

**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): November 15, 2021

**CV SCIENCES, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**000-54677**  
(Commission File Number)

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

**10070 Barnes Canyon Road**  
**San Diego, California 92121**  
(Address of principal executive offices)

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

N/A  
(Former name or former address, if changed since last report)

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

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

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

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

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

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

## **Item 2.02 Results of Operations and Financial Conditions**

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 November 15, 2021, CV Sciences, Inc. (the "Company") issued a press release regarding the Company's financial results for its fiscal quarter ended September 30, 2021. A copy of that press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference. The press release includes non-GAAP financial measures as defined in Regulation G. The press release also includes a presentation of the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States (GAAP), information reconciling the non-GAAP financial measures to the GAAP financial measures and a discussion of the reasons why the Company's management believes that presentation of the non-GAAP financial measures provides useful information to investors regarding the Company's financial condition and results of operations. The non-GAAP financial measures presented therein should be considered in addition to, not as a substitute for, or superior to, financial measures calculated and presented in accordance with GAAP.

Exhibit 99.1 contains forward-looking statements. These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed in these forward-looking statements.

The information set forth under Item 7.01 of this Current Report on Form 8-K ("Current Report"), including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in Item 7.01 of this Current Report, including Exhibit 99.1, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing, except as expressly set forth by specific reference in such a filing. This Current Report will not be deemed an admission as to the materiality of any information in this Current Report that is required to be disclosed solely by Regulation FD.

### **Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

99.1 [Press Release of CV Sciences, Inc. dated November 15, 2021](#).

## 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: November 15, 2021

**CV SCIENCES, INC.**

By: /s/ Joseph Dowling  
Joseph Dowling  
Chief Executive Officer

**CV Sciences, Inc. Reports Third Quarter 2021 Financial Results**

San Diego, CA - November 15, 2021 (GLOBE NEWSWIRE) - CV Sciences, Inc. (OTCQB:CVSI) (the “Company”, “CV Sciences”, “our”, “us” or “we”), a preeminent supplier and manufacturer of hemp cannabidiol (CBD) products, today announced its financial results for the quarter ended September 30, 2021.

**Third Quarter 2021 and Recent Financial and Operating Highlights**

- Revenue of \$5.1 million for third quarter of 2021, compared to \$5.6 million for the third quarter of 2020;
- Gross margin of 46.2% for third quarter of 2021, improved from 44.2% for the third quarter of 2020;
- Total cash balance of \$1.7 million at quarter end, compared to \$4.5 million at year end;
- Total retail distribution of more than 7,700 stores as of September 30, 2021, an increase from 6,200 stores as of September 30, 2020;
- Received top 3 awards from LA Weekly: best gummy for sleep, best gummy for anxiety and best overall CBD gummy;
- Launched PlusCBD™ Reserve, a new line of full spectrum hemp extracts;
- Launched our "Holiday Survival Kit" combining our top-rated sleep and calm gummies;
- Launched re-design of our PlusCBD™ website, providing an improved customer experience;
- Continued to implement strategic cost savings initiatives, including the lease termination of our Barnes Canyon facility; and
- Obtained forgiveness of the PPP loan of \$2.9 million.

“Third quarter results met our expectations and we are very encouraged by recent legislative actions including the passage of AB 45 in California, which creates a framework for responsible CBD legalization on a much broader scale,” said Joseph Dowling, Chief Executive Officer. “We delivered third quarter revenue of \$5.1 million, consistent with Q2, and continue to improve our cost structure versus a year ago as we continued to benefit from productivity initiatives. We recently launched our PlusCBD™ Reserve collection, a full spectrum offering that is intended to provide the benefit of hemp cannabinoids, including CBD to THC, working synergistically, for a balanced cannabinoid supplement. The new Reserve products, along with our Sleep and Calm products launched earlier this year, are evidence of our strong innovation pipeline and ability to capitalize on

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opportunities for future incremental revenue. With our portfolio of high-quality, proven products, and favorable regulatory momentum, we believe the Company is positioned for growth in 2022.”

