

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 1, 2018

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.)

**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))

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 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 1, 2018, CV Sciences, Inc. (the “Company”) announced the release and reporting of its Second Quarter 2018 financial results. A copy of the press release issued by the Company announcing its financial results for the second quarter ended June 30, 2018 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

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 August 1, 2018](#)

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 2, 2018

CV SCIENCES, INC.

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

August 1, 2018



CV Sciences, Inc. Reports Second Quarter 2018 Financial Results

- *Growth and Profitability Driven by Key Financial Performance Metrics, including Record GAAP Net Income of \$3.2 Million*
- *Management to Host Second Quarter 2018 Financial Results Conference Call on August 1, 2018 at 4:15pm ET*

LAS VEGAS, Aug. 01, 2018 (GLOBE NEWSWIRE) -- CV Sciences, Inc. (OTCQB:CVSI) (the “Company”, “CV Sciences”, “our” or “we”) announced today its financial results for the second quarter ended June 30, 2018.

Second Quarter 2018 Financial and Operating Highlights

- **Record Sales of \$12,349,000**, an increase of 203% compared to Q2 2017
- **Record Gross Profit of \$9,060,000**, an increase of 219% compared to Q2 2017
- **Record GAAP Net Income of \$3,186,000**, an improvement of \$4,178,000 compared to Q2 2017
- **Record Adjusted EBITDA \$3,806,000**, an improvement of \$4,087,000 compared to Q2 2017
- **Increased Retail Channel Distribution to 1,968 Stores as of June 30, 2018**, an 11% sequential increase over the Company’s retail store count for the first quarter of 2018
- **Continued Progress in Drug Development Division** including preclinical progress with CVSI-007, the Company’s patent-pending synthetic-based cannabidiol, which will be co-administered with nicotine to provide treatment options for smokeless tobacco use and addiction, currently a multibillion-dollar market with no currently FDA-approved drugs available to help patients.

First Six Months 2018 Financial Highlights

- **Record Sales of \$20,419,000**, an increase of 160% compared to the first six months of 2017
- **Record Gross Profit of \$14,622,000**, an increase of 177% compared to the first six months of 2017
- **GAAP Net Income of \$3,805,000**, an improvement of \$8,582,000 compared to the first six months of 2017
- **Record Adjusted EBITDA of \$5,628,000**, an improvement of \$6,099,000 compared to the first six months of 2017
- **Cash Flow from Operations of \$5,369,000**, with a cash balance increase of \$3,344,000 during Q2 2018

Sales for Q2 2018 were \$12.3 million, demonstrating the Company’s continued organic expansion into all sales channels including the natural product retail, wholesale and direct-to-consumer channels. This is a 53% sequential quarterly increase from \$8.1 million reported for Q1 2018. The Company’s natural product retail channel now includes 1,968 locations nationwide. CV Sciences plans to continue developing new sales channels and is encouraged by the strength of its branded products as evidenced by SPINS[®] Scan data, which positions the Company as the #No. 1 selling hemp CBD product line in the natural products retail channel.

Gross profit for Q2 2018 was \$9.1 million and demonstrates the Company's ability to expand sales while maintaining strong gross margins.

Adjusted EBITDA for Q2 2018 was \$3.8 million and shows strong operating leverage from the Company's significant investment in inventory, product development, systems, marketing and distribution.

"CV Sciences delivered strong financial results for the second quarter of 2018, including our second consecutive quarter of profitability. We also reported record key performance metrics that include triple-digit year-over-year revenue growth and double-digit sales growth on a sequential quarterly comparison. To date, we have been able to successfully execute our planned strategy of aggressively and consistently growing our sales distribution channels, further penetrate the market and increase our market share within the natural products industry. Our operating performance is driven by the strength of our market-leading PlusCBDTM product line, which today is #No. 1 in the hemp CBD product category in the natural products retail channel. In every aspect, we set new performance records and laid the groundwork for future expansion as the health and wellness markets continue to embrace CBD commercialization and standardization," stated Joseph Dowling, Chief Executive Officer of CV Sciences.

Mr. Dowling added, "Our drug development program is making steady progress in advancing our proprietary lead drug candidate - CVSI-007 - which addresses the multibillion dollar smokeless tobacco use and addiction market. We continue to make progress with our pre-clinical program as we advance toward filing an Investigational New Drug application in 2019. We are confident that our continued growth and profitability will allow us to initially pursue our drug development plans without the need for additional outside capital in the near term. We also filed our application for up-listing to the Nasdaq Capital Market which could significantly enhance shareholder value. In looking ahead, we expect to deliver a strong second half and believe we have the ability to continue this growth momentum in 2019 and beyond."

