

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 11, 2022

Charlotte's Web Holdings, Inc.
(Exact name of Registrant as Specified in Its Charter)

British Columbia
(State or Other Jurisdiction
of Incorporation)

000-56364
(Commission
File Number)

98-1508633
(IRS Employer
Identification No.)

700 Tech Court
Louisville, Colorado
(Address of Principal Executive Offices)

80027
(Zip Code)

Registrant's Telephone Number, Including Area Code: (720) 617-7303

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry Into a Material Definitive Agreement.

On October 11, 2022, Charlotte's Web Holdings, Inc. (the "Company") entered into a Promotional Rights Agreement (the "MLB Promotional Rights Agreement") with MLB Advanced Media L.P., on its own behalf and on behalf of Major League Baseball Properties, Inc., the Office of the Commissioner of Baseball, The MLB Network, LLC and the Major League Baseball Clubs (collectively, the "MLB"), pursuant to which the Company entered into an exclusive strategic partnership with MLB to promote the Company's new NSF-Certified for Sport® product line.

In consideration for the MLB Promotional Rights Agreement, which expires on December 31, 2025, the Company shall pay MLB over the term of the MLB Promotional Rights Agreement, an aggregate rights fee of \$30.5 million and a 10% royalty on the Company's gross revenue from MLB branded products of the Company sold after prior sales of all such branded products exceed \$18.0 million. The Company has also entered into a subscription agreement (the "Subscription Agreement") pursuant to which the Company has agreed to issue to MLB, subject to customary closing conditions, common shares equal to four percent (4%) of the Company's fully diluted outstanding common shares and proportional voting shares (calculated on the basis of post-conversion to common shares) as of the day prior to the date of issue (such common shares, the "MLB Shares"). The total number of MLB Shares to be issued to MLB is expected to be 6,119,121 common shares of the Company, which will be issued pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 of Regulation D promulgated under the Securities Act. The Company will not receive any proceeds in respect of the MLB Shares. If the Company fails to issue the MLB Shares in accordance with the MLB Promotional Rights Agreement and the Subscription Agreement, the Company is obligated to pay MLB an additional amount pursuant to the rights fee provisions of the MLB Promotional Rights Agreement.

Other than the MLB Promotional Rights Agreement and the Subscription Agreement, there are no other agreements or relationship between the Company and MLB.

The foregoing description of the MLB Promotional Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the MLB Promotional Rights Agreement, which will be filed as an exhibit to the Company's Annual Report on Form 10-K to be filed for the year ending December 31, 2022.

Forward-Looking Statements

Certain statements in this Current Report on Form 8-K constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. In some cases, but not necessarily in all cases, forward-looking statements 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 statements. Forward looking statements in this Current Report on Form 8-K include expectations with respect to the consideration payable by the Company to MLB under the MLB Promotional Rights Agreement and the subscription agreement.

Forward looking statements are not historical facts but instead represent management's current expectations, estimates and projections regarding the future of the Company's business, future plans, strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements are necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date of this Current Report on Form 8-K, 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 statements. Important factors that could cause actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the factors discussed throughout the "Risk Factors" section in the Company's most recently filed Annual Report on Form 10-K and quarterly report on Form 10-Q and other filings with the Securities and Exchange Commission available on www.SEC.com and the Company's most recently filed annual information form available on www.SEDAR.com. Except as required by applicable securities laws, the Company undertakes no obligation to publicly update any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Item 3.02 Unregistered Sales of Equity Securities.

The information concerning the MLB Shares and the terms of issuance set forth under Item 1.01 of this Current Report on Form 8-K are incorporated herein by reference.

Item 8.01. Other Events.

On October 12, 2022, the Company issued a press release announcing the Company's launch of Charlotte's Web™ SPORT – Daily Edge products, and the existence of the MLB Promotional Rights Agreement and the Subscription Agreement. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
99.1	Press Release of Charlotte's Web Holdings, Inc. dated as of October 12, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHARLOTTE'S WEB HOLDINGS, INC.

Date: October 12, 2022

By: /s/ Stephen Rogers
Stephen Rogers
Senior Vice President - General Counsel and Corporate Secretary



Major League Baseball and Pioneering CBD Brand Charlotte's Web Strike Groundbreaking Deal

Major League Baseball and Charlotte's Web form first CBD sponsorship with a major pro sports league



DENVER, October 12, 2022 - (TSX: CWEB) (OTCQX: CWBHF) Charlotte's Web Holdings, Inc. ("Charlotte's Web," "CW" or the "Company"), the market leader in hemp-derived CBD products, today jointly announced with Major League Baseball ("MLB"), a first of its kind exclusive multi-year strategic partnership that opens increased CBD visibility to their professional athletes, millions of fans and communities. The rigorous approval process that brought the two legacy brands together fills a major gap in the sports channel for an NSF Certified for Sport® portfolio of CBD products for players and consumers demanding safe, natural options to support recovery, help keep calm under pressure, and help sleep cycles and focus.

