

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): March 2, 2021

**Medicine Man Technologies, Inc.**  
(Exact Name of Registrant as Specified in Its Charter)

**Nevada**  
(State or Other Jurisdiction of Incorporation)

**001-36868**  
(Commission File Number)

**46-5289499**  
(IRS Employer Identification No.)

**4880 Havana Street, Suite 201**  
**Denver, Colorado**  
(Address of Principal Executive Offices)

**80239**  
(Zip Code)

**(303) 371-0387**  
(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 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))

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of Each Class</b>	<b>Trading Symbol(s)</b>	<b>Name of Each Exchange On Which Registered</b>
Not applicable	Not applicable	Not applicable

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.

## Introductory Note

As previously disclosed in the Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on September 3, 2019, Medicine Man Technologies, Inc., a Nevada corporation (the “Company”) entered into a binding term sheet with the Starbuds Group (as defined below), whereby the Company agreed to purchase the membership interests of each member (each, a “Member” and, collectively, the “Members”) of each Starbuds Company (as defined below) (the “Proposed Transaction”).

As previously disclosed in the Current Report on Form 8-K filed with the SEC on June 8, 2020 by the Company, the Company and SBUD, LLC, a Colorado limited liability company and wholly-owned subsidiary of the Company (the “Purchaser”), entered into thirteen separate purchase agreements (each, an “Agreement” and, collectively, the “Agreements”) with the sellers signatory thereto (each, a “Starbuds Company” and, collectively the “Starbuds Group”), whereby the Purchaser agreed to purchase substantially all of the assets of the Starbuds Group from each individual Starbuds Company pursuant to the Agreements (the “Purchase”). The Agreements were entered into in lieu of the Proposed Transaction.

As previously disclosed in the Current Report on Form 8-K filed with the SEC on September 21, 2020 by the Company, the Company and the Purchaser entered into an Omnibus Amendment No. 1 to Asset Purchase Agreements (“Omnibus Amendment No. 1”) with each Starbuds Company. Omnibus Amendment No. 1 revised certain material terms originally set forth in the Agreements.

As previously disclosed in the Quarterly Report on Form 10-Q filed with the SEC on November 6, 2020, the Company entered into a Securities Purchase Agreement (as amended to date, the “SPA”) with Dye Capital Cann Holdings II, LLC (the “Investor”) for the purchase of the Company’s Series A preferred stock, par value \$0.001 per share (the “Preferred Stock”) of the Company in a private placement (the “Private Placement”).

As previously disclosed in the Current Report on Form 8-K filed on December 16, 2020, the Company entered into an Amendment to the SPA (the “First Amendment”) with the Investor to change the number of shares of Preferred Stock the Investor would purchase under the SPA, between the Company and the Investor from 12,400 shares to up to 13,000 shares in one or more closings, among other changes. The Company used the proceeds from the Private Placement for the acquisition of Star Buds, as described below.

As previously disclosed in the Current Report on Form 8-K filed with the SEC on December 22, 2020 by the Company, the Company and the Purchaser entered into an Omnibus Amendment No. 2 to Asset Purchase Agreements (“Omnibus Amendment No. 2”) with each Starbuds Company. Omnibus Amendment No. 2 revised certain material terms originally set forth in the Agreements, as amended by Omnibus Amendment No. 1 (as amended to date, each, an “APA”).

As previously disclosed in the Current Report on Form 8-K filed with the SEC on February 9, 2021 by the Company, on February 3, 2021, the Company entered into a Second Amendment to Securities Purchase Agreement (the “Second Amendment”) with the Investor to change the number of shares of the Preferred Stock the Investor may purchase under the SPA from 13,000 to up to 17,000 in one or more closings, among other changes.

