Charlotte's Web Announces 137,000 SF Manufacturing and Distribution Expansion to Support Long-Term Growth

Expanding for market dominance through cultivation, production, distribution and R&D

Boulder, Colorado, August 8, 2019 – Charlotte's Web Holdings, Inc. ("Charlotte's Web" or the "Company") (TSX:CWEB, OTCQX:CWBHF), the market leader in hemp CBD extract products, announces expansion plans underway in 2019 including cultivation, production, distribution and R&D to support its forecasted sales growth. Most recent expansion initiatives include a building lease signed on a newly constructed 136,610-square-foot industrial building located at 700 Tech Court in the Colorado Technology Center (CTC) in Louisville, Colorado. The new location enables the Company to prepare for production, distribution and R&D expansion to meet increasing demand from the consumer and national retailer channels.

Charlotte's Web will commence a staged build-out of the facility during Q3-2019 and continuing over a two year period. The staged buildout of production and distribution capacities align with product demand growth. This facility will add cumulatively to the Company's existing locations in and around the Boulder, Colorado area. Along with distribution and R&D, the large cGMP-grade building will encompass the Company's new manufacturing operations, substantially adding to the current capacity of the Company's current 40,000 sq. ft. footprint. The lease agreement includes further expansion options into adjacent buildings (to be constructed) as necessary to accommodate the Company's future growth.

"This is a time of rapid growth and transformation for Charlotte's Web and these new facilities are necessary to support the production, warehousing and distribution of our growing product lines and volumes," said Stephen Lermer, Chief Operating Officer at Charlotte's Web. "Production and inventory growth have been dramatic this year following the Company's record 675,000-pound hemp harvest during 2018, which was more than ten times larger than 2017. Our capacity build is required to support sales forecasts as multiple national retailers continue to roll out Charlotte's Web products. As we have increased acres planted by 187% for the 2019 season, we will make quick use of the expanded facilities as we initiate operations early next year."

State-of-the-art production equipment is being developed in a manner that optimizes efficiencies in all aspects of use. The Company has commenced the internal engineering phase and construction is expected to begin in the coming months. The new cGMP facility will be engineered with the most technologically advanced and proven extraction technology for the production of the highest quality products.

"Many of the extraction technologies employed in our sector are decades old. In our new facility we will be incorporating the latest in extraction and post-processing refinement technology that enables differentiated end-products with unique characteristics," said Mr. Lermer. "Our expanded R&D focus in this facility will also lead us to future innovation that will ensure we remain the leader in production technology. Strategically, Louisville is a prime location for us midway between our current Boulder and Denver operations. Additionally, this gives us access to a wider aggregate region from which we can source top employee talent. We look forward to contributing to the growth, economy and families of Louisville and the surrounding communities as we continue to grow."

In keeping with the Company's dedication to sustainability and responsible agriculture practices, the environmental impact of the new facility was a key consideration from inception. The facility is targeting 30 percent energy cost savings, 35 percent reduction in potable water use, 20 percent recycled content in building materials, 20 percent of building materials from regional sources and 50 percent of construction waste diverted from landfill.

For more information subscribe to the Charlotte's Web news feed.

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. 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. 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™
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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 Toronto Stock Exchange (TSX) under the symbol "CWEB" and are quoted in U.S. Dollars in the United States on the OTCQX under the symbol "CWBHF". As at July 29, 2019 Charlotte's Web had 44,500,034 Common Shares outstanding and 132,151.34 Proportional Voting Shares convertible at 400:1, for an effective equivalent of 97,360,571 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. 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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