
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

☒ **Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2025

☐ **Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____

Commission File Number: 000-54677

CV Sciences, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

80-0944970

(I.R.S. Employer Identification No.)

9530 Padgett Street, Suite 107

San Diego, CA 92126

(Address of principal executive offices)

(866) 290-2157

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
None		

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

☐
☒

Accelerated filer
Smaller reporting company
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 11, 2025, the issuer had 184,263,663 shares of issued and outstanding common stock, par value \$0.0001 per share.

CV SCIENCES, INC.
FORM 10-Q
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

CV SCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except per share data)

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash	\$ 886	\$ 454
Accounts receivable, net	545	522
Inventory	4,216	4,897
Prepaid expenses and other	295	370
Total current assets	5,942	6,243
Property and equipment, net	363	399
Right of use assets	472	94
Intangibles, net	88	93
Goodwill	1,013	971
Other assets	72	127
Total assets	\$ 7,950	\$ 7,927
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,440	\$ 1,925
Accrued expenses	3,003	3,424
Current portion of operating lease liability	239	83
Current portion of long-term debt, net of debt issuance costs	1,023	677
Total current liabilities	5,705	6,109
Operating lease liability	230	19
Debt, net of debt issuance costs	208	—
Deferred tax liability	4	4
Total liabilities	6,147	6,132
Commitments and contingencies (Note 10)		
Stockholders' equity		
Preferred stock, par value \$0.0001; 10,000 shares authorized; 1 share issued as of June 30, 2025 and December 31, 2024; and no shares outstanding as of June 30, 2025 and December 31, 2024	—	—
Common stock, par value \$0.0001; 790,000 shares authorized as of June 30, 2025 and December 31, 2024; 184,264 shares issued and outstanding as of June 30, 2025 and December 31, 2024	18	18
Additional paid-in capital	89,083	88,773
Accumulated deficit	(87,351)	(86,981)
Accumulated other comprehensive income (loss)	53	(15)
Total stockholders' equity	1,803	1,795
Total liabilities and stockholders' equity	\$ 7,950	\$ 7,927

See accompanying notes to the unaudited condensed consolidated financial statements.

CV SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Product sales, net	\$ 3,620	\$ 3,954	\$ 7,226	\$ 7,956
Cost of goods sold	1,776	2,094	3,724	4,243
Gross profit	1,844	1,860	3,502	3,713
Operating expenses:				
Research and development	50	28	80	64
Selling, general and administrative	1,925	2,415	4,064	4,852
Benefit from reversal of accrued payroll taxes (Note 12)	—	—	(522)	—
Total operating expenses	1,975	2,443	3,622	4,916
Operating loss	(131)	(583)	(120)	(1,203)
Gain on extinguishment of debt	—	—	(38)	—
Interest expense, net	130	1	281	3
Loss before income taxes	(261)	(584)	(363)	(1,206)
Income tax expense	—	—	7	6
Net loss	\$ (261)	\$ (584)	\$ (370)	\$ (1,212)
Weighted average common shares outstanding, basic and diluted	184,264	172,418	184,264	167,823
Net loss per common share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

See accompanying notes to the unaudited condensed consolidated financial statements.

CV SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Net loss	\$ (261)	\$ (584)	\$ (370)	\$ (1,212)
Other comprehensive income (loss):				
Foreign currency translation adjustment	40	(7)	68	(12)
Total comprehensive loss	<u>\$ (221)</u>	<u>\$ (591)</u>	<u>\$ (302)</u>	<u>\$ (1,224)</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

CV SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands)

	Common Stock			Additional		Accumulated	Accumulated	
	Shares	Amount		Paid-In		Deficit	Other	Total
				Capital			Comprehensive	
							Income (Loss)	
Balance at December 31, 2024	184,264	\$ 18	\$	88,773	\$	(86,981)	\$ (15)	\$ 1,795
Vesting of common stock for services	—	—		60		—	—	60
Stock-based compensation	—	—		118		—	—	118
Foreign currency translation adjustment	—	—		—		—	28	28
Net loss	—	—		—		(109)	—	(109)
Balance at March 31, 2025	184,264	18		88,951		(87,090)	13	1,892
Stock-based compensation	—	—		132		—	—	132
Foreign currency translation adjustment	—	—		—		—	40	40
Net loss	—	—		—		(261)	—	(261)
Balance at June 30, 2025	<u>184,264</u>	<u>\$ 18</u>	<u>\$</u>	<u>89,083</u>	<u>\$</u>	<u>(87,351)</u>	<u>\$ 53</u>	<u>\$ 1,803</u>

	Common Stock			Additional		Accumulated	Accumulated	
	Shares	Amount		Paid-In		Deficit	Other	Total
				Capital			Comprehensive	
							Income (Loss)	
Balance at December 31, 2023	161,678	\$ 16	\$	87,464	\$	(84,587)	\$ 10	\$ 2,903
Issuance of common stock for services	1,550	—		62		—	—	62
Stock-based compensation	—	—		30		—	—	30
Foreign currency translation adjustment	—	—		—		—	(5)	(5)
Net loss	—	—		—		(628)	—	(628)
Balance at March 31, 2024	163,228	16		87,556		(85,215)	5	2,362
Issuance of common stock for acquisition	17,423	2		698		—	—	700
Stock-based compensation	—	—		37		—	—	37
Foreign currency translation adjustment	—	—		—		—	(7)	(7)
Net loss	—	—		—		(584)	—	(584)
Balance at June 30, 2024	<u>180,651</u>	<u>\$ 18</u>	<u>\$</u>	<u>88,291</u>	<u>\$</u>	<u>(85,799)</u>	<u>\$ (2)</u>	<u>\$ 2,508</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

CV SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Six Months Ended June 30,	
	2025	2024
OPERATING ACTIVITIES		
Net loss	\$ (370)	\$ (1,212)
Adjustments to reconcile net loss to net cash flows provided by (used in) operating activities:		
Depreciation and amortization	140	139
Stock-based compensation	250	67
Amortization of debt discount	279	—
Amortization of right of use assets	112	78
Gain on debt extinguishment	(38)	—
Benefit from reversal of accrued payroll tax (Note 12)	(522)	—
Other	105	158
Change in operating assets and liabilities:		
Accounts receivable, net	(12)	(200)
Inventory	698	513
Prepaid expenses and other	77	125
Accounts payable and accrued expenses	(513)	(243)
Net cash flows provided by (used in) operating activities	206	(575)
INVESTING ACTIVITIES		
Purchases of property and equipment	(89)	—
Acquisition of business, net of cash acquired	—	(40)
Net cash flows used in investing activities	(89)	(40)
FINANCING ACTIVITIES		
Proceeds from note payable	1,200	—
Debt issuance costs related to note payable	(82)	—
Repayment of note payable	(686)	(50)
Repayment of unsecured debt	(119)	(173)
Net cash flows provided by (used in) financing activities	313	(223)
Effect of exchange rate changes on cash	2	(2)
Net increase (decrease) in cash	432	(840)
Cash, beginning of period	454	1,317
Cash, end of period	<u>\$ 886</u>	<u>\$ 477</u>
Supplemental cash flow disclosure:		
Interest paid	\$ 4	\$ 6
Income taxes paid	\$ 7	\$ 6
Supplemental disclosures of non-cash transactions:		
Services paid with common stock	\$ 60	\$ 62
Right of use asset financed by lease liabilities	\$ 486	\$ —
Original issuance discount for note payable	\$ (400)	\$ —
Fair value of net assets acquired, excluding cash	\$ —	\$ 447
Goodwill on acquisition	\$ —	\$ 393
Common stock consideration	\$ —	\$ (700)
Contingent consideration	\$ —	\$ (100)
Cash paid for acquisition	<u>\$ —</u>	<u>\$ 40</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

CV SCIENCES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION AND BUSINESS

Historical Information - CV Sciences, Inc. (the "Company") was incorporated under the name Foreclosure Solutions, Inc. in the State of Texas on December 9, 2010. The Company subsequently changed its name to CannaVest Corp. (Texas) on January 29, 2013. On July 25, 2013, the Company merged with and into its wholly-owned Delaware subsidiary, CannaVest Corp (Delaware), to effectuate a change in the Company's state of incorporation from Texas to Delaware. On January 4, 2016, the Company filed a Certificate of Amendment of Certificate of Incorporation reflecting its corporate name change to "CV Sciences, Inc.", effective on January 5, 2016. In addition, on January 4, 2016, the Company amended its Bylaws to reflect its corporate name change to "CV Sciences, Inc."

Description of Business - The Company develops, manufactures, markets and sells herbal supplements, hemp-based cannabidiol ("CBD") and plant-based food products. The Company sells its products under tradenames, such as *+PlusCBD™*, *+PlusCBD™Pet*, *+PlusHLTH™*, *Cultured Foods™*, and *Lunar Fox™*. The Company's products are sold in a variety of market sectors including nutraceutical, beauty care and specialty foods. In addition, subject to available capital, the Company is developing drug candidates which use CBD as a primary active ingredient.

On December 7, 2023, the Company acquired Cultured Foods Sp. z o.o., a limited liability company organized under the laws of Poland ("Cultured Foods"). Cultured Foods is a European manufacturer and distributor of plant-based protein products. The Company's plant-based food products are sold under the Cultured Foods brand.

On May 13, 2024, the Company acquired Elevated Softgels LLC, a Delaware limited liability company ("Elevated Softgels"). Elevated Softgels is a manufacturer of encapsulated softgels and tinctures for the supplement and nutrition industry.

Basis of Presentation - The unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and the instructions to Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, the interim financial information includes all normal recurring adjustments necessary for a fair statement of the results for the interim periods. On December 7, 2023, the Company acquired Cultured Foods and on May 13, 2024, the Company acquired Elevated Softgels, both of which are now wholly owned subsidiaries of the Company. All intercompany accounts and transactions have been eliminated in consolidation. These condensed consolidated financial statements are unaudited and should be read in conjunction with the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2024, filed with the Securities and Exchange Commission on March 27, 2025. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year.

Liquidity Considerations - U.S. GAAP requires management to assess a company's ability to continue as a going concern for a period of one year from the financial statement issuance date and to provide related note disclosure in certain circumstances. The accompanying consolidated financial statements and notes have been prepared assuming the Company will continue as a going concern. The Company generated cash flows from operations of \$0.2 million for the six months ended June 30, 2025. However, the Company generated negative cash flows from operations of \$0.9 million for the year ended December 31, 2024 and had an accumulated deficit of \$87.4 million as of June 30, 2025. Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operations, growth initiatives and will continue to make and implement strategic cost reductions, including reductions in employee headcount, vendor spending, and delaying expenses related to its drug development activities. The Company intends to position itself so that it will be able to raise additional funds through the capital markets, issuance of debt, and/or securing lines of credit.

In February 2025, the Company received net proceeds of \$1.2 million under a secured promissory note with an institutional investor - refer to Note 6 for more information.