Financial highlights for the three and six months ended June 30, 2018 and 2017 are presented below:

Financial Highlights	For the three months ended		YOY Change	
	June 30,		\$	%
	2018	2017		
GAAP Measures:				
Product sales, net	\$ 12,349,000	\$ 4,082,000	\$ 8,267,000	203%
Gross profit	9,060,000	2,844,000	6,216,000	219%
Net income	3,186,000	(992,000)	4,178,000	n/m
Non-GAAP Measure (unaudited):				
EBITDA	\$ 3,383,000	\$ (811,000)	\$ 4,194,000	n/m
Adjusted EBITDA	3,806,000	(281,000)	4,087,000	n/m

Financial Highlights	For the six months ended		YOY Change	
	June 30,		\$	%
	2018	2017		
GAAP Measures:				
Product sales, net	\$ 20,419,000	\$ 7,846,000	\$ 12,573,000	160%
Gross profit	14,622,000	5,277,000	9,345,000	177%
Net income	3,805,000	(4,777,000)	8,582,000	n/m
Cash generated from operating activities	5,369,000	204,000	5,165,000	2532%
Non-GAAP Measure (unaudited):				
EBITDA	\$ 4,170,000	\$ (4,409,000)	\$ 8,579,000	n/m
Adjusted EBITDA	5,628,000	(471,000)	6,099,000	n/m

n/m - calculation not meaningful

Balance Sheet and Liquidity Highlights

As of June 30, 2018, the Company had unrestricted cash of \$6,450,000 and total cash of \$7,231,000. During the quarter ended June 30, 2018, the Company increased its total cash position by \$3,344,000. Stockholders' equity increased to approximately \$21.8 million as of June 30, 2018.

Non-GAAP Financial Measures

CV Sciences focuses on Adjusted EBITDA to evaluate our operating performance and financial position. Adjusted EBITDA is defined as EBITDA (net income [loss], minus interest 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. CV Sciences management presents Adjusted EBITDA because we consider it an important measure of performance and it is a meaningful financial metric in assessing operating performance from period to period by excluding certain items that management believes are not representative of the Company's core business, such as certain non-cash items and other adjustments. The Company believes that Adjusted EBITDA, viewed in addition to, and not in lieu of, our reported results in accordance with Generally Accepted Accounting Principles ("GAAP"), provides useful information to investors regarding the Company's performance.

Adjusted EBITDA is a non-GAAP measure and does not purport to be an alternative to net income (loss) as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. The term "Adjusted EBITDA" is not defined under GAAP, and Adjusted EBITDA is not a measure of net income (loss), operating income or any other performance measure derived in accordance with GAAP. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP. CV Sciences management compensates for these limitations by relying primarily on GAAP results and using Adjusted EBITDA as supplemental information.

A reconciliation from the Company's GAAP results to Adjusted EBITDA, a non-GAAP measure, for the three and six months ended June 30, 2018 and 2017 is detailed below:

	For the three months ended June 30,		For the six months ended June 30,	
	2018	2017	2018	2017
Net income (loss)	\$ 3,185,910	\$ (992,188)	\$ 3,805,244	\$ (4,776,963)
Interest income	–	7	–	7
Interest expense	71,558	132,521	119,830	263,475
Amortization of purchased intangible assets	8,850	8,850	17,700	17,700
Depreciation of property & equipment	117,014	39,322	227,210	86,847
EBITDA	<u>3,383,332</u>	<u>(811,488)</u>	<u>4,169,984</u>	<u>(4,408,934)</u>
EBITDA Adjustments:				
Stock-based compensation expense (1)	361,149	557,837	1,396,302	1,744,128
Common stock issued for professional services (2)	61,575	–	61,575	–
Gain on derivative liability (3)	–	(27,288)	–	(237,888)
Royalty buy-out (4)	–	–	–	2,432,000
Total EBITDA Adjustments	<u>422,724</u>	<u>530,549</u>	<u>1,457,877</u>	<u>3,938,240</u>
Adjusted EBITDA	<u>\$ 3,806,056</u>	<u>\$ (280,939)</u>	<u>\$ 5,627,861</u>	<u>\$ (470,694)</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 using the Black-Scholes valuation model.
2. Represents common stock issued for professional services.
3. Represents the gain on changes in derivative liabilities.
4. Represents the share-based royalty buy-out associated the CanX acquisition.

For further discussion of the Company's financial results for the three and six months ended June 30, 2018, please refer to the Company's consolidated financial statements and related Management's Discussion and Analysis, which can be found at www.cvsciences.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 1, 2018.

Management to Host Financial Results Conference Call

The Company is scheduled to host a conference call to discuss its second quarter 2018 results on Wednesday, August 1, 2018 at 1:15 p.m. PDT/4:15 p.m. EDT.

CV Sciences' Chief Executive Officer, Joseph Dowling, will lead the call to provide an operational and financial summary of the second quarter and year-to-date results for 2018. Interested parties may access the live webcast by visiting: <https://ir.cvsciences.com/>.

Participants may also access the listen-only audio call by dialing 1-877-407-8293 (United States) or 1-201-689-8349 (International). If you are unable to participate in the call at this time, a replay will be available for 14 days starting on August 1, 2018, at approximately 7:30 p.m. PT/10:30 p.m. ET. To access the replay, please dial 1-877-660-6853 in the U.S. and 1-201-612-7415 for international callers. The conference ID# is 13681926.

About CV Sciences, Inc.

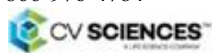
CV Sciences, Inc. (OTCQB:CVSI) operates two distinct business segments: a drug development division focused on developing and commercializing novel therapeutics utilizing synthetic CBD; and, a consumer product division focused on manufacturing, marketing and selling plant-based CBD products to a range of market sectors. CV Sciences, Inc. has primary offices and facilities in Las Vegas, Nevada and San Diego, California. Additional information is available from OTCMarkets.com or by visiting www.cvsciences.com.

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 and uncertainties.

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