%
Gummies	23%	8%
Pet	6%	14%

Source: Brightfield Group

Expand Consumer Segment



46%

Consumers enter CBD Category via Health Care Practitioner

Source: Internal Research 8/19

ABACUS: ACQUISITION OF LEADING TOPICAL BRANDS

harmony™ hemp

CBDMEDIC™ Revolutionary. SAFE.™

CBD CLINIC™

Consumer Offering	Health Care Practitioner Offering

ADVANCED RELIEF Powered by Nature™

ABACUS® HEALTH PRODUCTS, INC.

OTC PEDIGREE

Proprietary Formulations

Patent-pending formulations based on 15+ years of R&D by Aidance Scientific (former parent)

Utilizing active pharmaceutical ingredients, natural ingredients, essential oils, and CBD hemp extract and oil (*Cannabis sativa L.*)

Manufacturing & Quality

OTC pharmaceutical-grade products

Produced in cGMP compliant facility by contract manufacturer

Production capacity of over 400,000 units/month - able to meet pent up demand

1 +1 = 3 SCALE ACROSS CHANNELS

Charlotte's Web

Channel
- Natural
- DTC
- FDM CBD

Segment
- Tinctures & Capsules
- Topicals (limited)
- Gummies
- Pet

Supply Chain
- Vertically integrated

Abacus

Channel
- Medical
- FDM OTC
- Specialty
- Convenience

Segment
- Medical
- Topical: Pain & Skin Care
- Condition Focused

Supply Chain
- Starts with Extract

Channel Expansion

Segment Penetration

Supply Chain Leverage

Scale and Synergy

11,675 Doors

~21,000
Unique Doors
Limited Overlap

17,548 Doors

CHARLOTTE'S WEB
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EXPANDING CATEGORY LEADERSHIP

1. LEVER PORTFOLIO DIFFERENTIATION
2. SCALE ACROSS CHANNEL LEADERSHIP
3. EXPAND LEADING ECOMMERCE OFFER
4. LEAD WITH SCIENCE
5. EXPAND & AUTOMATE DISTRIBUTION FOR SCALE

ADVANTAGE: PORTFOLIO DIFFERENTIATION

PORTFOLIO FOOTPRINT

Segments

- ✓ Ingestibles
- ✓ Topicals
- ✓ Bath & Beauty
- ✓ Pet

Channels

- ✓ FDM
- ✓ Natural
- ✓ Ecommerce
- ✓ Health Care Practitioners

CREDIBILITY

CBD CLINIC

16K Health Care Practitioners

Education & Science

TECHNICAL ECOSYSTEM

ADVANTAGE: CHANNEL SCALE

Market Share Position - By Channel

COMBINED SHARE*		INDEX VS NEXT COMPETITOR
FOOD	#1	137
DRUG	#1	316
TOTAL FDM	#1	207
NATURAL	#2	79
eCOMMERCE	#1	N/A

Channel Distribution

BRAND	FOOD	DRUG	NATURAL	eCOMM
	CHANNEL DISTRIBUTION			
CHARLOTTE'S WEB	✓	✓	✓	✓
CBD MEDIC	UNDER CONSTRUCTION COMING SOON	✓	UNDER CONSTRUCTION COMING SOON	UNDER CONSTRUCTION COMING SOON
HARMONY HEMP	✓	✓	UNDER CONSTRUCTION COMING SOON	UNDER CONSTRUCTION COMING SOON

*Nielsen YTD 2020

EXPANDING: eCOMMERCE CROSS-SELLING

EXPANDING CAPABILITIES

- Superior Analytics
- Breakthrough Insights
- Advantaged Segmentation
- Personalized Communication
- Rapid Test & Learn

IMPROVING KPI's

- Traffic
- Conversion
- Average Order Value
- Retention

July 2020: Cross-selling Abacus products to 30X active list on CW leading online store

ADVANTAGE: BUILD THE SCIENCE CREDENTIALS

Launched CW Labs - March 2020

- Co-located in the Hauptman Woodward Medical Research Institute in Buffalo, NY and Charlotte's Web labs in Boulder, CO
- Taps into the SUNY System – 64 Connected Campuses across New York
- Product development through scientific and clinical data-driven approach
- Comprehensive metabolite study on CW hemp extracts
- Human interventional placebo controlled clinical studies

Liver Safety Study

VALIDCARE

- **June 2020:** Sponsoring ValidCare human trial on impact of CBD on the liver to support FDA interest in science-based data

EXPANDING: SCALE & AUTOMATE

In-House Production

- **New 137,000 sq ft cGMP grade manufacturing and R&D facility**
- Extraction, production, distribution and R&D expansion
- CPG & Ecommerce shipping and distribution
- Staged build-out thru 2020 — Shipping end of Q2; Production end of Q3
- Capable of servicing the full F/D/M retail channel

Rigid Quality Management

- Leading CO_2 and alcohol extraction technologies
- Proprietary Extraction and Isolation Processes
- Current Good Manufacturing Practices (cGMP) Certifications

CHARLOTTE'S WEB
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Deanie Elsner
CEO
- Kellogg’s
- P&G
- Kraft
- Johnson & Johnson

Russ Hammer
CFO
- Caleres Brands
- ORBITZ INC
- CROCS INC
- MOTOROLA

David Panter
COO
- Estée Lauder
- Luxottica Retail
- Campbells
- Tyco Healthcare

Jared Stanley
CHIEF CULTIVATION OFFICER

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Tony True
CHIEF CUSTOMER OFFICER
- PHARMAVITE
- WhiteWave
- Kellogg’s, Pepsi, J&J

Perry Antelman
PRESIDENT, TOPICALS
- Abacus Health CEO
- Acquired June 2020

ADVANTAGE MANAGEMENT TEAM

Paul Lanham
DTC / CIO
- J.Jill
- CROCS
- Rally House

Kelly Shea
GOV’T RELATIONS, COMMS, CSR
- Danone
- WhiteWave Foods
- Horizon Organic

Tim Orr
R&D INNOVATION
- Johnson & Johnson
- Abbott Laboratories
- Kodak Healthcare

Nathan Gerhardt
LEGAL/REGULATORY
- OMEGA PROTEIN
- NW Natural

Tamarah Saif
TALENT MGMT
- Green Chef
- Adecco Group

Cory Pala
CAPITAL MARKETS
- e-vestor
- TMX/Equicom

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BALANCE SHEET & CAPITALIZATION

BALANCE SHEET	MARCH 31, 2020 *All figures shown in millions, US$*
Cash	$53.0
Working Capital	$114.9
Total Assets	**$190.2**
Total Liabilities	$62.5
Shareholder Equity	**$127.7**

CAPITALIZATION	June 22, 2020
Basic Common Shares Outstanding	101,787,521
Proportional Voting Shares (400:1)	92,455.5775 (400:1 = 36,982,230)
Effective Basic Common Shares Outstanding	**138,769,751**
Warrants	10,525,479
Options	4,890,678
Fully Diluted Shares Outstanding	**154,185,908**

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SUMMARY

- MARKET SHARE LEADER
- EXPERIENCED CPG LEADERSHIP TEAM
- EVOLVING THE PORTFOLIO, INFRASTRUCTURE AND CAPABILITIES
- BACKED BY SCIENCE AND DATA
- BEST POSITIONED TO NAVIGATE THE OPERATING LANDSCAPE
- FULLY CAPITALIZED TO EXECUTE ON OUR STRATEGY

TSX:CWEB | OTCQX:CWBHF

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