



CHARLOTTE'S WEB™
STANLEY BROTHERS



BRANDS – SCIENCE – LEADERSHIP

TSX: CWEB | OTCQX: CWBHF

Q4 2020

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. Examples of forward-looking statements include, among others, 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, closing of the acquisition of Abacus Health Products, Inc. (“Abacus”), the impact of the acquisitions on the Company’s business and financial condition, anticipated product category growth, and online sales growth.

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 forward-looking statements are based on management’s current 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, including, among others, the adverse impact of the COVID-19 pandemic to the company’s operations, supply chain, distribution chain and to the broader market for and customers of the Company’s products; the impact of global conditions and unemployment rates on the Company’s stakeholders; general economic and financial conditions; product acceptance and competing products; internet and system infrastructure functionality; information technology security; cash available to fund operations; crop risk; availability of capital; completion of the acquisition of Abacus; the successful integration of acquired businesses; changes in customer demand; and the risk factors described in greater detail in the Company’s annual information form dated March 27, 2020, and other public documents of the Company available at www.sedar.com. 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 and the underlying opinions, estimates and assumptions will prove to be correct. The forward-looking statements included in this presentation should not be unduly relied upon by investors.

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This presentation makes reference to Adjusted EBITDA (as defined below). Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) is not a recognized performance measure under International Financial Reporting Standards (“IFRS”). Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. The term EBITDA consists of net (loss) income and excludes interest (financing costs), taxes, depreciation and amortization. Adjusted EBITDA also excludes share-based compensation, and share offering related costs, impairment of assets, and adjustments for fair value of both biological assets and warrant liabilities. Adjusted EBITDA is included as a supplemental disclosure because the Company believes that such measurement provides a better assessment of the Company’s operations on a continuing basis by eliminating certain non-cash charges and charges or gains that are nonrecurring. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net (loss) income. See “Adjusted EBITDA” in the Company’s most recently available management’s discussion and analysis of financial condition and results of operations available on the Company’s profile on SEDAR at www.sedar.com for a reconciliation of Adjusted EBITDA to net (loss) income.

Third Party Information

This presentation includes market and industry data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, the Company has not independently verified any of the data from third-party sources referred to in this presentation or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying assumptions relied upon by such sources. The Company does not make any representation as to the accuracy of such information.

