



BRANDS LEADERSHIP SCIENCE

 **CHARLOTTE'S WEB™**
STANLEY BROTHERS

TSX: CWEB | OTCQX: CWBHF

Nov 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

CORPORATE HISTORY

2012-2013

- Discover connection between epilepsy & CBD
- CNN: Sanjay Gupta "Weed" reveals CBD and Charlotte to the world
- Form Charlotte's Web

2018-2021

- 2018 Farm Bill passes
- Company IPO
- Build operations facility in Louisville, Co.
 - \$40M CapEx
- Prepare for FDA
- FDA regulations delayed

2022

- Simplify everything
- Lower SG&A by \$30M+
- Manage business to sustainability

2023 & BEYOND

- #1 in key brand metrics
- Grow market share
- Add sport, beverage, cosmeceuticals
- International expansion
- Expand beyond CBD

MISSION STAYS TRUE TO FOUNDERS | LEADERSHIP ALIGNED WITH SHAREHOLDER VALUE & GROWTH | PATH TO BOTANICAL WELLNESS

POINTS OF DIFFERENTIATION

VERTICALLY INTEGRATED

- Full ingredient traceability and transparency
- 100% US family farms

UNPARALLELED 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
- >\$3B in available share

FULL SPECTRUM HEMP EXTRACT PRODUCTS



THC-FREE*

TINCTURES & CAPSULES



TOPICALS



CANINE PRODUCTS



GUMMIES



NSF CERTIFIED FOR SPORT



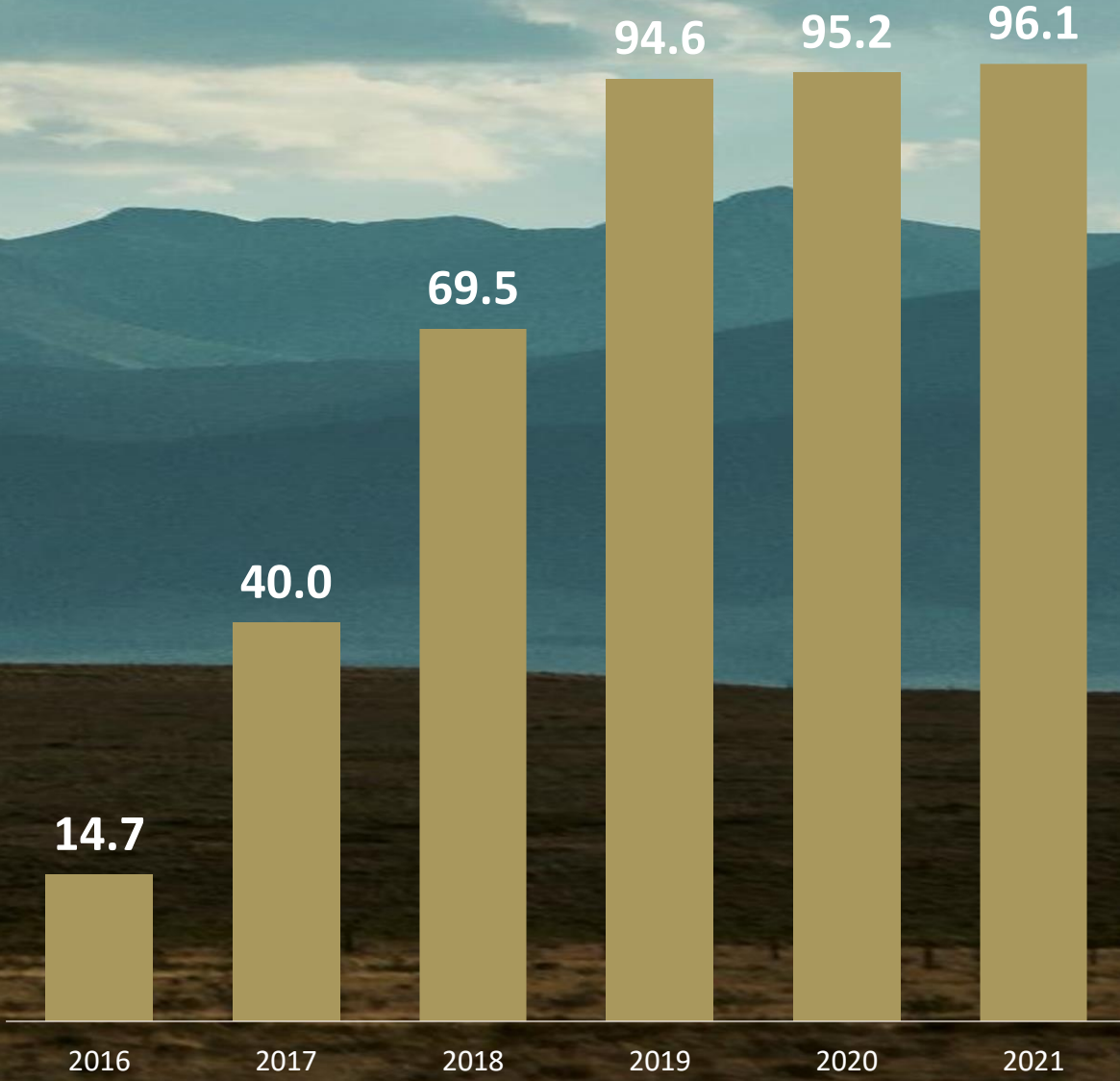
BROAD SPECTRUM HEMP EXTRACT



CW SPORT

(\$M)

CHARLOTTE'S WEB ANNUAL REVENUE



STRATEGIC INVESTMENT FROM BAT

