

BRANDS LEADERSHIP SCIENCE



CHARLOTTE'S WEB™
STANLEY BROTHERS

TSX: CWEB | OTCQX: CWBHF

Q3 2022

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,, 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 included in the Company’s most recent annual information form and other public documents on file with the Canadian Securities regulatory authorities on 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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Non-GAAP Measures

This presentation makes reference to Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) and gross profit excluding inventory provision are not recognized performance measures under U.S. GAAP. These non-GAAP financial measures should be considered supplemental to, and not a substitute for, our reported financial results prepared in accordance with GAAP. Adjusted EBITDA does not have a standardized meaning prescribed under U.S. GAAP and therefore may not be comparable to similar measures presented by other issuers. Adjusted EBITDA excludes share-based compensation, impairment of assets, transaction costs, legal settlement costs, restructuring charges, and adjustments for fair value. Adjusted EBITDA is included as a supplemental disclosure because management of the Company believes that such measurement provides a more meaningful assessment of the Company’s operations on a continuing basis by eliminating certain non-cash charges and charges or gains that are infrequent. The most directly comparable measure to Adjusted EBITDA calculated in accordance with U.S. GAAP is net loss. Gross profit, excluding inventory provisions, is gross profit as stated in the Company’s Consolidated Statements of Operations and Comprehensive Loss adjusted to exclude the non-cash inventory provisions. The Company believes such measurement provides a more meaningful assessment of the Company’s gross profit on a continuing basis by eliminating non-cash inventory provisions. See “Adjusted EBITDA” in the Company’s most recently available management’s discussion and analysis of financial condition and results of operations in the Company’s Annual Report on Form 10-K for the year ending December 31, 2021 available on www.sec.gov and 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.



CHARLOTTE'S WEB */S* CBD

#1

BRAND IN TOTAL HEMP-
DERIVED CBD MARKET:

in AWARENESS

in LOYALTY

in MARKET SHARE



CHARLOTTE'S WEB[™]
STANLEY BROTHERS



OILS 35%

Product Line:

- 10ml, 30ml, 100ml Full spectrum/THC Free Tinctures in 4 different strengths
- Highest CBD amount for high use consumers



GUMMIES 37%

Product Line:

- 6ct, 30ct, 60ct, 90ct gummies in multiple flavors
- Consumer friendly forms bringing in new users to brand and category through condition claims (sleep, calm, recovery)



TOPICALS 14%

Product Line:

- 300mg formulations: balms, creams, & gels
- Designed to address specific spots on the body in forms to target areas more specifically



CAPSULES 9%

Product Line:

- 7ct, 30ct, 60ct, 90ct capsules in 2 different strengths
- Consumer friendly form that lends itself to routine consumption



PET 5%

Product Line:

- Pet chews and Oils in multiple flavors and strengths
- Addresses specific ailments (hip & joint, senior, calm)



CW SPORT COMING SOON...



CHARLOTTE'S WEB PORTFOLIO

CORPORATE HISTORY

2012-2013

Discover Connection
between Epilepsy & CBD

Create Realm of Caring
501(c)3 focused on
informing patients about
science/dosing

Form CW based on brand
credibility & relevance
in user experience

CNN: Sanjay Gupta "Weed"

2018-2019

Company IPO

2018 Farm Bill Passes

Prepare For FDA

Build Operations Facility
in Louisville, Co. \$40M
CapEx

FDA Regulations Delayed

2022

Manage Business To
Sustainability

Simplify everything

Lower SG&A
by \$20M+

Build world class Sales
and Marketing talent

#1 in all Brand Metrics

2023 & BEYOND

Expand into new industry
Verticals; Sport, Beverage,
Cosmeceuticals

Grow Market Share

Expand International

Expand beyond CBD

MISSION STAYS TRUE TO FOUNDERS

LEADERSHIP ALIGNED WITH SHAREHOLDER VALUE & GROWTH

PATH TO BOTANICAL WELLNESS



CHARLOTTE'S WEB[™]
STANLEY BROTHERS



MANAGEMENT TEAM



JACQUES TORTOROLI - CEO

Jacques has been a Director since 2019 Across his career Jacques has held Executive positions at Bacardi, Ltd. PepsiCo, VIACOM, Westwood One, Young & Rubicam Inc. And KPMG. Jacques has spent over 10 years in the U.K, Italy, Belgium and Bermuda



JARED STANLEY - COO

Jared is a Co-Founder. His career has spanned virtually every position within the Company and led the only Truly vertically integrated operations in the industry



GREG GOULD - CFO & CAO

Greg serves as CFO and CAO. He is a senior finance executive with two decades of experience in Chief Financial Officer roles, leading public companies within the natural wellness and biopharmaceutical sectors.

