



Charlotte's Web™

2025

TSX: CWEB | OTC: CWBHF

# 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](http://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.

All of the forward-looking statements and information contained in this presentation speak only as of the date of this presentation and are expressly qualified by the foregoing cautionary statements. The Company expressly disclaims any obligation to update or alter statements containing any forward-looking statements, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by applicable law. Investors should read 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-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, 2024 available on [www.sec.gov](http://www.sec.gov) and [www.sedarplus.ca](http://www.sedarplus.ca) 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 WAS NOT STARTED AS A COMPANY,  
IT WAS STARTED AS A *MISSION*,  
AND LAUNCHED THE CBD CATEGORY.

What began as her story became the shared story of thousands, and the inspiration of millions in the journey of betterment

Charlotte remains our true north, driving our passion and dedication to provide the best **full-spectrum hemp extracts** for product **quality** and **consistency**

# Full & Broad-Spectrum Hemp Extract Products

*Nature in a bottle: plant intelligence for today and tomorrow's wellness consumer*

Full Spectrum Human  
Oils, Gummies,  
Capsules, Cosmetic  
Topicals



Pet Chews,  
Tinctures



Medical Channel  
Topicals

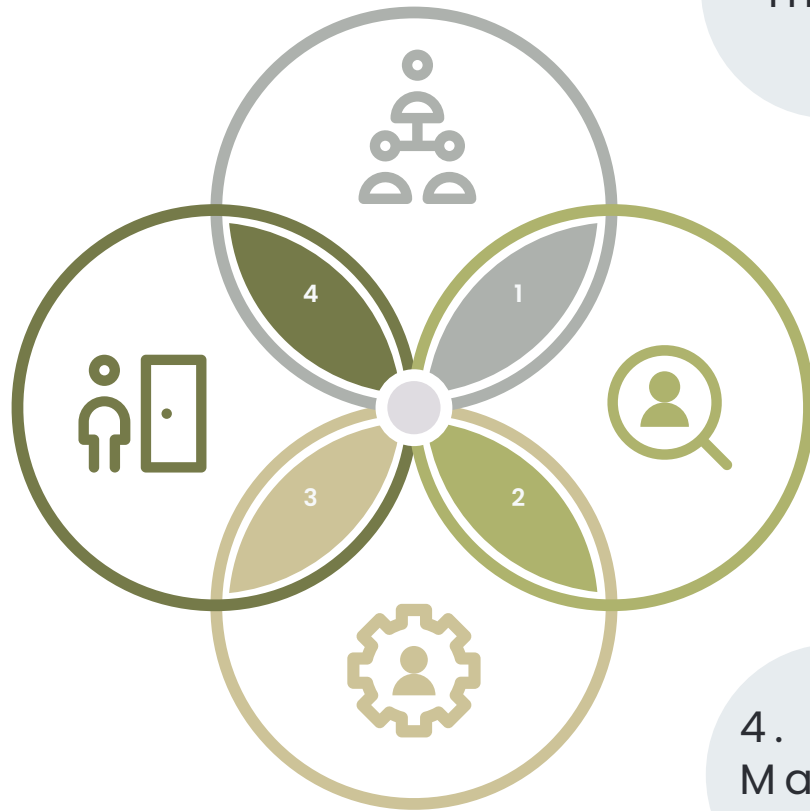


Broad Spectrum Ingestibles  
(and pending additional formats)



# Competitive Differentiation

12 Years in the Making, Prepared for the Future



## 1. Vertical Integration

- **Full ingredient traceability and transparency**
- Hemp grown on 100% North American family farms
- World-class plant breeding program
- 11 hemp patents

## 2. Science & Safety

- **FDA approved GMP facilities**
- NASC certified pet products
- OTC topical products with FDA monograph
- **Extensive testing: from soil to oil, seed to shelf**

## 3. Production Capacity

- Enormous cGMP Certified Facility
- **Expandable to \$1B capacity with minimal CapEx**
- Reducing co-man dependency with in-house production