Major League Baseball now becomes the first major professional sports league to form a sponsorship agreement with a CBD company. Charlotte's Web is now the first "Official CBD of Major League Baseball." In June 2022, MLB officially opened the CBD category for the league and its Clubs allowing sponsorships with CBD companies that are NSF Certified for Sport®.

"As a leader in the CBD category, with products that provide health and wellness benefits, Charlotte's Web is a welcome addition to the MLB family, representing a landmark partnership in baseball and sports," said Noah Garden, MLB Chief Revenue Officer. "Charlotte's Web products which receive the NSF Certified for Sport® designation have met the highest safety standards and can be promoted across MLB events and media platforms. We are excited about the possibilities this partnership offers as CBD becomes a more widely adopted part of the health and wellness regimen of our players and fans."

The partnership celebrates the much-anticipated launch of Charlotte's Web™ SPORT – Daily Edge, the first broad-spectrum hemp-derived tincture to be Certified for Sport® by NSF, the highly respected global third-party organization that establishes standards for safety, quality, sustainability, and performance and certifies manufacturers and products against them. Leveraging Charlotte's Web's scientific research, Current Good Manufacturing Practices (cGMP), and Certified B Corp principles, Daily Edge underwent strict independent testing to uniquely meet MLB's scientific benchmarks and no-banned substances policy. Daily Edge, which will feature the MLB silhouetted batter logo on its bottle and is the first product launch from the new Charlotte's Web™ SPORT line, which will also include gummies, topicals, and oral sprays.

"NSF is proud to play a role in this historic next chapter of America's favorite pastime," said John Travis, Principal Technical Manager, NSF. "MLB showed great trust in the NSF mark earlier this year when it named NSF Certified for Sport® as the standard CBD brands must meet in order to sponsor MLB and its teams. The Charlotte's Web and MLB partnership promotes clean sport and closely aligns with NSF's mission to improve human health worldwide."

This historic multi-year agreement is the first league-wide partnership for Charlotte's Web. The partnership makes MLB a strategic partner in Charlotte's Web's NSF-Certified for Sport® line and underscores the long-term value opportunity of entering the U.S. CBD market, which topped US\$4.7 billion in total sales in 2021*. The inaugural Daily Edge tincture will launch via Charlotte's Web's eCommerce platform on Oct. 12, 2022 during the October 2022 Division Series with an exclusive run for the MLB Postseason, and in 2023, the expanded product line will debut in retail sports and health and wellness channels. Through the partnership, Charlotte's Web will have a premiere brand presence at MLB's Jewel Events, including All-Star Week, Postseason, and the World Series presented by Capital One through marketing, media, and ballpark activations that connect to the league's fan base of over 180 million Americans.

"We applaud MLB for being the first-mover in professional sports CBD and are thrilled to welcome their league as a respected strategic partner," said Jacques Tortoroli, CEO Charlotte's Web. "Bridging our industry-leading brands with science, innovation, and education, this pioneering partnership validates Charlotte's Web's core business principle and founding mission to open access to safe, quality and consistent CBD through our proprietary hemp genetics and industry-forging vision."

Both organizations share a purpose-focused mission and a passion for supporting their communities. They have committed to serving as Corporate Social Responsibility partners and advancing causes that promote quality of life for athletes and fans.

"Nature is the most intelligent and advanced technology system in our world, and when we work with nature for health and innovate through the lens of community care, we can truly redefine what it means to be well as an athlete. This is game-changing, and I am excited by what we can accomplish with the MLB partnership," said Jared Stanley, Co-Founder, COO Charlotte's Web.

In consideration for the exclusive marketing and ancillary rights provided to Charlotte's Web by MLB, Charlotte's Web (i) will issue 6,119,121 common shares of the Company to MLB, which represents approximately 4% of the outstanding common shares of the Company, (ii) has agreed to certain revenue sharing rights on MLB/Charlotte's Web co-branded products, and (iii) agreed to make certain rights fee payments to MLB through December 31, 2025, as summarized in an 8-K filing under the Company's profile at www.sec.gov and at www.SEDAR.com.

