

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q/A  
(Amendment No. 1)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2019

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 000-55450

**MEDICINE MAN TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
Incorporation or organization)

**46-5289499**

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

**4880 Havana Street  
Suite 201**

**Denver, Colorado 80239**

(Address of principal executive offices)

**(303) 371-0387**

(Issuer's Telephone Number)

Securities registered pursuant to Section 12(b) of the Act: **None**

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 13, 2019, the Registrant had 27,985,098 shares of Common Stock issued and outstanding.

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## EXPLANATORY NOTE

Medicine Man Technologies Inc. (the “Company”) is filing this Amendment No. 1 on Form 10-Q/A (the “Amendment”) to amend its Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (the “Form 10-Q”), which was originally filed with the Securities and Exchange Commission on May 20, 2019 (the “Original Filing Date”).

The Company is filing this Amendment solely to check the box on the cover page of the Form 10-Q to indicate that the Company is not a shell company, as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended.

Except for the foregoing, no other changes have been made to the Form 10-Q. This Amendment speaks as of the Original Filing Date and does not reflect events that may have occurred subsequent to the Original Filing Date, and does not modify or update in any way the disclosures made in the Form 10-Q.

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## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based upon our current assumptions, expectations and beliefs concerning future developments and their potential effect on our business. In some cases, you can identify forward-looking statements by the following words: “may,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “approximately,” “estimate,” “predict,” “project,” “potential,” “continue,” “ongoing,” or the negative of these terms or other comparable terminology, although the absence of these words does not necessarily mean that a statement is not forward-looking. This information may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by any forward-looking statements.

Factors that may cause or contribute actual results to differ from these forward-looking statements include, but are not limited to, for example:

- adverse economic conditions;
- the inability to attract and retain qualified senior management and technical personnel;
- other risks and uncertainties related to the cannabis market and our business strategy.

All forward-looking statements speak only as of the date of this report. We undertake no obligation to update any forward-looking statements or other information contained herein. Stockholders and potential investors should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements in this report are reasonable, we cannot assure stockholders and potential investors that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from expectations under “Risk Factors” in our annual report on Form 10-K. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. Considering these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the Quarterly Report on Form 10-Q. All subsequent written and oral forward-looking statements concerning other matters addressed in this Quarterly Report on Form 10-Q and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Quarterly Report on Form 10-Q.

Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether because of new information, future events, a change in events, conditions, circumstances or assumptions underlying such statements, or otherwise.

**Part I. FINANCIAL INFORMATION**  
**Item 1. Financial Statements**

**MEDICINE MAN TECHNOLOGIES, INC.**  
**BALANCE SHEET**  
*Expressed in U.S. Dollars*

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 699,979	\$ 321,788
Accounts receivable	298,716	1,180,757
Accounts receivable - related party	97,059	125,112
Litigation receivable	1,281,511	1,281,511
Inventory	371,649	489,239
Other assets	213,180	50,824
Total current assets	2,962,094	3,449,231
<b>Non-current assets</b>		
Fixed assets, net accumulated depreciation of \$ and \$149,015	85,948	94,640
Intangible assets, net accumulated amortization of \$ and \$13,903	85,501	81,197
Goodwill	12,304,306	12,304,306
Investment	1,850,589	2,199,344
Long-term note receivable, net of allowance	237,246	92,888
Operating lease right of use assets	238,667	-
Total non-current assets	14,802,257	14,772,375
Total assets	\$ 17,764,351	\$ 18,221,606
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 660,711	\$ 202,515
Accounts payable - related party	-	71,312
Accrued expenses	224,183	291,084
Accrued taxes	711,019	582,931
Other liabilities	582,931	-
Total current liabilities	2,178,844	1,147,842
<b>Long-term liabilities</b>		
Lease liabilities	237,384	-
Total long-term liabilities	237,384	-
Total liabilities	2,416,228	1,147,842
<b>Commitments and contingencies, note 13</b>		
<b>Shareholders' equity</b>		
Common stock \$0.001 par value. 90,000,000 authorized, 28,585,098 and 27,753,310 were issued and outstanding March 31, 2019 and December 31, 2018, respectively.	28,705	27,875
Additional paid-in capital	21,424,510	20,239,163
Additional paid-in capital - warrants	2,647,461	2,647,461
Retained earnings	(8,752,553)	(5,840,735)
Total shareholders' equity	15,348,123	17,073,764
Total liabilities and stockholders' equity	\$ 17,764,351	\$ 18,221,606

See accompanying notes to the financial statements

**MEDICINE MAN TECHNOLOGIES, INC.**  
**STATEMENT OF COMPREHENSIVE (LOSS) AND INCOME**  
*For the Three Months Ended March 31, 2019 and 2018*  
*Expressed in U.S. Dollars*