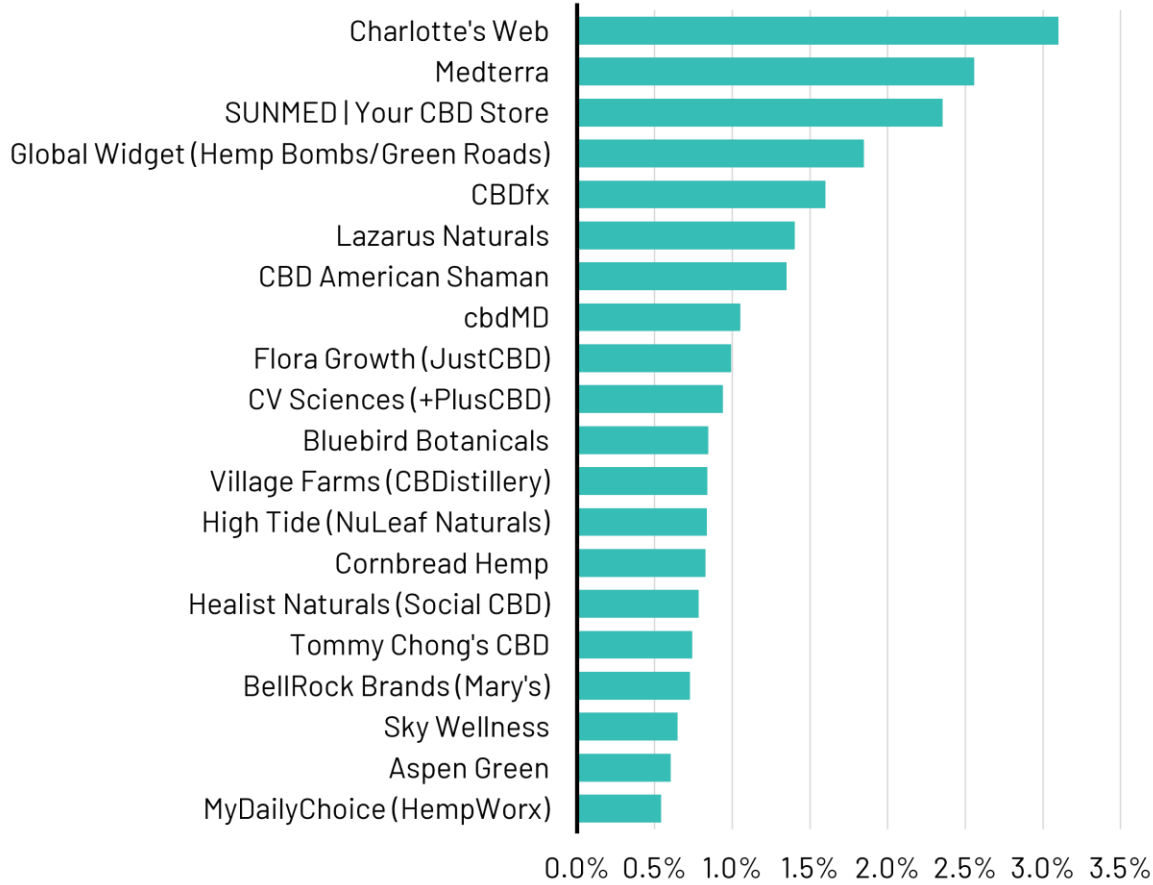
## 4. #1 Products & Market Share\*

- #1 Brand metrics
- #1 E-commerce share

\* Source: Brightfield Group: 2023

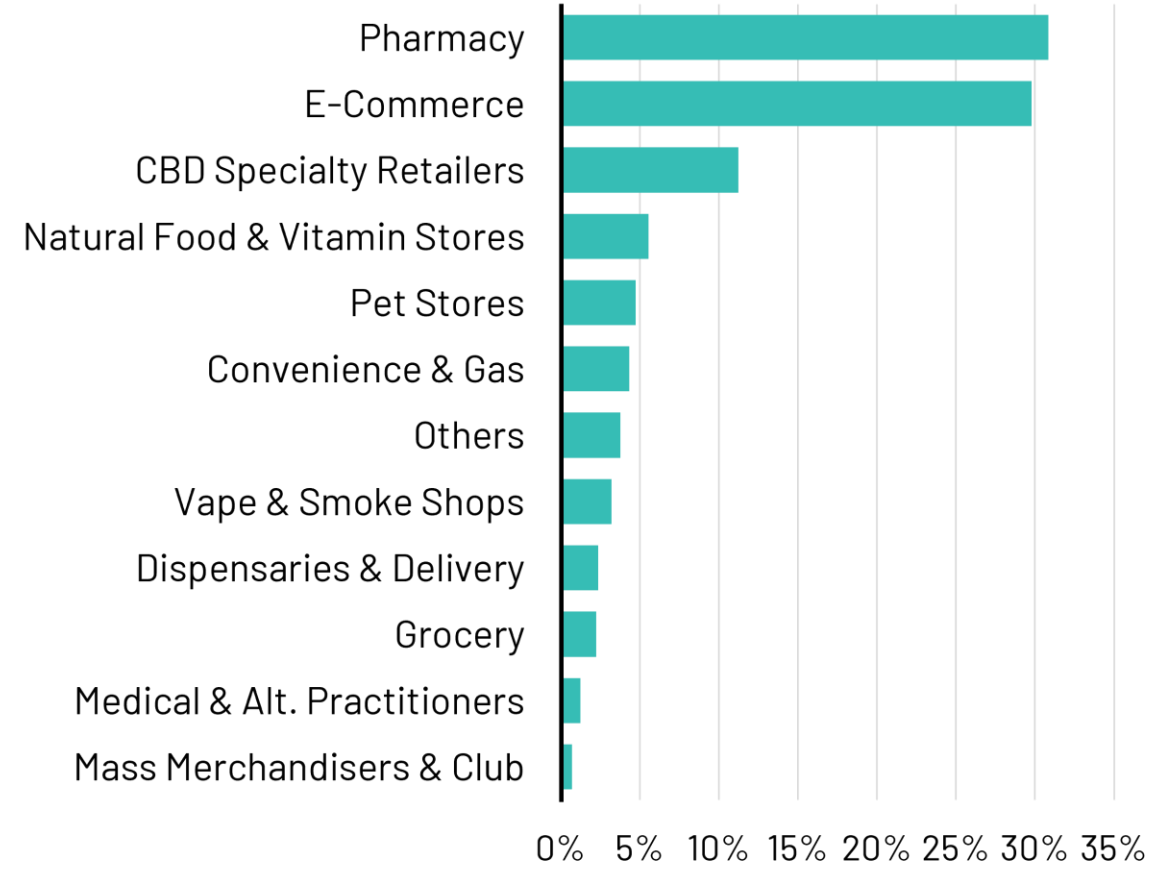
# #1 REVENUE LED BY eCommerce sales

**TOP 20 COMPANIES BY REVENUE**  
FY 2024



Source: Brightfield Group; 2025

**U.S. CBD SALES BY DISTRIBUTION CHANNEL**  
% OF TOTAL, 2025



Source: Brightfield Group; 2025

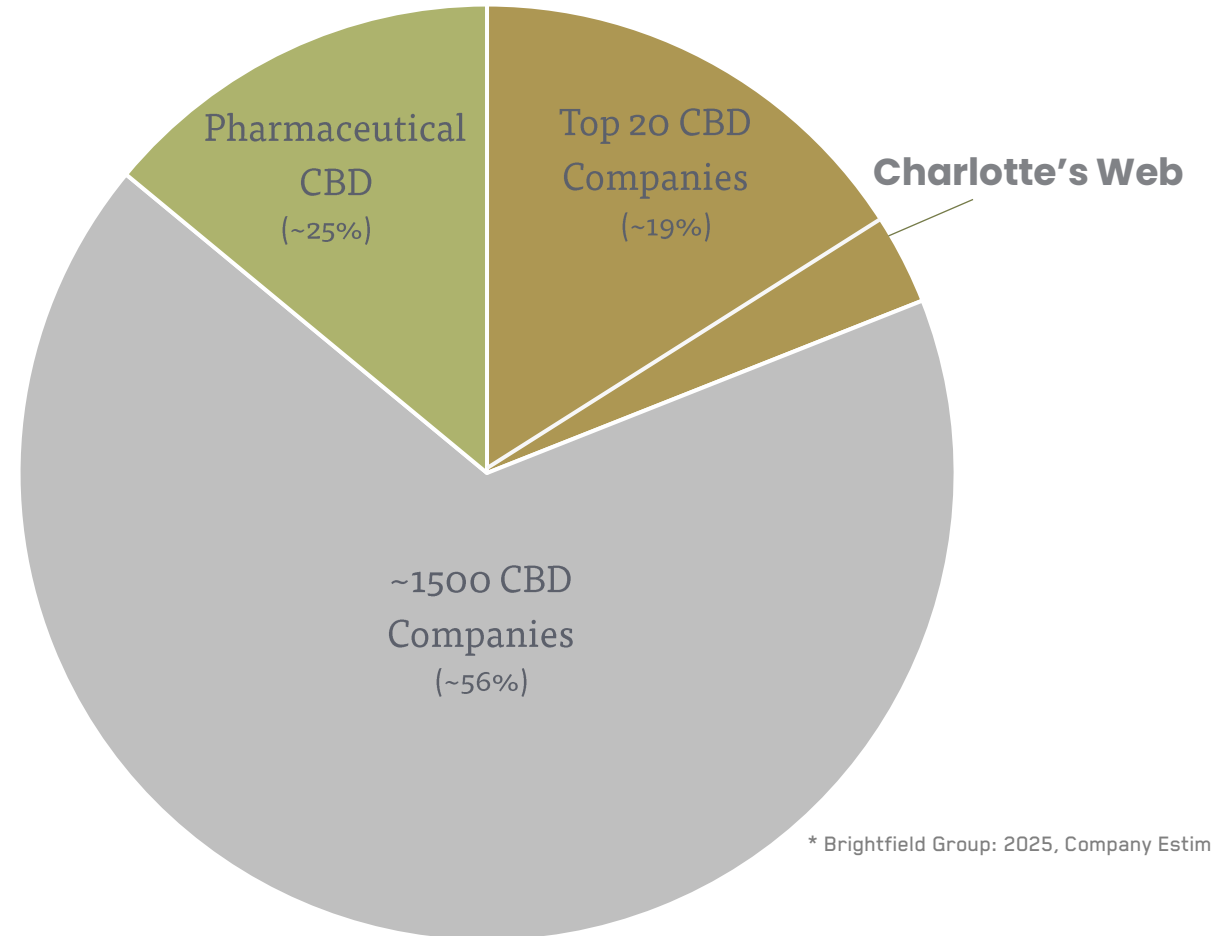
# SUBSTANTIAL MARKET UPSIDE

*CW holds 7% of share in participating  
segments; 3.1% of total market*

*\$2bn market share available*

*Enormous room for market share gains  
through product capitalization,  
regulation, and competitor diminishment*

## Charlotte's Web #1 in a Fragmented Market

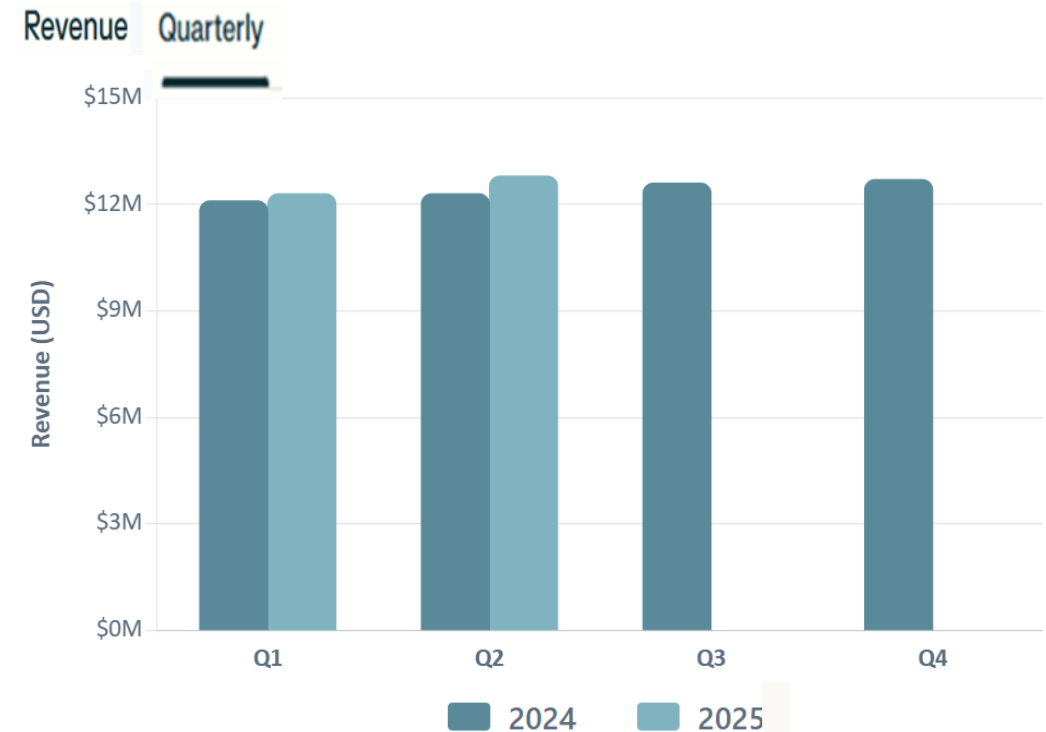


**\$3B Aggregate US CBD Market\***

# Returning to GROWTH

Four years of revenue declines in a challenged CBD sector required **new leadership and turnaround strategies**

**Sequential quarterly growth returned in 2024, and annual growth has returned in 2025, validating the turnaround initiatives.**





# MANAGING the financial model

**Sequential quarterly revenue** growth in 2024 leads to **sequential year-over-year growth** in Q2 2025

## Q2 2025 Financial Highlights

- **Revenue of \$12.8M** vs. \$12.3M YoY
- **Gross margins** of ~ **47%**
