
**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): May 13, 2024

CV SCIENCES, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-54677
(Commission File Number)

80-0944970
(IRS Employer
Identification No.)

9530 Padgett Street, Suite 107
San Diego, California
(Address of Principal Executive Offices)

92126
(Zip Code)

Registrant's Telephone Number, Including Area Code: (866) 290-2157

Not Applicable
(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:

- 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(s)	Name of each exchange on which registered
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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 May 8, 2024, CV Sciences, Inc. (the “Company”), entered into a Membership Interest Purchase Agreement (the “Purchase Agreement”) by and among the Company, Elevated Softgels, LLC, a Delaware limited liability company (“Elevated Softgels”), Clayton J. Montgomery (a “Member”), Chris Fagan, Andrew Kester, and Timothy McGreer, pursuant to which the Company purchased all of the outstanding equity interests in Elevated Softgels, resulting in Elevated Softgels becoming a wholly owned subsidiary of the Company (the “Acquisition”). Elevated Softgels is a leading manufacturer of softgels. The Acquisition closed on May 13, 2024 (the “Closing Date”).

In consideration for the Acquisition, at closing, the Company (i) made a cash payment of \$100,000 to the Member, less certain transaction expenses and certain other adjustments provided for in the Purchase Agreement (the “Closing Payment”), (ii) issued an aggregate of 15,854,185 restricted shares of Company common stock to the Member valued at \$637,000, and (iii) issued an aggregate of 1,567,996 restricted shares of Company common stock to the selling broker of Elevated Softgels valued at \$63,000. The Company common stock was valued based on the thirty-day volume weighted average price of the Company’s common stock on the thirty trading days prior to the date of the Purchase Agreement (the “Closing Shares,” and together with the Closing Payment, the “Closing Consideration”). The Closing Payment is subject to adjustment, upward or downward, based on post-closing adjustments to the net working capital of Elevated Softgels within 120 days of closing, as reflected in the Final Working Capital Statement (as defined in the Purchase Agreement). Additionally, within 90 days following the final determination of the Final Working Capital Statement (the “Receivables Date”), the Company shall be entitled to recover from the Member an amount equal to the unpaid balance, as of the Receivables Date, of all accounts receivable which were included in as assets in the Final Working Capital Statement.

In addition to the Closing Consideration, and as further consideration for the Acquisition, the Company shall make an additional payment in the form of an earn-out (the “Earnout Amount”), which shall be based on Company Net Revenue (as defined in the Purchase Agreement) generated during the 12-month period following the Closing Date and will be calculated as follows:

- If the Company’s Net Revenue is at least \$700,000, then the Earnout Amount will be \$200,000.
- If the Company’s Net Revenue is at least \$650,000 but less than \$700,000, then the Earnout Amount will be \$125,000.
- If the Company’s Net Revenue is at least \$600,000 but less than \$650,000, then the Earnout Amount will be \$50,000.
- If the Company’s Net Revenue is at least \$550,000 but less than \$600,000, then the Earnout Amount will be \$25,000.
- If the Company’s Net Revenue (as defined in the Purchase Agreement) is less than \$550,000, then the Earnout Amount will be \$0.

The Earnout Payment shall be paid within 10 business days after the final determination of the Company’s Net Revenue for the 12-month period following the Closing Date, as determined in accordance with the Purchase Agreement. 50% of the Earnout payment shall be paid in cash and 50% of the Earnout payment shall be in the form of restricted common stock of the Company, with the number of shares determined based upon the thirty-day volume weighted average price of the Company’s common stock as of the 12-month anniversary of the Closing Date.

Pursuant to the Purchase Agreement, the recipients of the Company’s common stock agreed that they will not, on any single trading day sell, transfer or otherwise dispose of any Company common stock, including the Closing Shares, in an aggregate amount exceeding the greater of (i) 15% of the of the Company’s common stock sold in the aggregate based on the greater of the current or preceding trading day, and (ii) \$3,000 in gross value; provided, however, that in the event that the Company enters into a leak-out agreement with any third party on terms more favorable than the foregoing, the Member shall be afforded the same more favorable terms offered to such third party.

Additionally, for a period of one year following the Closing Date, Mr. Montgomery and Mr. Fagan shall be prohibited from engaging in certain competitive and/or solicitation activities within the United States, as more particularly set forth in the Purchase Agreement.

The Purchase Agreement contains standard representations, warranties, covenants, indemnification and other terms customary in similar transactions.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete, and is qualified in its entirety by reference to the complete text of such Purchase Agreement, a copy of which will be filed as an exhibit to the Company's next periodic report.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 of this Current Report on Form 8-K (this "Current Report") regarding the issuance of the Closing Shares is incorporated by reference into this Item 3.02.

The issuance of the shares of the Company's common stock in connection with the Acquisition is exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on exemptions from the registration requirements of the Securities Act in transactions not involved in a public offering pursuant to Section 4(a)(2) and/or Regulation D of the Securities Act.

Item 7.01 Regulation FD Disclosure.

On May 13, 2024, the Company issued a press release announcing the Acquisition. The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information set forth under Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in Item 7.01 of this Current Report, including Exhibit 99.1, shall not be incorporated by reference into any filing under the Securities Act or the Exchange Act, regardless of any incorporation by reference language in any such filing, except as expressly set forth by specific reference in such a filing. This Current Report will not be deemed an admission as to the materiality of any information in this Current Report that is required to be disclosed solely by Regulation FD.