POINTS OF DIFFERENTIATION

VERTICALLY INTEGRATED

- Full Ingredient Traceability and Transparency
- 100% US family farms

UNPARALLLED SCIENCE AND SAFETY

- FDA Approved GMP Facilities
- NSF Dietary Supplements,
- Hemp Authority Certified
- NASC Certified Pet Products
- OTC Products with FDA Monograph

ENORMOUS PRODUCTION CAPACITY

- Built for >\$1B revenue
- Currently at 1/4 capacity
- Potential to reduce co-man dependency

BRANDS & INDUSTRY LEADING DTC PLATFORM

- Unrivaled first party data
- #1 in Ecommerce
- #1 in mass and specialty retail
- #1 in Market Share
- >\$3Bn in available share



REGULATORY EXPERTISE & 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 retail 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



QUARTERLY PERFORMANCE Q2 2022

Q2 - 2022 FINANCIAL HIGHLIGHTS

- Consolidated net revenue of **\$18.9M**
 - DTC eCommerce revenue of **\$13.3M**
 - B2B revenue of **\$5.6M**
- 61% adjusted gross margin
- Reduced SG&A expenses YoY by \$30M annualized
- Adjusted EBITDA of (\$5.1M)
- Positioning for neutral cash flow at current revenue
- \$14.8M cash and \$64.6M working capital

Q2- 2022 BUSINESS HIGHLIGHTS

- Added partnerships in new industry verticals; Sports, Employer Wellness programs, Massage/Skin Care
- New distribution partnerships in retail, pharmacies, spirits
- Novel Foods application validated for UK full-spectrum CBD
- Canadian supply chain development for 2023 launch
- Added international distribution partner for Greater China

BALANCE SHEET & CAPITALIZATION

All figures shown in millions, US\$

BALANCE SHEET	June 30, 2022
Cash	\$14.8
Working Capital	\$64.6
Total Assets	\$153.0
Total Liabilities	\$37.1
Shareholder Equity	\$115.9

CAPITALIZATION	June 30, 2022
Basic Common Shares Outstanding	145.3
Warrants/RSUs	2.5
Options	5.2
Fully Diluted Shares Outstanding	153.0



CW 2.0 A NEW STRATEGY

GROWING THE BUSINESS

EXPAND DOORS & VELOCITY

WIN IN WASHINGTON

NEW DIETARY SUPPLEMENT
INGREDIENT - NDI

BOTANICAL WELLNESS

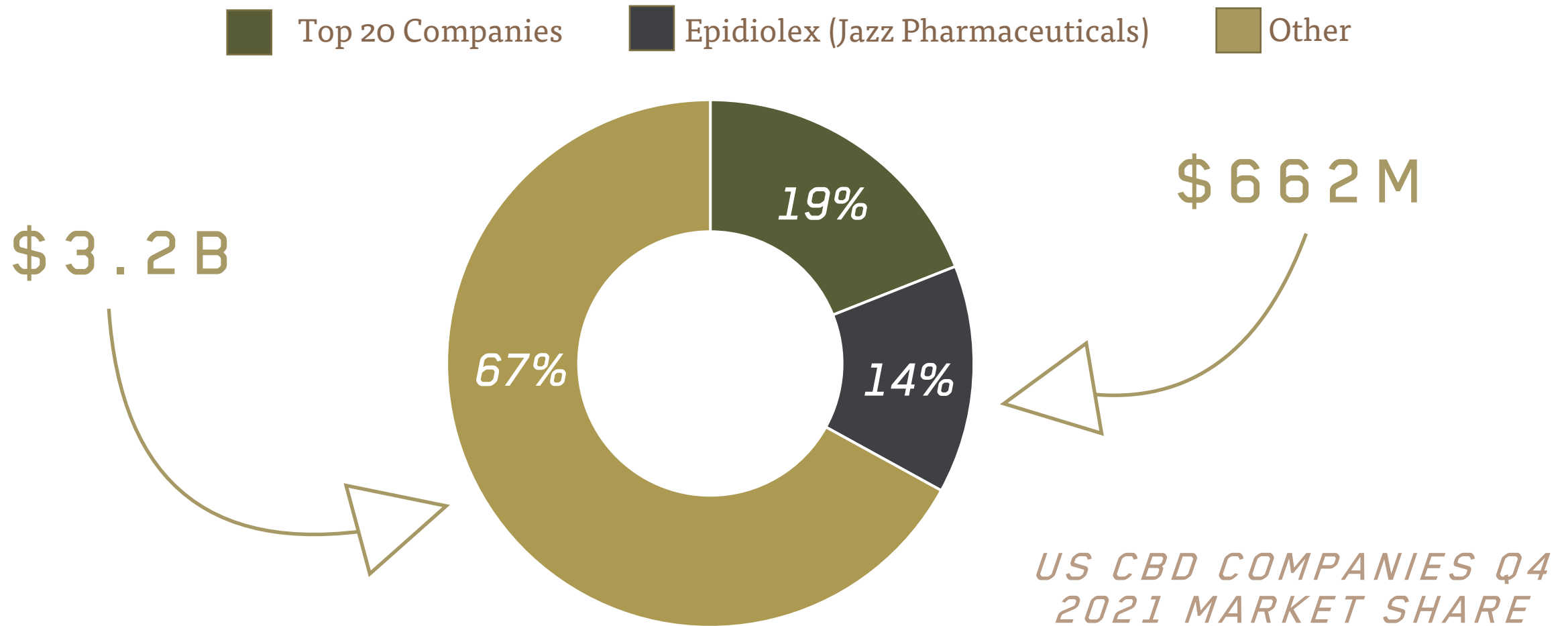
INVESTIGATIONAL NEW DRUG
PATHWAY - IND

- Enter New Industry Verticals
- Asset-light International Market Expansion
- From Direct to Distributor Partnerships
- Grow Traffic To CW.com