- **Reduced** SG&A by 31.7% YoY
- **Declining** YoY cash burn
- **\$15.3M cash** at June 30, 2025

# 3-Pillar STRATEGY

*Our mission: Unlock the healing power of botanicals with compassion and science, benefiting the planet and all who live upon it."*



## Transforming the Consumer Experience

*E-commerce platform migration completed in 2024*



## Omnichannel Expansion

Direct-to-Consumer (CW.com, Retail.com, Amazon.com Chewy.com, etc.),  
Business-to-Business, Retail, Healthcare Practitioners, Medical (IND, Rx,  
etc)



## Expansion Beyond CBD

Expanding into other cannabinoid isolates, functional mushrooms blended  
with botanicals, and entering Phase 2 clinical study for FDA botanical  
investigational new drug (IND) with DeFloria

# CBN for Sleep (Staying Asleep)

**CBN (cannabinol)**, one of over 100 different hemp cannabinoids, is non-intoxicating.

CBN helps you stay asleep\*

CBN supports a good night's sleep\*

CBN supports quality sleep\*

CBN supports decreased nighttime awakenings\*



\* These statements have not been evaluated by the Food and Drug Administration.

# CBG – the “Mother of All Cannabinoids” for Focus and Attention



**CBG**, a cannabinoid found in hemp, when it's in its acidic form (CBGA), is often called the "mother of all cannabinoids" — it's the first to appear in the plant and the precursor to others.