The Company's financial operating results and accumulated deficit, amongst other factors, raise substantial doubt about the Company's ability to continue as a going concern. The Company will continue to pursue the actions outlined above, as well as work towards increasing revenue and operating cash flows to meet its future liquidity requirements. However, there can be no assurance that the Company will be successful in any capital-raising efforts that it may undertake, and the failure of the Company to raise additional capital could adversely affect its future operations and viability.

Use of Estimates - The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts in the condensed consolidated financial statements and accompanying notes. Actual results may differ from these estimates. Significant estimates include the valuation of intangible assets, inputs for valuing equity awards, valuation of inventory and assumptions related to revenue recognition.

CV SCIENCES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Fair Value Measurements - Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The carrying values of accounts receivable, other current assets, accounts payable, and certain accrued expenses as of June 30, 2025 and December 31, 2024, approximate their fair value due to the short-term nature of these items. The Company's debt balance also approximates fair value as of June 30, 2025 and December 31, 2024, as the interest rates on the debt approximates the rates available to the Company as of such dates. The accounting guidance establishes a three-level hierarchy for disclosure that is based on the extent and level of judgment used to estimate the fair value of assets and liabilities.

- Level 1 - uses unadjusted quoted prices that are available in active markets for identical assets or liabilities. The Company did not have any assets or liabilities that are valued using inputs identified under a Level 1 hierarchy as of June 30, 2025 and December 31, 2024.
- Level 2 - uses inputs other than quoted prices included in Level 1 that are either directly or indirectly observable through correlation with market data. These include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs to valuation models or other pricing methodologies that do not require significant judgment because the inputs used in the model, such as interest rates and volatility, can be corroborated by readily observable market data. The Company did not have any assets or liabilities that are valued using inputs identified under a Level 2 hierarchy as of June 30, 2025 and December 31, 2024.
- Level 3 - uses one or more significant inputs that are unobservable and supported by little or no market activity, and that reflect the use of significant management judgment. Level 3 assets and liabilities include those whose fair value measurements are determined using pricing models, discounted cash flow methodologies or similar valuation techniques, and significant management judgment or estimation. Except as described below in *Note 3. Acquisitions*, the Company did not have any assets or liabilities that are valued using inputs identified under a Level 3 hierarchy as of June 30, 2025 and December 31, 2024.

Revenues - The majority of the Company's revenue contracts represent a single performance obligation related to the fulfillment of customer orders for the purchase of its products. Net sales reflect the transaction prices for these contracts based on the Company's selling list price, which is then reduced by estimated costs for trade promotional programs, consumer incentives, and allowances and discounts used to incentivize sales growth and build brand awareness. The Company recognizes revenue at the point in time that control of the ordered product is transferred to the customer, which is typically upon shipment to the customer or other customer-designated delivery point. The Company accrues for estimated sales returns by customers based on historical sales return results. The computation of the sales return and other allowances require that management makes certain estimates and assumptions that effect the timing and amounts of revenue and liabilities recorded. Shipping and handling fees charged to customers are included in product sales. Taxes collected from customers that are remitted to governmental agencies are accounted for on a net basis and not included as revenue.

The following represents product sales by retail (B2B) and e-commerce (B2C) channels for the three and six months ended June 30, 2025 and 2024:

	Three months ended June 30, 2025		Three months ended June 30, 2024	
	Amount (in thousands)	% of product sales, net	Amount (in thousands)	% of product sales, net
Retail sales (B2B)	\$ 2,114	58.4 %	\$ 2,216	56.0 %
E-Commerce sales (B2C)	1,506	41.6 %	1,738	44.0 %
Product sales, net	<u>\$ 3,620</u>	<u>100.0 %</u>	<u>\$ 3,954</u>	<u>100.0 %</u>

	Six months ended June 30, 2025		Six months ended June 30, 2024	
	Amount (in thousands)	% of product sales, net	Amount (in thousands)	% of product sales, net
Retail sales (B2B)	\$ 4,105	56.8 %	\$ 4,451	55.9 %
E-Commerce sales (B2C)	3,121	43.2 %	3,505	44.1 %
Product sales, net	<u>\$ 7,226</u>	<u>100.0 %</u>	<u>\$ 7,956</u>	<u>100.0 %</u>

Recent Accounting Pronouncements Not Yet Adopted

In October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-06, "Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative"

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(“ASU 2023-06”). ASU 2023-06 incorporates certain SEC disclosure requirements into the FASB Accounting Standards Codification (“ASC”). The amendments in ASU 2023-06 are expected to clarify or improve disclosure and presentation requirements of a variety of ASC Topics, allow users to more easily compare entities subject to the SEC’s existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the ASC with the SEC’s regulations. ASU 2023-06 has an unusual effective date and transition requirements since it is contingent on future SEC rule setting. If the SEC fails to enact required changes by June 30, 2027, this ASU is not effective for any entities. Early adoption is not permitted.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Taxes Disclosures” (“ASU 2023-09”), which requires greater disaggregation of income tax disclosures. The new standard requires additional information to be disclosed with respect to the income tax rate reconciliation and income taxes paid disaggregated by jurisdiction. ASU 2023-09 should be applied prospectively for fiscal years beginning after December 15, 2024, with retrospective application permitted. The Company is currently evaluating the impacts of this guidance on the Company’s consolidated financial statements.

In March 2024, the FASB issued ASU 2024-02, “Codification Improvements – Amendments to Remove References to the Concepts Statements” (“ASU 2024-02”). The amendments in ASU 2024-02 are effective for public business entities for fiscal years beginning after December 15, 2024. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2025. Early application of the amendments in this update is permitted for all entities, for any fiscal year or interim period for which financial statements have not yet been issued (or made available for issuance). If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

In November 2024, FASB issued ASU 2024-03, “Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses” (“ASU 2024-03”). Under ASU 2024-03, a public entity would be required to disclose information about purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion for each income statement line item that contains those expenses. Entities would also have to disclose other specific expenses, gains, or losses that are already required to be disclosed under GAAP in this same disclosure, a qualitative description of the amounts remaining that are not separately disaggregated quantitatively, and the total amount of selling expenses, as well as an entity’s definition of selling expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. ASU 2024-03 allows for early adoption and requires either prospective adoption to financial statements issued for reporting periods after the effective date of ASU 2024-03 or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

In May 2025, the FASB issued ASU 2025-03, “Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity” (“ASU 2025-03”), which revises the guidance in ASC 805 on identifying the accounting acquirer in a business combination in which the legal acquiree is a variable interest entity (“VIE”). ASU 2025-03 is intended to improve comparability between business combinations that involve VIEs and those that do not. Under ASU 2025-03, a reporting entity involved in a business combination effected primarily by the exchange of equity interests must consider the factors in ASC 805-10-55-12 through 55-15 to determine which entity is the accounting acquirer regardless of whether the legal acquiree is a VIE. More specifically, when considering those factors, the reporting entity can determine that a transaction in which the legal acquiree is a VIE represents a reverse acquisition (in which the legal acquirer is identified as the acquiree for accounting purposes). As a result, comparability is increased with business combinations in which the legal acquiree is a VIE. ASU 2025-03 is effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. Early adoption is permitted. The amendments in ASU 2025-03 must be applied prospectively to any business combination that occurs after the initial adoption date. The Company is currently evaluating the effects this adoption will have on its consolidated financial statements.

In May 2025 the FASB issued ASU 2025-04, “Clarifications to Share-Based Consideration Payable to a Customer” (“ASU 2025-04”), which clarifies the guidance on the accounting for share-based payment awards that are granted by an entity as consideration payable to its customer, with the intent to reduce diversity in practice and improve existing guidance by revising the definition of a “performance condition” and eliminating a forfeiture policy election for service conditions associated with share-based consideration payable to a customer. ASU 2025-04 also clarifies that the guidance in Topic 606 on the variable consideration constraint does not apply to share-based consideration payable to a customer “regardless of whether an award’s grant date has occurred.” ASU 2025-04 is effective for fiscal years beginning after December 15, 2026 with updates to be applied on a retrospective or modified retrospective basis. Early adoption is permitted. The Company is currently evaluating the effects this adoption will have on its consolidated financial statements.

Recent Adopted Pronouncements

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures” (“ASU 2023-07”), which requires companies to enhance the disclosures about segment expenses. ASU 2023-07 requires the disclosure of the Company’s Chief Operating Decision Maker (“CODM”), expanded incremental line-item disclosures of significant

CV SCIENCES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

segment expenses used by the CODM for decision-making, and the inclusion of previous annual only segment disclosure requirements on a quarterly basis. ASU 2023-07 should be applied retrospectively for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The Company adopted this guidance as of January 1, 2024. Adoption of this guidance did not have a material impact on the Company's consolidated financial statements, but it did require increased disclosure with the notes to the Company's consolidated financial statements.

2. BALANCE SHEET DETAILS

Inventory

Inventory as of June 30, 2025 and December 31, 2024 was comprised of the following (in thousands):

	June 30, 2025	December 31, 2024
Raw materials	\$ 2,506	\$ 2,581
Work in process	381	649
Finished goods	1,329	1,667
	<u>\$ 4,216</u>	<u>\$ 4,897</u>

Additions to the inventory provision for the three and six months ended June 30, 2025 and 2024 were not material.

Accrued expenses

Accrued expenses as of June 30, 2025 and December 31, 2024 were as follows (in thousands):

	June 30, 2025	December 31, 2024
Accrued payroll taxes (Note 12)	\$ —	\$ 522
Accrued payroll expenses	1,430	1,479
Other accrued liabilities	1,573	1,423
	<u>\$ 3,003</u>	<u>\$ 3,424</u>

3. ACQUISITIONS

Cultured Foods

On December 7, 2023, the Company acquired all the issued and outstanding equity interests of Cultured Foods. Cultured Foods manufactures and distributes plant-based food products. Cultured Foods is based in Poland. This acquisition provided the Company with growth opportunities in both plant-based food products and distribution of CBD products into Europe. The acquisition closed on December 7, 2023 and, accordingly, the condensed consolidated statements of operations and comprehensive loss included Cultured Foods' results of operations for all periods presented.

The following table outlines the total consideration transferred as of the acquisition date (in thousands):

Cash	\$ 192
Common shares	250
Earn-out	88
Total consideration transferred	<u>\$ 530</u>

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The following table summarizes the assets acquired and liabilities assumed as of the acquisition date (in thousands):

Cash	\$	18
Accounts receivable and other receivables		11
Inventories		133
Intangible assets		78
Other current assets		17
Fixed assets		38
Goodwill		334
Total assets		629
Accounts payable and accrued liabilities		27
Current notes payable		50
Deferred tax liabilities		22
Total liabilities		99
Net assets acquired	\$	<u>530</u>

The fair value of acquired intangible assets were determined using a forecasted cash flow and a cost approach. Acquired intangible assets consists of trade names and customer relationships. The Company assigned a 5-year useful life to the acquired intangible assets. The Company determined that Cultured Foods carrying costs approximates fair value for all other acquired assets and assumed liabilities. Included in the purchase agreement is an earn-out provision whereby the Company agreed to pay the Cultured Foods' selling equityholder additional consideration contingent on achievement of certain annual revenue results of Cultured Foods in 2024. During the year ended December 31, 2024, the Company adjusted its previously recorded accrual of \$88,000 for the earn-out provision, as the revenues of Cultured Foods did not trigger any earn-out payments. The potential earn-out was originally recorded as additional goodwill. During the year ended December 31, 2024, the Company recorded the change in the fair value of the earn-out subsequent to the acquisition date of \$88,000 in selling, general and administrative expense. The valuation and purchase price allocation for the Cultured Foods acquisition has been finalized.