- Lobbyists
- Win With Science
- Partnerships
- Coalition for Access Now

- CW Processes Genetics & Formulations
- Partnership
- Choiceful innovations

SUBSTANTIAL MARKET SHARE UPSIDE



A vertical photograph on the left side of the slide shows the silhouettes of about seven people standing in a field of tall grass or crops. They are holding long-handled tools, possibly scythes or sickles, suggesting they are harvesting. The background is a bright, hazy sky at sunset or sunrise, with the sun low on the horizon.

GROWTH AND **EXPANSION**

GROW EXISTING CUSTOMERS

- Right Customers. Right Products. Right Price
- Grow Existing Doors and Velocity
- Drive Traffic & Conversion For DTC

NEW VERTICALS

- Cosmeceuticals & Beverages fastest growing segments within category
- Added new Sales Team with expertise in Travel, Hospitality, Sports & Entertainment

INTERNATIONAL

- NOW: UK, Israel, greater China
- NEAR: Southern Cone (LATAM)
- NEXT: EU, select ME markets, Japan

INTERNATIONAL REGULATORY **PROGRESS**



CANADA

“We commend Health Canada's proactive efforts on confirming the general safety of CBD consumption. The unanimous agreement is not surprising to us, as Charlotte's Web has over four years of safety and preclinical toxicology data that supports safe human consumption within the dosing range suggested by Health Canada. We are currently establishing our supply chain to enter the market to take full advantage of the Canadian CBD market changes.”

- Jared Stanley, COO Charlotte's Web



UK

“CW was one of the first companies to be validated by FSA for our full spectrum Original Formula. We are additionally validated for our Co2 extract tinctures and capsules. This validation means CW products can be sold in the UK market in the interim. CW one of a few brands to have this distinction. ”

- Jared Stanley, COO Charlotte's Web



EXPAND AND **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
- Final phase III buildout and capex; shipping-production-extraction-R&D
- Capable of servicing the 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

PRODUCT INNOVATION



SPORT



BEVERAGES



COSMECEUTICALS

OPPORTUNITIES FOR **GROWTH**

Product Type	2021 Brightfield
Pharmaceuticals	\$581,200,000.0
Other CBD Products	\$56,900,000.0
Pre-roll or Flower	\$90,400,000.0
Vape Oil and Cartridges	\$356,800,000.0
Pet	\$437,500,000.0
Other Edibles	\$82,900,000.0
Drinks	\$244,800,000.0
Gummies	\$583,500,000.0
Beauty and personal care	\$281,000,000.0
Topicals	\$700,000,000.0
Capsules	\$350,300,000.0
Tinctures	\$969,000,000.0
TOTAL DRINKS & BEAUTY	\$525.8M

UNTAPPED
\$525M ANNUAL
CATEGORIES



CW SPORTS PARTNERSHIPS: THE BEST OF THE BEST

- **Carli Lloyd:** Two-time gold medalist and two-time world cup champion Carli Lloyd as part of the CBDMEDIC™ family.
- **Angel City Football Club:** Official CBD partner. Founders and investors include Serena Williams, Natalie Portman, Eva Longoria, Lindsey Vonn, Gabrielle Union, Mia Hamm, and more.



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MLB APPROVES CBD CATEGORY **SPONSORSHIP**

“Absent the FDA or Congress regulating the CBD industry, MLB saying they are allowing CBD sponsors just gives us big credibility. It will help consumers’ perception of the quality and effectiveness of CBD. ... We’re prohibited by the FDA from talking directly about some [product] benefits, so education is huge for us and the industry.”

- Jacques Tortoroli, CEO Charlotte's Web

Sports Business Journal: *Marketing and Sponsorship:*

MLB’s decision to allow CBD raises two questions:

How big will the deals be? Which league is next?





POSITIONED FOR
LONG TERM
WINNING

We have made material Capex investments that can support volume growth.

We have stabilized our business for cash growth in '22.

We have THE right to win by execution, targeted innovation.

FDA will only power up our growth.

We are uniquely qualified and prepared to unlock value through cannabinoid drug development with identified and ready partners.

- Leadership team with international experience
- Market share leader
- Evolving the portfolio, infrastructure and capabilities
- Backed by science and data
- Expanding domestically and internationally

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