Launched June 2025 — a powerful new product for clarity, calm, and cognitive support

25 mg CBG combined with 120 mg Ginkgo Biloba

Supports mental focus and attention\*

Supports alertness\*

Helps support cognitive health & memory function\*

Helps support staying calm under pressure\*

# CBG Market Growth

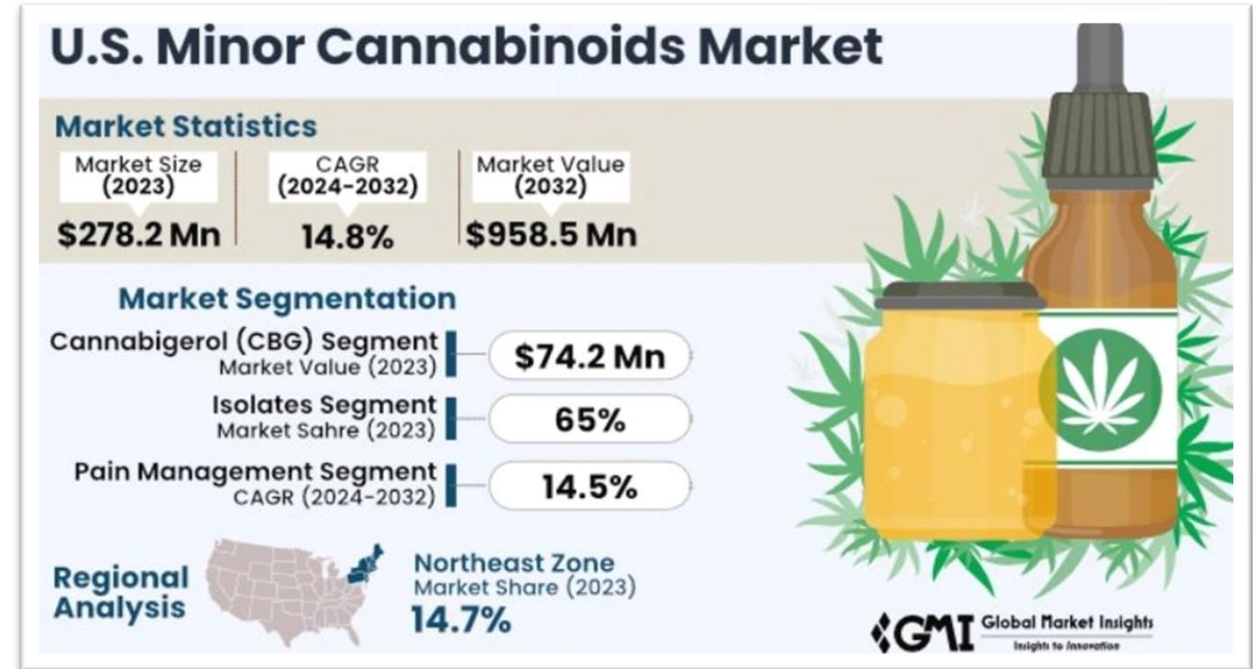
Strong Growth. Smart Demand. CBG is Emerging as the Next-Gen Wellness Solution.

## CBG Market Share

- Cannabigerol (CBG) led the U.S. minor cannabinoids category in 2023, with **\$74.2 million** in sales – making it the #1 minor cannabinoid by revenue that year.
- CBG made up 27% of the ~\$278M market in 2023. Overall, minor cannabinoid-infused products were up 47% YoY, signaling rising demand for alternatives beyond THC and CBD. [Source](#)

## Growth in Minor Cannabinoid Edibles

- In regulated cannabis markets, minor cannabinoid-infused edibles (like CBG/CBN gummies) saw +47% year-over-year growth in 2023.
- Sales of minor-infused edibles hit **\$391 million** for the year.



Source: Global Market Insights – Minor CannabinoidsMarket

# BRIGHTSIDE

## THC GUMMIES DERIVED FROM HEMP

(Federally legal under 2018 Farm Bill)

5mg

THC

7.5mg

CBD

25mg

CBG



### FOCUS & FLOW

37.5mg  
TOTAL

2.5mg

THC

12.5mg

CBD

12.5mg

CBG

12.5mg

CBC



### RELIEVE & EASE

40mg  
TOTAL

1mg

THC

25mg

CBD



### REST & RELAX

26mg  
TOTAL



# 70% of CBD Users Use Cannabis Products

**\$220M**

TAM for <5mg Hemp  
THC Gummies

**\$620M**

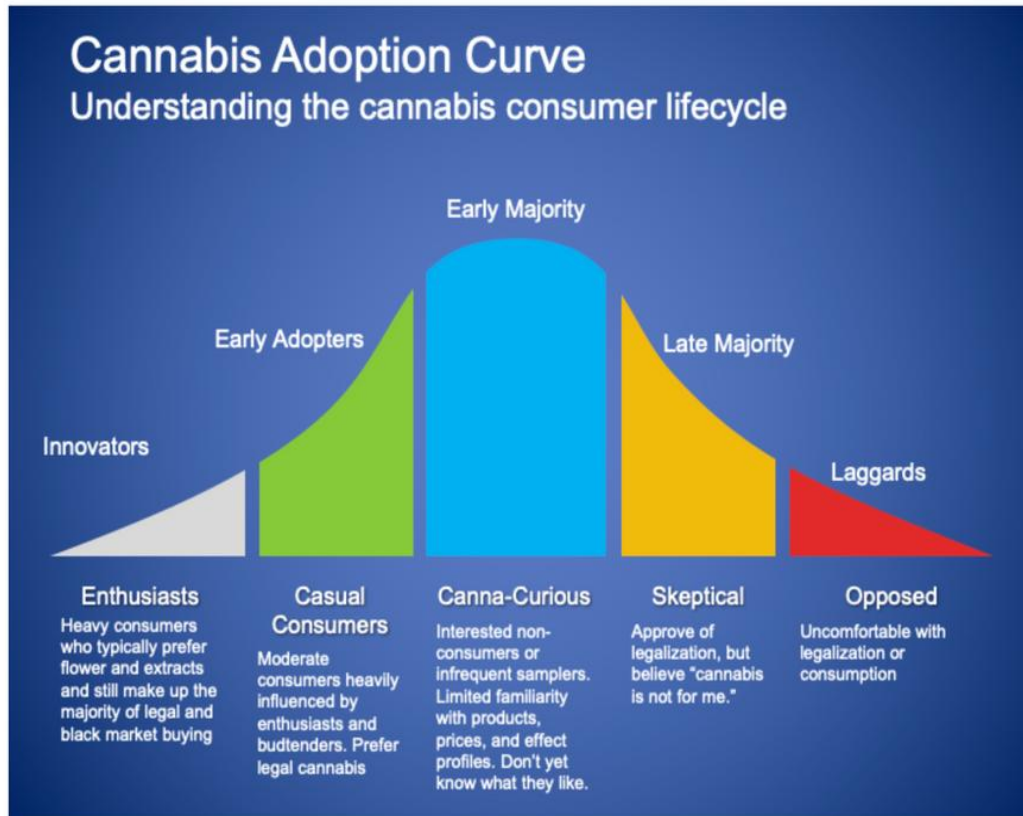
TAM for <5mg Recreational &  
Medical THC Gummies

## OPPORTUNITY:

- **Tap into a Growing Market:** Low-Dose THC Acceptors
- **Strategic Approach:** Hemp-derived, less than 0.3% THC, complies with 2018 Farm Bill.

