

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 24, 2023

**Clever Leaves Holdings Inc.**

(Exact name of registrant as specified in its charter)

**British Columbia, Canada**

(State or other jurisdiction of incorporation)

**001-39820**

(Commission File Number)

**Not Applicable**

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

**Bodega 19-B Parque Industrial Tibitoc P.H,  
Tocancipá - Cundinamarca, Colombia**

(Address of principal executive offices)

**N/A**

(Zip Code)

**(561) 634-7430**

(Registrant's telephone number, including area code)

**Not Applicable**

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

Check the appropriate box below if the Form 8-K 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 each exchange on which registered
Common shares without par value	CLVR	The Nasdaq Stock Market LLC
Warrants, each warrant exercisable for one common share at an exercise price of \$11.50	CLVRW	The Nasdaq Stock Market LLC

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 3.03 Material Modification to Rights of Security Holders**

#### *Reverse Share Split*

The board of directors of Clever Leaves Holdings Inc., a company organized under the laws of British Columbia, Canada (the “Company”) has approved a reverse share split of the Company’s common shares, without par value (the “Shares”), at a ratio of one Share for every 30 Shares presently owned (the “Reverse Share Split”). The Reverse Share Split will take effect at approximately 5:00 p.m. Eastern Time on August 24, 2023 (the “Effective Time”). At the market open on August 25, 2023, the Shares are expected to begin trading on a split-adjusted basis under a new CUSIP number.

No fractional shares will be issued in connection with the Reverse Share Split. Instead, pursuant to the Business Corporations Act (British Columbia), each fractional share remaining after completion of the Reverse Share Split that is less than half of a whole Share will be rounded down and canceled without consideration to the holders thereof and each fractional share that is at least half of a whole Share will be rounded up to one whole Share.

The Reverse Share Split will apply to all of the Company’s outstanding Shares as of the Effective Time and therefore will not affect any shareholder’s ownership percentage of the Shares, except for changes as a result of the elimination of fractional shares. The Reverse Share Split will not alter the voting rights or other rights attached to the Shares.

Shareholders of record will receive information from Computershare Investor Services Inc., the Company’s transfer agent, regarding their Share ownership following the Reverse Share Split. Shareholders who hold their Shares in brokerage accounts or in “street name” are not required to take any action in connection with the Reverse Share Split.

As a result of the Reverse Share Split, at the Effective Time, the number of outstanding Shares will be reduced from approximately 45.7 million to approximately 1.5 million, based on the number of Shares outstanding as of August 10, 2023.

The Reverse Share Split is intended to help the Company regain compliance with Nasdaq Listing Rule 5550(a)(2) (the “Minimum Bid Price Requirement”), as previously disclosed on the Company’s Current Reports on Form 8-K filed on September 29, 2022 and March 30, 2023. If at any time before September 25, 2023, the closing bid price of the Shares is at least \$1.00 per share for a minimum of 10 consecutive business days, the staff (the “Staff”) of The Nasdaq Stock Market LLC (“Nasdaq”) will provide the Company with written confirmation of compliance. If compliance with the Minimum Bid Price Requirement cannot be demonstrated by September 25, 2023, the Staff will provide written notification that the Company’s securities will be delisted. At that time, the Company may appeal the Staff’s determination to a Nasdaq hearings panel. There can be no assurance that the Company will be able to regain compliance with the Minimum Bid Price Requirement or maintain its listing on Nasdaq.

#### *Adjustment to Warrants and Equity Plan Awards*

At the Effective Time, the exercise price of the Company’s outstanding warrants and the number of Shares issuable upon exercise thereof will be adjusted to reflect the Reverse Share Split pursuant to the terms of the Warrant Agreement, dated as December 10, 2018, as amended.

At the Effective Time, the maximum number of Shares issuable under each of the Company’s 2020 Incentive Award Plan, as amended (the “Incentive Award Plan”), and the Company’s 2020 Earnout Award Plan (the “Earnout Plan” and together, the “Plans”) will be equitably adjusted to reflect the Reverse Share Split.

The number of Shares underlying each award of restricted share units (whether vesting based on time or performance) issued under the Plans that are outstanding as of immediately prior to the Reverse Share Split will be ratably adjusted to reflect the Reverse Share Split.