Elevated Softgels

On May 13, 2024, the Company acquired all the issued and outstanding membership interests in Elevated Softgels. Elevated Softgels manufactures encapsulated softgels and tinctures for the supplement and nutrition industry. Elevated Softgels is based in Grand Junction, Colorado. This acquisition creates opportunity to further increase the Company's sales to current and new clients. In addition, the Company has started the in-sourcing of production of certain key products.

The acquisition closed on May 13, 2024 and, accordingly, the condensed consolidated statements of operations and comprehensive loss included Elevated Softgels' results of operations for all periods presented.

The following table outlines the total consideration transferred as of the acquisition date (in thousands):

Cash	\$	41
Common shares		871
Earn-out		100
Total consideration transferred	\$	<u>1,012</u>

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The following table summarizes the assets acquired and liabilities assumed as of the acquisition date (in thousands):

Cash	\$	31
Inventories		49
Intangible assets		38
Other non-current assets		11
Fixed assets		316
Goodwill		640
Total assets		1,085
Accounts payable and accrued liabilities		73
Total liabilities		73
Net assets acquired	\$	1,012

The fair value of acquired intangible assets were determined using a forecasted cash flow approach. Acquired intangible assets consists of customer relationships. The Company assigned a 5-year useful life to the acquired intangible assets. The Company determined that Elevated Softgels carrying costs approximates fair value for all other acquired assets and assumed liabilities.

Included in the purchase agreement is an earn-out provision whereby the Company agreed to pay the Elevated Softgels' selling equityholders additional consideration contingent on achievement of certain net revenue of Elevated Softgels for the 12-months period starting on May 13, 2024. During the year ended December 31, 2024, the Company adjusted its previously recorded accrual of \$100,000 for the earn-out provision, as the revenues of Elevated Softgels did not trigger any earn-out payments. The potential earn-out was originally recorded as additional goodwill. During the year ended December 31, 2024, the Company recorded the change in the fair value of the earn-out subsequent to the acquisition date of \$100,000 in selling, general and administrative expense. In addition, during the year ended December 31, 2024, the Company adjusted certain estimated fair values of acquired assets and assumed liabilities through goodwill. The valuation and purchase price allocation for the Elevated Softgels acquisition has been finalized.

Other

On November 21, 2024, the Company announced that it entered into a definitive stock purchase agreement (the "Purchase Agreement") by and among the Company, Extract Labs Inc., a Colorado corporation ("Extract Labs"), Craig Henderson ("Henderson") and Higher Love Wellness Company, LLC ("Higher Love") and together with Extract Labs, Henderson, and Higher Love the "Sellers" to purchase all of the outstanding shares of Extract Labs from the Sellers. Disclosure of the terms and conditions of the Purchase Agreement that are material to the Company was included in Item 1.01 of the Company's Current Report on Form 8-K filed with the SEC on November 21, 2024.

On February 5, 2025, the Company received an electronic mail message from Henderson indicating that the Sellers were unable to move forward with the closing under the Purchase Agreement due to the alleged failure to receive a bank consent and were apparently terminating the Purchase Agreement. The Company disputes the Sellers' right to terminate the Purchase Agreement and the Company reserves all of its rights under the Purchase Agreement. The Company is presently evaluating its options related to the Sellers' purported termination of the Purchase Agreement.

4. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table summarizes the changes in the carrying amounts of goodwill (in thousands):

		Carrying Amount
Balance - December 31, 2024:	\$	971
Translation adjustment		42
Balance - June 30, 2025:	\$	1,013

As of December 31, 2024, the Company performed its annual goodwill impairment analysis following the steps laid out in ASC 350-20-35-3C. The Company's annual impairment analysis included a qualitative assessment to determine if it was necessary to perform the quantitative impairment test. After performing a qualitative test, the Company concluded that it was more likely than not that the fair value of the reporting unit exceeds its carrying value. Accordingly, there was no indication of impairment and the qualitative impairment test was not performed. The Company did not record any goodwill impairment charges for the year ended December 31, 2024. No

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indicators of impairment were identified during the three and six months ended June 30, 2025. The Company's annual impairment testing date is December 31 of each year.

Intangible Assets

The following table summarizes the intangible assets and the related accumulated amortization (in thousands):

	June 30, 2025	December 31, 2024
Gross carrying amount	\$ 116	\$ 116
Accumulated amortization	(34)	(22)
Translation adjustment	6	(1)
Net carrying amount	<u>\$ 88</u>	<u>\$ 93</u>

Changes in the carrying amounts of intangible assets are summarized below (in thousands):

	Trade names	Customer relationships	Total
Balance - December 31, 2024:	\$ 40	\$ 53	\$ 93
Amortization	(5)	(7)	(12)
Translation adjustments	4	3	7
Balance - June 30, 2025:	<u>\$ 39</u>	<u>\$ 49</u>	<u>\$ 88</u>

The Company did not incur costs to renew or extend the term of acquired intangible assets for the three and six months ended June 30, 2025 and 2024. The estimated amortization expense for the Company's intangible assets is not significant in any future individual fiscal year. No indicators of impairment were identified during the three and six months ended June 30, 2025.

5.LEASES

In October 2024, the Company entered into a new lease agreement for its manufacturing facility in Poland. The facility is approximately 2,400 square feet and located outside of Warsaw, Poland. The lease term is for two years and expires on September 30, 2026. Based on the present value of the lease payments, the Company recognized an operating lease asset and liability for operating leases of \$0.1 million on October 1, 2024.

In February 2025, the Company entered into a new lease agreement for its existing Elevated Softgels manufacturing facility. The facility is approximately 7,200 square feet and located in Grand Junction, Colorado. The lease term is for one year, with two one year renewal periods. The total lease obligation over the estimated lease term of two years is approximately \$0.2 million. The lease commenced on April 1, 2025.

In May 2025, the Company entered into a new lease agreement for its existing main office facility. The lease is for the Company's operations, warehouse, sales, marketing and back office functions. The facility is approximately 6,000 square feet and located in San Diego, California. The lease term is for one year, with a one-year renewal period. The total lease obligation over the estimated lease term of two years is approximately \$0.3 million. The lease commenced on June 1, 2025.

The Company's operating leases are included in "Right of use assets" on the Company's June 30, 2025 and December 31, 2024 Condensed Consolidated Balance Sheets, and represents the Company's right to use the underlying assets for the lease term. The Company's obligation to make lease payments is included in "Operating lease liability - current" and "Operating lease liability" on the Company's June 30, 2025 and December 31, 2024 Condensed Consolidated Balance Sheets. Operating lease expense is recognized on a straight-line basis over the lease term. As of June 30, 2025, the Company had operating lease obligations and operating lease assets of \$0.5 million related to its facilities. During the three and six months ended June 30, 2025, the Company's total lease cost was \$60,744 and \$112,370, respectively. During the three and six months ended June 30, 2024, the Company's total lease cost was \$49,638 and \$77,876, respectively. Total lease costs was mostly comprised of operating lease costs. Short-term lease costs related to short-term operating leases and variable lease costs were not material during the three and six months ended June 30, 2025 and 2024.

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Because the rate implicit in the leases is not readily determinable, the Company uses the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment. Information related to the Company's operating lease assets and related lease liabilities were as follows:

	June 30, 2025
Weighted-average remaining lease term (in months)	21.4
Weighted-average discount rate	7.8 %

Maturities of lease liabilities as of June 30, 2025 were as follows (in thousands):

Year ending December 31,	
2025 (remaining six months)	\$ 138
2026	\$ 276
2027	90
	504
Less imputed interest	(35)
Total lease liabilities	\$ 469
Current operating lease liabilities	\$ 239
Non-current operating lease liabilities	230
Total lease liabilities	\$ 469

6.DEBT

Debt as of June 30, 2025 and December 31, 2024 was as follows (in thousands):

	June 30, 2025	December 31, 2024
Note payable, net of discount and costs	\$ 1,211	\$ 538
Insurance financing	20	139
	1,231	677
Less: Current portion of debt	(1,023)	(677)
Long-term portion of debt	\$ 208	\$ —

Principal payments on the debt are as follows (in thousands):

Year ending December 31,	
2025 (remaining six months)	\$ 660
2026	853
Total principal payments	1,513
Less amortization	(282)
Total	\$ 1,231

Note Payable

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Note Payable

In February 2025, the Company entered into a securities purchase agreement with an institutional investor (the "Investor"), pursuant to which the Company issued and sold to the Investor a secured promissory note in the original principal amount of \$1,600,000 (the "Note"). The Note carries an original issuance discount of \$400,000 and the Company agreed to pay \$10,000 to the Investor to cover legal fees. The Company incurred additional legal and professional fees of \$72,424. The original issuance discount was deducted from the proceeds of the Note received by the Company which resulted in a purchase price received by the Company of \$1,200,000.

The Note is due and payable on August 12, 2026 and the Company is required to make monthly repayments to the Investor of \$106,667 starting on June 12, 2025. The Company can pay all or any portion of the outstanding balance earlier than it is due without penalty. In the event the Company repaid the Note in full on or before August 12, 2025, the Company would have received a \$100,000 discount from the outstanding balance. The Note is secured by all of the Company's assets pursuant to a security agreement and intellectual property security agreement entered into with the Investor on February 12, 2025. The Company's obligations under the Note are guaranteed by each of the Company's subsidiaries.

No interest will accrue on the Note unless and until an occurrence of an event of default, as defined in the Note. The Note provides for customary events of default (an "Event of Default"), including, among other things, the nonpayment when due of principal, interest, fees or other amounts, a representation or warranty proving to have been incorrect when made, failure to perform or observe covenants within a specified cure period, a cross-default to certain other indebtedness and material agreements of the Company, and the occurrence of a bankruptcy, insolvency or similar event affecting the Company. Upon the occurrence of certain significant Events of Default as specified in the Note, the Investor may increase the outstanding balance of the Note by 20%, and upon the occurrence of certain Events of Default, the Investor may increase the outstanding balance of the Note by 5%. Upon the occurrence of an Event of Default, the Investor may declare all amounts owed under the Note immediately due and payable. In addition, upon the occurrence of an Event of Default, interest shall begin accruing on the outstanding balance of the Note from the date of the Event of Default equal to the lesser of 18% per annum and the maximum rate allowable under law.