	<b>Three Months Ended March, 31</b>	
	<b>2019</b>	<b>2018</b>
<b>Operating revenues</b>		
Product sales	\$ 1,383,710	\$ 358,044
Product sales - related party	160,590	101,291
Consulting and licensing services	452,380	717,527
Other operating revenues	6,796	34,175
Total revenue	<u>2,003,476</u>	<u>1,211,037</u>
<b>Cost of goods and services</b>		
Cost of goods and services	1,598,712	373,518
Total cost of goods and services	<u>1,598,712</u>	<u>373,518</u>
<b>Gross profit</b>	<u>404,764</u>	<u>\$ 837,519</u>
<b>Operating expenses</b>		
General and administrative	295,306	\$ 321,921
Professional services	1,901,764	230,517
Salaries	435,721	267,054
Total operating expenses	<u>2,632,791</u>	<u>819,492</u>
<b>Income from operations</b>	<u>2,228,027</u>	<u>\$ 18,027</u>
<b>Other income/expense</b>		
Interest income	-	\$ 7,397
Unrealized gain (loss) on derivative liabilities	(335,036)	-
Unrealized gain (loss) on investment	(348,755)	-
Total other expense	<u>(683,791)</u>	<u>7,397</u>
<b>Net (loss) income</b>	<u>\$ (2,911,818)</u>	<u>\$ 25,424</u>
<b>Earnings per share attributable to common shareholders:</b>		
Basic and diluted (loss)/earnings per share	<u>\$ (0.10)</u>	<u>\$ 0.00</u>
Weighted average number of shares outstanding - basic and diluted	27,887,147	24,082,334
<b>Other comprehensive (loss), net of tax</b>		
Net unrealized (loss) on available for sale securities	-	-
Total other comprehensive income (loss), net of tax	-	-
<b>Comprehensive (loss) gain</b>	<u>\$ (2,911,818)</u>	<u>\$ 25,424</u>

See accompanying notes to the financial statements

**MEDICINE MAN TECHNOLOGIES, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
*For the Three Months Ended March 31, 2019 and 2018*  
*Expressed in U.S. Dollars*

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Value</u>			
Balance, December 31, 2017	22,991,137	\$ 23,113	\$ 17,505,697	\$ (6,789,650)	\$ 10,739,160
Net income (loss)	–	–	–	25,424	25,424
Issuance of common stock in connection with the exercise of common stock purchase warrants	1,091,197	1,091	(1,091)	–	–
Balance, March 31, 2018	<u>24,082,334</u>	<u>\$ 24,204</u>	<u>\$ 17,504,606</u>	<u>\$ (6,764,226)</u>	<u>\$ 10,764,584</u>
	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Value</u>			
Balance, December 31, 2018	27,753,310	\$ 27,875	\$ 22,886,624	\$ (5,840,735)	\$ 17,073,764
Net income (loss)	–	–	–	(2,911,818)	(2,911,818)
Issuance of common stock in connection with sales made under private or public offerings	118,013	117	156,839	–	156,956
Issuance of common stock as compensation to employees, officers and/or directors	550,000	550	754,450	–	755,000
Issuance of common stock in exchange for consulting, professional and other services	163,775	163	274,058	–	274,221
Balance, March 31, 2019	<u>28,585,098</u>	<u>\$ 28,705</u>	<u>\$ 24,071,971</u>	<u>\$ (8,752,553)</u>	<u>\$ 15,348,123</u>

The accompanying notes are an integral part of the consolidated financial statements.

**MEDICINE MAN TECHNOLOGIES, INC.**  
**STATEMENT OF CASH FLOWS**  
For the Three Months Ended March 31, 2019 and 2018  
Expressed in U.S. Dollars

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Net income for the period	\$ (2,911,818)	\$ 25,424
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	12,347	21,220
Common stock issued in exchange for fees and services	755,000	-
Derivative expense	375,983	-
Loss on change in derivative liabilities	335,036	-
Loss on investment, net	348,755	-
Stock based compensation	179,221	-
Changes in operating assets and liabilities		
Note receivable	-	(7,397)
Accounts receivable	910,093	(41,173)
Inventory	117,590	(165)
Prepaid expenses and other current assets	(67,356)	(41,968)
Operating lease right of use assets and liabilities	(22,613)	-
Accounts payable and other liabilities	341,313	(254,755)
<b>Net cash used from operating activities</b>	<u>373,551</u>	<u>(298,814)</u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(1,960)	(9,036)
Purchase of intangible assets	(6,000)	-
Short term debt	-	(58,280)
Issuance of notes receivable	(144,358)	-
<b>Net cash used in investing activities</b>	<u>(152,318)</u>	<u>(67,316)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net of issuance costs	156,958	-
<b>Net cash earned for financing activities</b>	<u>156,958</u>	<u>-</u>
Net decrease in cash and cash equivalents	378,191	(366,130)
Cash and cash equivalents - beginning of period	321,788	748,715
<b>Cash and cash equivalents - end of period</b>	<u>\$ 699,979</u>	<u>\$ 382,585</u>

See accompanying notes to the financial statements



**MEDICINE MAN TECHNOLOGIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Organization and Nature of Operations:**

*Business Description – Business Activity:* Medicine Man Technologies Inc. (the "Company") is a Nevada corporation incorporated on March 20, 2014. The Company is a cannabis consulting company providing services related to cost-efficient cannabis cultivation technologies focusing on quality as well as safety, retail operations related to the delivery of cannabis related products, and other related business lines as described in our operating strategic vision outlined below.

