



CHARLOTTE'S WEB™
STANLEY BROTHERS

FOR IMMEDIATE RELEASE

Charlotte's Web Hemp Harvest Increases 10X, Building Inventory to Meet Growing CBD Product Demand

*Ensuring quality CBD products are always available for people who rely on
"The World's Most Trusted Hemp Extract™"*

BOULDER, COLORADO, January 15, 2019 — (CSE: CWEB; OTCQX: CWBHF) Charlotte's Web Holdings, Inc. ("Charlotte's Web" or the "Company"), the market leader in [whole-plant hemp extract products](#) with naturally occurring cannabidiol ("CBD"), today reported its 2018 harvested hemp results. The Company reported more than a 10 times growth in harvested hemp compared to its 2017 grow season. The high-quality 100% U.S.-grown hemp will be processed through proprietary extraction methods to create whole plant hemp extract that will be used in Charlotte's Web products for sale in 2019 and 2020.

"Charlotte's Web is one of only a few hemp CBD producers capable of supplying large volumes of high-quality hemp extract from its own supply chain that can meet significantly increasing market demand," said Hess Moallem, President and CEO of Charlotte's Web. "As the category and brand leader, our goal is to increase our market share and with this bountiful harvest we are able to satisfy our customer demands for 2019 and beyond. This incredible harvest ensures we can continue to produce our high-quality human nutrition products without being subject to constantly fluctuating market prices as is common with third-party sourced raw material. This allows us to have better control and predictability over our cost of goods sold and thereby our gross margins. In addition, these harvest levels will allow us to explore opportunities to supply future partners with our proprietary hemp extracts."

Charlotte's Web cultivates its hemp crops outdoors in various regions across the United States to hedge against potential weather risks and other crop related impacts. The Company planted 300 acres of hemp in 2018, up from 70 acres in 2017. Oregon was added as the third cultivation state during 2018 along with Colorado and Kentucky. Experienced farmers in Oregon, coupled with the Company's agricultural team and optimal growing conditions in the Willamette Valley, produced a robust crop that surpassed management's expectations. The 2018 total harvest far exceeded initial estimates of between 250,000 lbs. and 350,000 lbs. of hemp, producing a total of approximately 675,000 lbs. between the three states combined. This is more than ten times the 63,000 pounds of hemp harvested in 2017. With its vertically integrated model, Charlotte's Web is able to control all aspects of the growing cycle to optimize product quality.

"We do our own farming in Colorado and partner with the finest farmers in Kentucky and Oregon. This year's harvest is a testament to our farming excellence and constantly growing agricultural knowledge of hemp," said Mr. Moallem. "We have an internal plant science and genetics department that has made substantial progress in creating healthier, more robust plants that maximize yields by region and provide complete scalability."

Charlotte's Web employs an inventory model whereby it grows more hemp than it needs for the subsequent year in order to minimize the risk of product shortfalls against forecasted rapid market growth. Dried hemp can be stored for years, with even more longevity in its extracted form. The 2018 record harvest for the Company provided raw material beyond its highest demand expectations for 2019 and builds inventory for 2020, ensuring product will be available for the growing number of people who use "*The World's Most Trusted Hemp Extract™*".

Charlotte's Web maintains stringent quality control from field to final product by growing all of its hemp crops in the United States with high levels of quality oversight. The Company grows several hemp strains all of which contain THC levels less than 0.3%, with high levels of CBD content. The Company employs a whole-plant extract approach to maximize the "[entourage effect](#)" which provides improved benefits by including all of the plant's cannabinoids, terpenes and other beneficial botanical elements in the final product.

Quality and consistency are top priorities for the Company, including its hemp farming locations. The Company begins with diligent testing of the soils before a field is ever commissioned. By the time customers receive their Charlotte's Web product they have typically been tested more than 20 times through the cultivation and manufacturing processes.

"So many of our customers have come to rely on Charlotte's Web products daily," said Charlotte's Web Chairman and co-founder Joel Stanley. "We are changing lives for the better and never want to let our customers down, so in addition to providing the highest quality products, we must also prioritize reliable availability."

Charlotte's Web products are sold throughout the U.S. and increasing consumer awareness and education is driving mainstream market demand. The passing of the 2018 Farm Bill in December and the removal of hemp as a controlled substance is expected to result in improved access and distribution as local and national retail channels can now sell hemp-based products without the stigma and fear of federal legal complications.

Hemp Industry Certification

Charlotte's Web has received certification from the U.S. Hemp Authority™. The U.S. Hemp Authority™ Certification Program is a new initiative to provide high standards, best practices and self-regulation for the hemp industry. The certification requires meeting or exceeding stringent self-regulatory standards for Current Good Manufacturing Practices (cGMP) and passing an annual third-party audit.

The U.S. Hemp Authority™ Certification Program was developed in 2018 for hemp products produced to high standards under best practice protocols. The certification is designed to increase consumer and law enforcement confidence in hemp products being sold in the market today by designating them as safe and legal.

Beginning in 2019, Charlotte's Web products will be licensed to use the Certified Seal of the U.S. Hemp Authority™ on their products. Consumers can learn more about the U.S. Hemp Authority™ Certification Program by visiting www.USHempAuthority.org.

For further information [subscribe](#) to Charlotte's Web news.

About Charlotte's Web Holdings, Inc.

Charlotte's Web Holdings, Inc. is the market leader in the production and distribution of innovative hemp-based 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 whole-plant hemp 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-based whole plant extracts are sold through select distributors, brick and mortar retailers, and online through the Company's website at www.cwhemp.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. 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".

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. 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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