Streeterville Note

In July 2024, the Company entered into a note purchase agreement with Streeterville, pursuant to which the Company issued and sold to Streeterville a Secured Promissory Note (the "Streeterville Note") in the original principal amount of \$1.2 million. The Streeterville Note carried an original issuance discount of \$283,500. The Company incurred additional debt issuance costs of \$5,000. As a result, the Company received aggregate net proceeds of approximately \$0.9 million in connection with the sale and issuance of the Streeterville Note. The Streeterville Note was to mature on July 3, 2025 and the Company was required to make weekly repayments to Streeterville on the note in the amount of \$22,856 until the Streeterville Note was paid in full. The Company was able to pay all or any portion of the outstanding balance earlier than it is due without penalty. In the event the Company repaid the Streeterville Note in full on or before December 31, 2024, the Company would have received a \$75,000 discount from the outstanding balance.

No interest was to accrue on the Streeterville Note until an occurrence of an Event of Default, as defined in Section 4 of the Streeterville Note, if ever. The Streeterville Note provided for customary events of default, including, among other things, the event of nonpayment of principal, interest, fees or other amounts, a representation or warranty proving to have been incorrect when made, failure to perform or observe covenants within a specified period of time, a cross-default to certain other indebtedness of the Company, the bankruptcy or insolvency of the Company or any significant subsidiary, monetary judgment defaults of a specified amount and other defaults resulting in liability of a specified amount. In the event of an occurrence of an Event of Default by the Company, Streeterville could have declared all amounts owed under the Streeterville Note immediately due and payable. Also, a late fee and interest penalty of equal to either 22% per annum or the maximum rate allowable under law, whichever is lesser, could have been applied to any outstanding amount not paid when due or that remained outstanding while an Event of Default exists. The Streeterville Note was secured by all of the Company's assets as set forth in the Security Agreement dated July 3, 2024.

The Company made principal payments to Streeterville of \$0.6 million during the six months ended June 30, 2025. The Company repaid the outstanding Streeterville Note prior to its maturity date and recognized a gain on extinguishment of note of \$37,500. As a result, the Streeterville Note has been fully repaid and satisfied as of June 30, 2025, and the Company's obligations thereunder, were cancelled and terminated.

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Insurance Financing

In October 2024, the Company entered into a financing agreement with First Insurance Funding in order to fund a portion of its insurance policies for the upcoming policy year. The amount financed was \$0.2 million, which incurs interest at a rate of 8.42% per annum. The Company is required to make monthly payments of \$20,396 from November 2024 through July 2025. The outstanding balance as of June 30, 2025 is \$20,256.

In October 2023, the Company entered into a financing agreement with First Insurance Funding in order to fund a portion of its insurance policies for the most recent policy year. The amount financed was \$0.3 million, which incurred interest at a rate of 8.42% per annum. The Company was required to make monthly payments of \$29,781 from November 2023 through July 2024. There was no outstanding balance as of June 30, 2025.

Cultured Foods Notes Payable

The Company assumed the outstanding notes payable of Cultured Foods in connection with its acquisition of Cultured Foods in December 2023. The notes payable to the prior owner of Cultured Foods were due within the next 12 months from the date of acquisition. The notes carried an interest of 9% per annum. During the three months ended March 31, 2024, the Company repaid the entire outstanding amount of the notes payable including interest.

7.STOCKHOLDERS' EQUITY

Common Stock

During the year ended December 31, 2022, the Company issued 5,496,000 shares of common stock to a vendor as compensation for \$0.4 million of services provided to the Company. In accordance with the agreement, the Company issued 1,549,410 additional shares of common stock to the vendor during the six months ended June 30, 2024.

In September 2024, the Company issued 3,613,013 shares of common stock to another vendor as compensation for strategic advisory services provided to the Company. In accordance with the agreement, the issued shares vested over a six month period from the date of the agreement.

Warrants

The following represents a summary of the warrants outstanding at each of the dates identified:

Issue Date	Classification	Exercise Price	Expiration Date	Number of Shares Underlying Warrants	
				June 30, 2025	December 31, 2024
March 30, 2022	Equity	\$ 0.1000	June 6, 2025	—	10,000,000
March 30, 2022	Equity	\$ 0.0875	June 6, 2025	—	750,000
				<u>—</u>	<u>10,750,000</u>

During the three months ended June 30, 2025, the Company cancelled 10,750,000 warrants with a weighted average exercise price of \$0.0991 per share, as these warrants remained unexercised and the deadline to exercise these warrants lapsed.

8.STOCK-BASED COMPENSATION

On June 1, 2023, the Company's shareholders approved the adoption of a new 2023 Equity Incentive Plan (the "2023 Plan"), and the Company adopted the 2023 Plan. As a result, the CV Sciences, Inc. Amended and Restated 2013 Equity Incentive Plan (the "2013 Plan") terminated and was replaced by the 2023 Plan; future issuances of incentive instruments will be made under and governed by the 2023 Plan. Outstanding awards issued under the 2013 Plan will remain subject to the terms and conditions of the 2013 Plan, provided that to the extent that outstanding awards under the 2013 Plan are forfeited or lapse unexercised, the shares of common stock subject to such awards will no longer be available for future issuance under the 2013 Plan or any other equity incentive plan of the Company.

The 2023 Plan has a term of 10 years. The number of shares of the Company's common stock authorized for issuance under the 2023 Plan is initially 34,976,000 shares, which number shall automatically increase on January 1 of each fiscal year (for a period of ten years after adoption of the 2023 Plan) during the term of the 2023 Plan, commencing on January 1, 2024, by the lesser of (a) 4% of the total shares of the Company's common stock outstanding on December 31st of the prior year, and (b) a lesser number of the Company's common stock as determined by the Company's Board of Directors. As of December 31, 2024, the Company had 20,626,000 authorized

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but unissued shares reserved for issuance under the 2023 Plan. On January 1, 2025, the Company added 7,370,547 shares to the 2023 Plan.

As of June 30, 2025, total unrecognized compensation cost related to non-vested stock-based compensation arrangements was \$0.9 million, which is expected to be recognized over a weighted-average period of 2.2 years.

The following summarizes activity related to the Company's stock options (in thousands, except per share data):

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contract Term (in years)	Aggregate Intrinsic Value
Outstanding - December 31, 2024	26,823	\$ 0.14	8.4	\$ —
Granted	14,950	0.04	—	—
Exercised	—	—	—	—
Cancelled	(130)	1.58	—	—
Outstanding - June 30, 2025	<u>41,643</u>	0.10	8.5	47
Exercisable - June 30, 2025	<u>17,744</u>	0.17	7.6	11
Vested or expected to vest - June 30, 2025	<u>41,643</u>	\$ 0.10	8.5	\$ 47

The Company has established performance milestones in connection with drug development efforts for its lead drug candidate CVSI-007. As of June 30, 2025, there were 6,750,000 unvested performance-based stock options previously granted to Michael Mona Jr. ("Mona") outside of the 2013 Plan and 2023 Plan which are not included in the above table. These stock options have a weighted average exercise price of \$0.375 and vest upon the satisfaction of future performance conditions (refer to Note 12).

The following table presents the weighted average grant date fair value of stock options granted and the weighted-average assumptions used to estimate the fair value on the date of grant using the Black-Scholes valuation model:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Volatility	*	138.1%	146.1%	138.1%
Risk-Free Interest Rate	*	4.3%	4.4%	4.3%
Expected Term (in years)	*	5.75	5.76	5.75
Dividend Rate	*	—%	—%	—%
Weighted Average Fair Value Per Share on Grant Date	*	\$ 0.05	\$ 0.03	\$ 0.05

* The Company did not grant stock options during the three months ended June 30, 2025.

The risk-free interest rates are based on the implied yield available on U.S. Treasury constant maturities with remaining terms equivalent to the respective expected terms of the options. Expected volatility is based on the historical volatility of the Company's common stock. The Company estimates the expected term for stock options awarded to employees, officers and directors using the simplified method in accordance with ASC Topic 718, Stock Compensation, because the Company does not have sufficient relevant historical information to develop reasonable expectations about future exercise patterns. In the future, as the Company gains historical data for the actual term over which stock options are held, the expected term may change, which could substantially change the grant-date fair value of future stock option awards, and, consequently, compensation of future grants.

9.NET LOSS PER SHARE

The Company computes basic net loss per share using the weighted-average number of common shares outstanding during the period. Diluted net loss per share is calculated by dividing net loss by the weighted-average number of common shares plus potential common shares. The Company's stock options, including those with performance conditions, are included in the calculation of diluted net loss per share using the treasury stock method when their effect is dilutive. Potential common shares are excluded from the calculation of diluted net loss per share when their effect is anti-dilutive.

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The following common stock equivalents were not included in the calculation of net loss per diluted share because their effect were anti-dilutive (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Stock options	41,643	26,848	41,643	26,848
Performance stock options	6,750	6,750	6,750	6,750
Warrants	—	10,750	—	10,750
Total	48,393	44,348	48,393	44,348

10.COMMITMENTS AND CONTINGENCIES

On March 17, 2015, Michael Ruth filed a shareholder derivative suit in Nevada District Court alleging breach of fiduciary duty and gross mismanagement (the “Ruth Complaint”). The claims were premised on the same events that were the subject of a purported class action filed in the Southern District of New York on April 23, 2014 (the “Sallustro Case”). On July 2, 2019, the court in the Sallustro Case entered a final order dismissing the complaint with prejudice. The Company did not make any settlement payment, and at no time was there a finding of wrongdoing by the Company or any of its directors. Regarding the Ruth Complaint, the parties previously agreed to stay the action pending the conclusion of discovery in the Sallustro Case. Once the Sallustro Case was dismissed, the stay was lifted. Plaintiff’s counsel later informed the Court that Mr. Ruth sold his shares of CVSI stock and thus he no longer had standing to pursue this claim. However, the Court allowed plaintiff’s counsel to substitute CVSI shareholder Otila Lamont as the named plaintiff. On September 20, 2019, defendants filed a motion to dismiss the Ruth Complaint and the court issued a ruling denying the motion to dismiss on November 24, 2020. A Third Amended Complaint was filed on December 11, 2020 substituting Otila Lamont as plaintiff. The Company filed an answer to the Ruth complaint on January 11, 2021. The parties agreed to a settlement in principle in January 2022 whereby the Company agreed to make certain corporate governance reforms in exchange for dismissal of the lawsuit. Plaintiff filed a motion for preliminary approval of proposed settlement on June 1, 2022. The court granted preliminary approval of the proposed settlement on February 7, 2023. A hearing seeking final approval of the proposed settlement was held on May 15, 2023, and the court indicated it would likely approve the proposed settlement and reschedule the hearing with regard to plaintiff’s motion for attorney’s fees. On June 23, 2023, the Company received notice of a court order dated May 23, 2023 without any hearing, granting plaintiff’s motion for attorney’s fees and expenses of approximately \$250,000. On or about May 1, 2024, the Company and plaintiff executed a stipulation for the payment of the plaintiff’s attorney’s fees and expenses over the course of approximately eighteen months subject to a confession of judgment.