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

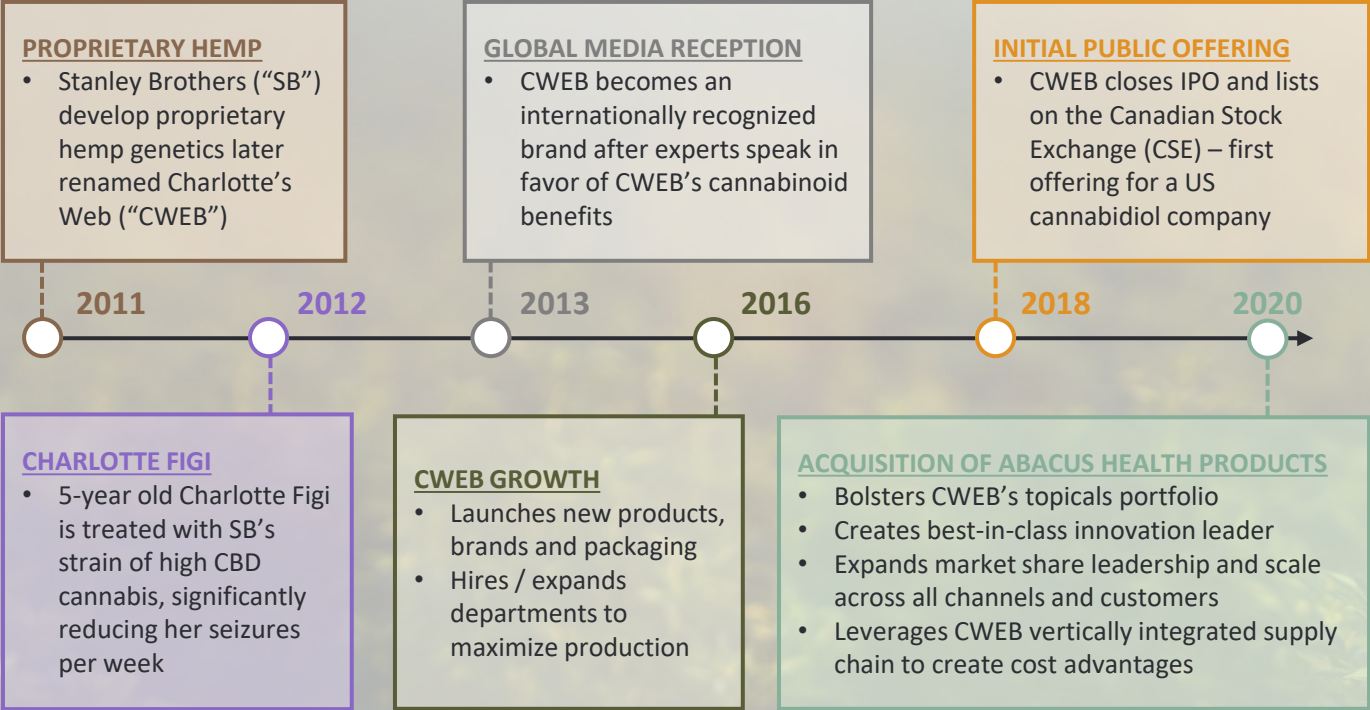
OVERVIEW

**CHARLOTTE'S
WEB
ADVANTAGE**

**DYNAMIC
OPERATING
ENVIRONMENT**

**EVOLVING
TO SUCCEED**

EVOLUTION TO MARKET LEADER



#1

BRAND in TOTAL HEMP-
DERIVED CBD MARKET¹
in AWARENESS
in LOYALTY
in MARKET SHARE

CHARLOTTE'S WEB HAS BEEN AT THE FOREFRONT OF
THE HEMP CBD INDUSTRY FOR THE LAST 10 YEARS

Source: Brightfield survey of 3500 people who have used CBD in the past year. Respondents rated brands they had purchased. Sept. 2019
(1) By market share Company estimates. Ratings provided by respondents who have purchased the brand.