Nov 15, 2022

\$56.8M

debenture investment

Capitalization + Ownership

Pro Forma Cash

\$65

Nov 15, 2022

Annualized Cost²

5.0% - 1.5%
stepping down upon
federal legalization³

BAT Ownership

~19.9%⁴
upon conversion

CW 2.0 A NEW STRATEGY

GROWING THE
BUSINESS

EXPAND DOORS & VELOCITY AND
GROW ECOMMERCE TRAFFIC

WIN IN
WASHINGTON

NEW DIETARY SUPPLEMENT
INGREDIENT - NDI

BOTANICAL
WELLNESS

INVESTIGATIONAL NEW DRUG
PATHWAY - IND

- Enter new industry verticals
- Asset-light international expansion
- From direct to distributor partnerships

- Lobbyists
- Win with science
- Coalition for access now

- CW processes genetics & formulations
- Partnerships
- Choiceful innovations



GROWTH AND **EXPANSION**

GROW EXISTING CUSTOMERS

- Right Customers. Right Products. Right Price
- Grow Existing doors and velocity
- Drive traffic and conversion for ecommerce

NEW VERTICALS

- Cosmeceuticals and beverages are the fastest growing segments within category
- Added new sales team with expertise in travel, hospitality, sports and distributor partnerships

INTERNATIONAL

- **NOW:** Canada, UK, Brazil, Argentina
- **NEAR:** South and Central America, Mexico
- **NEXT:** EU, Asia, Select ME markets



CHARLOTTE'S WEB™
STANLEY BROTHERS

RECENT DISTRIBUTION WINS



No. 1 provider of massage in the U.S.



