



Charlotte's Web Acquires Abacus Health Products

America's Largest Vertically Integrated CBD Company Now Has Distribution Through More Than 21,000 Unique Retail Doors

(BOULDER, COLO) – June 11, 2020 – Charlotte's Web Holdings, Inc. ("**Charlotte's Web**" or the "**Company**") (TSX:CWEB, OTCQX:CWBHF), the company behind the world's most trusted hemp extract, and Abacus Health Products, Inc. ("**Abacus**") (CSE:ABCS, OTCQB:ABAHF), a leader in over-the-counter topical products combining active pharmaceutical ingredients with hemp extract, are pleased to announce that they have completed the previously-announced plan of arrangement (the "**Arrangement**"). Pursuant to the Arrangement, Charlotte's Web acquired all the issued and outstanding subordinate voting shares of Abacus (the "**Abacus Shares**"). All the outstanding proportionate voting shares of Abacus were converted into Abacus Shares prior to closing of the Arrangement. Pursuant to the Arrangement, holders of Abacus Shares received 0.85 (the "**Exchange Ratio**") of a common share of Charlotte's Web for each Abacus Share held at the time of closing.

Charlotte's Web is America's largest vertically integrated hemp-derived CBD company. Combined, the companies distribute to more than 21,000 unique retail locations with limited shelf overlap due to adjacent but complementary positions across the ingestible and topical CBD product categories. Recently Charlotte's Web added 1,100 new drug stores, more than 700 pet stores, and Abacus added more than 5,000 retail doors with the signing of a new retail partner.

Joining the Charlotte's Web family of brands are Abacus' consumer brands CBD MEDIC™ and Harmony Hemp, and for professional practitioners, Abacus' CBD CLINIC™ brand. Substantial product cross selling opportunities are available through each company's respective distribution network. Starting in July, multiple Abacus topical products will be available for purchase through Charlotte's Web's leading Direct to the Consumer (DTC) [ecommerce platform](#).

"The addition of Abacus Health cements a market leading position in both topical and ingestible products in the CBD category, representing approximately 33%¹ market share of the U.S. CBD food/drug/mass retail channel," said Deanie Elsner, Chief Executive Officer of Charlotte's Web. "We thank the founders and team members of both Charlotte's Web and Abacus for their vision and hard work to build our respective vital brands. We are now one dynamic team and mission-driven company."

Perry Antelman has been the CEO of Abacus since 2016 and will join Charlotte's Web, effective today, as Executive Vice President and President of Topicals.

Following the closing of this acquisition, on June 11, 2020, Charlotte's Web has 90,287,520 Common Shares outstanding and 92,455.5775 Proportionate Voting Shares convertible at 400:1, for an effective equivalent of 127,269,751 aggregate Common Shares outstanding.

With the completion of the Arrangement, the Abacus Shares and common share purchase warrants of Abacus listed under the symbol "ABCS.WT" on the Canadian Securities Exchange (the "**Abacus Warrants**") are expected to be de-listed from the Canadian Securities Exchange at the close of trading on or about June 11, 2020. On close

[1] Nielsen AOD HBC and Pet Care CBD: 52 weeks ending May 16th, 2020

of the Arrangement, each Abacus Warrant outstanding immediately prior to closing was exchanged for a common share purchase warrant of Charlotte's Web (the "**Replacement Warrants**") that entitles the holder to acquire common shares of Charlotte's Web in lieu of Abacus Shares, subject to adjustment in number and exercise price to give effect to the Exchange Ratio. Charlotte's Web has applied to list the Replacement Warrants on the Toronto Stock Exchange (the "**TSX**") and it is anticipated that, subject to satisfaction of the TSX listing requirements, the Replacement Warrants will begin trading on the TSX under the symbol "CWEB.WS" at market open on or about June 15, 2020.

In order to receive the consideration in exchange for their Abacus Shares, registered shareholders must complete, sign, date and return the Letter of Transmittal that was mailed to each registered shareholder of Abacus. The Letter of Transmittal is also available from Abacus' depository, Odyssey Trust Company. Non-registered holders of Abacus Shares whose Abacus Shares are registered in the name of a broker, investment dealer, bank, trust company, trustee or other intermediary or nominee should contact that intermediary or nominee for assistance in depositing their Abacus Shares and should follow instructions of such intermediary or nominee in order to deposit their Abacus Shares.

Further information about the Arrangement is set out in the Abacus' management information circular dated May 4, 2020, which can be accessed online under Abacus' issuer profile on SEDAR at www.sedar.com.

ABOUT ABACUS HEALTH PRODUCTS, INC.

Abacus is engaged in the development and commercialization of over-the-counter (OTC) topical medications with active pharmaceutical ingredients and which contain natural ingredients, including a cannabinoid-rich hemp extract. Abacus' products are aimed at the rapidly growing markets for topical pain relief and therapeutic skincare and are based on proprietary patent-pending technologies developed by Abacus. Abacus' formulations combine advanced science with organic and natural ingredients to provide safe relief. Abacus currently offers three lines of products: CBD CLINIC™, marketed to the professional practitioner market, and CBDMEDIC™ and Harmony Hemp™, marketed to the consumer market. Abacus' products are offered across the United States and are produced by a contract manufacturer in an FDA registered and audited manufacturing facility. To learn more about Abacus, visit www.abacushp.com

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. The Company was founded by the Stanley Brothers on a mission to unleash the healing power of botanicals through compassion and science to benefit the planet and all who live upon it. 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 ADA compliant website at www.CharlottesWeb.com.

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Forward-Looking Information

Certain information in this news release constitutes forward-looking statements and forward-looking information (collectively, "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.

This news release contains forward-looking statements and information within the meaning of applicable securities legislation. Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "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" or "will" be taken, occur or be achieved. Forward-looking statements or information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Charlotte's Web, Abacus or their respective subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this news release. These forward-looking statements include, but are not limited to, statements relating to expectations with respect to the outcome of the Transaction; and the listing and anticipated timing of the listing of the Replacement Warrants.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including assumptions as to the necessary regulatory approvals; the disruption to the functioning of the regulatory bodies that provide the necessary regulatory approvals or any business disruption, anticipated or otherwise, due to the outbreak of the novel coronavirus (COVID-19); the ability of Charlotte's Web to satisfy, in a timely manner, the conditions to listing of the Replacement Warrants; and such risks contained in Charlotte's Web's annual information form dated March 27, 2020 and in Abacus' annual information form dated April 29, 2020 and filed with Canadian securities regulators available on Charlotte's Web's and Abacus' respective issuer profiles on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive.

In respect of the forward-looking statements and information concerning the anticipated benefits and completion of the Transaction and the anticipated timing for completion of the Transaction, Charlotte's Web and Abacus have provided such statements and information in reliance on certain assumptions that they believe are reasonable at this time. Although Charlotte's Web and Abacus believe that the assumptions and factors used in preparing the forward-looking information or forward-looking statements in this news release are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. The forward-looking statements and information included in this news release are made as of the date of this news release and Charlotte's Web and Abacus do not undertake an obligation to publicly update such forward-looking information or forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable securities laws.

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