### **Item 2.01. Completion of Acquisition or Disposition of Assets.**

On March 2, 2021, pursuant to the applicable APA, the Company and the Purchaser closed on the acquisition of (i) Starbuds Aurora LLC, (ii) Store 3 – SB Arapahoe LLC, (iii) Citi-Med LLC, (iv) Starbuds Louisville LLC and (v) Store 9 – KEW LLC. The aggregate purchase price for the assets of the Starbuds Group acquired on March 2, 2021 was approximately \$71.8 million and was paid to each applicable Starbuds Company and the Members as a combination of cash, an aggregate of 15,228.45 shares of Preferred Stock, together with an aggregate of 2,687.37 shares of Preferred Stock to be held in escrow pursuant to the terms, and subject to the conditions, set forth in Omnibus Amendment No. 2 and warrants to purchase an aggregate of 3,359,215.32 shares of the Company’s common stock at exercise price equal to \$1.20 per share (the “Transaction Warrants”). The Company funded the aggregate cash portion of the purchase price for each Starbuds Company who was acquired on March 2, 2021 from the net proceeds of the transactions disclosed in the Company’s Current Report on Form 8-K filed with the SEC on March 4, 2021. Mr. Brian Ruden, a member of the Board of Directors of the Company, has an ownership interest in each Starbuds Company that was acquired on March 2, 2021.

The description of Omnibus Amendment No. 2 contained in Item 1.01 of the Company's Current Report on Form 8-K filed on December 22, 2020 (the "Prior 8-K") is incorporated herein by reference. The summary of Omnibus Amendment No. 2 and the transactions contemplated thereby contained in the Prior 8-K does not purport to be complete and is subject to, and qualified in its entirety by, the full text of Omnibus Amendment No. 2 filed as Exhibit 2.1 to the Prior 8-K, which is incorporated herein by reference.

**Item 3.02. Unregistered Sales of Equity Securities.**

The information contained in Item 2.01 above is incorporated herein by reference.

The Preferred Stock and the Transaction Warrants have not been registered under the Securities Act of 1933, as amended (the "Act"), or state securities laws. The issuances of the Preferred Stock and the Transaction Warrants were exempt from the registration requirements of the Act pursuant to Section 4(a)(2) of the Act and Rule 506 of Regulation D promulgated thereunder ("Regulation D"), made only to and with an "accredited investor" as defined in Regulation D. This Current Report on Form 8-K shall not constitute an offer to sell, nor the solicitation of an offer to buy, the securities described herein, nor shall there be any offer, solicitation or sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state.

**Item 8.01. Other Events**

On March 3, 2021, the Company issued a press release relating to the completion of the acquisition. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

**Item 9.01 Financial Statements and Exhibits**

**(a) Financial Statements of Businesses Acquired**

The audited financial statements of each Starbuds Company required by this item will be filed by amendment to this Current Report on Form 8-K no later than 71 calendar days after the date on which this Current Report on Form 8-K was required to be filed.

**(b) Pro Forma Financial Information**

The pro forma financial information reflecting the Purchase, to the extent required by this item, will be furnished by amendment to this Current Report on Form 8-K no later than 71 calendar days after the date on which this Current Report on Form 8-K was required to be filed.

**(d) Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release, dated March 3, 2021.</a>

**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.

**MEDICINE MAN TECHNOLOGIES, INC.**

By: */s/ Daniel R. Pabon*

\_\_\_\_\_  
Daniel R. Pabon  
General Counsel

Date: March 8, 2021



## **Schwazze Completes Acquisition of Five Remaining Star Buds Dispensaries in Colorado**

### **Colorado Cannabis Leader's Retail Footprint Now Expands to 17 Locations Across the Denver Metro and Southern Region of the State**

#### **Pro Forma Revenue for Schwazze and its Two Acquisitions (Mesa Organics and Star Buds) in 2020 is Estimated at \$95 Million**

DENVER, COLORADO – March 3, 2021 /Business Wire/ -- Schwazze, formerly operating as Medicine Man Technologies Inc. (OTCQX: SHWZ) ("Schwazze" or "the Company"), today announced that it has closed on the asset purchase of the five Star Buds dispensaries located in Colorado that it had not already previously acquired. The acquired dispensaries are located in Aurora (2), Denver, Louisville, and Westminster.