Supplements for employer benefits programs



Thousands of pharmacies covered



Central US retail & specialty



National rapid delivery channel



America's leading wine and spirits distribution

INTERNATIONAL EXPANSION

CHARLOTTE'S WEB
COMING TO CANADA

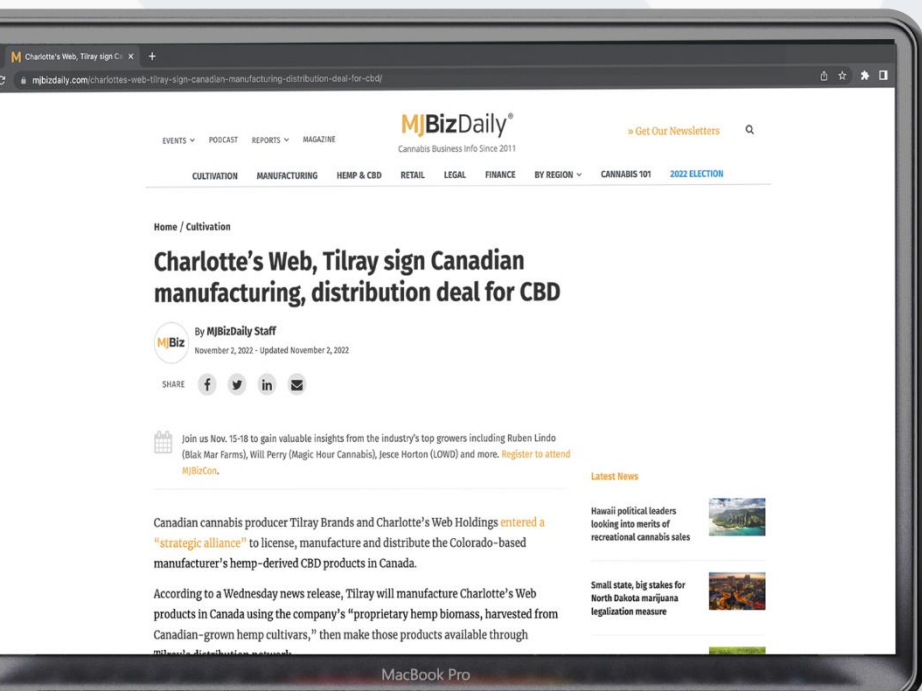
ASSET LIGHT MODEL

CANADA: TILRAY PARTNERSHIP

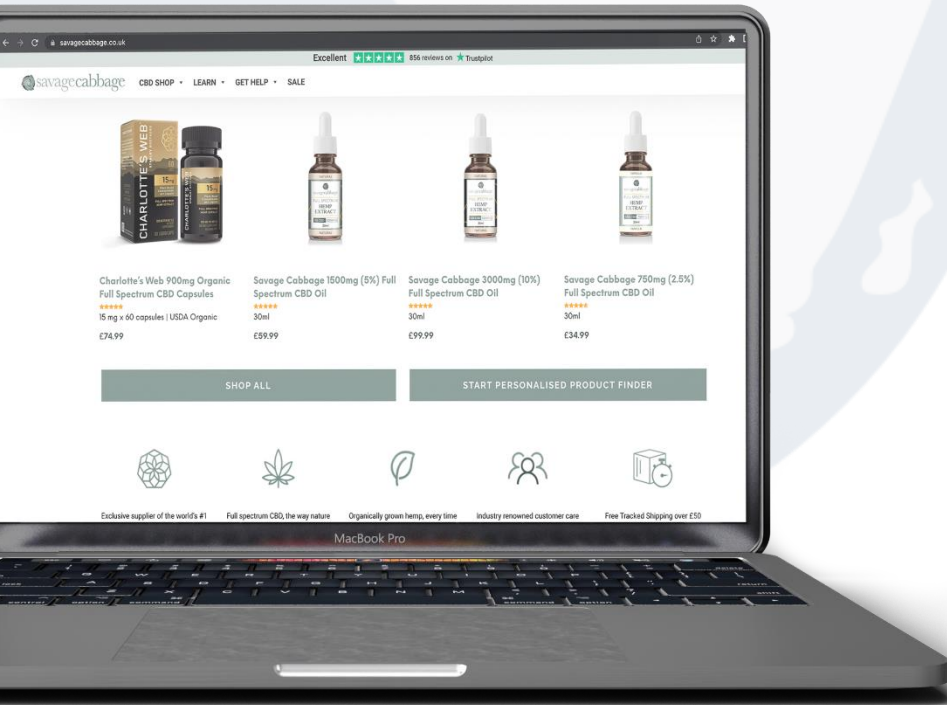


Tilray Brands manufacturing and distribution in Canada

- Replicating core U.S. offerings in Canada
- Canada-grown
- Available early 2023
- Few CBD competitors in Canada
- Potential future mass retail market



INTERNATIONAL EXPANSION



UNITED KINGDOM



UK CBD MARKET:

- Market second only to USA
- Potential US\$1.3B market 2025¹

SAVAGE CABBAGE:

- Exclusive distribution in UK via Savage Cabbage Ltd. (EIHA member)



Charlotte's Web UK FSA Novel Food Applications:

- Validated: full spectrum oil tinctures, capsules and gummies

PRODUCT INNOVATION



OPPORTUNITIES FOR GROWTH

\$ MILLIONS UNLESS OTHERWISE NOTED

<i>Product Type</i>	<i>2021 Brightfield</i>
Pharmaceuticals	\$581.2
Other CBD Products	\$56.9
Pre-roll or Flower	\$90.4
Vape Oil and Cartridges	\$356.8
Pet	\$437.5
Other Edibles	\$82.9
Drinks	\$244.8
Gummies	\$583.5
Beauty and personal care	\$281.0
Topicals	\$700.0
Capsules	\$350.3
Tinctures	\$969.0
TOTAL DRINKS & BEAUTY	\$525.8M

UNTAPPED
-\$525M ANNUAL
CATEGORIES

*Source:  BRIGHTFIELD GROUP

 CHARLOTTE'S WEB
 STANLEY BROTHERS



DAILY EDGE TINCTURE



BROAD SPECTRUM HEMP EXTRACT

2023/2024

INNOVATION PIPELINE*



SPRAYS & GUMMIES



TOPICALS



POWDER PACKETS & SHOTS

* Under development. Conceptual renderings.