## CANNA/THC CURIOUS

- People who are looking for **more intense support** than full spectrum CBD products.
- **People who want more THC** or are comfortable with higher levels of THC in their Hemp supplement but also a good, consistent and safe option.
- People seeking natural solutions for **specific needs**.
- Brightside 2023



### Consumers Want a Range of THC Dosage Options

4-10mg THC products are outpacing the growth of 0.5-3mg THC products: experiencing 3,153% versus 494% growth

SOURCE: SPINS ENDING 8.11.24



Charlotte's Web™

INTRODUCES

# FUNCTIONAL MUSHROOMS

**Medical mushrooms, also known as functional mushrooms, are a group of fungi that are believed to offer various health benefits when consumed.** These mushrooms have been used for centuries in traditional medicine systems, particularly in Asian cultures. They are characterized by their potential medicinal properties and bioactive compounds.

**These mushrooms are NOT Psilocybin (aka Magic Mushrooms).** They are legal and are not banned by governing bodies across sports, employment or otherwise.

## Some common examples of medical or functional mushrooms include:

- 1.Reishi (*Ganoderma lucidum*):** Known for its immune-boosting properties, reishi mushrooms promote overall well-being and support the body's natural defenses as well as anti-inflammatory effects.
- 2.Chaga (*Inonotus obliquus*):** Rich in antioxidants, chaga mushrooms are used to support immune function and may have potential anti-cancer properties.
- 3.Cordyceps (*Cordyceps sinensis*):** Cordyceps are believed to enhance energy levels and endurance. They may also have anti-inflammatory and anti-aging properties.
- 4.Lion's Mane (*Hericium erinaceus*):** Known for its potential cognitive benefits, lion's mane mushrooms are believed to support brain health and may aid in nerve regeneration. They are often used to enhance memory and concentration.
- 5.Shiitake (*Lentinula edodes*):** Besides being a popular culinary mushroom, shiitake is known for its potential immune-boosting properties and contribute to overall health.
- 6.Maitake (*Grifola frondosa*):** Maitake mushrooms are believed to have immune-modulating effects and are often used to support overall health. They contain beta-glucans and may have potential anti-cancer properties.



Reishi



Chaga



Cordyceps



Lion's Mane

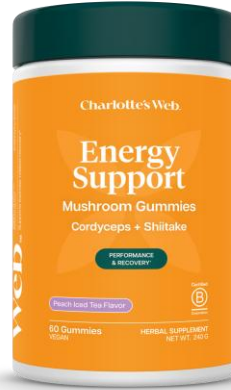


Shiitake



Maitake

# Charlotte's Web Family of Mushroom Gummies



	Muscle Restore	Energy Support	Focus Support	Stress Support
Claim	<ul style="list-style-type: none"> <li>Helps support muscle recovery*</li> <li>Helps your muscles recover faster*</li> <li>Helps with muscle regeneration*</li> </ul>	<ul style="list-style-type: none"> <li>Supports athletic performance*</li> <li>Supports endurance*</li> <li>Supports exercise-related recovery*</li> </ul>	<ul style="list-style-type: none"> <li>Supports nerve health*</li> <li>Supports cognitive function*</li> <li>Supports focus and memory*</li> </ul>	<ul style="list-style-type: none"> <li>Supports sense of well-being*</li> <li>Helps manage daytime stress*</li> <li>Helps ward off fatigue*</li> </ul>
Key Selling Points	<ul style="list-style-type: none"> <li><i>First to Market</i> with <b>Chaga + Tart Cherry</b></li> </ul>	<ul style="list-style-type: none"> <li>Caffeine Free <b>Cordyceps + Shiitake</b> for Peak Performance*</li> </ul>	<ul style="list-style-type: none"> <li>120mg <b>Lion's Mane Mushroom</b> / serving</li> </ul>	<ul style="list-style-type: none"> <li><b>Reishi + Ashwagandha + Rhodiola</b> to support healthy cortisol levels and response to stress.*</li> </ul>
Flavor	Dark Cherry	Peach Iced Tea	Tangerine	Strawberry

\*These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure or prevent any disease.

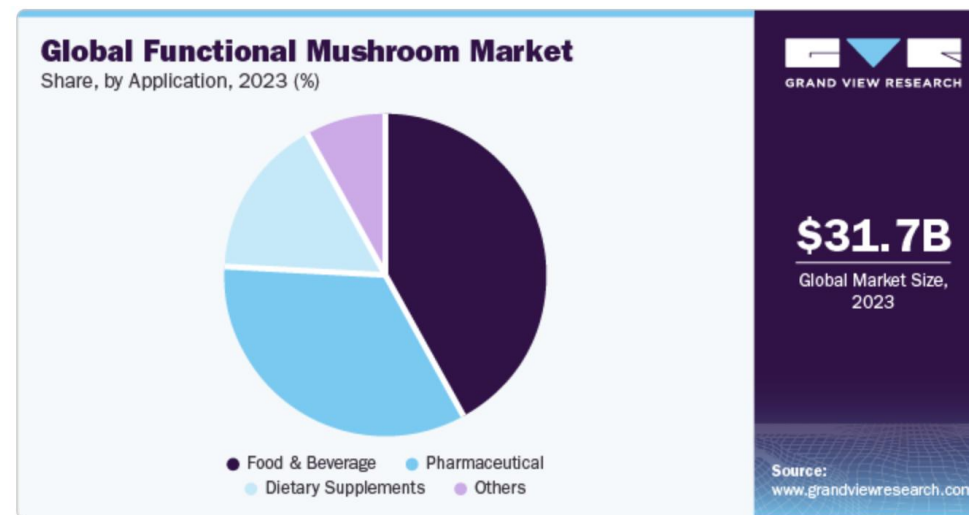
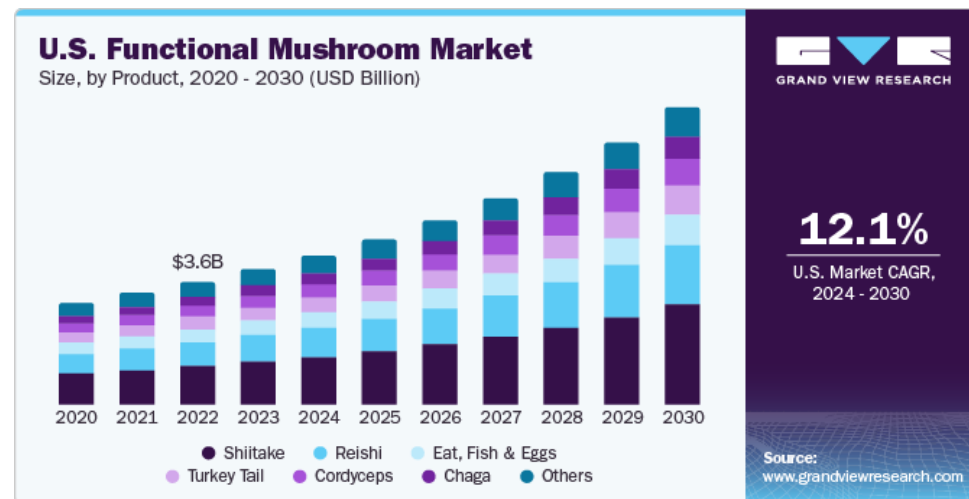
## FUNCTIONAL MUSHROOMS ARE RAPIDLY GROWING