**1. Liquidity and Capital Resources:**

*Cash Flows* – During the quarters ending March 31, 2019 and 2018, the Company primarily used revenues from its operation supplemented by cash to fund its operations.

Cash and cash equivalents are carried at cost and represent cash on hand, deposits placed with banks or other financial institutions and all highly liquid investments with an original maturity of three months or less as of the purchase date. The Company had \$699,979 and \$321,788 classified as cash and cash equivalents as of March 31, 2019, and December 31, 2018, respectively.

The Company has recently elected to accelerate its organic growth path through additional marketing, team development, synergistic acquisitions, and other corporate activities wherein it expects to generate negative cash flow and an additional demand for capital to fuel such growth.

The Company has commenced legal action against a client for breach of contract, adding a significant value into its receivables for fees that had been booked due to forbearance grants by the Company that were subsequent violated, causing the Company to increase its receivables accordingly (see Part II, Item 1, Legal Proceedings).

**2. Critical Accounting Policies and Estimates:**

*Basis of Presentation:* These accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission for annual financial statements.

*Fair Value Measurements:* Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments include cash, accounts receivable, note receivable, accounts payables and tenant deposits. The carrying values of these financial instruments approximate their fair value due to their short maturities. The carrying amount of the Company's debt approximates fair value because the interest rates on these instruments approximate the interest rate on debt with similar terms available to us. The Company's derivative liability was adjusted to fair market value at the end of each reporting period, using Level 3 inputs.

The following is the Company's assets and liabilities measured at fair value on a recurring and nonrecurring basis at March 31, 2019 and December 31, 2018, using quoted prices in active markets for identical assets (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3):

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
Level 3 – Non-Marketable Securities – Non-recurring	\$ 1,850,589	\$ 2,199,344

*Non-Marketable Securities at Fair Value on a Nonrecurring Basis:* Certain assets are measured at fair value on a nonrecurring basis. The level 3 position consist of investments accounted for under the cost method. The Level 3 position consists of investments in equity securities held in private companies.

*Use of Estimates:* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that differ from these estimates.

*Accounts receivable:* The Company extends unsecured credit to its customers in the ordinary course of business. Accounts receivable related to licensing and consulting revenues are recorded at the time the milestone result in the funds being due being achieved, services are delivered, and payment is reasonably assured. Licensing and consulting revenues are generally collected from 30 to 60 days after the invoice is sent. As of March 31, 2019, and December 31, 2018, the Company had accounts receivable of \$1,677,287 and \$2,587,380, respectively. Due to the low volume of write offs, the Company uses the direct write off method versus having an allowance for uncollectible debts. The Company did not write off any of its accounts receivable in either of the three-month periods ending March 31, 2019 or 2018.

The Company has commenced legal action against a client for breach of contract, adding a significant value into its receivables for fees that had been booked due to forbearance grants by the Company that were subsequent violated, causing the Company to increase its receivables accordingly (see Part II, Item 1, Legal Proceedings). The Company continues to accrue values for fees it would normally be earning during this quarter and as related to the ongoing legal action it initiated after the Client in question refused to pay fees due the Company in accordance with the Client acknowledged executed agreement. At March 31, 2019 and December 31, 2018, the accounts receivable for this matter totaled \$1,281,511 and \$1,281,511, respectively, and the revenue earned as of December 31, 2018 is \$1,518,099. Further, the Company provided services to this Client for a period of thirteen months, agreeing conditionally to three modifications in December of 2017, March of 2018, and May of 2018 to forego certain revenue sharing payments in accordance with the agreement with the Client, which the Client subsequently violated. In July 2018, the Company engaged legal counsel in Clark County Nevada to pursue the default and collect the payments due the Company pursuant to the terms of the agreement with the Client. (See Part II, Item 1, Legal Proceedings).

*Notes receivable:* On July 17, 2018, the Company entered into an intellectual property license agreement with Abba Medix Corp. (AMC), a wholly-owned subsidiary of a publicly-traded company Canada House Wellness Group, Inc. (CHV). The Company agreed to provide a lending facility to AMC in CAD\$125,000 increments of up to CAD\$500,000. The lending facilities shall bear an initial interest rate at 5.50% (representing United States Prime) and carry a term of 24 months, unless otherwise amended by both parties.

As of March 31, 2019 and December 31, 2018, the Company loaned to AMC a total of \$325,000 CAD or \$237,246, and \$125,000 CAD or \$92,888, respectively. The Company classified these loans as long-term notes receivable on its consolidated balance sheets as of March 31, 2019, and December 31, 2018, respectively.

