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Medicine Man Technologies, Inc. announces launch of direct operator division of licensed cannabis operations

DENVER, Jan. 17, 2019 /PRNewswire/ -- Today Medicine Man Technologies (OTCQX: MDCL), a leading consulting, intellectual property licensing and products company in the cannabis industry, has announced a binding agreement that is expected to lead to the near-term acquisition of the Colorado licensee, Medicine Man Denver (MMD). MMD is one of the pioneering operators that helped establish the burgeoning cannabis industry over the past decade, with brand recognition far beyond its immediate market. Its operations include one of the largest indoor cultivations in the state of Colorado as well as four retail locations with combined sales that have kept it in the top tier of operators in the state.

MDCL plans to pursue other acquisitions and partnerships with similar, mature industry leading operators, in the birth place of the legal cannabis industry and beyond

These planned and prospective transactions are helping to realize the promise of MDCL's vision to establish an industry-leading, fully-integrated cannabis company that delivers resources to entrepreneurs in the industry and soon, products to consumers.

"Building upon MMT's established expertise as consultants that have helped win licenses and establish operations in 17 states with over 100 clients, these moves are keeping the promise of Medicine Man Technologies' vision to become an operator in this space," says Andy Williams, Medicine Man Technologies' Chief Executive Officer. "Once officially brought into the fold, MDCL's annual revenue run rate will exceed \$40 million. We couldn't be more excited about what the future holds."

Because MMD is a holder of cannabis licenses issued by the Marijuana Enforcement Division (MED) in the State of Colorado, the acquisition of MMD will require the passing of the currently-introduced Colorado HB19-1090 (<https://leg.colorado.gov/bills/hb19-1090>) which is currently working its way through the legislature, with support of the current governor. If HB19-1090 becomes law, it will allow for public company ownership of Colorado-licensed cannabis businesses.

The final acquisition will require the approval of the MED, as well as local city and county rules concerning the transfer and sale of ownership interest. Due to current legal restrictions, rather than acquiring a direct right to purchase the entity, MDCL has agreed to license MMD's company brand globally and issue warrants that can only be exercised by the exchange of equity of MMD for common stock of MDCL at an agreed upon value subject to approval by the MED and the warrant holders electing to exercise.

MDCL had previously disclosed in its SEC filings of its intent to acquire MMD, as several

persons connected to MDCL are also owners of MMD, including Andy Williams, current CEO of MDCL. MDCL has obtained independent valuations of the entities to be acquired. The relevant term sheet provides that the value of the shares to be issued to each owner of the entities to be acquired shall be consistent with these independent valuations.

About Medicine Man Technologies, Inc.

Established in March 2014, the Company secured its first client/licensee in April 2014. To date, the Company has provided guidance for several clients that have successfully secured licenses to operate cannabis businesses within their state. The Company currently has or has had active clients in California, Iowa, Oregon, Colorado, Nevada, Illinois, Michigan, Arkansas, Pennsylvania, Florida, Ohio, Maryland, New York, Oklahoma, Massachusetts, Puerto Rico, Canada, Australia, Germany, and South Africa. The Company continues to focus on working with clients to 1) utilize its experience, technology, and training to help secure a license in states with newly emerging regulations, 2) deploy the Company's highly effective variable capacity constant harvest cultivation practices through its deployment of Cultivation MAX, and eliminate the liability of single grower dependence, 3) avoid the costly mistakes generally made in start-up, 4) stay engaged with an ever expanding team of licensees and partners, all focused on quality and safety that will "share" the ever-improving experience and knowledge of the network, and 5) continuing the expansion of our Brands Warehouse concept through entry into industry based cooperative agreements and pursuing other acquisitions as they prove suitable to our overall business development strategy.

Safe Harbor Statement

This press release may contain forward-looking statements which are based on current expectations, forecasts, and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially from those anticipated or expected, including statements related to the amount and timing of expected revenues and any payment of dividends on our common and preferred stock, statements related to our financial performance, expected income, distributions, and future growth for upcoming quarterly and annual periods. These risks and uncertainties are further defined in filings and reports by the Company with the U.S. Securities and Exchange Commission (SEC). Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors detailed from time to time in our filings with the Securities and Exchange Commission. Among other matters, the Medicine Man Technologies may not be able to sustain growth or achieve profitability based on many factors including, but not limited to, general stock market conditions. Reference is hereby made to cautionary statements set forth in the Company's most recent SEC filings. We have incurred and will continue to incur significant expenses in the expansion of our existing and new service lines, noting there is no assurance that we will generate enough revenues to offset those costs in both the near and long-term. Additional service offerings may expose us to additional legal and regulatory costs and unknown exposure(s) based upon the various geopolitical locations where we will be providing services, the impact of which cannot be predicted at this time.

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