



CHARLOTTE'S WEB

STANLEY BROTHERS

CHARLOTTE'S WEB HOLDINGS, INC. COMPLETES INITIAL PUBLIC OFFERING

NOT FOR DISTRIBUTION IN THE UNITED STATES

BOULDER, COLORADO, August 30, 2018 — Charlotte's Web Holdings, Inc. ("**Charlotte's Web**" or the "**Company**") is pleased to announce today the successful closing of its previously announced initial public offering and secondary offering of its common shares ("**Common Shares**") at a price of C\$7.00 per Common Share (the "**Offering Price**"). The Common Shares will commence trading today on the Canadian Securities Exchange under the symbol "CWEB".

The offering included a treasury issuance by the Company of Common Shares (the "**Treasury Offering**") and a secondary offering of Common Shares (the "**Secondary Base Offering**", and together with the Treasury Offering, the "**Offering**"), for total gross proceeds of C\$115,115,000. Charlotte's Web sold 13,312,150 Common Shares under the Offering, for total gross proceeds to the Company of C\$93,185,050. The Selling Shareholders (defined below) sold an aggregate of 3,132,850 Common Shares pursuant to the Secondary Base Offering and the Over-Allotment Option (defined below) for total gross proceeds to the Selling Shareholders of C\$21,929,950. The Company did not receive any proceeds from the Secondary Base Offering or the Over-Allotment Option.

The Common Shares were 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**") pursuant to an underwriting agreement (the "**Underwriting Agreement**") entered into among the Underwriters, the Company, CWB Holdings, Inc. and the following individuals and entities: 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**").

As part of the Offering, the Underwriters exercised in full an over-allotment option granted by the Selling Shareholders pursuant to the Underwriting Agreement (the "**Over-Allotment Option**") to purchase an additional 2,145,000 Common Shares at the Offering Price.

The Company intends to complete the previously-announced, 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**"), in the coming days. 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.

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.

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Forward-Looking Information

Certain information in this news release, including statements relating to the closing of second tranche of the Private Placement, 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 final prospectus of the Company 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.