*Other assets (current and non-current):* Other assets at March 31, 2019, and December 31, 2018 were \$121,456 and \$50,824, respectively and as of March 31, 2019 this balance included \$102,006 in prepaid expenses and \$19,450 in two security deposits.

*Accounts payable:* Accounts payable at March 31, 2019, and December 31, 2018 was \$804,688 and \$273,827, respectively and were comprised of operating accounts payable for various professional services incurred during the ordinary course of business.

*Accrued expenses and other liabilities:* Accrued expenses and other liabilities at March 31, 2019, and December 31, 2018 were \$224,183 and \$291,084, respectively. At March 31, 2019, this was comprised of customer deposits of \$163,568, accrued payroll of \$56,669, and operating expenses of \$3,946.

At December 31, 2018, this was comprised of \$163,568 in customer deposits, \$21,330 in deferred rent expense and \$106,185 in accrued payroll.

*Fair Value of Financial Instruments:* The carrying amounts of cash and current assets and liabilities approximate fair value because of the short-term maturity of these items. These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates. Available for sale securities are recorded at current market value as of the date of this report.

*Revenue recognition and related allowances:* Our revenue recognition policy is significant because the amount and timing of revenue is a key component of our results of operations. Certain criteria are required to be met in order to recognize revenue. If these criteria are not met, then the associated revenue is deferred until it is met. When consideration is received in advance of the delivery of goods or services, a contract liability is recorded. Our revenue contracts are identified when accepted from customers and represent a single performance obligation to sell our products to a customer.

The Company has five main revenue streams, product sales, licensing and consulting, cultivation max, reimbursements, investment and others.

Revenue from cultivation max, licensing and consulting services is recognized when the obligations to the client are fulfilled which is determined when milestones in the contract are achieved.

Product Sales are recorded at the time that control of the products is transferred to customers. In evaluating the timing of the transfer of control of products to customers, we consider several indicators, including significant risks and rewards of products, our right to payment, and the legal title of the products. Based on the assessment of control indicators, sales are generally recognized when products are delivered to customers.

Revenue from seminar fees is related to one-day seminars and is recognized as earned at the completion of the seminar. The Company also recognizes expense reimbursement from clients as revenue for expenses incurred during certain jobs.

Product Sales are recorded at the time that control of the products is transferred to customers. In evaluating the timing of the transfer of control of products to customers, we consider several indicators, including significant risks and rewards of products, our right to payment, and the legal title of the products. Based on the assessment of control indicators, sales are generally recognized when products are delivered to customers.

*Costs of Goods and Services Sold* – Costs of goods and services sold are comprised of related expenses incurred while supporting the implementation and sales of Company's products and services.

*General & Administrative Expenses* – General and administrative expense are comprised of all expenses not linked to the production or advertising of the Company’s services.

*Advertising and Marketing Costs:* Advertising and marketing costs are expensed as incurred and were \$55,401 and \$49,144 during the quarter ended March 31, 2019 and 2018, respectively.

*Stock based compensation:* The Company accounts for share-based payments pursuant to ASC 718, “Stock Compensation” and, accordingly, the Company records compensation expense for share-based awards based upon an assessment of the grant date fair value for stock and restricted stock awards using the Black-Scholes option pricing model.

Stock compensation expense for stock options is recognized over the vesting period of the award or expensed immediately under ASC 718 and EITF 96-18 when stock or options are awarded for previous or current service without further recourse. The Company issued stock options to contractors and external companies that had been providing services to the Company upon their termination of services. Under ASC 718 and EITF 96-18 these options were recognized as expense in the period issued because they were given as a form of payment for services already rendered with no recourse.

Share based expense paid to through direct stock grants is expensed as occurred. Since the Company’s stock has become publicly traded, the value is determined based on the number of shares issued and the trading value of the stock on the date of the transaction. Prior to the Company’s stock being traded the Company used the most recent valuation. The Company recognized \$1,029,221 in expenses for stock-based compensation to employees and consultants during the three months ended March 31, 2019.

*Income taxes:* The Company has adopted SFAS No. 109 – “Accounting for Income Taxes”. ASC Topic 740 requires the use of the asset and liability method of accounting for income taxes. Under the asset and liability method of ASC Topic 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

*Management fee contracts:* In February 2017, the Company entered into a Merger Agreement with Pono Publications Ltd. (“Pono”), as well as a Share Exchange Agreement with Success Nutrients, Inc. (“SN”), each a Colorado corporation, in order to facilitate the acquisition of both of these entities. The ratification of the acquisition of these companies requires the approval of the holders of a majority of the Company’s shareholders, which was submitted for such approval at the Company’s annual shareholder meeting held on May 2017. The relevant agreements provide that the effective date for accounting purposes would be April 1, 2017. Success Nutrients became a wholly owned subsidiary of Medicine Man Technologies, Inc. and the business conducted by Pono was incorporated into a newly formed wholly owned subsidiary, Medicine Man Consulting, Inc., which is also where the Company continues to conduct its consulting service business.

