

May 15, 2018



CV Sciences, Inc. Reports First Quarter 2018 Financial Results

- Record Quarter on All Key Financial Performance Metrics Including 114% Increase in Sales Year-Over-Year and Double Digit Sequential Sales Growth

- Management to Host Webcast on May 15, 2018 to Discuss Q1 2018 Financial and Operating Results

LAS VEGAS, May 15, 2018 (GLOBE NEWSWIRE) -- CV Sciences, Inc. (OTCQB:CVSI) (the "Company", "CV Sciences", "our" or "we") announced today its financial results for the first quarter ended March 31, 2018.

Q4 2017 and 2017 Full Year - Operating Highlights

- **Record Q1 2018 Sales of \$8,071,000**, an increase of 114% compared to Q1 2017
- **Record Q1 2018 Gross Profit of \$5,562,000**, an increase of 129% compared to Q1 2017
- **Record Q1 2018 GAAP Net Income of \$619,000**, an improvement of \$4,404,000 when compared to Q1 2017
- **Record Q1 2018 Cash Flow from Operations of \$1,654,000**, an improvement of \$1,628,000 when compared to Q1 2017
- **Record Q1 2018 Adjusted EBITDA of \$1,822,000**, an improvement of \$2,012,000 when compared to Q1 2017
- **Increased Retail Channel Distribution to 1,771 Stores as of March 31, 2018**, an increase of 14% compared to three months ago at December 31, 2017
- **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 market with no currently FDA-approved drugs available to help patients.

Sales for Q1 2018 were \$8.1 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 an 11% sequential quarterly increase from \$7.2 million reported for Q4 2017. The Company's natural product retail channel now includes 1,771 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 #1 selling hemp product line in the natural products industry.

Gross profit for Q1 2018 was \$5.6 million and indicates the Company's ability to expand

sales while maintaining strong gross margins.

Adjusted EBITDA for Q1 2018 was \$1.8 million and shows strong operating leverage from the Company's significant investment in inventory, product development, systems, marketing and distribution.

"We are off to a strong start for 2018, delivering record financial performance on all of our key metrics including triple digit year-over-year revenue growth and double-digit sales growth on a sequential quarterly comparison. Our operating performance is driven by a combination of core revenue growth, strong demand for our products, and a market that is still in its infancy stages," said Joseph Dowling, CFO of CV Sciences. "In every aspect, we set new performance records and laid the groundwork for continued profitable growth. On the drug development side, we made steady progress in advancing CVSI-007 - our proprietary lead drug candidate - which addresses the multibillion dollar smokeless tobacco use and addiction market. This quarter validates our ability to grow profitably and generate cash flow and positions us well to deliver a successful 2018 for our shareholders."

Financial highlights for the three months ended March 31, 2018 and 2017 are presented below:

Financial Highlights	For the three months ended March 31,		YOY Change	
	2018	2017	\$	%
GAAP Measures:				
Product sales, net	\$ 8,071,000	\$ 3,764,000	\$ 4,307,000	114%
Gross profit	5,562,000	2,433,000	3,129,000	129%
Net income	619,000	(3,785,000)	4,404,000	n/m
Cash generated from operating activities	1,654,000	26,000	1,628,000	6262%
Non-GAAP Measure (unaudited):				
EBITDA	\$ 787,000	\$ (3,597,000)	\$ 4,384,000	n/m
Adjusted EBITDA	1,822,000	(190,000)	2,012,000	n/m

n/m - calculation not meaningful

Balance Sheet and Liquidity Highlights

As of March 31, 2018, the Company had unrestricted cash of \$3,106,000 and total cash of \$3,888,000. During the quarter ended March 31, 2018, the Company increased its total cash position by \$1,096,000. Stockholders' equity increased to approximately \$18.0 million as of March 31, 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 compensate 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 months ended March 31, 2018 and 2017 is detailed below:

	For the three months ended March 31,	
	2018	2017
Net loss	\$ 619,334	\$ (3,784,777)
Interest expense	48,272	130,954
Amortization of purchased intangible assets	8,850	8,850
Depreciation of property & equipment	110,196	47,525
EBITDA	<u>786,652</u>	<u>(3,597,448)</u>
EBITDA Adjustments:		
Stock-based compensation expense (1)	1,035,153	1,186,291
Gain on derivative liability (2)	-	(210,600)
Royalty buy-out (3)	-	2,432,000
Total EBITDA Adjustments	<u>1,035,153</u>	<u>3,407,691</u>
Adjusted EBITDA	<u>\$ 1,821,805</u>	<u>\$ (189,757)</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 the gain on changes in derivative liabilities.
- (3) Represents the share-based royalty buy-out associated the CanX acquisition.

For further discussion of the Company's financial results for the three months ended March 31, 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 May 14, 2018.

Management to Host Financial Results Conference Call

The Company is scheduled to host a conference call to discuss its Q1 2018 results on Tuesday, May 15, 2018 at 1:15 p.m.PDT/4:15 p.m. EDT.

CV Sciences' CFO Joseph Dowling will lead the call to provide an operational and financial summary of the first quarter and three months ended May 15, 2018. Interested parties may access the live webcast by visiting:

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 May 15, 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 13679917.

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, uncertainties.

CONTACT INFORMATION

Robert Haag
Managing Director
IRTH Communications
CVSI@irthcommunications.com
866-976-4784



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