Each award of restricted share units issued under the Earnout Award Plan that vests based on the achievement by the Company of certain threshold Share prices, outstanding as of immediately prior to the Reverse Share Split, will have its Share price targets ratably adjusted to reflect the Reverse Share Split.

The number of Shares underlying stock option awards issued under the Incentive Award Plan that are outstanding and unexercised as of immediately prior to the Reverse Share Split and the exercise price of such stock options will be ratably adjusted to reflect the Reverse Share Split.

### **Item 7.01. Regulation FD Disclosure.**

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On August 24, 2023, the Company issued a press release announcing the effectiveness of the Reverse Share Split described in this Current Report of Form 8-K (this "Current Report"). A copy of the press release is furnished as Exhibit 99.1 to this Current Report and is incorporated by reference into Item 7.01 of this Current Report.

**Cautionary Note Regarding Forward-Looking Statements**

This Current Report on Form 8-K includes certain statements that are not historical facts but are forward-looking statements within the meaning of United States federal securities laws. You should not place undue reliance on such statements because they are subject to numerous risks and uncertainties which are difficult to predict and many of which are beyond the Company's control and could cause the Company's actual results to differ from the forward-looking statements. Factors that could cause actual future results to differ materially from current expectations include, but are not limited to, risks and uncertainties relating to the proposed Reverse Share Split, its impact, if any, on the Company and the trading price of the Company's Shares and warrants, the Company's ability to regain compliance with Nasdaq listing requirements and the administrative processes related thereto. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "forecast," "will," "expect," "budget," "contemplate," "believe," "estimate," "continue," "project," "positioned," "strategy," "outlook" and similar expressions. Additional risk factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on March 30, 2023 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, filed with the SEC on August 14, 2023. The Company disclaims any obligation to publicly update or revise any forward-looking statements to reflect changes and new developments except as required by law or regulation.

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press Release of Clever Leaves Holdings Inc., dated August 24, 2023</a>
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document)

**SIGNATURE**

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.

**Clever Leaves Holdings Inc.**

By: /s/ Marta Pinto Leite  
Name: Marta Pinto Leite  
Title: General Counsel and Corporate Secretary

Date: August 24, 2023



## **Clever Leaves Announces 1-For-30 Reverse Stock Split to Aid Compliance with Nasdaq Listing Requirements**

**TOCANCIPÁ, COLOMBIA, August 24, 2023** – Clever Leaves Holdings Inc. (NASDAQ: CLVR, CLVRW) (“Clever Leaves” or the “Company”), a global medicinal cannabis company, announced that its Board of Directors has approved a 1-for-30 reverse split of its common shares (the “Reverse Share Split”). The Reverse Share Split will take effect at approximately 5:00 p.m. Eastern Time on August 24, 2023.

As a result of the Reverse Share Split, every 30 common shares of the Company will automatically be converted into one common share, reducing the number of issued and outstanding common shares from approximately 45.7 million to approximately 1.5 million, based on the number of shares outstanding as of August 10, 2023. No fractional shares will be issued in connection with the Reverse Share Split. Instead, pursuant to the *Business Corporations Act* (British Columbia), each fractional share remaining after completion of the Reverse Share Split that is less than half of a whole share will be rounded down to the nearest whole common share without consideration to the holders thereof and each fractional share that is at least half of a whole share will be rounded up to one whole share. The Reverse Share Split will apply to all of the Company’s outstanding common shares. The Reverse Share Split will not affect any shareholder’s ownership percentage, except for changes as a result of the elimination of fractional shares and will not alter the voting rights or other rights attached to the shares.

Clever Leaves expects its common shares to commence trading on a split-adjusted basis as of the open of trading on August 25, 2023. The Company’s common shares will trade under a new CUSIP number, 186760203, following the effectiveness of the Reverse Share Split.

Shareholders of record will receive information from Computershare Investor Services Inc., the Company’s transfer agent, regarding their share ownership following the Reverse Share Split. Shareholders who hold their shares in brokerage accounts or in “street name” are not required to take any action in connection with the Reverse Share Split.

For more information on the Reverse Share Split, please refer to the Company’s Form 10-Q filed with the U.S. Securities and Exchange Commission (the “SEC”) on August 14, 2023, or the Company’s Current Report of Form 8-K filed with the SEC on August 24, 2023, or contact Computershare Investor Services Inc.