### 3. **Recent Accounting Pronouncements**

*FASB ASU 2016-02 “Leases (Topic 842)”* – In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) (“ASU 2016-02”). ASU 2016-02 increases transparency and comparability among organizations by requiring lessees to record right-to-use assets and corresponding lease liabilities on the balance sheet and disclosing key information about lease arrangements. The new guidance will classify leases as either finance or operating (similar to current standard’s “capital” or “operating” classification), with classification affecting the pattern of income recognition in the statement of income. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. The Company has adopted this pronouncement and has reflected the value of all leases within the Balance Sheet of the Company.

*FASB ASU 2016-15 “Statement of Cash Flows (Topic 230)”* – In August 2016, the FASB issued 2016-15. Stakeholders indicated that there is a diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. This ASU is effective for annual reporting periods beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. Adoption of this ASU did not have a significant impact on our statement of cash flows.

*FASB ASU 2017-01 “Clarifying the Definition of a Business (Topic 805)”* – In January 2017, the FASB issued 2017-1. The new guidance that changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The guidance requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets; if so, the set of transferred assets and activities is not a business. The guidance also requires a business to include at least one substantive process and narrows the definition of outputs by more closely aligning it with how outputs are described in ASC 606. The ASU is effective for annual reporting periods beginning after December 15, 2017, and for interim periods within those years. Adoption of this ASU did not have a significant impact on our consolidated results of operations, cash flows and financial position.

**4. Stockholders’ Equity:**

At December 31, 2018, the Company had 27,753,310 shares of common stock outstanding.

On January 2, 2019, the Company issued 82,525 shares of common stock to a vendor in conjunction with services rendered valued at \$111,409.

On January 8, 2019, the Company granted to an officer of the Company, Paul Dickman, 500,000 shares of common stock, valued at \$660,000.

On February 1, 2019, the Company issued 31,250 shares of common stock to a vendor in conjunction with services rendered valued at \$67,812.

On March 14, 2019, the Company granted 50,000 shares of common stock to James Toreson upon his resignation as a member of its board of directors for his service. Additionally, the Company issued 50,000 shares of its common stock to Mr. Toreson in connection with a consulting agreement having a service period extending through May 31, 2020. These shares were valued at \$190,000.

At March 31, 2019, the Company had 28,585,098 shares of common stock outstanding.

**5. Property and Equipment:**

Property and equipment are recorded at cost, net of accumulated depreciation and are comprised of the following:

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
Furniture & Fixtures	\$ 98,395	\$ 98,395
Marketing Display	36,900	36,900
Vehicles	34,000	34,000
Office Equipment	76,320	74,361
	<u>\$ 245,615</u>	<u>\$ 243,655</u>
Less: Accumulated Depreciation	(159,667)	(149,015)
	<u>\$ 85,948</u>	<u>\$ 94,640</u>

Depreciation on equipment is provided on a straight-line basis over its expected useful lives at the following annual rates.

Furniture & Fixtures	3 years
Marketing Display	3 years
Vehicles	3 years
Office Equipment	3 years

Depreciation expense for the three-month periods ending March 31, 2019 and 2018 was \$10,651 and \$19,591 respectively.

## 6. Intangible Asset

On May 1, 2014, the Company entered into a non-exclusive Technology License Agreement with Futurevision, Inc., f/k/a Medicine Man Production Corporation, a Colorado corporation, dba Medicine Man Denver (“Medicine Man Denver”), a company owned and controlled by affiliates of the Company, whereby Medicine Man Denver granted a license to use all of its proprietary processes it has developed, implemented and practiced at its cannabis facilities relating to the commercial growth, cultivation, marketing and distribution of medical marijuana and recreational marijuana pursuant to relevant state laws and the right to use and to license such information, including trade secrets, skills and experience (present and future). As payment for the license rights, the Company issued Medicine Man Denver (or its designees) 5,331,000 shares of the Company’s common stock. The Company accounted for this license in accordance with ASC 350-30-30 “Intangibles – Goodwill and Other by recognizing the fair value of the amount paid by the company for the asset at the time of purchase. Since the Company has a limited operating history, management determined to use par value as the value recognized for the transaction. Since the term of the initial license agreement is ten (10) years, the cost of the asset will be recognized on a straight-line basis over the life of the agreement. In addition, each period the Company will evaluate the intangible asset for impairment. As of March 31, 2019, no impairment was deemed necessary.

During 2017, the Company acquired two intangible assets, Product Agreement & Registration and a Trade Secret. These two intangible assets were acquired as part of the acquisition of Success and Pono on September 30, 2017. Refer to the Note 9 for further explanation of the purchase price accounting. The Company’s procurement of product registration during the year was within five states and Canada. The Company’s product was registered in California, Oregon, Colorado, Michigan, Arizona, Washington and Canada. The registration allows the Company to sell its product within the confines of that region. The registration fees capitalized are the initial costs to obtain the license. The licenses have nominal annual renewal costs. These subscriptions are amortized over a 15-year period.