NEW VERTICAL: SPORT



LAUNCHING A PREMIUM SPORTS PRODUCT LINE

- CW Sport – Daily Edge oil tincture is the only broad spectrum (THC-free) NSF Certified for Sport® CBD

MIND-BODY BALANCE

- Sports line to support energy, focus, sleep and recovery

CW BROAD SPECTRUM SPORTS LINE FUTURE

- CW broad spectrum sports line rolling out beginning in mid 2023
- Tinctures, Topicals, Gummies, and Sprays
- Broad Spectrum Products also positioned to open new retail verticals (big box, hospitality, travel, sports adjacencies)

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CHARLOTTE'S WEB™
STANLEY BROTHERS



OFFICIAL CBD OF MAJOR LEAGUE BASEBALL



"As a leader in the CBD category, with products that provide health and wellness benefits, Charlotte's Web is a welcome addition to the MLB family, representing a landmark partnership in baseball and sports,"
- Noah Garden, MLB Chief Revenue Officer.

October 12, 2022

["Major League Baseball and Pioneering CBD Brand Charlotte's Web Strike Groundbreaking Deal"](#)



BROAD SPECTRUM HEMP EXTRACT

A GAME CHANGING PARTNERSHIP

ACTIVATING ON THE PARTNERSHIP

YEAR OVER YEAR *



* Some activations are in the planning phase, such as the CSR efforts, brand engagement platform, and jewel event fitness events

CHARLOTTE'S WEB WILL HAVE A PREMIERE BRAND PRESENCE

All-Star Week, Postseason, and the World Series presented by Capital One are a few highlights that connect to the league's fan base of over 180 million Americans throughout the year.



EARNED MEDIA: MLB DEAL ANNOUNCEMENT

OCT. 11 - 27

*Major League Baseball, pioneering
CBD brand Charlotte's Web strike
groundbreaking deal.*

**MLB and Charlotte's Web form first CBD sponsorship with a
major pro sports league**

FINANCIAL NEWS

- Potential reach of audience – 1.64B
- Advertising value equivalent - \$15.2M
- Media exposure – 817 articles/mentions

CONSUMER NEWS

- Potential reach of audience – 675M
- Advertising value equivalent - \$6.4M
- Media exposure – 112 articles/mentions

Bloomberg



CNBC

Seeking Alpha^α

CBS

AXIOS

yahoo!

TheStreet

Nasdaq

MarketWatch

msn

* Data from Meltwater

 **CHARLOTTE'S WEB**
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REGULATORY PROGRESS



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MLB's Partnership with CBD company highlights need for FDA regulatory oversight



Will MLB And Charlotte's Web Finally Convince The FDA To Do Its Job?

This landmark partnership in baseball and sports is exciting though not entirely surprising.



CBA to FDA: Urgent action required on CBD regulation

The Consumer Brands Association on July 22 renewed its call for urgent government action on cannabidiol (CBD) regulation in letters addressed to Dr. Janet Woodcock...

- CW has engaged a 501-C4 and is actively lobbying for HR-841
- HR-841 has 45 co-sponsors and 6 new co-sponsors since July 22' engagement
- HR-841 has bi-partisan support and is being reissued into the 118th Congress and on the agenda for 2023.



**POSITIONED FOR
LONG TERM
WINNING**

We have made the Capex investments to support future material volume growth.

We have stabilized our operating expenses and reinforced our balance sheet

We have THE right to win through execution

Regulations will support our business and growth.

We are uniquely **qualified** to unlock value through cannabinoid drug development partnerships

- Leadership team with **Global** experience
- Market share **leader** with only ~4% of market
- **Evolving** the portfolio, infrastructure and capabilities
- Backed **by science and data**
- Right to win in **Sports wellness**
- **International** expansion for longer term growth

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