On December 3, 2019, Micheline Colette and Leticia Shaw filed a putative class action complaint in the Central District of California, alleging the labeling on the Company’s products violated the Food, Drug, and Cosmetic Act of 1938 (the “Colette Complaint”). On February 6, 2020, the Company filed a motion to dismiss the Colette Complaint. Instead of opposing the Company’s motion, plaintiffs elected to file an amended complaint on February 25, 2020. On March 10, 2020, the Company filed a motion to dismiss the amended complaint. The court issued a ruling on May 22, 2020 that stayed this proceeding in its entirety and dismissed part of the amended complaint. The court’s order stated that the portion of the proceeding that is stayed will remain stayed until the U.S. Food and Drug Administration (the “FDA”) completes its rulemaking regarding the marketing, including labelling, of CBD ingestible products. However, on January 26, 2023, the FDA announced that it does not intend to pursue rulemaking allowing the use of cannabidiol products in dietary supplements or conventional foods. As a result, on February 13, 2023, Plaintiffs filed a status report with the court asking to have the stay lifted. The Company filed a written opposition. The court has taken no action since Plaintiffs filed that status report, and the case remains stayed pursuant to the court’s original order.

On February 12, 2025, the Company initiated an arbitration with JAMS asserting claims against its long-time legal counsel, Procopio. The Company’s engagement agreement with Procopio requires the resolution of such disputes through arbitration. Procopio provided the Company legal advice and guidance on when Mona would recognize W-2 income and be subject to payroll and income tax withholding resulting from the settlement of RSU’s previously awarded to Mona. According to Procopio, because Mona was then an insider within the meaning of Section 16(b) of the Securities Exchange Act of 1934 and he was subject to suit and disgorgement of short-swing profits if he sells stock within six months of the settlement date of the RSU’s, Mona does not recognize W-2 income on the settlement date and that Mona would recognize W-2 income and be subject to tax withholding upon the expiration of the six month period under Section 16(b). Consequently, the Company issued to Mona a share certificate evidencing his ownership of shares of the Company’s stock then valued at more than \$13 million that Mona constructively received upon the settlement of his RSU’s without withholding taxes. After Mona received the certificate, without acknowledging its prior advice and guidance, Procopio changed its prior advice and advised the Company that tax withholding was required as of the settlement date. Procopio continued to represent the Company to resolve the lack of withholding, address the fallout therefrom, report the same in its periodic reports filed with the SEC and numerous other legal matters. The Company disclosed the lack of withholding in its Form 10-Q for the quarter ended, March 31, 2019,

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and in subsequent quarterly and annual reports. The Company has also disclosed in its prior reports filed with the SEC that the lack of withholding has been the subject of multiple legal proceedings, the most recent of which involved a case brought by Mona against the Company that was resolved in November 2024 in the Company's favor in a binding arbitration. After that case was submitted to the arbitrator for decision, the Company sought to address with Procopio the legal advice and guidance it provided. Procopio responded by terminating the Company as a client on January 10, 2025, ending the Company's 12-year relationship with Procopio as its legal counsel. The Company seeks to recover damages from Procopio resulting from its reliance on Procopio's advice and guidance, including fees and expenses paid to Procopio and other professionals, expenses incurred by the Company and other harm to it. In April 2025, JAMS appointed an arbitrator to the case. The hearing is scheduled to begin on May 18, 2026.

In the normal course of business, the Company is a party to a variety of agreements pursuant to which they may be obligated to indemnify the other party. It is not possible to predict the maximum potential amount of future payments under these types of agreements due to the conditional nature of our obligations, and the unique facts and circumstances involved in each particular agreement. Historically, payments made by us under these types of agreements have not had a material effect on our business, results of operations or financial condition.

11. INCOME TAXES

For the three and six months ended June 30, 2025 and 2024, the Company generated taxable losses for which no tax benefit has been recognized due to uncertainties regarding the future realization of the tax benefit. The tax effects of the taxable losses will be recognized when realization of the tax benefit becomes more likely than not or the tax effects of the previous interim losses are utilized.

12. RELATED PARTIES

During the year ended December 31, 2019, the Company's former President and Chief Executive Officer, Mona, and the Company entered into a Settlement Agreement (the "Settlement Agreement"), pursuant to which the Company acknowledged that Mona's resignation from the Company on January 22, 2019 was for Good Reason (as defined in Mona's Employment Agreement) and agreed to extend the deadline for Mona's exercise of his stock options for a period of five years. In exchange, Mona agreed that notwithstanding the terms of his Employment Agreement providing for acceleration of vesting of all stock options upon a Good Reason resignation, certain of his unvested stock options would not immediately vest, but rather continue to vest if, and only if, certain Company milestones are achieved related to the Company's drug development efforts. These stock options were issued in July 2016 (6,000,000 options) and March 2017 (5,000,000 options), and 6,750,000 of these stock options have not vested as of June 30, 2025. The Company and Mona also agreed to mutually release all claims arising out of and related to Mona's resignation and separation from the Company. As a result of Mona's Restricted Stock Unit Award Agreement, the Company recorded stock-based compensation expense related to (i) the accelerated vesting of the RSU's of \$5.1 million and (ii) due to the Settlement Agreement's modification of certain stock options of \$2.7 million during the year ended December 31, 2019. During the year ended December 31, 2024, the Company cancelled 11,300,000 fully vested outstanding stock options of Mona with a weighted average exercise price of \$0.42 per share, as these stock options remained unexercised and the deadline to exercise these stock options lapsed.

In addition, 2,950,000 shares of stock were issued to Mona upon the vesting and settlement of the RSU's. The settlement of the RSU's by the payment of shares was treated as taxable compensation to Mona and thus subject to income tax withholdings. No amounts were withheld (either in cash or the equivalent of shares of common stock from the settlement of the RSU's) or included in the original Company's payroll tax filing. The compensation was subject to Federal and State income tax withholding and Federal Insurance Contributions Act ("FICA") taxes withholding estimated to be \$6.4 million for the employee portions. The employer portion of the FICA taxes was \$0.2 million and was recorded as a component of selling, general and administrative expenses in the statement of operations for the year ended December 31, 2019. During the year ended December 31, 2020, the Company reported the taxable compensation associated with the RSU settlement to the taxing authorities and included the amount in Mona's W-2 for 2019. Although the primary tax liability is the responsibility of the employee, the Company is secondarily liable to the taxing authorities and thus has continued to reflect this liability on its balance sheet through December 31, 2022 in an amount of \$6.7 million, which was recorded as a component of accrued expenses. The Company initially recorded an offsetting receivable of \$6.2 million during the second quarter of 2019 for the total estimated Federal and State income taxes which should have been withheld in addition to the employee portion of the FICA payroll taxes as the primary liability is ultimately the responsibility of the employee. The receivable was recorded as a component of prepaid expense and other on the condensed balance sheet. The deadline to file and pay personal income taxes for 2019 with extensions was on October 15, 2020. Notwithstanding repeated requests from the Company, Mona has not provided to the Company the appropriate documentation substantiating that he properly filed and paid his taxes for 2019, and Mona has recently confirmed that he has not paid his personal income tax for 2019. As a result, the Company derecognized its previously recorded receivable of \$6.2 million during the fourth quarter of 2020. The associated liability would have been relieved once the tax amount was paid by Mona and the Company had

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received the required taxing authority documentation from Mona. If the tax amount was not paid by Mona, the Company could have been liable for such tax due.

The Company believes that the statute of limitations for federal payroll tax withholding expired on April 15, 2023. In addition, the statute of limitations for the state tax withholding expired during the three months ended March 31, 2023. As a result of the expiration of the relevant statutes of limitations, the Company believes that neither the IRS nor the State of California have the rights to assess and collect the \$6.2 million of income taxes from the Company and the Company has made a change in accounting estimate and no longer expects to incur a loss with respect to this matter. As a result, the Company derecognized the contingent liability of \$6.2 million during the three months ended March 31, 2023.

The Company believes that the statute of limitations for employer and employee Medicare portion of FICA taxes expired on April 15, 2025. As a result of the expiration of the relevant statutes of limitations, the Company believes that the IRS does not have the rights to assess and collect the \$0.5 million of employer and employee Medicare portion of FICA taxes from the Company and the Company has made a change in accounting estimate and no longer expects to incur a loss with respect to this matter. As a result, the Company derecognized the contingent liability of \$0.5 million during the six months ended June 30, 2025.

13.SEGMENT DATA

The Company defines its segments on the basis of the way in which internally reported financial information is regularly reviewed by the Chief Operating Decision Maker (“CODM”) to analyze financial performance, make decisions, and allocate resources. The Company's CODM is the Chief Executive Officer. The Company manages its operations as a single operating and reportable segment, which is the production and sale of nutraceuticals and plant-based foods. As internal reporting is based on the consolidated results, the Company has identified one reporting and reportable segment. The CODM uses net loss and cash flow information in the budget and forecasting process and considers budget-to-actual variances on a regular basis when making decisions about the allocation of operating and capital resources. The measure of the operating segment assets is reported on the consolidated balance sheet as total assets.

The Company's reportable segment product sales, net and net loss for the three and six months ended June 30, 2025 and 2024 consisted of the following (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Product sales, net	\$ 3,620	\$ 3,954	\$ 7,226	\$ 7,956
Cost of goods sold	1,776	2,094	3,724	4,243
Gross profit	1,844	1,860	3,502	3,713
Operating expenses:				
Research and development expense	50	28	80	64
Sales expense	718	793	1,449	1,606
Marketing expense	371	374	819	996
General and administrative expense	836	1,248	1,796	2,250
Benefit from reversal of accrued payroll taxes	—	—	(522)	—
Total operating expenses	1,975	2,443	3,622	4,916
Operating income (loss)	(131)	(583)	(120)	(1,203)
Gain on extinguishment of debt	—	—	(38)	—
Other expense, net	130	1	281	3
Loss before income taxes	(261)	(584)	(363)	(1,206)
Income tax expense	—	0	7	6
Net loss	\$ (261)	\$ (584)	\$ (370)	\$ (1,212)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

When we use the terms "CV Sciences," "Company," "we," "our" and "us," we mean CV Sciences, Inc., a Delaware corporation, taken as a whole, as well as any predecessor entities, unless the context otherwise indicates.

The following discussion of our financial condition and results of operations for the three and six months ended June 30, 2025 and 2024, respectively, should be read in conjunction with our condensed consolidated financial statements and the notes to those statements that are included elsewhere in this Quarterly Report on Form 10-Q. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements.

OVERVIEW

We are a consumer wellness company specializing in hemp extracts and other proven, science-backed, natural ingredients and products, which are sold through a range of sales channels from B2B to B2C.

Our *+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. We follow all guidelines for good manufacturing practices ("GMP") and our products are processed, produced, and tested throughout the manufacturing process to confirm strict compliance with company and regulatory standards and specifications. 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.

In addition, on December 7, 2023, we entered into a Membership Interest Purchase Agreement, pursuant to which we purchased all of the outstanding equity interests in Cultured Foods Sp. z.o.o., resulting in Cultured Foods becoming a wholly owned subsidiary of the Company. Cultured Foods is a leading European manufacturer and distributor of plant-based protein products.

In May 2024, we acquired all outstanding membership interests of Elevated Softgels, LLC, a Delaware limited liability company, for a total purchase price of up to \$1.0 million. Elevated Softgels is a leading manufacturer of encapsulated softgels and tinctures for the supplement and nutrition industry, based in Colorado.