MANAGEMENT TEAM



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

CHARLOTTE'S WEB
STANLEY BROTHERS



Tony True

CHIEF CUSTOMER
OFFICER

- PHARMAVITE
- WhiteWave
- Kellogg's, Pepsi, J&J



Perry Antelman

PRESIDENT, TOPICALS

- Abacus Health CEO
- Acquired June 2020



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



Cory Pala

CAPITAL MARKETS

- e-vestor
- TMX/Equicom

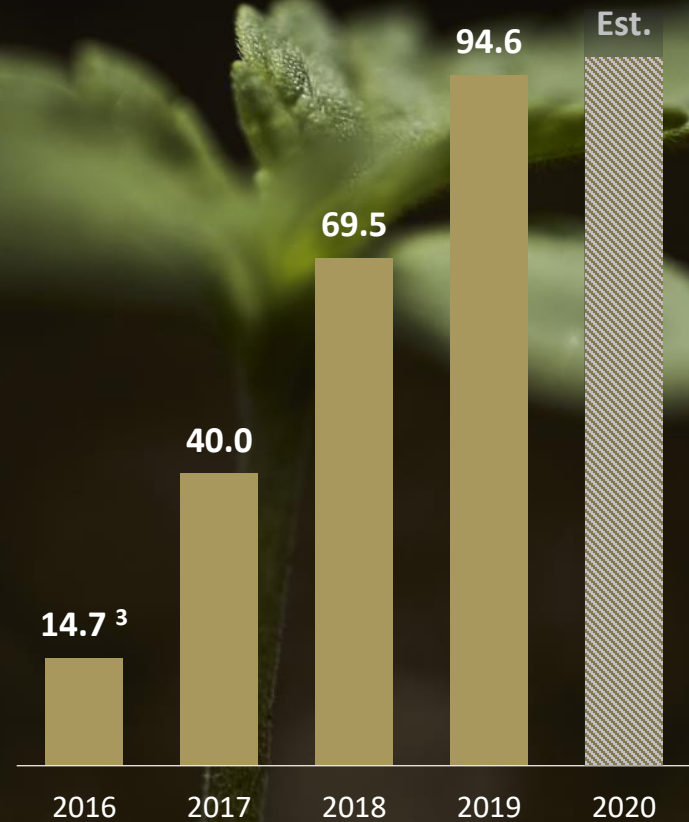


B CORP™ CERTIFIED AUGUST 2020



REVENUE GROWTH OUTPACING PEER GROUP

CHARLOTTE'S WEB ANNUAL REVENUE (\$MM)



PRODUCT INNOVATION



Original Portfolio



3 Gummies Added



12 Canine Products Added



CHARLOTTE'S WEB ASSETS

Brand Strength

#1
Category
Dollar Share

#1
Brand
Awareness

#1
Consumer
Loyalty

Vertically Integrated Supply Chain



- Quality, consistency and trust
- Traceability of ingredient streams
- Transparency of the manufacturing process
- Grown in the U. S. A.
- Production Cost Advantages
- 50%+ Certified Organic transitioning to 100%



Ecommerce Platform



Science and Safety



All Products Tested up to 20 Times

- Testing through cultivation, extraction & manufacturing
- Includes 60-panel toxins test
- Batch test results available for every item sold

Certified

- FDA approved cGMP certified facilities
- NSF International's dietary supplements GMP registration
- GRAS (generally recognized as safe) status for full spectrum hemp extract
- Hemp Authority certified products
- NASC certification for pet products
- OTC Topical line with FDA monograph ingredients

