

April 17, 2019



# Medicine Man Technologies Announces Record Revenue and 2018 Year-End Financial Results

**Company to Host Financial Results Conference Call and Update on Business Developments on Thursday, April 25, 2019, at 4:15 p.m. ET**

DENVER, April 17, 2019 /PRNewswire/ -- Medicine Man Technologies, Inc. (OTCQX: MDCL) ("Medicine Man Technologies" or "Company"), a rapidly growing, vertically integrated cannabis operator, today announced its financial results for the year ended December 31, 2018. In addition, the Company will host a 2018 year-end conference call to discuss its financial results and business developments on Thursday, April 25, 2019, at 4:15 p.m. ET.



During the year ended December 31, 2018, the Company generated operating revenues of \$9,442,555, an increase of approximately 168%, compared to revenues of \$3,529,584 in the year ended December 31, 2017. Revenues for the year ended 2018 included a one-time consideration for an intellectual property license agreement with Abba Medix Corp. (AMC), a wholly-owned subsidiary of publicly-traded Canada House Wellness Group, Inc. (CHV) for \$1.15 million in cash. Other income for 2018 increased to \$573,875, compared to \$145,222 in 2017. The increase in the Company's overall revenue was driven by an increase in new clients, and new states adopting cannabis legislation and initiatives. Other factors driving the Company's overall revenue was due to an increase in new clients, providing additional services to existing clients, and expanding its geographic footprint by entering into strategic licensing agreements to offer services to new markets with established companies in those areas.

The Company reported cost of goods and services totaling \$6,865,045 during the year ended December 31, 2018. This is compared to \$2,227,303 during the same time period in 2017. The increase is primarily due to an increase in overall product sales volume.

Gross profit during the year ended December 31, 2018, increased 208% to \$6,865,045 from \$2,227,303 for the year ended December 30, 2017.

Operating expenses during 2018 decreased by 37% to \$4,694,704 from \$7,463,253 during

2017, due primarily to stock compensation.

The Company reported income from operations of \$2,170,341 for the year ended December 31, 2018, compared to a net loss of \$5,235,950 for the year ended December 31, 2017.

The Company's current assets increased significantly, by 149%, for the year ended December 31, 2018, to \$3,449,231 from \$1,384,687 during the same time period in 2017. The Company expects to continue exploring the deployment of additional capital to accomplish its corporate goals and initiatives.

"This is a pivotal year for the Company as we continue to work towards the next phase of our growth strategy," said Mr. Andy Williams, Co-Founder and CEO of Medicine Man Technologies. "In 2018, we invested in our corporate strategy and expanded from being a first mover in the cannabis industry to becoming a major, vertically integrated cannabis brand servicing domestic and foreign markets. Our appointment of our new COO, Joe Puglise, has allowed us to remain efficient and effective as we expand our footprint further and enter into new verticals. Today we are proud to say that we have been able to successfully utilize our expertise and intellectual property to integrate research, retail, cultivation, formulation and distribution operations with active and past clients in 18 states and seven countries. Our focus now is to leverage the entire management and leadership experience as we continue to further develop our growth strategies with the two pending acquisitions of Medicine Man Denver and MedPharm Holdings, LLC, expected to close in late 2019 or Q1 2020, in which post-acquisition is expected to generate a minimum of a \$40+ million-a-year run rate."

### **2018 Year End Conference Call and Update on Business Developments**

The Company will host a conference call on Thursday, April 25, 2019, after market close at 4:15 p.m. ET. Investors interested in participating in the call can dial 1-877-407-8293 or 1-201-689-8349 (international). Investors are invited to listen via webcast available on the Medicine Man Technologies Investor page of the Company's website at <https://ir.medicinemantechologies.com/>. Please visit the website 15 minutes prior to the call to register, download and install any necessary audio software. For interested individuals unable to join the conference call, a replay of the call will be available through May 5, 2019, at 1-877-660-6853 (U.S. toll-free) or 1-201-612-7415 (international). Participants must use the following code to access the call replay: 13690091. The online archive of the webcast will be available on the investor page of the Company's website for two weeks following the call.

Chief Executive Officer, Andy Williams will be joined by Chief Operating Officer, Joe Puglise, and Chairman of the Board, Paul Dickman to answer questions during the call. Should participants have any questions prior to the conference call, please send an email to [ir@medicinemantechologies.com](mailto:ir@medicinemantechologies.com) with "MDCL Question" in the subject line.

For more information about Medicine Man Technologies, please visit <https://www.medicinemantechologies.com/>

### **About Medicine Man Technologies**

Medicine Man Technologies is a fully integrated operator in the cannabis industry, offering consulting, cultivation supplies and equipment, retail pharma-grade products, and turnkey

solutions for cannabis producers, processors, and retailers for nearly a decade. Medicine Man Technologies is leveraging its expertise and intellectual property to vertically integrate retail, cultivation, formulation and distribution operations. The Company's client portfolio includes active and past clients in 18 states and seven countries.

### **Forward-Looking Statements**

This press release contains "forward-looking statements." Such statements may be preceded by the words "intends," "may," "will," "plans," "expects," "anticipates," "projects," "predicts," "estimates," "aims," "believes," "hopes," "potential," or similar words. Forward-looking statements are not guarantees of future performance, are based on certain assumptions, and are subject to various known and unknown risks and uncertainties, many of which are beyond the Company's control and cannot be predicted or quantified. Consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) our inability to manufacture our products and product candidates on a commercial scale on our own or in collaboration with third parties; (ii) difficulties in obtaining financing on commercially reasonable terms; (iii) changes in the size and nature of our competition; (iv) loss of one or more key executives or scientists; and (v) difficulties in securing regulatory approval to market our products and product candidates. More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company's filings with the Securities and Exchange Commission (SEC), including the Company's Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q. Investors and security holders are urged to read these documents free of charge on the SEC's website at <http://www.sec.gov>. The Company assumes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

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