In August 2024, we engaged Maxim Group LLC ("Maxim") as a non-exclusive financial advisor and investment banker to provide strategic financial advisory and investment banking services. With the help of Maxim, the Company intends to continue to build an efficient and cost effective consumer products platform and continue to evaluate inbound and outbound merger, sale, acquisition or other opportunities for the Company.

We also have a drug development program focused on developing and commercializing CBD-based novel therapeutics, subject to available capital.

Our primary offices and facilities are located in San Diego, California; Grand Junction, Colorado; and Warsaw, Poland.

Our common stock is traded on the OTC:QB market under the trading symbol CVSI.

Results of Operations

Revenues and gross profit

	Three months ended June 30,				Six months ended June 30,			
	2025	2024 (in thousands)	Amount	Change %	2025	2024 (in thousands)	Amount	Change %
Product sales, net	\$ 3,620	\$ 3,954	\$ (334)	(8.4)%	\$ 7,226	\$ 7,956	\$ (730)	(9.2)%
Cost of goods sold	1,776	2,094	(318)	(15.2)%	3,724	4,243	(519)	(12.2)%
Gross profit	<u>\$ 1,844</u>	<u>\$ 1,860</u>	<u>\$ (16)</u>	(0.9)%	<u>\$ 3,502</u>	<u>\$ 3,713</u>	<u>\$ (211)</u>	(5.7)%
Gross margin	50.9%	47.0%			48.5%	46.7%		

Second Quarter 2025 vs. 2024

	Three months ended June 30, 2025		Three months ended June 30, 2024	
	Amount (in thousands)	% of product sales, net	Amount (in thousands)	% of product sales, net
Retail sales (B2B)	\$ 2,114	58.4%	\$ 2,216	56.0%
E-commerce sales (B2C)	1,506	41.6%	1,738	44.0%
Product sales, net	<u>\$ 3,620</u>	<u>100.0%</u>	<u>\$ 3,954</u>	<u>100.0%</u>

We had net product sales of \$3.6 million and gross profit of \$1.8 million, representing a gross margin of 50.9%, in the second quarter of 2025, compared to net product sales of \$4.0 million and gross profit of \$1.9 million, representing a gross margin of 47.0%, in the second quarter of 2024. Our net product sales decreased in the second quarter of 2025 when compared to the second quarter 2024 mostly due to lower sales volume. The total number of units sold during the second quarter 2025 decreased by 7.0% compared to the second quarter 2024. In addition, our average sales price per unit for the second quarter 2025 decreased by 2.8% compared to the same period 2024.

38.9% of our net revenue for the second quarter 2025 was from new products launched since January 1, 2023. During this time, we launched 34 new products. The overall market continues to be fragmented and highly competitive, which we believe is largely due to the lack of a clear regulatory framework and a patchwork of state regulation.

Cost of goods sold consists primarily of raw materials, packaging, manufacturing overhead (including payroll, employee benefits, stock-based compensation, facilities, depreciation, supplies and quality assurance costs), merchant card fees and shipping. We were able to reduce our cost of goods sold in the second quarter of 2025 compared to the second quarter of 2024 by \$0.3 million, or 15.2%. The reduction is mostly due to the lower number of units sold in the second quarter of 2025. In addition, cost of goods sold in the second quarter of 2025 decreased as a percentage of revenue compared to the second quarter of 2024, mostly due to lower freight, lower inventory losses and product mix, partially offset by higher cost of goods sold for Elevated Softgels and Cultured Foods in the second quarter of 2025 compared to the prior year period. Our gross profit in the second quarter 2025 declined slightly by \$16,000 from the second quarter of 2024. Our gross margin improved from 47.0% in the second quarter 2024 to 50.9% in the second quarter of 2025. The improvement in our gross margin is primarily due to lower freight, lower inventory losses, and product and channel mix, partially offset by higher cost of goods sold for Elevated Softgels and Cultured Foods.

First six months 2025 vs. 2024

	Six months ended June 30, 2025		Six months ended June 30, 2024	
	Amount (in thousands)	% of product sales, net	Amount (in thousands)	% of product sales, net
Retail sales (B2B)	\$ 4,105	56.8%	\$ 4,451	55.9%
E-commerce sales (B2C)	3,121	43.2%	3,505	44.1%
Product sales, net	<u>\$ 7,226</u>	<u>100.0%</u>	<u>\$ 7,956</u>	<u>100.0%</u>

We had net product sales of \$7.2 million and gross profit of \$3.5 million, representing a gross margin of 48.5%, in the six months ended June 30, 2025, compared to net product sales of \$8.0 million and gross profit of \$3.7 million, representing a gross margin of 46.7%, in the six months ended June 30, 2024. Our net product sales decreased in the six months ended June 30, 2025 when compared to the six months ended June 30, 2024 mostly due to lower sales volume. The total number of units sold during the six months ended June 30, 2025 decreased by 9.5% compared to the six months ended June 30, 2024. In addition, our average sales price per unit for the six months ended June 30, 2025 decreased by 1.0% compared to the same period in 2024.

37.0% of our net revenue for the six month ended June 30, 2025 was from new products launched since January 1, 2023. During this time, we launched 34 new products. The overall market continues to be fragmented and highly competitive, which we believe is largely due to the lack of a clear regulatory framework and a patchwork of state regulation.

Cost of goods sold consists primarily of raw materials, packaging, manufacturing overhead (including payroll, employee benefits, stock-based compensation, facilities, depreciation, supplies and quality assurance costs), merchant card fees and shipping. We were able to reduce our cost of goods sold in the six months ended June 30, 2025 compared to the six months ended June 30, 2024 by \$0.5 million, or 12.2%. The reduction is mostly due to the lower number of units sold in the six months ended June 30, 2025. In addition, cost of goods sold in the six months ended June 30, 2025 decreased as a percentage of revenue compared to the six months ended June 30, 2024, mostly due to lower freight, cost savings and product mix, partially offset by higher cost of goods sold for Elevated Softgels and Cultured Foods in the six months ended June 30, 2025 compared to the prior year period. Our gross profit declined to \$3.5 million in the six months ended June 30, 2025 from \$3.7 million in the six months ended June 30, 2024. Our gross margin improved from 46.7% in the six months ended June 30, 2024 to 48.5% in the six months ended June 30, 2025. The improvement in our gross margin is primarily due to lower freight, product and channel mix, and additional cost savings, partially offset by higher cost of goods sold for Elevated Softgels and Cultured Foods.

Research and development expense

	Three months ended June 30,		Change		Six months ended March 31,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	(in thousands)				(in thousands)			
Research and development expense	\$ 50	\$ 28	\$ 22	79%	\$ 80	\$ 64	\$ 16	25%
Percentage of product sales, net	1.4%	0.7%			1.1%	0.8%		

Second Quarter 2025 vs. 2024

Research and development ("R&D") expense for the second quarter 2025 increased compared to the same period in 2024 due to product development activity associated with the in-sourcing of our vegan softgels.

First six months 2025 vs. 2024

R&D expense increased slightly due to additional product development activity associated with the in-sourcing of the manufacturing of our vegan softgels.

Selling, general and administrative expense

	Three months ended June 30,		Change		Six months ended June 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	(in thousands)				(in thousands)			
Sales expense	\$ 718	\$ 793	\$ (75)	(9)%	\$ 1,449	\$ 1,606	\$ (157)	(10)%
Marketing expense	371	374	(3)	(1)%	819	996	(177)	(18)%
General & administrative expense	836	1,248	(412)	(33)%	1,796	2,250	(454)	(20)%
Selling, general and administrative	\$ 1,925	\$ 2,415	\$ (490)	(20)%	\$ 4,064	\$ 4,852	\$ (788)	(16)%
Percentage of product sales, net	53.2%	61.1%			56.2%	61.0%		

Second Quarter 2025 vs. 2024

Selling, general and administrative ("SG&A") expense decreased to \$1.9 million in the second quarter of 2025 compared to \$2.4 million in the second quarter of 2024, which was primarily a result of the following:

- Sales expense decreased due to lower commission, payroll, travel and other expense, partially offset by an increase in stock-based compensation expense.
- Marketing expense decreased slightly due to lower marketing activities, partially offset by an increase in stock-based compensation expense.
- General and administrative ("G&A") expense for the second quarter of 2025 decreased from the prior year period due to lower legal fees, insurance expense and other administrative cost reductions, partially offset by an increase in stock-based compensation expense.

First six months 2025 vs. 2024

SG&A expense decreased to \$4.1 million in the six months ended June 30, 2025 compared to \$4.9 million in the six months ended June 30, 2024, which was primarily a result of the following:

- Sales expense decreased due to lower commission, payroll, travel and other expense, partially offset by an increase in stock-based compensation expense.
- Marketing expense decreased due to lower digital advertising spend and reduced tradeshow expense, partially offset by an increase in stock-based compensation expense. Our reduced digital marketing expense declined due to lower advertising activity during the first six month of 2025.
- G&A expense for the six months ended June 30, 2025 decreased from the prior year period due to lower legal fees, insurance expense and other administrative cost reductions, partially offset by an increase in stock-based compensation expense.

Benefit from reversal of accrued payroll taxes

We previously recorded a contingent liability for payroll taxes associated with the RSU release to our founder. On April 15, 2025, the statute of limitations for employer and employee Medicare portion of FICA taxes expired. As a result of the expiration of the relevant statutes of limitations, the IRS does not have the rights to assess and collect the \$0.5 million of employer and employee Medicare portion of FICA taxes from the Company and we have made a change in accounting estimate and no longer expect to incur a loss with respect to this matter. As a result, we derecognized the contingent liability of \$0.5 million during the six months ended June 30, 2025. For more information, please see Note 12, *Related Parties*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Interest expense, net

Interest expense, net consists of interest expense and interest income. Interest expense, net increased by approximately \$0.1 million in the three months ended June 30, 2025 as compared to the three months ended June 30, 2024, and by approximately \$0.3 million in the six months ended June 30, 2025 as compared to the six months ended June 30, 2024, in each case due to the amortization of debt discount and debt issuance costs for the note payable with an institutional investor.

Non-GAAP Financial Measures

We use Adjusted EBITDA internally to evaluate our performance and make financial and operational decisions that are presented in a manner that adjusts from their equivalent GAAP measures or that supplement the information provided by our GAAP measures. Adjusted EBITDA is defined by us as EBITDA (net loss plus depreciation, amortization, interest and income tax expense), further adjusted to exclude certain non-cash expenses and other adjustments as set forth below. We use Adjusted EBITDA because we believe it also highlights trends in our business that may not otherwise be apparent when relying solely on GAAP financial measures, since Adjusted EBITDA eliminates from our results specific financial items that have less bearing on our core operating performance.

We use Adjusted EBITDA in communicating certain aspects of our results and performance, including in this Quarterly Report on Form 10-Q, and believe that Adjusted EBITDA, when viewed in conjunction with our GAAP results and the accompanying reconciliation, can provide investors with greater transparency and a greater understanding of factors affecting our financial condition and results of operations than GAAP measures alone. In addition, we believe the presentation of Adjusted EBITDA is useful to investors in making period-to-period comparison of results because the adjustments to GAAP are not reflective of our core business performance.

