
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 18, 2015

CANNAVEST CORP.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

333-173215
(Commission File Number)

80-0944970
(I.R.S. Employer Identification No.)

2688 South Rainbow Boulevard, Suite B
Las Vegas, Nevada 89146
(Address of principal executive offices)

(866) 290-2157
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

The information provided below in “Item 7.01– Regulation FD Disclosure” of this Current Report on Form 8-K is incorporated by reference into this Item 2.02.

Item 7.01 Regulation FD Disclosure

On August 18, 2015, CannaVEST Corp. (the “Company”) announced the release of its Second Quarter 2015 earnings. A copy of the press release issued by the Company announcing the release of Second Quarter 2015 earnings is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information set forth under this Item 7.01, including Exhibit 99.1, is being furnished and, as a result, such information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release of CannaVEST Corp., dated August 18, 2015.

SIGNATURES

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

Date: August 18, 2015

CANNAVEST CORP.

By: /s/ Michael Mona, Jr.
Michael Mona, Jr.
President and Chief Executive Officer

CannaVest Corp. Reports Financial Results for the second quarter of fiscal 2015

Las Vegas, Nevada, August 18, 2015 – CannaVest Corp. (OTCBB:CANV) (the “Company”, “CannaVest”, “our” or “we”) is reporting financial results for the second quarter of fiscal 2015.

	For the three months ended			For the six months ended		
	June 30,		%	June 30,		%
	2015	2014	Change	2015	2014	Change
Financial Highlights						
GAAP Measures:						
Product Sales, net	\$2,413,886	\$3,005,786	-19.7%	\$5,127,938	\$5,637,655	-9.0%
Net Income	(\$2,003,068)	\$8,040,430	-124.9%	(\$4,651,858)	\$7,922,013	-158.7%
Earnings Per Share - basic and diluted	(\$0.06)	\$0.24	-500.0%	(\$0.13)	\$0.27	-307.7%
Non-GAAP Measures (unaudited):						
EBITDA	(\$1,765,572)	\$8,258,460	-567.7%	(\$4,201,679)	\$8,972,783	-313.6%
Adjusted EBITDA	(\$898,880)	\$359,154	-140.0%	(\$1,578,993)	\$1,112,029	-170.4%

A reconciliation and explanation of GAAP measures to non-GAAP measures is provided later in this release.

“The value proposition of CannaVest continues to be strong as demonstrated by our recent success in penetrating the \$35 billion U.S. Natural Products sales channel,” stated Michael Mona, Jr., chairman and CEO of CannaVest. “Our branded products are positioned to take advantage of the market demand for cannabidiol (“CBD”) and CBD-based products. We continue to provide the market leadership in “mainstreaming” CBD as a dietary supplement, beauty care product, and, as an ingredient for numerous other products from pet foods, vape products and specialty beverages,” continued Mr. Mona. “We continue to make excellent progress even though our sales of \$2.4 million for the three months ended June 30, 2015 are slightly lower when compared to sales of \$3.0 million for the second quarter of 2014. The second quarter of 2015 result included EBITDA and Adjusted EBITDA of (\$1,765,572) and (\$898,880), respectively, for the three months ended June 30, 2015.”

Business Highlights

- **Initial penetration of \$35 billion U.S. Natural Products sales channel.** The Company began its marketing efforts to this sales channel during the second quarter of fiscal 2015 and achieved placement in over 120 stores by quarter end. Our model for this sales channel is to work through established broker networks with long-standing relationships at the store level.
- **Settlement of Pending Litigation.** In July 2015, we entered into a Settlement Agreement with Medical Marijuana, Inc. and its affiliated companies (“MJNA Parties”) to resolve all pending litigation. The settlement terms include a payment of \$750,000 from the MJNA Parties to CannaVest. The settlement allows us to avoid the cost of litigation going forward and focus on our growth strategy.
- **Implementation of Enterprise Resource Planning system.** During the second quarter we completed the initial implementation phase of a new SAP Enterprise Resource Planning system. This investment will allow the Company to scale operations efficiently as we continue to expand our branded product footprint.

Operating Results for the three and six months ended June 30, 2015 and 2014

The Company’s net loss for the three months ended June 30, 2015 was \$2,003,068 or \$0.06 per share (basic and diluted), compared to net income of \$8,040,430, or \$0.24 per share (basic and diluted) for the three months ended June 30, 2014. There are significant non-cash transactions that caused the year-over-year difference which are explained in the Non-GAAP Financial Measures below.

Selling, general and administrative expenses for the three months ended June 30, 2015 were \$2,920,852 compared to \$1,507,423 for the three months ended June 30, 2014. The increase was related to increased personnel in all functional areas, further investment in technology infrastructure and increased legal and marketing expense. This increase is primarily driven by the continued growth of Company operations, increase in our headcount, marketing and legal expense, and stock based compensation. We expect that litigation related legal expenses will decline as a result of the Settlement of Pending Litigation discussed above. SG&A expense during the three months ended June 30, 2015 includes \$857,846 of stock-based compensation, a non-cash expense. There was no stock-based compensation expense for the three months ended June 30, 2014.

Research and development costs for the three months ended June 30, 2015 were \$433,544 compared to \$156,501 for the three months ended June 30, 2014. This includes the cost of process development, rental of laboratory space, personnel costs, laboratory supplies and product development and testing. The increase relates to expansion of our process development, increased laboratory space and increase in headcount. Research and development expense during three months ended June 30, 2015 includes \$8,846 of stock-based compensation, a non-cash expense. There was no stock-based compensation expense for the three months ended June 30, 2014.