QUARTERLY PERFORMANCE – Q3 2020

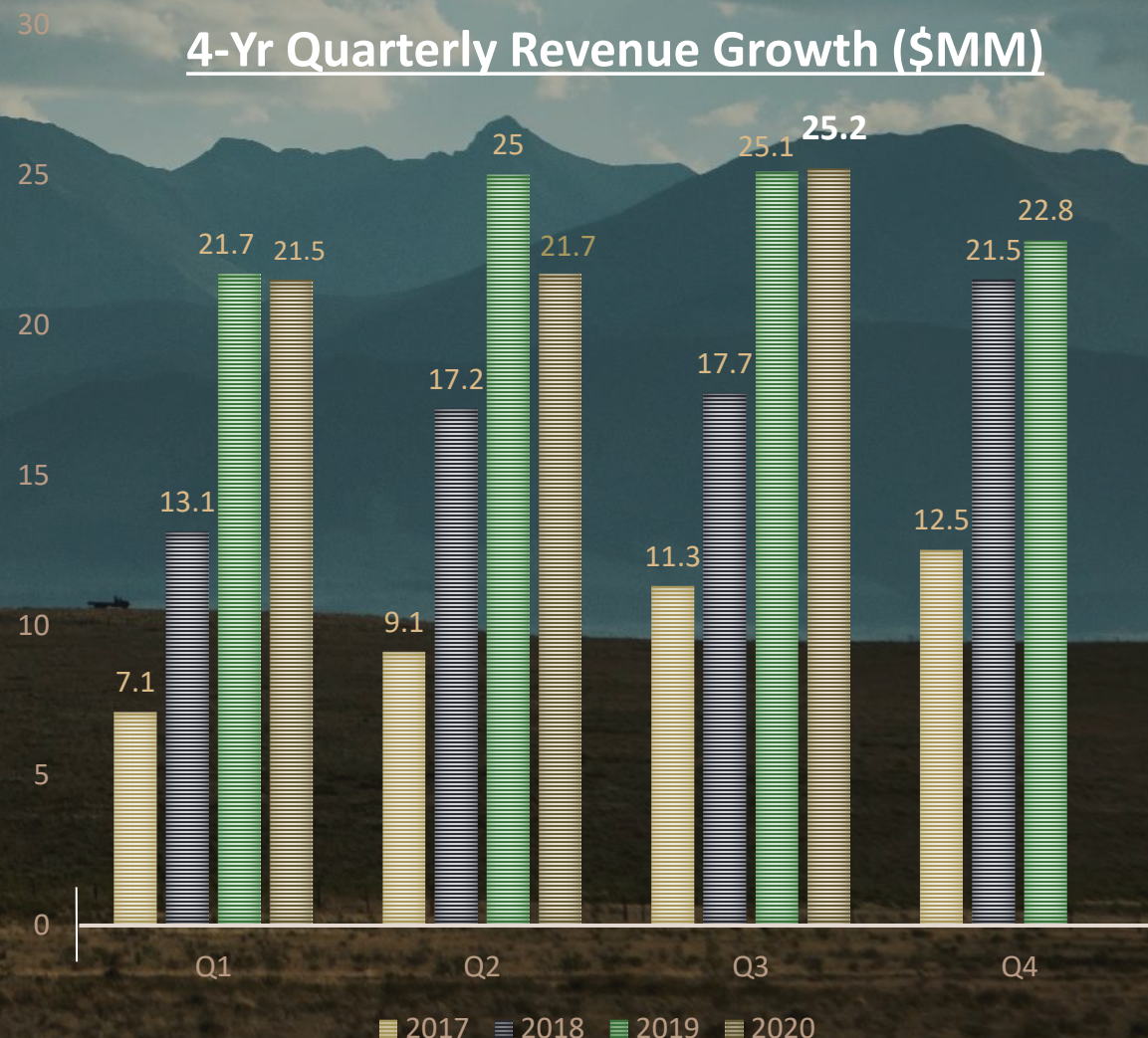
Q3- 2020 Financial Highlights

- Consolidated revenue of \$25.2
- 60% adjusted gross margin
- Adjusted EBITDA loss of (\$6.7M)
- \$65.9M cash, \$128.6M working cap

Q3- 2020 Business Highlights

- Return to organic consecutive quarterly growth
- DTC sales increased 28% YoY, largely offsetting a 29% decrease in B2B sales
- 66% revenue from DTC
- Abacus Health Products acquisition fully integrated