Total consideration was approximately \$72.3 million, consisting of \$27.5 million in cash, \$26.9 million in sellers' notes, and \$17.9 million in Preferred Stock (at a price of \$1,000 per share).

Star Buds is a recognized and successful retail cannabis operator in the United States and home to a wide selection of strains, concentrates, edibles, tinctures, and best-in-class customer service. Inclusive of this transaction, Schwazze now owns and operates all 13 Star Buds locations in Colorado and its retail footprint now includes 17 dispensary locations in the Denver metro and southern Colorado region.

For 2020, the 13 Star Buds retail dispensaries generated total revenue of approximately \$70 million and Net Income in the range of approximately 40% of revenue. Together with Schwazze and the proforma revenue for 2020 Mesa Organics Ltd, acquired by Schwazze in April 2020, total 2020 proforma revenue is estimated to be approximately \$95 million on a combined basis.

The Company will be providing 2021 guidance during its 2020 year-end conference call near the end of March.

"We are excited to have completed our acquisition of Star Buds Colorado, a highly respected, innovative and trusted retail operation characterized by high quality products and its budtenders' commitment to customers and cannabis expertise. Our intention now is to integrate these five locations, utilizing our proven integration playbook that streamlines the M&A process and drives operational and financial synergies. We are looking forward to growing the Star Buds brand through internal and external methods," said Justin Dye, Chief Executive Officer of Schwazze.

#### **Transaction Background**

On June 8, 2020, Schwazze announced that it had reached definitive agreements to acquire all 13 Star Buds locations in Colorado, represented by 13 different ownership groups and agreements. On December 21, 2020, Schwazze announced the closing of the asset purchase of six Star Buds Colorado retail locations, and on February 4, 2021, Schwazze announced the closing of the asset purchase of an additional two Star Buds Colorado retail locations.

Schwazze is the leading vertically integrated cannabis holding company in Colorado with a portfolio consisting of top-tier licensed brands, spanning: cultivation, extraction, infused-product manufacturing, dispensary operations, consulting, and a nutrient line, all under one entity. In April 2020, Schwazze was the first publicly traded company to complete an acquisition following the new legislation of Colorado House Bill 19-1090 which allowed for public company ownership of cannabis operations. The Company's inaugural acquisition included the purchase of Mesa Organics, a Southern Colorado dispensary chain with locations in Pueblo, Ordway, Rocky Ford, and Las Animas as well as Purplebee's, a leading pure CO2 and ethanol extractor and manufacturer.

DelMorgan & Co. served as lead financial advisor in connection with Schwazze's financing of the transaction, including sourcing the equity and debt capital and providing fairness opinions to Schwazze in connection with the financing.

## **About Schwazze**

Schwazze (OTCQX: SHWZ) is focused on building the premier vertically integrated cannabis company in Colorado. The company's leadership team has deep expertise in mainstream CPG, retail, and product development at Fortune 500 companies as well as in the cannabis sector. The organization has a high-performance culture and a focus on analytical decision making, supported by data. Customer-centric thinking inspires Schwazze's strategy and provides the foundation for the Company's operational playbooks.

Medicine Man Technologies, Inc. was Schwazze's former operating trade name. The corporate entity continues to be named Medicine Man Technologies, Inc.

## **Forward-Looking Statements**

This press release contains "forward-looking statements." Such statements may be preceded by the words "may," "will," "plans," "expects," "anticipates," "projects," "predicts," , 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; (v) difficulties in securing regulatory approval to market our products and product candidates; and (v) actual shareholder returns. 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.

## **Investor Contact**

Raphael Gross, ICR  
ir@schwazze.com  
203-682-8253

## **Media Contact**

Julie Suntrup, Schwazze  
Vice President | Marketing & Merchandising  
julie.suntrup@schwazze.com  
303-371-0387