#### **Operating Results - Third Quarter 2021 Compared to Third Quarter 2020**

Sales for third quarter of 2021 were \$5.1 million, a decrease of 8% from \$5.6 million in the third quarter of 2020. Current quarter sales were impacted by increased market competition, which is largely due to the uncertain regulatory environment for CBD. The Company's products were sold in more than 7,700 retail stores nationwide as of September 30, 2021, up from over 6,200 stores as of September 30, 2020.

The Company reduced its operating loss to \$3.0 million in the third quarter of 2021, compared to an operating loss of \$3.2 million in the third quarter of 2020.

The Company had negative adjusted EBITDA for the third quarter of 2021 of \$2.7 million, compared to negative adjusted EBITDA of \$2.6 million in the third quarter of 2020.

#### **Conference Call and Webcast**

The Company will host a conference call and webcast to discuss these results today at 10:00 am EDT/7:00 am PDT. The webcast of the conference call will be available on the Investor Relations section of the Company's website at <https://ir.evsciences.com/news-events> or directly at <https://protect-us.mimecast.com/s/1M1FCrkEmzS7xoomtyRni5?domain=78449.themediaframe.com>. Investors interested in participating in the live call can also dial (877) 407-0784 from the U.S. or international callers can dial (201) 689-8560. A telephone replay will be available approximately two hours after the call concludes, and will be available through Monday, November 22, 2021, by dialing (844) 512-2921 from the U.S. or (412) 317-6671 from international locations, and entering confirmation code 13724286.

#### **About CV Sciences, Inc.**

CV Sciences, Inc. (OTCQB:CVSI) operates two distinct business segments: a consumer product division focused on manufacturing, marketing and selling plant-based dietary supplements and CBD products to a range of market sectors; and a drug development division focused on developing and commercializing CBD-based novel therapeutics. The Company's PlusCBD™ products are sold at more than 7,700 retail locations throughout the U.S. and it is one of the top-selling brands of hemp-derived CBD in the natural products market, according to SPINS, the leading provider of syndicated data and insights for the natural, organic and specialty products industry. CV Sciences follows all guidelines for Good Manufacturing Practices

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(GMP) and the Company's products are processed, produced, and tested throughout the manufacturing process to confirm strict compliance with company 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 CBD supplement brand to invest in the scientific evidence necessary to receive self-affirmed Generally Recognized as Safe (GRAS) status. CV Sciences, Inc. has primary offices and facilities in San Diego, California. Additional information is available from OTCMarkets.com or by visiting [www.cvsciences.com](http://www.cvsciences.com).

### **Forward Looking Statements**

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

### **Contact Information**

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CV SCIENCES, INC.

CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Product sales, net	\$ 5,107	\$ 5,564	\$ 15,079	\$ 19,230
Cost of goods sold	2,749	3,106	8,073	10,442
<b>Gross Profit</b>	<u>2,358</u>	<u>2,458</u>	<u>7,006</u>	<u>8,788</u>
Operating expenses:				
Research and development	410	412	821	2,667
Selling, general and administrative	4,928	5,197	15,788	19,249
	<u>5,338</u>	<u>5,609</u>	<u>16,609</u>	<u>21,916</u>
<b>Operating Loss</b>	(2,980)	(3,151)	(9,603)	(13,128)
Gain on debt extinguishment	(2,945)	—	(2,945)	—
Interest expense, net	5	6	28	—
Loss before income taxes	(40)	(3,157)	(6,686)	(13,128)
Income tax expense (benefit)	—	—	11	(138)
<b>Net Loss</b>	<u>\$ (40)</u>	<u>\$ (3,157)</u>	<u>\$ (6,697)</u>	<u>\$ (12,990)</u>
Weighted average common shares outstanding, basic and diluted	109,115	99,950	107,099	99,831
Net loss per common share, basic and diluted	\$ (0.00)	\$ (0.03)	\$ (0.06)	\$ (0.13)

