



## Charlotte's Web Announces Exercise of Over-Allotment Option in connection with Underwritten Secondary Offering of Common Shares

*NOT FOR DISTRIBUTION IN THE UNITED STATES*

**BOULDER, COLORADO, May 24, 2019** — (CSE:CWEB, OTCQX:CWBHF) Charlotte's Web Holdings, Inc. ("Charlotte's Web" or the "Company"), the market share leader in hemp-derived CBD extract products, is pleased to announce today that the Underwriters (as defined below) of its previously-announced underwritten public offering of 7,000,000 common shares of the Company sold by certain current shareholders (the "Selling Shareholders") at a price of C\$20.00 per share (the "Offering Price") have exercised in full their option to purchase an additional 1,050,000 common shares from the Selling Shareholders at the Offering Price. The gross proceeds to the Selling Shareholders under the exercise of this over-allotment will be C\$21,000,000, and together with the gross proceeds from the initial closing on May 15, 2019 of C\$140,000,000, the aggregate gross proceeds of the offering (the "Offering") will be \$161,000,000.

The Offering was conducted by a syndicate of underwriters led by Canaccord Genuity Corp. and including Cormark Securities Inc., Eight Capital and PI Financial Corp. (collectively, the "Underwriters").

The Offering was conducted pursuant to the terms of an amended and restated underwriting agreement among the Company, the Underwriters and the Selling Shareholders dated May 13, 2019 (the "Underwriting Agreement"). The Company did not receive any proceeds from the sale of common shares by the Selling Shareholders under the Offering.

In connection with the Offering, the Company filed a prospectus supplement dated May 13, 2019 (the "Supplement") to the final base shelf prospectus of the Company dated April 8, 2019 (the "Base Prospectus"). Copies of the Supplement and Base Prospectus may be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) and from Canaccord Genuity Corp., 161 Bay Street, Suite 3000, Toronto, ON M5J 2S1. The Supplement and Base Prospectus contain important detailed information about the Company and the Offering.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The common shares have not 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 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 Holdings, Inc.**

Charlotte's Web Holdings, Inc. is the market leader in the production and distribution of innovative hemp-derived cannabidiol ("CBD") wellness products. Founded by the Stanley Brothers, the Company's premium quality



products start with proprietary hemp genetics that are responsibly manufactured into hemp-derived CBD extracts naturally containing a full spectrum of phytocannabinoids, including CBD, terpenes, flavonoids and other beneficial hemp compounds. Industrial hemp products are non-intoxicating. Charlotte's Web product categories include CBD Oil tinctures (liquid products), CBD capsules, CBD topicals, as well as CBD pet products. Charlotte's Web hemp-derived CBD extracts are sold through select distributors, brick and mortar retailers, and online through the Company's website at [www.CharlottesWeb.com](http://www.CharlottesWeb.com). The rate the Company pays for agricultural products reflects a fair and sustainable rate driving higher quality yield, encouraging good farming practices, and supporting U.S. farming communities.

Charlotte's Web is a socially conscious company and is committed to using business as a force for good and a catalyst for innovation. The Company weighs sound business decisions with consideration for how its efforts affect its employees, customers, the environment, and the communities where its employees live and where it does business, while maximizing profits and strengthening its brands. The Company's management believes that socially oriented actions have a positive impact on the Company, its employees and its shareholders. Charlotte's Web donates a portion of its pre-tax earnings to charitable organizations.

Shares of Charlotte's Web trade on the Canadian Securities Exchange under the symbol "CWEB" and in the United States on the OTCQX under the symbol "CWBHF". As at May 24, 2019 Charlotte's Web had 39,772,154 Common Shares outstanding and 138,332.38 Proportionate Voting Shares convertible at 400:1, for an effective equivalent of 95,105,106 Common Shares outstanding.

#### **Forward-Looking Information**

*Certain information in this news release 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 public documents of the Company available at [www.sedar.com](http://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.*

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