Adjusted EBITDA is not presented in accordance with, or as an alternative to, GAAP financial measures and may be different from non-GAAP measures used by other companies. We encourage investors to review the GAAP financial measures included in this Quarterly Report on Form 10-Q, including our condensed financial statements, to aid in their analysis and understanding of our performance and in making comparisons.

A reconciliation from our net loss to Adjusted EBITDA, a non-GAAP measure, for the three and six months ended June 30, 2025 and 2024 is detailed below:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Net loss	\$ (261)	\$ (584)	\$ (370)	\$ (1,212)
Depreciation expense	52	71	128	130
Amortization expense	6	5	12	9
Interest expense, net	130	1	281	3
Income tax expense	—	—	7	6
EBITDA	(73)	(507)	58	(1,064)
Stock-based compensation (1)	132	37	250	67
Gain on extinguishment of debt (2)	—	—	(38)	—
Benefit for reversal of accrued payroll tax (3)	—	—	(522)	—
Professional fees associated with legal dispute (4)	—	464	—	693
Adjusted EBITDA	\$ 59	\$ (6)	\$ (252)	\$ (304)

(1)Represents stock-based compensation expense related to stock options awarded to employees, consultants and non-executive directors based on the grant date fair value using the Black-Scholes valuation model. For more information, please see Note 8, *Stock-Based Compensation*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(2)Represents gain on extinguishment of debt related to our Streeterville note payable. For more information, please see Note 6, *Debt*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(3)Represents benefit for reversal of accrued payroll tax associated with the RSU release to founder in 2019. For more information, please see Note 12, *Related Parties*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(4)Represents legal and other professional expenses incurred during 2024 associated with the legal dispute with founder. For more information on the Company's legal proceedings, please see Note 10, *Commitments and Contingencies*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Liquidity and Capital Resources

During the six months ended June 30, 2025 and the year ended December 31, 2024, our primary sources of capital came from (i) cash generated from our operations, (ii) existing cash, and (iii) proceeds from note payable financings. As of June 30, 2025, we had approximately \$0.9 million of cash and working capital of approximately \$0.2 million.

For the six months ended June 30, 2025, the Company generated cash flows from operations of \$0.2 million. However, during the year ended December 31, 2024, we generated negative cash flows from operations of \$0.9 million, and we had an accumulated deficit of \$87.4 million as of June 30, 2025.

We believe that a combination of factors have adversely impacted our business operations for the six months ended June 30, 2025 and the year ended December 31, 2024. Due to a low barrier entry market with a lack of a clear regulatory framework, we face intense competition from both licensed and illicit market operators that may also sell herbal supplements and hemp-based CBD consumer products. Because we operate in a market that is rapidly evolving and expanding globally, our customers may choose to obtain CBD products from our competitors, and our success depends on our ability to attract and retain our customers from purchasing CBD products elsewhere. To remain competitive, we intend to continue to innovate new products, build brand awareness, and make significant investments in our business strategy by introducing new products into the markets in which we operate, adopt quality assurance protocols and procedures, build our market presence, and undertake further research and development. In addition, we intend to make additional acquisitions to further diversify our product offerings.

In February 2025, we received net proceeds of \$1.2 million under a secured promissory note with an institutional investor - please see Note 6, *Debt*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information.

Management implemented, and continues to make and implement, strategic cost reductions, including reductions in employee headcount, vendor spending, and the delaying of certain expenses related to our drug development activities. To the extent that we feel it is necessary and in the best interest of the Company and our shareholders, we may also take further actions that alter our operations in order to ensure the success of our business.

Note Payable

In February 2025, we entered into a securities purchase agreement with an institutional investor (the "Investor"), pursuant to which we issued and sold to the Investor a secured promissory note in the original principal amount of \$1,600,000 (the "Note"). The Note carries an original issuance discount of \$400,000 and we agreed to pay \$10,000 to the Investor to cover legal fees. We incurred additional legal and professional fees of \$72,424. The original issuance discount was deducted from the proceeds of the Note received by us which resulted in a purchase price received by us of \$1,200,000.

The Note is due and payable on August 12, 2026 and we are required to make monthly repayments to the Investor of \$106,667 starting on June 12, 2025. We can pay all or any portion of the outstanding balance earlier than it is due without penalty. In the event we paid the Note in full on or before August 12, 2025, we would have received a \$100,000 discount from the outstanding balance. The Note is secured by all of our assets pursuant to a security agreement and intellectual property security agreement entered into with the Investor on February 12, 2025. Our obligations under the Note are guaranteed by each of our subsidiaries. No interest will accrue on the Note unless and until an occurrence of an event of default, as defined in the Note.

Streeterville Note

In July 2024, we entered into a note purchase agreement with Streeterville, pursuant to which we issued and sold to Streeterville a Secured Promissory Note (the "Streeterville Note") in the original principal amount of \$1.2 million. The Streeterville Note carried an original issuance discount of \$283,500. We incurred additional debt issuance costs of \$5,000. As a result, we received aggregate net proceeds of approximately \$0.9 million in connection with the sale and issuance of the Streeterville Note. The Streeterville Note was to mature on July 3, 2025 and we were required to make weekly repayments to Streeterville on the note in the amount of \$22,856 until the Streeterville Note was paid in full. We were able to pay all or any portion of the outstanding balance earlier than it is due without penalty. In the event we repaid the Streeterville Note in full on or before December 31, 2024, we would have received a \$75,000 discount from the outstanding balance.

No interest was to accrue on the Streeterville Note until an occurrence of an Event of Default, as defined in Section 4 of the Streeterville Note, if ever. The Streeterville Note provided for customary events of default, including, among other things, the event of nonpayment of principal, interest, fees or other amounts, a representation or warranty proving to have been incorrect when made, failure to perform or observe covenants within a specified period of time, a cross-default to certain other indebtedness of the Company, the bankruptcy or insolvency of the Company or any significant subsidiary, monetary judgment defaults of a specified amount and other defaults resulting in liability of a specified amount. In the event of an occurrence of an Event of Default by us, Streeterville could have declaree all amounts owed under the Streeterville Note immediately due and payable. Also, a late fee and interest penalty of equal to either 22% per annum or the maximum rate allowable under law, whichever is lesser, could have been applied to any outstanding amount not paid when due or that remained outstanding while an Event of Default exists. The Streeterville Note was secured by all of our assets as set forth in the Security Agreement dated July 3, 2024.

We made principal payments to Streeterville of \$0.6 million during the six months ended June 30, 2025. We repaid the outstanding Streeterville Note prior to its maturity date and recognized a gain on extinguishment of \$37,500. As a result, the Streeterville Note has been fully repaid and satisfied as of June 30, 2025, and our obligations thereunder, were cancelled and terminated.

First Insurance Funding Agreements

In October 2024, we entered into a new finance agreement with First Insurance Funding in order to fund a portion of our insurance policies for the upcoming policy year. The amount financed is \$0.2 million, which incurs interest at an annual rate of 8.42%. We are required to make monthly payments of \$20,396 from November 2024 through July 2025. The outstanding balance as of June 30, 2025 was \$20,256.

In November 2023, we entered into a finance agreement with First Insurance Funding in order to fund a portion of our insurance policies. The amount financed was \$0.3 million, which incurred interest at an annual rate of 8.42%. We were required to make monthly payments of \$29,781 from November 2023 through July 2024. There was no outstanding balance as of June 30, 2025.

Going Concern

U.S. GAAP requires management to assess a company's ability to continue as a going concern within one year from the financial statement issuance date and to provide related note disclosure in certain circumstances. Our condensed consolidated financial statements and corresponding notes have been prepared assuming the Company will continue as a going concern. We generated cash flows from operations of \$0.2 million for the six months ended June 30, 2025. However, we generated negative cash flows from operations of \$0.9 million for the year ended December 31, 2024 and had an accumulated deficit of \$87.4 million as of June 30, 2025. Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund our operations and growth.

initiatives. The Company intends to position itself so that it will be able to raise additional funds through the capital markets, issuance of debt, and/or securing lines of credit in order to continue its operations. However, there can be no assurances that additional working capital will be available to us on favorable terms, or at all, which would be likely to have a material adverse effect on the Company's ability to continue its operations.

The Company's financial operating results and accumulated deficit, amongst other factors, raise substantial doubt about the Company's ability to continue as a going concern. The Company will continue to work towards increasing revenue and operating cash flows to meet its future liquidity requirements. However, there can be no assurance that the Company will be successful in any capital-raising efforts that it may undertake, and the failure of the Company to raise additional capital could adversely affect its future operations and viability.

A summary of our changes in cash flows for the three and six months ended June 30, 2025 and 2024 is provided below:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Net cash flows provided by (used in):				
Operating activities	\$ 287	\$ (57)	\$ 206	\$ (575)
Investing activities	(49)	(40)	(89)	(40)
Financing activities	(167)	(87)	313	(223)
Effect of exchange rate changes on cash	3	(1)	2	(2)
Net increase (decrease) in cash	74	(185)	432	(840)
Cash, beginning of period	812	662	454	1,317
Cash, end of period	<u>\$ 886</u>	<u>\$ 477</u>	<u>\$ 886</u>	<u>\$ 477</u>

Operating Activities

Net cash used in operating activities includes net loss adjusted for non-cash items such as depreciation, amortization, bad debt expense, stock-based compensation, benefit of reversal of payroll tax liability, interest expense related to our promissory notes, and gain on debt extinguishment. Operating assets and liabilities primarily include balances related to funding of inventory purchases and customer accounts receivable. Operating assets and liabilities that arise from the funding of inventory purchases and customer accounts receivable can fluctuate significantly from day to day and period to period depending on the timing of inventory purchases and customer payment behavior.

Cash flows provided by operating activities was \$0.2 million in the six months ended June 30, 2025, compared to cash flows used in operating activities was \$0.6 million in the six months ended June 30, 2024. Our net loss of \$0.4 million for the six months ended June 30, 2025, adjusted for non-cash items of \$0.3 million, resulted in a net loss, adjusted for non-cash items of \$0.1 million, compared to a net loss, adjusted for non-cash items, of \$0.8 million in the prior year period, an improvement of \$0.7 million. Our non-cash adjustments declined by \$0.1 million from \$0.4 million in the six months ended June 30, 2024 to \$0.3 million in the six months ended June 30, 2025. Non-cash adjustments decreased as we recognized a benefit for the reversal of accrued payroll tax of \$0.5 million related to the RSU's previously issued to Mona during the six months ended June 30, 2025. Recurring non-cash adjustments consists of depreciation, amortization, interest expense and stock-based compensation. Changes in working capital generated \$0.2 million during the first six months of 2025 and 2024. Our net loss declined by \$0.8 million, mostly due to the benefit for the reversal of accrued payroll taxes of \$0.5 million. The remaining improvement in our net loss of \$0.3 million is mostly due to improved operating performance and reduced SG&A expenses.