The global functional mushroom market size was valued at **USD 31.71 billion in 2023** and is expected to grow at a compound annual growth rate (CAGR) of **11.2% from 2024 to 2030**. This can be attributed to the growing popularity of functional mushrooms as superfoods due to their numerous health advantages.

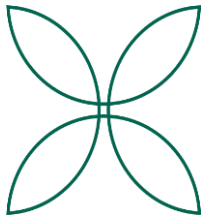
## WHO IS SEEKING OUT MUSHROOMS?

- Functional mushrooms consumers tend to be millennials and Gen x with high incomes and children in the home.
- They are trend setters.
- Many of them follow a high protein diet, which mushrooms may help achieve.
- Functional mushroom purchasers gravitate towards alternative medicine for their bodies and mindfulness for their minds more than the general population.

MUSHROOM SUPPLEMENT TAM		
<b>2023 UPDATED</b>		
SIZE OF FUNCTIONAL MUSHROOMS USA	\$	4,035,600,000
% OF TOTAL WHICH ARE FUNCTIONAL MUSHROOM SUPPLEMENTS USA		16.00%
<b>SIZE OF FUNCTIONAL MUSHROOM SUPPLEMENTS USA</b>	<b>\$</b>	<b>645,696,000</b>
% Mushroom Supplement Users Who Want to Take Capsules		74%
# Mushroom Supplement Users who want to take Caps	\$	477,815,040
% Mushroom Supplement Users who want to take Gummies		55%
# Mushroom Supplement Users who want to take Gummies	\$	355,132,800



<https://www.grandviewresearch.com/industry-analysis/functional-mushroom-market-report>



# Meet our New Muscle & Joint Pain Relief **OTC Topicals**

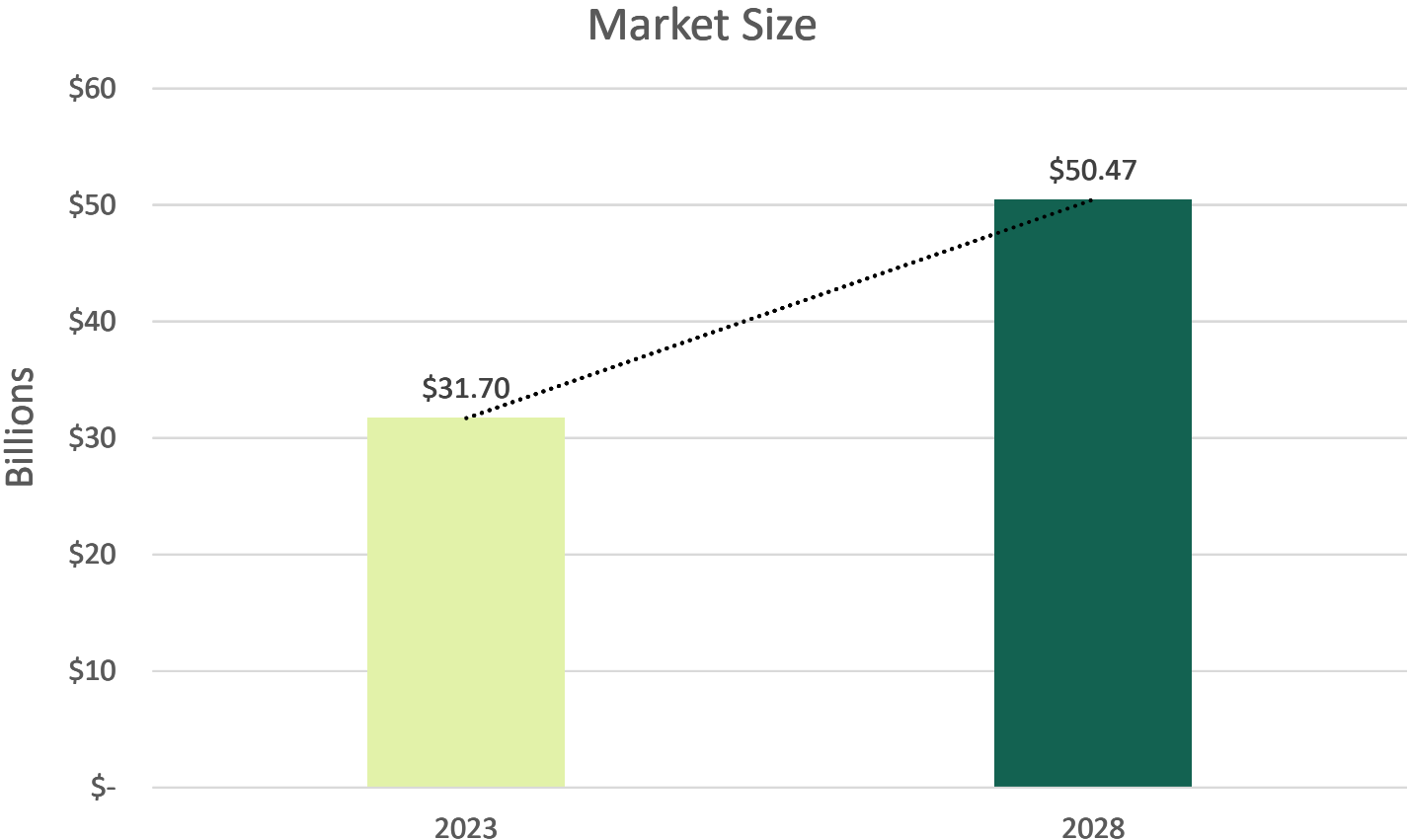


- ❖ Active Recovery Muscle & Joint Pain Relief Ointment
- ❖ Active Recovery Muscle & Joint Pain Relief Stick
- ❖ PM Recovery Muscle & Joint Pain Relief Stick
- ❖ Offering new pain relief topicals made without CBD or hemp is a strategic decision for us a company to continue to offer customers pain relief topicals they can trust and buy where every they shop.