### **About Clever Leaves Holdings Inc.**

Clever Leaves is a global medical cannabis company. Its operations in Colombia produce EU GMP cannabinoid active pharmaceutical ingredients (API) and finished products in flower and extract form to a growing base of B2B customers around the globe. Clever Leaves aims to disrupt the traditional cannabis production industry by leveraging environmentally sustainable, ESG-friendly, industrial-scale and low-cost production methods, with the world’s most stringent pharmaceutical quality certifications. Clever Leaves announces material information to the public through a variety of means, including filings with the SEC, press releases, public conference calls, and its website (<https://cleverleaves.com>). Clever Leaves uses these channels, as well as social media, including its Twitter account (@clever\_leaves), and its LinkedIn

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page (<https://www.linkedin.com/company/clever-leaves>), to communicate with investors and the public about Clever Leaves, its products, and other matters. Therefore, Clever Leaves encourages investors, the media, and others interested in Clever Leaves to review the information it makes public in these locations, as such information could be deemed to be material information. Information on or that can be accessed through Clever Leaves' websites or these social media channels is not part of this release, and references to Clever Leaves' website addresses and social media channels are inactive textual references only.

### **Forward-Looking Statements**

This press release includes certain statements that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "evolve," "expect," "forecast," "future," "guidance," "intend," "may," "opportunity," "outlook," "pipeline," "plan," "predict," "potential," "projected," "seek," "seem," "should," "will," "would" and similar expressions (or the negative versions of such words or expressions) that predict or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements as well as our outlook for 2023 are subject to risks and uncertainties, which could cause actual results to differ from the forward-looking statements. Important factors that may affect actual results or the achievability of the Company's expectations include, but are not limited to: (i) our ability to continue as a going concern; (ii) our ability to maintain the listing of our securities on Nasdaq; (iii) our expectation that the reverse share split will bring us into compliance with Nasdaq's listing rules; (iv) our ability to implement our restructuring initiatives; (v) expectations with respect to future operating and financial performance and growth, including if or when Clever Leaves will become profitable; (vi) Clever Leaves' ability to execute its business plans and strategy and to receive regulatory approvals (including its goals in its five key markets); (vii) Clever Leaves' ability to capitalize on expected market opportunities, including the timing and extent to which cannabis is legalized in various jurisdictions; (viii) global economic and business conditions, including recent economic sanctions against Russia and their effects on the global economy; (ix) geopolitical events (including the ongoing military conflict between Russia and Ukraine), natural disasters, acts of God and pandemics, including the economic and operational disruptions and other effects of COVID-19; (x) regulatory developments in key markets for the Company's products, including international regulatory agency coordination and increased quality standards imposed by certain health regulatory agencies, and failure to otherwise comply with laws and regulations; (xi) uncertainty with respect to the requirements applicable to certain cannabis products as well as the permissibility of sample shipments, and other risks and uncertainties; (xii) consumer, legislative, and regulatory sentiment or perception regarding Clever Leaves' products; (xiii) lack of regulatory approval and market acceptance of Clever Leaves' new products which may impede its ability to successfully commercialize its products; (xiv) the extent to which Clever Leaves' is able to monetize its existing THC market quota within Colombia; (xv) demand for Clever Leaves' products and Clever Leaves' ability to meet demand for its products and negotiate agreements with existing and new customers, including the sales agreements identified as a part of the Company's 2023 strategic growth objectives; (xvi) developing product enhancements and formulations with commercial value and appeal; (xvii) product liability claims exposure; (xviii) lack of a history and experience operating a business on a large scale and across multiple jurisdictions; (xix) limited experience operating as a public company; (xx) changes in currency exchange rates and interest rates; (xxi) weather and agricultural conditions and their impact on the Company's cultivation and construction plans, (xxii) Clever Leaves' ability to hire and retain skilled personnel in the jurisdictions where it operates; (xxiii) Clever Leaves' ability to remediate a material weakness in its internal control cover financial reporting and to develop and maintain effective internal

and disclosure controls; (xxiv) potential litigation; (xxv) access to additional financing; and (xxvi) completion of our construction initiatives on time and on budget. The foregoing list of factors is not

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exclusive. Additional information concerning certain of these and other risk factors is contained in Clever Leaves' most recent filings with the SEC. All subsequent written and oral forward-looking statements concerning Clever Leaves and attributable to Clever Leaves or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Clever Leaves expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

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