



CHARLOTTE'S WEB

STANLEY BROTHERS

CHARLOTTE'S WEB HOLDINGS, INC. FILES FINAL PROSPECTUS AND ANNOUNCES PRICING OF INITIAL PUBLIC OFFERING

NOT FOR DISTRIBUTION IN THE UNITED STATES

BOULDER, COLORADO, August 24, 2018 — Charlotte's Web Holdings, Inc. ("**Charlotte's Web**" or the "**Company**") is pleased to announce that it has obtained a receipt for its final prospectus (the "**Prospectus**") filed with the securities regulatory authorities in each of the provinces of Canada, except Quebec, in connection with the previously-announced initial public offering (the "**Offering**") of common shares of the Company ("**Common Shares**").

The Offering is for an aggregate of 14,300,000 common shares ("**Common Shares**") consisting of a treasury issuance by the Company of 13,312,150 Common Shares (the "**Treasury Offering**") and a secondary offering of 987,850 Common Shares (the "**Secondary Base Offering**", and together with the Treasury Offering, the "**Offering**") at a price of C\$7.00 per Common Share (the "**Offering Price**"). The aggregate gross proceeds of the Offering will be C\$100,100,000, with the Company and the Selling Shareholders (as defined below) receiving gross proceeds of \$93,185,050 and \$6,914,950, respectively.

The Common Shares are being offered for sale by Canaccord Genuity Corp., as lead underwriter, together with GMP Securities L.P., PI Financial Corporation, and Cormark Securities Inc. (collectively, the "**Underwriters**").

The Selling Shareholders have granted the Underwriters an over-allotment option, exercisable in whole or in part for a period of 30 days following the closing of the Offering, to purchase up to an aggregate of an additional 2,145,000 Common Shares at the Offering Price. Charlotte's Web will not receive any proceeds in connection with the exercise of the over-allotment option or the Secondary Base Offering.

Aiko Trust, CK&J Irrevocable Trust, Master and A Hound Irrevocable Trust, Paulina Irrevocable Trust, Tristan 2 Arlo Irrevocable Trust, Blue Water Irrevocable Trust, J. Austin Stanley, Arvesa Corp., Kristi Fontenot, Little Sis Trust, Lynn Kehler, Proverbs 31 Woman Irrevocable Trust, M, C and C Special Needs Trust, Graham Carlson and Old Faithful Trust (collectively, the "**Selling Shareholders**") have entered into an underwriting agreement with the Company and the Underwriters in respect of the Offering.

The closing of the Offering is expected to occur on or about August 30, 2018, subject to customary closing conditions, following which the Common Shares will commence trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "CWEB". The CSE has conditionally approved the listing of the Common Shares, subject to fulfilling customary CSE requirements. A copy of the Prospectus is available on SEDAR at www.sedar.com.

The Company intends to complete a concurrent non-brokered private placement (the "**Private Placement**") of up to 875,137 Common Shares at a price of C\$7.00 per Common Share ("**Private**

Placement Shares”) for aggregate gross proceeds of C\$6,125,959. The Private Placement Shares will be issued separately from the Offering and will be subject to a four month hold period pursuant to Canadian securities laws. The Offering is not contingent on the issuance and sale of any of the Private Placement Shares.

No securities regulatory authority has either approved or disapproved of the contents of this news release. Neither the Common Shares nor the Private Placement Shares have been and nor will they be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws. Accordingly, the Common Shares and the Private Placement Shares may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Charlotte’s Web in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ABOUT CHARLOTTE’S WEB

The Company has been created to indirectly acquire and hold all of the capital stock in CWB Holdings, Inc. (“**CWB**”), a market leader in the production and distribution of innovative hemp-based cannabidiol (“**CBD**”) wellness products. CWB products are made from high quality and proprietary strains of whole-plant hemp extracts containing a full spectrum of phytocannabinoids, including CBD, terpenes, flavonoids and other minor but valuable hemp compounds. Industrial hemp products have no psychoactive effects. CWB’s current product categories include tinctures (liquid product), capsules and topical products.

For further information, contact:

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Forward-Looking Information

Certain information in this news release, including statements relating to the closing of the Offering, the Private Placement and the exercise of the over-allotment option, constitutes forward-looking information. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “is positioned”, “estimates”, “intends”, “assumes”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date of this news release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the factors described in greater detail in the “Risk Factors” section of the Prospectus available at www.sedar.com. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove

to be correct. The forward-looking statements contained in this news release are made as of the date of this news release, and the Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.