During 2017, the Company acquired an intangible asset related to the development of a product nutrient recipe. The intellectual property is being amortized over its 15-year economic life. The intangible asset is considered an indefinite lived asset; however, the Company elected to treat it as an amortizable asset based upon its estimated useful life.

During 2017, the Company acquired an additional intangible asset, Product Agreement & Registration. The Company’s procurement of product registration during the year was within seven states. The Company’s product was registered in Florida, Illinois, Maine, Massachusetts, Minnesota, Nevada and Ohio. The registration allows the Company to sell their product within the confines of that region. The registration fees capitalized are the initial costs to obtain the license. The licenses have nominal annual renewal costs. These subscriptions are amortized over a 15-year period.

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
License Agreement	\$ 5,300	\$ 5,300
Product License and Registration	63,300	57,300
Trade Secret – IP	32,500	32,500
	<u>\$ 101,100</u>	<u>\$ 95,100</u>
Less: accumulated amortization	(15,599)	(13,903)
	<u>\$ 85,501</u>	<u>\$ 81,197</u>

Amortization expense for the periods ending March 31, 2019 and 2018 was \$1,696 and \$1,629, respectively.

**7. Derivative Liability:**

On January 8, 2019, the Company granted 500,000 shares of restricted common stock to an officer, which will vest upon the achievement of certain market condition milestones. The conditions for vesting require that the Company's stock price appreciate to \$8.00 per share with minimum average daily trading volume thresholds. The Company determined that these vesting conditions represent a derivative instrument. As of March 31, 2019, the fair value of this derivative liability is \$711,019.

**8. Related Party Transactions:**

During the three months ended March 31, 2019, the Company had sales from Super Farm LLC totaling \$190,120 and \$51,110 sales from De Best Inc. One of the officers of the Company, Joshua Haupt, currently owns 20% of both De Best and Super Farm. The Company gives a larger discount on nutrient sales to related parties than non-related parties. As of March 31, 2019, the Company had accounts receivable balance with Super Farm LLC totaling \$46,780 and \$13,660 accounts receivable from De Best Inc. During the three months ended March 31, 2019, the Company had discount of sales associated with Super Farm LLC totaling \$94,860 and \$25,055 from De Best Inc.

During the three months ended March 31, 2019, the Company had sales from Future Vision dba Medicine Man Denver totaling \$71,955 and discount of sales totaling \$36,178. As of March 31, 2019, the Company had an accounts receivable balance owed from Future Vision totaling \$33,392. As of March 31, 2019, the Company had sales from Med Pharm Holdings totaling \$11,995 and discount of sales totaling \$7,498. As of March 31, 2019, the Company had an accounts receivable balance owed from Med Pharm Holdings totaling \$3,227. Our Chief Executive Officer, Andy Williams, currently owns 38% of Future Vision dba Medicine Man Denver. Andy Williams also owns 10% of Med Pharm Holding.

**9. Goodwill and Acquisition accounting:**

On June 3, 2017, the Company issued an aggregate of 7,000,000 shares of its common stock for 100% ownership of both Success Nutrients and Pono Publications. The Company accounted for the acquisition utilizing purchase price accounting stating that net book value approximates fair market value of the assets acquired. The purchase price accounting resulted in \$6,301,080 of Goodwill. The ASC at 350-20-35-3A directs that "An entity may assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that the fair value of a reporting unit is less than its carrying amount, including goodwill. The Company had a valuation done at this time and the value exceeded the purchase price indicating that there would not be any impairment.

On July 21, 2017, the Company issued 2,258,065 shares of its Common Stock for 100% ownership of Denver Consulting Group ("DCG"). The Company accounted for the acquisition utilizing purchase price accounting stating that net book value approximates fair market value of the assets acquired. The purchase price accounting resulted in \$3,003,226 of Goodwill. The ASC at 350-20-35-3A directs that "An entity may assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that the fair value of a reporting unit is less than its carrying amount, including goodwill". The Company obtained an independent valuation of the DCG on September 27, 2017. The fair market value on September 27, 2017 of DCG was \$3,650,000, thus creating a fair market value greater than the carrying value of Goodwill. The ASC at 350-20-35-3D directs that "If an entity determines that it is not more likely that the fair value of a reporting unit is less than its carrying amount, then Goodwill impairment is unnecessary."

On September 17, 2018, we closed the acquisition of Two JS LLC, dba The Big Tomato, a Colorado limited liability company. ("Big T" or "Big Tomato"). The Company issued an aggregate of 1,933,329 shares of its common stock for 100% ownership of Big Tomato. The Company accounted for the transaction utilizing purchase price accounting stating that net book value approximates fair market value of the assets acquired. The purchase price accounting resulted in the Company valuing the investment as \$3,000,000 of Goodwill. At September 17, 2018, the Company's per share value of Common Stock was \$1.55. There is no requirement for Big Tomato to have independent audited financial statement for the prior two fiscal years and any interim periods because the aggregate value of the acquisition is less than 20% of the Company's current assets.