- Medical channel reopens from pandemic lockdown
- Added 1,000 retail doors, surpassing 22,000 total


4-Yr Quarterly Revenue Growth (\$MM)



All revenue in USD \$MM



EVOLVING THE LEAD

- 
1. FILL THE PORTFOLIO GAP AND SCALE
 2. DRIVE THE BRAND ADVANTAGE
 1. INCREASE ECOMMERCE CAPABILITY
 2. LEAD WITH SCIENCE
 3. EXPAND & AUTOMATE DISTRIBUTION

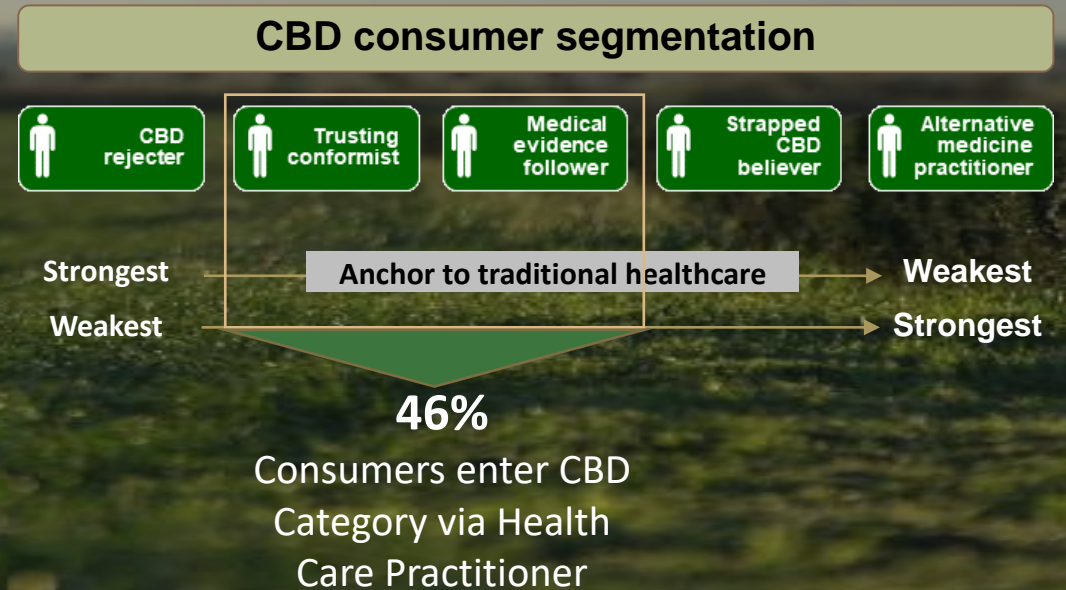
EVOLVING THE LEAD - FILL THE PORTFOLIO GAP