Charlotte's Web World Series Sweepstakes

In celebration of MLB's exciting season and their loyal fans, Charlotte's Web is awarding one (1) 2022 World Series experience for a Grand Prize winner and guest including game tickets for two (2), airfare, and hotel. No purchase necessary to win. Sweepstakes entry period starts 6:00am MST on 10/12/22 and ends 11:00pm MST on 10/18/2022. Open to legal residents of U.S., 18 +. One (1) prize to be awarded. Odds of winning depend on number of entries received. Enter online or by mail. Limit one (1) entry per person/email address, regardless of method of entry. Void where prohibited. Restrictions apply; see Official Rules at www.charlottesweb.com/MLB. Sponsor: Charlotte's Web, Inc.

* Source: 2022 Mid-Year US CBD Report – The Brightfield Group

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About MLB

Major League Baseball (MLB) is the most historic professional sports league in the United States and consists of 30 member clubs in the U.S. and Canada, representing the highest level of professional baseball. Led by Commissioner Robert D. Manfred, Jr., MLB remains committed to making an impact in the communities of the U.S., Canada and throughout the world, perpetuating the sport's larger role in society and permeating every facet of baseball's business, marketing, community relations and social responsibility endeavors. MLB currently features record levels of competitive balance, continues to expand its global reach through programming and content to fans all over the world, and registered records in games and minutes watched this season on MLB.TV. With the continued success of MLB Network and MLB digital platforms, MLB continues to find innovative ways for its fans to enjoy America's National Pastime and a truly global game. For more information on Major League Baseball, visit www.MLB.com.

About NSF

NSF is an independent, global organization that facilitates standards development, and tests and certifies products for the food, water, health sciences and consumer goods industries to minimize adverse health effects and protect the environment. Founded in 1944, NSF is committed to protecting human health and safety worldwide. With operations in 180 countries, NSF is a Pan American Health Organization/World Health Organization Collaborating Center on Food Safety, Water Quality and Indoor Environment.

About Charlotte's Web Holdings, Inc.

Charlotte's Web Holdings, Inc., a Certified B Corporation headquartered in Denver, is the market leader in innovative hemp extract wellness products. under a family of brands that includes Charlotte's Web™, CBD Medic™, and CBD Clinic™. Founded by the seven Stanley Brothers, ignited the CBD industry when they came to global prominence with the coverage of a young girl's astounding reaction to their hemp extract. Their advocacy changed laws, public perception, and research around the vast health potential of plant-based solutions. The Stanleys built their business with the mission to bring safe, botanical options to health seekers worldwide. Charlotte's Web branded premium quality products start with proprietary hemp genetics that are American farm-grown-grown using organic and regenerative cultivation practices. The Company's hemp extracts have naturally occurring botanical compounds including cannabidiol ("CBD"), CBC, CBG, terpenes, flavonoids, and other beneficial compounds. The Company's CW Labs R&D division advances hemp science at a center of excellence in Louisville, Colorado. Charlotte's Web product categories include full-spectrum hemp CBD oil tinctures (liquid products), CBD gummies (sleep, stress, exercise recovery), CBD capsules, CBD topical creams and lotions, as well as CBD pet products for dogs. Through its vertically integrated business model, Charlotte's Web maintains stringent control over product quality and consistency with 20+ product lot testing for quality assurance. Charlotte's Web products are distributed to more than 15,000 retailers, over 8,000 health care practitioners, and online through the Company's website at <https://www.charlottesweb.com/>.

Charlotte's Web's mission is "To unleash the healing powers of botanicals with compassion and science, benefitting the planet and all who live upon it."

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. Forward-looking information in this press release includes expectations with respect to the launch of the Daily Edge oil tincture, the launch of CW's expanded line of retail sports and health and wellness, and CW and MLB fulfilling the terms of the sponsorship agreement, including the MLB silhouetted batter logo on CW-MLB co-branded products, CW brand presence at certain MLB events and the consideration payable by CW to MLB under the sponsorship agreement.

Statements containing forward-looking information are not historical facts, but instead represent management's current expectations, estimates and projections regarding the future of our business, future plans, strategies, projections, anticipated events and trends, the economy and other future conditions. 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. Important factors that could cause actual results and financial condition to differ materially from those indicated in the forward-looking information include, among others, the factors discussed throughout the "Risk Factors" section of the Company's most recently filed annual information form available on www.SEDAR.com and in the Company's most recently filed Annual Report on Form 10-K and quarterly report on Form 10-Q as amended, and other filings with the Securities and Exchange Commission available on www.SEC.gov. Except as required by applicable securities laws, the Company undertakes no obligation to publicly update any forward-looking information, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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