## Big Tomato Balance Sheet

	Book/Fair Value		Book/Fair Value
<i>Assets</i>		<i>Liabilities</i>	
<b>Inventory</b>	291,000	<b>Accounts payable</b>	272,266
<b>Other assets</b>	4,950	<b>Customer Deposits</b>	23,684
	295,950		295,950
<b>Purchase Price (1,933,329*1.5517)</b>			
		3,000,000	
<b>Less: BV of Assets</b>		(295,950)	
<b>Add: BV of Liabilities</b>		295,950	
<b>Goodwill</b>		3,000,000	

As of March 31, 2019, the Company's had Goodwill of \$12,304,306. This amount consisted of \$3,003,226 from the DCG acquisition, \$6,301,080 from the Pono and Success acquisition and \$3,000,000 from the Big Tomato acquisition. As of March 31, 2019, no impairment is necessary.

### 10. **Net Income (Loss) per Share:**

In accordance with ASC Topic 280 – "Earnings per Share", the basic earnings per common share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding. Diluted earnings per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. The Company's quarterly earnings for the period ended March 31, 2019 and 2018 basic and diluted (loss) earnings per share \$(0.10) and \$0.00, respectively.

### 11. **Inventory:**

As of March 31, 2019, and December 31, 2018, respectively, the Company had \$371,649 and \$489,239 of finished goods inventory. The Company only has finished goods within inventory because it does not produce any of its products. All inventory is produced by a third party. The Company uses the FIFO inventory valuation method. During 2019 and 2018, the Company had \$0 obsolescence within its inventory.

### 12. **Note Payable:**

As of March 31, 2019, and December 31, 2018, the Company had a note payable balance of \$0 and \$0, respectively. The Company had a note payable to an officer of the Company, Joshua Haupt. The balance of the note as of December 31, 2017 of \$58,280 was repaid in full during the quarter ended March 31, 2018.

### 13. **Leases:**

Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. For those leases with a term greater than one year, the Company recognizes on the balance sheet at the time of lease commencement or modification a right of use ("RoU") operating lease asset and a lease liability, initially measured at the present value of the lease payments. Lease costs are recognized in the income statement over the lease term on a straight-line basis. RoU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease.



The Company's lease population consists of real estate leases for office spaces. The Company elected to combine the lease and related non-lease components for its operating leases.

The Company's operating leases include options to extend or terminate the lease, which are not included in the determination of the RoU asset or lease liability unless reasonably certain to be exercised. The Company's operating leases have remaining lease terms of less than two years. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As the Company's leases do not provide an implicit rate, we used an incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. The discount rate used in the computations was 6%.

#### Balance Sheet Classification of Operating Lease Assets and Liabilities

	Balance Sheet Line	March 31, 2019
<b>Asset</b>		
Operating lease asset	Non-Current Assets	\$ 238,667
<b>Liabilities</b>		
Operating lease liability	Non-Current Liabilities	\$ 237,384

#### Lease Costs

The table below summarizes the components of lease costs for the three months ended March 31, 2019.

	Three Months Ended March 31, 2019
Operating lease costs	\$ 39,589

#### Maturities of Lease Liabilities

Maturities of lease liabilities as of March 31, 2019 are as follows:

2019 fiscal year	\$ 188,856
2020 fiscal year	67,904
Total lease payments	256,760
Less: Interest	(21,553)
Present value of lease liabilities	\$ 235,207

The following table presents the Company's future minimum lease obligation under ASC 840 as of December 31, 2018:

2019 fiscal year	\$ 248,808
2020 fiscal year	\$ 67,904

**14. Commitments and Concentrations:**

Over the past three years, the Company has supported legislation in Colorado to allow licensed cannabis companies in Colorado to trade their securities, provided they are reporting companies under the Securities Exchange Act of 1934, as amended. HB19-1090 titled, “Publicly Licensed Marijuana Companies” is currently under consideration in the Colorado legislature. The bill, if signed into law, repeals the provision that prohibits publicly traded corporations from holding a marijuana license in Colorado. Should this legislation be adopted we intend to acquire cannabis licensed companies within Colorado.

The Company has executed binding term sheets with three entities for potential acquisitions and has issued common stock purchase warrants to each to become effective for execution in the event that such legislation passes. The term sheets provide for the issuance of shares of common stock to the targets at an initial price per share of \$1.32, with the final price to be determined based on the fair market valuation, which is subject to an independent valuation assessment. The shares will be issued as part of the consideration to the acquisition targets, which acquisitions are subject to certain closing conditions.

Our Chief Executive Officer, Andrew Williams, serves as an officer/manager and has an ownership interest in each of the targets that are parties to the binding term sheets.