Forward Looking Statements

This Current Report, including Exhibit 99.1 attached hereto, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact contained in this Current Report, including statements regarding the Purchase Agreement, the Acquisition, business strategy, and plans are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk. In some cases, you can identify forward-looking statements by terms such as "may," "will," "would," "could," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this Current Report are only predictions. These forward-looking statements speak only as of the date of this Current Report and are subject to a number of risks, uncertainties and assumptions. The events and circumstances reflected in such forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, the Company does not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Press Release of CV Sciences, Inc. dated May 13, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

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 hereunto duly authorized.

CV SCIENCES, INC.

Date: May 13, 2024

By:

/s/ Joseph Dowling
Joseph Dowling
Chief Executive Officer

CV SCIENCES, INC. ACQUIRES ELEVATED SOFTGELS
A FLEXIBLE, LOW-MOQ, NUTRACEUTICAL MANUFACTURER

San Diego, CA - May 13, 2024 (GLOBE NEWSWIRE) -- CV Sciences, Inc. (OTCQB:CVSI) (the "Company", "CV Sciences", "our", "us" or "we"), a preeminent consumer wellness company specializing in hemp extracts and other proven science-backed, natural ingredients and products, today announced that it has consummated its purchase of Elevated Softgels, LLC ("Elevated Softgels"), a leading manufacturer of encapsulated softgels and tinctures for the supplement and nutrition industry. Elevated Softgels has operational flexibility allowing low to large minimum order quantity ("MOQ") production runs, allowing for efficient use of capital and the ability to increase speed to market for new product development. Elevated Softgels is GMP-certified and FDA-registered. The acquisition creates opportunity to further increase our sales to current and new clients. In addition, we intend to in-source production of certain of our key products. The acquisition was structured as an equity purchase, where the Company will operate Elevated Softgels as its wholly-owned subsidiary.

"We are thrilled that Elevated Softgels and its employees are joining CV Sciences as another milestone in our transition to a global health and wellness company. The acquisition synergies should allow us to leverage our key assets including our relationships with other hemp and supplement companies to drive long-term growth and shareholder value. Elevated Softgels is a stand-alone profitable business. Our immediate plan is to increase the existing business of Elevated Softgels to further leverage its existing capacity," said Joseph Dowling, Chief Executive Officer of CV Sciences. "In addition, we are planning to in-source the manufacturing of select +PlusCBD™ branded products providing an opportunity for meaningful cost savings. During 2023, sales of softgels and tinctures combined represented approximately 50% of our total business. The ability of Elevated Softgels to provide low-MOQ production runs, allows us to provide flexibility, and cost-efficient service to our clients and to our internal production needs."

The total consideration for the acquisition of Elevated Softgels is up to \$1,000,000, consisting of (i) a cash payment made at the closing of \$100,000 (the "Closing Payment"), (ii) the delivery at the closing of 17,422,181 shares of CV Sciences' common stock, having a value of \$700,000 as priced at the thirty (30) day volume weighted average price of CV Sciences' common stock, and (iii) the potential payment of cash and stock up to \$200,000 in the form of an earn-out if the business of Elevated Softgels meets certain performance thresholds during the 12-month period following the closing. The Closing Payment was subject to adjustment based on certain working capital calculations.

The acquisition is expected to be accretive in its first year and contribute to scaling economics thereafter. On May 13, 2024, CV Sciences, Inc. filed a Current Report on Form 8-K which includes a description of the material terms of the transaction. Investors are encouraged to read such filing in its entirety.

About CV Sciences, Inc.

CV Sciences, Inc. (OTCQB:CVSI) is a consumer wellness company specializing in nutraceuticals and plant-based foods. The Company's hemp extracts and other proven, science-backed, natural ingredients and products are sold through a range of sales channels from B2B to B2C. The Company's +PlusCBD™ branded products are sold at select retail locations throughout the U.S. and are the top-selling brands of hemp extracts in the natural products market, according to SPINS, the leading provider of syndicated data and insights for the natural, organic and specialty products industry. With a commitment to science, +PlusCBD™ product benefits in healthy people are supported by human clinical research data, in addition to three published clinical case studies available on PubMed.gov. +PlusCBD™ was the first hemp extract supplement brand to invest in the scientific evidence necessary to receive self-affirmed Generally Recognized as Safe (GRAS) status. The Company's Cultured Foods™ brand provides a variety of 100% plant-based food products. Committed to crafting nutritious and flavorful alternatives, Cultured Foods™ caters to individuals seeking vegan, gluten-free, or flexitarian options for a wholesome and satisfying culinary experience. CV Sciences, Inc. has primary offices and facilities in San Diego, California, and Warsaw, Poland. The Company also operates a drug development program focused on developing and commercializing CBD-based novel therapeutics. Additional information is available from OTCMarkets.com or by visiting www.cvsciences.com.

Forward Looking Statements

This press release may contain certain forward-looking statements and information, as defined within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is subject to

the Safe Harbor created by those sections. This material contains statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Such forward-looking statements by definition involve risk and uncertainties. CV Sciences does not undertake any obligation to publicly update any forward-looking statements, except as required by applicable law. As a result, investors should not place undue reliance on such forward-looking statements.

Contact Information

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