Confidential and proprietary. © 2025 Charlotte's Web, Inc. All Rights Reserved.

# The OTC Topical Category is Gaining Market Share

Steady & significant growth



OTC products account for more than 60% of total pain relief topical market share.

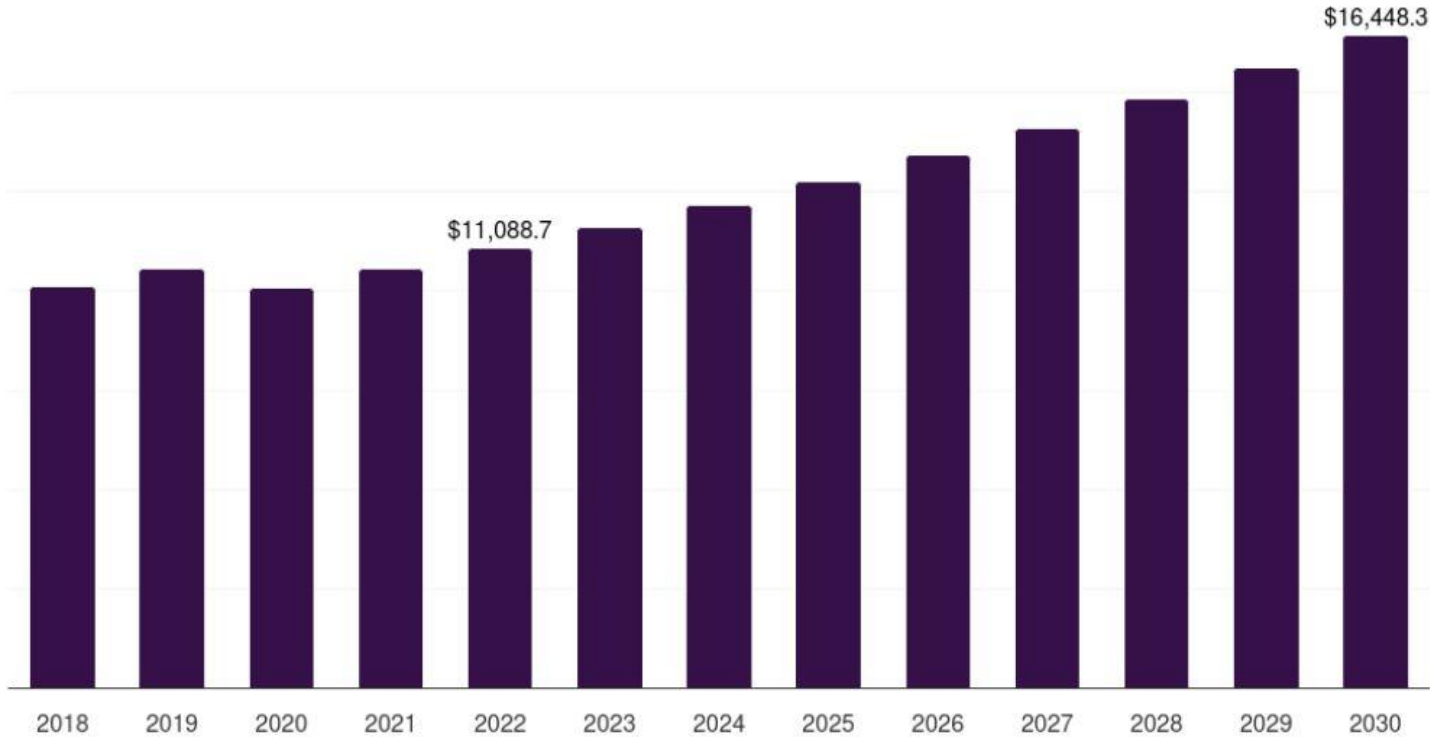
Creams and gels made with active ingredients menthol, capsaicin, and camphor are the best-sellers today.

Prescription Products capture the remaining 40%, particularly in chronic pain treatment for arthritis and post-operative care.

Source: Grand View Research, [ID GVR-4-68039-959-4](#)

# OTC Topicals U.S Growth is Surging

U.S. analgesics market, 2018-2030 (US\$M)



## Market Size:

- The U.S. OTC topical analgesics market was valued at **\$1.9 billion in 2024** and is projected to reach **\$2.8 billion by 2033**, growing at a **CAGR of 5.5%**.

## Key Growth Drivers:

- Increasing prevalence of **arthritis, back pain, and musculoskeletal disorders**.
- **E-commerce expansion** continues to drive product accessibility and consumer adoption.

## U.S. Market Focused:

- The U.S. accounted for **28.7% of the global analgesics market revenue in 2022**.
- It's expected to remain the **top revenue-generating country** in the global market through 2030.
- Within North America, the **U.S. will continue leading the regional analgesics market** by revenue in 2030.

Source: Grand View Research, [ID GVR-4-68039-959-4](#)

Source: [The United States Analgesics Market Size & Outlook, 2030](#)

# Botanical Drug Pathway Toward IND

## *Pharmaceutical Investigative New Drug (IND) through FDA*

### **HEMP (PATENTED) DRUG DEVELOPMENT**

- Indication: Behavioral Symptoms associated with Autism Spectrum Disorder
- Whole plant full spectrum botanical vs single active compound
- Decade of observational studies, foundational safety and toxicity data

### **UNLOCKING IP AND ASSET VALUE**

- Unique intellectual property and patents
- Derived from patented full spectrum hemp cultivar
- Leverages existing manufacturing infrastructure and capabilities

### **FDA IND IS A PROVEN PATHWAY**

- FDA approved CBD drug for epilepsy: \$1B annual revenue
- Broader neurological indications showing promise



# DeFloria Inc.

## FORMATION OF “DEFLORIA” FOR FDA IND

*PARTNERING TO PURSUE BOTANICAL DRUG THROUGH FDA*

### DEFLORIA PARTNERS/CONTRIBUTIONS

#### CHARLOTTE’S WEB

Licensing IP, clinical data, proprietary hemp genetics and manufacturing expertise

#### AJNA BioSciences

Botanical CMC expertise, regulatory services, IND clinical expertise led by Dr. Orrin Devinsky, Chief Medical Advisor. FDA botanical drug development expertise led by Jinhui Dou, M.D., lead author of the FDA Botanical Guidance pathway