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

	September 30, 2021	December 31, 2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,660	\$ 4,024
Restricted cash	—	501
Accounts receivable, net	1,759	1,126
Inventory	8,876	8,840
Prepaid expenses and other	1,919	2,372
<b>Total current assets</b>	<b>14,214</b>	<b>16,863</b>
Property & equipment, net	2,148	2,877
Operating lease assets	—	3,057
Intangibles, net	3,730	3,730
Goodwill	2,788	2,788
Other assets	730	1,310
<b>Total assets</b>	<b>\$ 23,610</b>	<b>\$ 30,625</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 1,509	\$ 1,677
Accrued expenses	10,802	9,805
Current portion of operating lease liability	—	680
Current portion of long-term debt	—	2,174
<b>Total current liabilities</b>	<b>12,311</b>	<b>14,336</b>
Debt	—	1,453
Operating lease liability	—	3,467
Deferred tax liability	157	157
<b>Total liabilities</b>	<b>12,468</b>	<b>19,413</b>
Commitments and contingencies		
<b>Stockholders' equity</b>		
Preferred stock, par value \$0.0001; 10,000 shares authorized; no shares issued and outstanding	—	—
Common stock, par value \$0.0001; 190,000 shares authorized, 109,946 and 100,664 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	11	10
Additional paid-in capital	81,749	75,123
Accumulated deficit	(70,618)	(63,921)
<b>Total stockholders' equity</b>	<b>11,142</b>	<b>11,212</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 23,610</b>	<b>\$ 30,625</b>

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

	<b>Nine months ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (6,697)	\$ (12,990)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation and amortization	746	629
Stock-based compensation	2,375	3,116
Deferred taxes	—	(158)
Gain on debt extinguishment	(2,945)	—
Gain on lease termination	(906)	(352)
Non-cash lease expense	284	455
Loss on sale of property and equipment	—	176
Other	220	240
Change in operating assets and liabilities:		
Accounts receivable	(695)	717
Inventory	(36)	1,858
Prepaid expenses and other	916	2,640
Accounts payable and accrued expenses	417	(2,163)
Net cash used in operating activities	<u>(6,321)</u>	<u>(5,832)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(35)	(794)
Net cash flows used in investing activities	<u>(35)</u>	<u>(794)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from debt	—	2,906
Repayment of unsecured debt	(721)	—
Proceeds from issuance of common stock	4,212	—
Proceeds from exercise of stock options	—	176
Net cash flows provided by financing activities	<u>3,491</u>	<u>3,082</u>
Net decrease in cash, cash equivalents and restricted cash	(2,865)	(3,544)
Cash, cash equivalents and restricted cash, beginning of period	4,525	9,608
Cash, cash equivalents and restricted cash, end of period	<u>\$ 1,660</u>	<u>\$ 6,064</u>
<b>Supplemental cash flow disclosures:</b>		
Income taxes paid	—	18
<b>Supplemental disclosure of non-cash transactions:</b>		
Derecognition of operating ROU lease asset related to operating lease termination	\$ (2,773)	\$ (4,704)
Forgiveness of PPP loan	\$ (2,945)	\$ —
Purchase of property and equipment in accounts payable and accrued expenses	\$ —	\$ 239
Sale of property and equipment in exchange for note receivable (recorded in prepaid expenses and other) and inventory	\$ —	\$ 675

**CV SCIENCES, INC.**

**NON-GAAP FINANCIAL MEASURES (UNAUDITED)**

We prepare our condensed financial statements in accordance with generally accepted accounting principles for the United States (GAAP). The non-GAAP financial measures such as net income and loss per share and Adjusted EBITDA included in this press release are different from those otherwise presented under GAAP. We use non-GAAP measures 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. The non-GAAP financial measures exclude non-cash compensation expense for stock options. When evaluating the performance of our business and developing short and long-term plans, we do not consider share-based compensation charges. Although share-based compensation is necessary to attract and retain quality employees, our consideration of share-based compensation places its primary emphasis on overall shareholder dilution rather than the accounting charges associated with such grants. Because of the varying availability of valuation methodologies and subjective assumptions, we believe that the exclusion of share-based compensation allows for more accurate comparison of our financial results to previous periods. In addition, we believe it useful to investors to understand the specific impact of the application of the fair value method of accounting for share-based compensation on our operating results.