Balance Sheet Highlights

As of June 30, 2015, the Company had cash of approximately \$1.8 million. The Company has sufficient cash reserves and access to capital to meet its working capital requirements. Stockholders equity amounted to approximately \$21.6 million as of June 30, 2015.

Non-GAAP Financial Measures

The Company reports EBITDA and Adjusted EBITDA to present information about its operating performance and financial position. We currently focus on EBITDA and Adjusted EBITDA to evaluate our business relationships and our resulting operating performance. EBITDA and Adjusted EBITDA are defined as (net income plus interest expense, income tax expense, depreciation and amortization), further adjusted to exclude certain non-cash expenses and other adjustments as set forth below. We present Adjusted EBITDA because we consider it an important measure of our performance and it is a meaningful financial metric in assessing our operating performance from period to period by excluding certain items that we believe are not representative of our core business, such as certain non-cash items and other adjustments. We believe that EBITDA and Adjusted EBITDA, viewed in addition to, and not in lieu of, our reported results in accordance with accounting principles generally accepted in the United States (“GAAP”), provides useful information to investors regarding our performance for the following reasons:

- because non-cash equity grants made to employees and non-employees at a certain price and point in time do not necessarily reflect how our business is performing at any particular time, stock-based compensation expense is not a key measure of our operating performance; and
- revenues and expenses associated with acquisitions, dispositions, equity issuance and related offering costs can vary from period to period and transaction to transaction and are not considered a key measure of our operating performance.

The reconciliation from net income to EBITDA and Adjusted EBITDA, both non-GAAP measures, for the periods presented is as follows:

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net loss	\$ (2,003,068)	\$ 8,040,430	\$ (4,651,858)	\$ 7,922,013
Interest income	(33,446)	(9,232)	(70,488)	–
Interest expense	16,124	–	16,124	606,112
Amortization of purchased intangible assets	205,500	205,500	411,000	411,000
Depreciation of property & equipment	49,318	21,762	93,543	33,658
EBITDA	<u>(1,765,572)</u>	<u>8,258,460</u>	<u>(4,201,679)</u>	<u>8,972,783</u>
EBITDA Adjustments:				
Stock-based compensation expense (1)	866,692	–	2,622,686	–
KannaLife Sciences disposition related revenues (2)	–	(7,899,306)	–	(7,899,306)
Allocated loss on KannaLife Sciences equity investment (3)	–	–	–	38,552
Total EBITDA Adjustments	<u>866,692</u>	<u>(7,899,306)</u>	<u>2,622,686</u>	<u>(7,860,754)</u>
Adjusted EBITDA	<u>\$ (898,880)</u>	<u>\$ 359,154</u>	<u>\$ (1,578,993)</u>	<u>\$ 1,112,029</u>

(1) Represents stock-based compensation expense related to stock options and stock grants awarded to employees, consultants and non-executive directors based on the grant date fair value under the Black-Scholes valuation model.

(2) Represents non-cash revenues related to sale of KannaLife Sciences, Inc. equity investment.

(3) Represents allocated losses related to KannaLife Sciences investment.

EBITDA and Adjusted EBITDA are non-GAAP measures and do not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. The terms EBITDA and Adjusted EBITDA are not defined under GAAP, and EBITDA and Adjusted EBITDA are not measures of net income (loss), operating income or any other performance measure derived in accordance with GAAP.

EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be consider in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- EBITDA and Adjusted EBITDA do not reflect all cash expenditures, future requirements for capital expenditures or contractual requirements;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, working capital needs; and
- EBITDA and Adjusted EBITDA can differ significantly from company to company depending on strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, the level of capital investment, thus, limiting their usefulness as comparative measures.

EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to us for investment in our business. We compensate for these limitations by relying primarily on GAAP results and using EBITDA and Adjusted EBITDA as supplemental information.

For further discussion of the Company's financial results for the second quarter of 2015, please refer to the Company's consolidated financial statements and related Management Discussion and Analysis, which can be found at www.cannavest.com or EDGAR at www.sec.gov/edgar/searchedgar/webusers.htm in the Company's Quarterly Report on Form 10-Q as filed with the U.S. Securities and Exchange Commission on August 14, 2015.

About CannaVest Corp.

CannaVest Corp. (OTCBB:CANV) is a leader in the procurement and wholesale of the hemp plant extract cannabidiol (CBD), and the development, marketing and sale of end consumer products containing CBD, which is refined into its own PlusCBD Oil™ brand. CannaVest resells raw industrial hemp product to third parties, acquired through supply relationships in Europe. CannaVest has primary offices and facilities in Las Vegas, Nevada and San Diego, California. Additional information is available from OTCMarkets.com or by visiting www.cannavest.com.

CannaVest Corp.'s subsidiaries include CannaVest Laboratories, LLC, which facilitates leading research and develops nutraceutical and food products, containing cannabidiol (CBD) oil, and is the developer and manufacturer of CannaVest's own award winning CBD Simple™, and US Hemp Oil, LLC, which provides seed procurement, cultivation, processing, and production consultation, and equipment to support U.S. farmers, researchers and businesses to cultivate and process industrial hemp in the U.S.

FORWARD-LOOKING DISCLAIMER

This press release may contain certain forward-looking statements and information, as defined within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is subject to the Safe Harbor created by those sections. This material contains statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Such forward-looking statements by definition involve risks, uncertainties.