Topical Segment Underdeveloped

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

Source: Brightfield Group

Expand Consumer Segment



Source: Internal Research 8/19

Source: Brightfield Group



EVOLVING THE LEAD – FILL THE PORTFOLIO GAP



Consumer Offering

Health Care Practitioner Offering

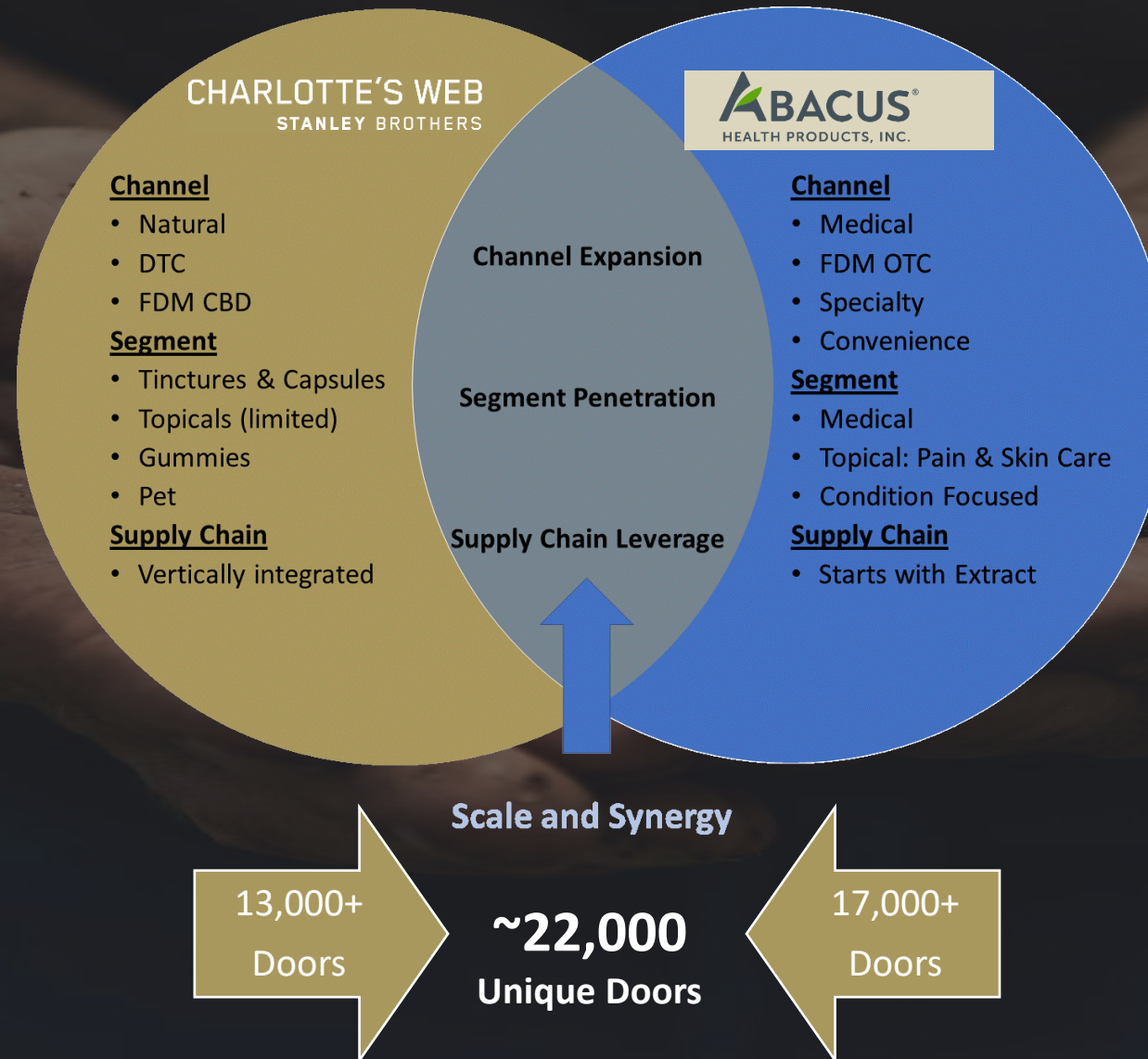


ADVANCED RELIEF Powered by Nature™

CHARLOTTE'S WEB
STANLEY BROTHERS



1 + 1 = 3 SCALING ACROSS CHANNELS



SCALING THE PORTFOLIO

PORTFOLIO FOOTPRINT

Segments

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

Channels

- ✓ Food/Drug/Mass Retail
- ✓ Natural Specialty Retail
- ✓ eCommerce
- ✓ Health Care Practitioners

CREDIBILITY



CBD CLINIC™

16K Health Care Practitioners

SEARCHING
FOR
ANSWERS

DR. JEN PALMER, MD
BRAND OF MEDICINE

Education & Science

TECHNICAL ECOSYSTEM



SCALING THE PORTFOLIO

Market Share Position - By Channel

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

Channel Distribution

<u>BRAND</u>	<u>CHANNEL DISTRIBUTION</u>			
	<u>FOOD</u>	<u>DRUG</u>	<u>NATURAL</u>	<u>eCOMM</u>
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



DRIVING THE BRAND ADVANTAGE

Charlotte's Web

#1 in Unaided Awareness	188% times higher than #2
#1 in Aided Awareness	23% higher than #2
#1 in Would Consider Buying	80% higher than #2
#1 CBD Brand Purchased	33% higher than #2
#1 in Loyalty*	93% higher than #2
#1 in association with Trustworthy	1% higher than #2
#1 in Household Penetration	33% higher than YA

* The number of consumers loyal to Charlotte's Web increased 83% from Q4 2019 to Q2 2020

INCREASED ECOMMERCE CAPABILITY

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



LEADING WITH SCIENCE



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



- **June 2020:** Sponsoring ValidCare human trial on impact of CBD on the liver to support FDA interest in science-based data
- **January 2021:** Results expected to be published and shared with FDA

REGULATORY EXPERTISE & CERTIFICATIONS

Certifications



1. Responsible and pro-active approach with FDA and other regulators

- Lawful advertising in line with FDA guidelines
- Actively engaged in research studies to support FDA's interest in science-based data

2. 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

3. Value to partners

- Well established relationships with regulators
- Expertise in navigating the hemp derived CBD specific regulatory framework
- Rigorous product testing ensures ingredients are of the highest quality

EXPAND & 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 Q2; Production Q3
- Capable of servicing the full F/D/M retail channel

Rigid Quality Management

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



CHARLOTTE'S WEB - BEST POSITIONED TO WIN LONG TERM

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

CAPITALIZATION

CAPITALIZATION	Nov 9, 2020
Basic Common Shares Outstanding	104,789,199
Proportional Voting Shares (400:1)	85,738.4575 (400:1 = 34,295,383)
Effective Basic Common Shares Outstanding	139,084,575
Warrants	10,492,048
Options	4,842,342
Fully Diluted Shares Outstanding	154,069,796



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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