Adjusted EBITDA is defined by us as EBITDA (net income (loss) plus depreciation expense, amortization expense, and interest expense, minus income tax benefit and interest income), further adjusted to exclude certain non-cash expenses and other adjustments as set forth below. We use Adjusted EBITDA because we believe it more clearly 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 press release, 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.

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A reconciliation from our GAAP net loss to non-GAAP net loss for the three and nine months ended September 30, 2021 and 2020 is detailed below (in thousands, except per share data):

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net loss - GAAP	\$ (40)	\$ (3,157)	\$ (6,697)	\$ (12,990)
Stock-based compensation (1)	806	615	2,375	3,116
Gain on extinguishment of debt (2)	(2,945)	—	(2,945)	—
Gain on lease termination (3)	(906)	—	(906)	—
Net loss - non-GAAP	<u>\$ (3,085)</u>	<u>\$ (2,542)</u>	<u>\$ (8,173)</u>	<u>\$ (9,874)</u>
Diluted EPS - GAAP	\$ (0.00)	\$ (0.03)	\$ (0.06)	\$ (0.13)
Stock-based compensation (1)	0.01	—	0.02	0.03
Gain on extinguishment of debt (2)	(0.03)	—	(0.03)	—
Gain on lease termination (3)	(0.01)	—	(0.01)	—
Diluted EPS - non-GAAP	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>	<u>\$ (0.08)</u>	<u>\$ (0.10)</u>
Shares used to calculate diluted EPS - GAAP and non-GAAP	109,115	99,950	107,099	99,831

(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.

(2) Represents gain on extinguishment of debt related to PPP loan.

(3) Represents gain associated with lease termination agreement for our main facility during the third quarter 2021 and lease termination of one of our San Diego facilities during the third quarter 2020.

A reconciliation from our net income (loss) to Adjusted EBITDA, a non-GAAP measure, for the three months ended September 30, 2021 and 2020 is detailed below (in thousands):

	Three months ended September 30, 2021			Three months ended September 30, 2020		
	Consumer Products	Specialty Pharma	Total	Consumer Products	Specialty Pharma	Total
Net income (loss)	\$ 254	\$ (294)	\$ (40)	\$ (2,855)	\$ (302)	\$ (3,157)
Depreciation	345	—	345	231	—	231
Amortization	—	—	—	—	9	9
Interest expense	5	—	5	6	—	6
EBITDA	604	(294)	310	(2,618)	(293)	(2,911)
Stock-based compensation (1)	806	—	806	581	34	615
Gain on extinguishment of debt (2)	(2,945)	—	(2,945)	—	—	—
Gain on lease termination (3)	(906)	—	(906)	(352)	—	(352)
Adjusted EBITDA	\$ (2,441)	\$ (294)	\$ (2,735)	\$ (2,389)	\$ (259)	\$ (2,648)

A reconciliation from our net loss to Adjusted EBITDA, a non-GAAP measure, for the nine months ended September 30, 2021 and 2020 is detailed below (in thousands):

	Nine months ended September 30, 2021			Nine months ended September 30, 2020		
	Consumer Products	Specialty Pharma	Total	Consumer Products	Specialty Pharma	Total
Net loss	\$ (6,200)	\$ (497)	\$ (6,697)	\$ (10,827)	\$ (2,163)	\$ (12,990)
Depreciation	746	—	746	602	—	602
Amortization	—	—	—	—	27	27
Interest expense	28	—	28	—	—	—
Income tax expense (benefit)	11	—	11	(138)	—	(138)
EBITDA	(5,415)	(497)	(5,912)	(10,363)	(2,136)	(12,499)
Stock-based compensation (1)	2,374	1	2,375	3,048	68	3,116
Gain on extinguishment of debt (2)	(2,945)	—	(2,945)	\$ —	—	—
Gain on lease termination (3)	(906)	—	(906)	\$ (352)	—	(352)
Adjusted EBITDA	\$ (6,892)	\$ (496)	\$ (7,388)	\$ (7,667)	\$ (2,068)	\$ (9,735)

- (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.
- (2) Represents gain on extinguishment of debt related to the PPP loan.
- (3) Represents gain associated with lease termination agreement for our main facility during the third quarter 2021 and lease termination of one of our San Diego facilities during the third quarter 2020.