#### BAT

US\$10M funding



### PARTNERING BENEFITS

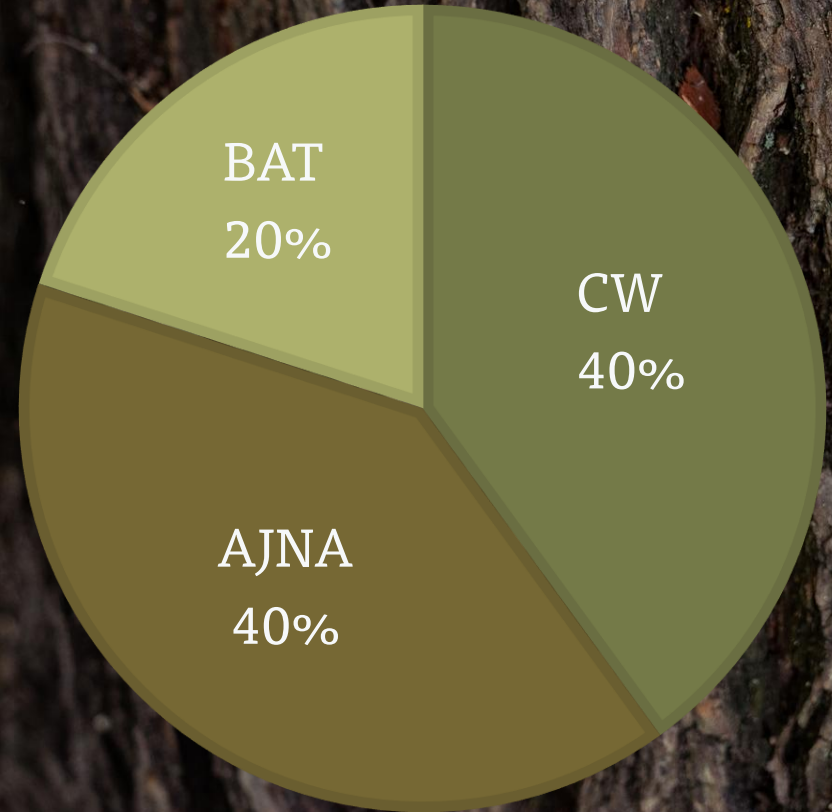
No distractions to CW CPG business

DeFloria cleared to pursue FDA IND Phase 2 in 2025

CW opportunity to participate in future funding rounds

Future botanical drug commercialization licensing stream potential for CW

Manufacturing option to leverage production facility, benefiting margins



*\* Approx ownerships*



PRESS RELEASE

## Charlotte's Web Announces DeFloria to enter Phase 2 FDA Clinical Trial for Autism Spectrum Disorder Treatment

**LOUISVILLE, Colo. – Feb 24, 2025** - (TSX: CWEB) (OTCQX: CWBHF) Charlotte's Web Holdings, Inc. ("**Charlotte's Web**" or the "**Company**"), a market leader in hemp extract wellness products, is pleased to announce that the U.S. Food and Drug Administration (FDA) has completed its review of Phase 1 data and [Investigational New Drug \(IND\) application submitted by DeFloria, Inc.](#) ("DeFloria"). The FDA has concluded that DeFloria may now proceed with its planned FDA Phase 2 clinical trial for its botanical pharmaceutical candidate, AJA001 Oral Solution, a treatment for symptoms of autism spectrum disorder (ASD).

*"Progressing to Phase 2 of an IND study with the FDA marks an important milestone in the development of our proprietary hemp genetics as regulated medicine,"* said **Bill Morachnick, Chief Executive Officer of Charlotte's Web.** *"By leveraging our deep expertise in hemp cultivation and proprietary formulations, we are reinforcing and extending our leadership in hemp wellness from the consumer sector into the regulated medical sector. A safe and effective botanical treatment for autism spectrum disorder would be a medical asset that could provide immense value to millions of families and Charlotte's Web."*

DeFloria is a collaboration including Charlotte's Web and Ajna [BioSciences](#) PBC, a botanical drug development company, to develop AJA001 as a treatment for irritability associated with autism spectrum disorder. AJA001 is a botanical pharmaceutical candidate for the treatment of irritability associated with autism spectrum disorder (ASD) in children.

# Hemp CBD Regulatory Progress Toward NDI

## *New Dietary Ingredient (Dietary Supplement Category)*

**2018 Farm Bill Legacy:** Congress legalized hemp-derived CBD but left regulatory framework incomplete, creating current jurisdictional challenges. Well-intended efforts to address emerging hemp Delta-8 intoxicating hemp products are overly broad and risk eliminating consumer access to therapeutic, non-intoxicating CBD wellness products.

**Charlotte's Web Leading Coalition Efforts:** Actively working with Congressional leadership and industry partners to fix or strike problematic language from draft legislation

**2025 Congressional Session:** Renewed focus on completing the regulatory framework through targeted legislation rather than restrictive appropriations language

**Comprehensive Solution Path:** Working with Congressman Griffith and the Trump Administration (Secretary Kennedy and FDA Commissioner Makary) on comprehensive CBD regulation under FDA dietary supplement framework

*Charlotte's Web is also pursuing pharmaceutical drug pathway opportunity through FDA IND process via DeFloria collaboration*



### **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...



The work of Paige and the mothers in the Coalition for Access Now led to passage of CBD access laws in all 50 states.



# POSITIONED To deliver long term shareholder value

Attractive valuation relative to  
long-term potential

- 2024: Returned to QoQ growth; 2025: Returned to YoY growth
- Improved SG&A, cash flow and outlook
- #1 market share leader with enormous room to grow within the hemp CBD wellness market
- Differentiated hemp extracts portfolio; full and broad-spectrum, and isolates (CBD, CBN, CBG, THC)
- Expanding Beyond Hemp: New category expansion into minor cannabinoids and functional mushroom wellness offerings
- Long-term upside with FDA Botanical Drug development
- Eventual regulatory oversight can shake out marketplace in CW favor
- Important strategic shareholders; BAT 19.9%\*, MLB 4%

\* MLB 6.1M shares (4%) shareholder, BAT proforma 19.9% shareholder post conversion @C\$2.00 Nov 2029



**TSX:CWEB | OTCQB:CWBHF**

**Charlotte's Web Holdings, Inc.**  
**700 Tech Court**  
**Louisville, Colorado**  
**USA**

**[www.charlottesweb.com](http://www.charlottesweb.com)**

**Cory Pala**  
**Director of Investor Relations**  
**(720) 484-8930**  
**[IR@CharlottesWeb.com](mailto:IR@CharlottesWeb.com)**