Investing Activities

Cash used in investing activities was \$89,000 in the six months ended June 30, 2025 related to improvements to our manufacturing facility at Elevated Softgels. We used cash in investing activities in the six months ended June 30, 2024 for the acquisition of Elevated Softgels.

Financing Activities

Net cash provided by financing activities was \$0.3 million for the six months ended June 30, 2025 compared to net cash used in financing activities of \$0.2 million for the six months ended June 30, 2024. Our financing activities for the six months ended June 30, 2025 consisted of proceeds from our note payable financing of \$1.1 million, offset by repayments of Streeterville note of \$0.6 million, repayments of our note financing of \$0.1 million, and repayment of our insurance financing of \$0.1 million. Our financing activities for the six months ended June 30, 2024 consisted of repayments of assumed debt for Cultured Foods of \$0.1 million and our insurance financing of \$0.2 million.

Inflation

We have not been affected materially by inflation during the periods presented. However, recent trends towards rising inflation may adversely impact our business and corresponding financial position and cash flow.

Known Trends or Uncertainties

There can be no assurance that the Company's business and corresponding financial performance will not be adversely affected by general economic or consumer trends. In particular, global economic conditions remain constrained, and if such conditions continue, recur or worsen, this may have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, inflation has risen and Federal Reserve interest rates remain high after increases during 2023, which may also materially adversely our business and corresponding financial position and cash flows.

Furthermore, such economic conditions have produced downward pressure on share prices and on the availability of credit for financial institutions and corporations. If current levels of market disruption and volatility continue, the Company might experience reductions in business activity, increased funding costs and funding pressures, as applicable, a decrease in the market price of shares of our common stock, a decrease in asset values, additional write-downs and impairment charges and lower profitability.

We have seen some consolidation in our industry during economic downturns. These consolidations have not had a negative effect on our total sales; however, should consolidations and downsizing in the industry continue to occur, those events could adversely impact our revenues and earnings going forward.

There is currently a lack of a clear federal regulatory framework regarding the development, sale and use of CBD products in the United States. As a result, differing state regulations have emerged, which regulations are constantly evolving and differ significantly from state to state in many cases. Several states, including without limitation, California, Florida, Maryland, Minnesota, New York, Utah and Virginia, have recently adopted regulations that may impact our ability to sell certain of our products in these states. In September 2024, California Governor Gavin Newsom signed an emergency order into law, effectively banning the sale of hemp products intended for human use that contain detectable amounts of THC or certain other cannabinoids in California, amongst other things. The emergency order was originally in effect through March 25, 2025, and has been extended by one year. We have certain products which fall under this category that we have historically sold in California. It is currently unknown whether the duration of the emergency order will be extended, and/or whether it will be replaced with a permanent law with similar or more stringent prohibitions. This emergency order had a negative impact on our operating results for the three and six months ended June 30, 2025 and we expect that it will continue to have a negative impact on our business going forward for so long as it, or any permanent law with similar or more stringent prohibitions, remains in effect; however, it is currently impossible to quantify the expected impact on our business. There is also substantial uncertainty and different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses as to the emerging regulation of cannabinoids. These different opinions include, but are not limited to, the regulation of cannabinoids by the FDA and the extent to which manufacturers of products containing cannabinoids may engage in interstate commerce. These uncertainties have had, and may continue to have, an adverse effect on our business. Additionally, restrictive state regulations could adversely impact our revenue and earnings going forward.

Changes in U.S. and foreign governments' trade policies have resulted in, and may continue to result in, tariffs on imports into and exports from the U.S., among other restrictions. In February 2025, the U.S. administration announced increased tariff on imports from China, where certain components of our finished products are sourced. We are closely monitoring this evolving situation and evaluating our responses, which may include price adjustments or other cost-mitigation measures. However, there can be no assurance that we will be able to fully mitigate the impact of such tariffs or trade restrictions. If further tariffs are imposed, we could be forced to raise prices on all or certain of our products or make changes to our operations, any of which could materially harm our revenue or operating results. Any additional future tariffs or quotas imposed may impact our sales, gross margin and profitability if we are unable to pass increased prices onto our customers. Currently, we cannot fully determine how these tariffs will affect our business operations. The overall impact on our business will be influenced by several variables, including the duration and potential expansion of current tariffs, future changes to tariff rates, scope, or enforcement, retaliatory measures by impacted trade partners, inflationary effects and broader macroeconomic responses, changes to consumer purchasing behavior, and the effectiveness of our responses in managing these challenges.

Critical Accounting Estimates

We have disclosed in "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2024 Annual Report, filed with the SEC March 27, 2025, those accounting policies and estimates that we consider to be significant in determining our results of operation and financial condition. There have been no material changes to those policies and estimates that we consider to be significant since the filing of our 2024 Annual Report. The accounting principles used in preparing our unaudited condensed consolidated financial statements conform in all material respects to GAAP.

Recent Accounting Pronouncements

See Note 1 in the accompanying notes to unaudited condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and to ensure that information required to be disclosed is accumulated and communicated to management, including our principal executive and financial officers, to allow timely decisions regarding disclosure. The Chief Executive Officer and the Chief Financial Officer, with assistance from other members of management, have reviewed the effectiveness of our disclosure controls and procedures as of June 30, 2025 and, based on their evaluation, have concluded that the disclosure controls and procedures were effective as of such date.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) that occurred during the fiscal quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, please see Note 10, *Commitments and Contingencies*, to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. RISK FACTORS

Not applicable to a “smaller reporting company” as defined in Item 10(f)(1) of Regulation S-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company did not sell any other unregistered equity securities during the period covered by this report that were not otherwise disclosed in a Current Report on Form 8-K.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the three months ended June 30, 2025, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. EXHIBITS

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
2.1	Agreement and Plan of Merger, dated as of July 25, 2013, by and between CannaVest Corp., a Texas corporation, and CannaVest Corp., a Delaware corporation	10-Q	000-54677	2.1	August 13, 2013	
2.2	Agreement and Plan of Reorganization by and among CannaVEST Corp., CANNAVEST Merger Sub, Inc., CANNAVEST Acquisition LLC, CanX, Inc., and The Starwood Trust, as the Shareholder Representative	8-K	000-54677	2.1	January 4, 2016	
2.3	Amendment No. 1 to the Agreement and Plan of Reorganization, dated as of March 16, 2017, by and among the Company, CANNAVEST Acquisition LLC, and the Starwood Trust, as the Shareholder Representative	10-Q	000-54677	10.4	May 9, 2017	
2.4	Membership Interest Purchase Agreement, dated December 7, 2023, by and among the Company, Cultured Foods Sp. z.o.o., Brian McWhorter and Barbara McWhorter	10-K	000-54677	2.4	March 29, 2024	
2.5	Membership Interest Purchase Agreement by and among CV Sciences, Inc., Elevated Softgels, LLC, Clayton J. Montgomery, Chris Fagan, Andrew Kester and Timothy McGreer, dated May 8, 2024	10-Q	000-54677	2.5	August 13, 2024	
3.1	Certificate of Incorporation of CannaVEST Corp., as filed on July 26, 2013.	10-Q	000-54677	3.1	August 13, 2013	
3.2	Bylaws of CannaVEST Corp., dated as of June 26, 2013.	10-Q	000-54677	3.2	August 13, 2013	
3.3	Certificate of Amendment to Certificate of Incorporation of CannaVest Corp., as filed on January 4, 2016.	10-K	000-54677	3.3	April 14, 2016	
3.4	Certificate of Incorporation of the Company, as amended.	10-Q	000-54677	3.4	May 16, 2016	
3.5	Amendment to the Bylaws of the Company, as amended.	8-K	000-54677	3.1	March 22, 2017	
3.6	Bylaws of the Company, as amended.	10-Q	000-54677	3.6	May 9, 2017	
3.7	Amendment to the Bylaws of the Company, as amended	8-K	000-54677	3.1	June 14, 2021	
3.8	Certificate of Designation of Preference, Rights and Limitations of Convertible Preferred Stock.	8-K	000-54677	3.1	April 1, 2022	
3.9	Certificate of Amendment to Certificate of Incorporation of CV Sciences, Inc., as filed on June 6, 2022	10-Q	000-54677	3.9	August 15, 2022	
4.1	CannaVEST Corp. Specimen Stock Certificate	8-K	000-54677	4.1	July 31, 2013	
4.2	Form of Warrant, dated March 30, 2022	8-K	000-54677	4.1	April 1, 2022	
4.3	Form of Placement Agent Warrant, dated March 30, 2022	8-K	000-54677	4.2	April 1, 2022	
10.1	Note Purchase Agreement between the Company and Streeterville Capital, LLC dated July 3, 2024	8-K	000-54677	10.1	July 9, 2024	
10.2	Secured Promissory Note issued to Streeterville Capital, LLC dated July 3, 2024	8-K	000-54677	10.2	July 9, 2024	

10.3	Security Agreement between the Company and Streeterville Capital, LLC dated July 3, 2024	8-K	000-54677	10.3	July 9, 2024	
10.4	Securities Purchase Agreement dated February 12, 2025	8-K	000-54677	10.1	February 20, 2025	
10.5	Senior Secured Note Due August 12, 2026	8-K	000-54677	10.2	February 20, 2025	
10.6	Security Agreement dated February 12, 2025	8-K	000-54677	10.3	February 20, 2025	
10.7	Intellectual Property Security Agreement dated February 12, 2025	8-K	000-54677	10.4	February 20, 2025	
31.1*	Certification of the Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.					X
31.2*	Certification of the Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101 INS*	Inline XBRL Instance Document**					X
101 SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents**					X
104**	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 attachments)					X

* Filed herewith.

** The XBRL related information in Exhibit 101 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or 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.

CV SCIENCES, INC.
(Registrant)

By /s/ Joseph D. Dowling
Joseph D. Dowling
Chief Executive Officer
(Principal Executive Officer)

Dated August 13, 2025

By /s/ Joerg Grasser
Joerg Grasser
Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated August 13, 2025

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT
TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15(d)-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joseph D. Dowling, Chief Executive Officer of CV Sciences, Inc. (the "Company") certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of the Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 13, 2025

By: /s/ Joseph D. Dowling

Joseph D. Dowling
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT
TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15(d)-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joerg Grasser, Chief Financial Officer of CV Sciences, Inc. (the "Company") certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of the Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 13, 2025

By: /s/ Joerg Grasser

Joerg Grasser
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of CV Sciences, Inc. (the "Registrant") on Form 10-Q for the quarter ended June 30, 2025 (the "Report"), I, Joseph D. Dowling, Chief Executive Officer of the Registrant, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report, as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: August 13, 2025

By: /s/ Joseph D. Dowling

Joseph D. Dowling
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of CV Sciences, Inc. (the "Registrant") on Form 10-Q for the quarter ended June 30, 2025 (the "Report"), I, Joerg Grasser, Chief Financial Officer of the Registrant, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report, as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: August 13, 2025

By: /s/ Joerg Grasser

Joerg Grasser
Chief Financial Officer
(Principal Financial Officer)