**15. Warrants:**

The Company issued one round of warrants related to various equity transactions that was approved by the Board on June 3, 2017 and issued on June 19, 2017. Since the terms were not established until June 19, 2017, the warrants were valued as of the date the terms were fixed. The Company accounts for its warrants issued in accordance with the US GAAP accounting guidance under ASC 480. The Company estimated the fair value of these warrants at the respective balance sheet dates using the Black-Scholes option pricing model, as described in the stock-based compensation paragraph of Note 2 above, based on the estimated market value of the underlying common stock at the valuation measurement date of \$1.50, the remaining contractual term of the warrant of 2.5 years, risk-free interest rate of 1.38% and expected volatility of the price of the underlying common stock of 126%. There is a moderate degree of subjectivity involved when using option pricing models to estimate the warrants and the assumptions used in the Black Scholes option-pricing model are moderately judgmental.

During the year ended December 31, 2017, the Company issued 1,500,566 common stock purchase warrants with an exercise price of \$1.33 per share, expiring on March 17, 2019. As of December 31, 2017, none of the warrants were exercised. The common stock purchase warrants have been accounted for as equity in accordance with FASB ASC 480, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company’s Own Stock, Distinguishing Liabilities from Equity.

During the period ended December 31, 2017, the Company issued 2,000,000 common stock purchase warrants to three employees of the Company with an exercise price of \$1.445 per share, expiring on December 31, 2019. As of March 31, 2018, all these warrants were exercised.

During the year ended December 31, 2018, the Company issued 250,000 common stock purchase warrants to one employee of the Company with an exercise price of \$1.49 per share for a period of time expiring on December 31, 2021. The Company accounts for the warrant in accordance with the US GAAP accounting guidance under ASC 480. We estimated the fair value of these warrants at the respective balance sheet dates using the Black-Scholes option pricing model based on the estimated market value of the underlying common stock at the valuation measurement date of \$1.49, the remaining contractual term of the warrant of 3 years, risk-free interest rate of 2.48% and expected volatility of the price of the underlying common stock of 126%. There is a moderate degree of subjectivity involved when using option pricing models to estimate the warrants and the assumptions used in the Black Scholes option-pricing model are moderately judgmental.

	<u>Number of shares</u>
Balance as of January 1, 2019	2,647,461
Warrants forfeited	(1,500,566)
Balance as of March 31, 2019	1,146,895

16. **Segment Information:**

The Company has two identifiable segments as of March 31, 2019; licensing/consulting and products. The products segment sells merchandise directly to customers via e-commerce portals, through our proprietary websites and retail location. The licensing/consulting segment sales derives its revenue from licensing/consulting agreements with cannabis related entities. The following information represents segment activity for the three-month periods ended March 31, 2019 and 2018.

	<b>For the Three Months Ended March 31,</b>					
	<b>2019</b>			<b>2018</b>		
	<b>Products</b>	<b>Licensing and Consulting</b>	<b>Total</b>	<b>Products</b>	<b>Licensing and Consulting</b>	<b>Total</b>
Revenues	\$ 1,578,307	\$ 425,169	\$ 2,003,476	\$ 459,335	\$ 751,702	\$ 1,211,037
Intangible assets amortization	\$ 1,563	\$ 133	\$ 1,696	\$ 1,496	\$ 133	\$ 1,629
Depreciation	\$ 1,700	\$ 8,951	\$ 10,651	\$ 1,700	\$ 17,891	\$ 19,591
Income (loss) from operations	\$ (57,687)	\$ (2,854,131)	\$ (2,911,818)	\$ (71,561)	\$ 89,588	\$ 18,027
Segment assets	\$ 5,212,682	\$ 12,551,669	\$ 17,764,351	\$ 566,681	\$ 10,820,260	\$ 11,386,941

17. **Tax Provision:**

The company utilizes FASB ASC 740, "Income Taxes" which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company generated a deferred tax credit through net operating loss carry forwards. The Company had no tax provisions as of March 31, 2019 and December 31, 2018. The company had a net loss during the quarter ended March 31, 2019, increased the net loss carryforward.

18. **Subsequent events:**

In accordance with FASB ASC 855-10 Subsequent Events, the Company has analyzed its operations subsequent to March 31, 2019 to the date these consolidated financial statements were issued, and has determined that it does not have any material subsequent events to disclose in these consolidated financial statements.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion should be read in conjunction with our consolidated financial statements and notes thereto included herein. In connection with, and because we desire to take advantage of, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we caution readers regarding certain forward-looking statements in the following discussion and elsewhere in this report and in any other statement made by, or on our behalf, whether or not in future filings with the Securities and Exchange Commission. Forward looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on our behalf. We disclaim any obligation to update forward looking statements.*

### **Overview**

We were incorporated on March 20, 2014, in the State of Nevada. On May 1, 2014, we entered into an exclusive Technology License Agreement with Medicine Man Denver, Inc., f/k/a Medicine Man Production Corporation, a Colorado corporation ("Medicine Man Denver") whereby Medicine Man Denver granted us a license to use all of their proprietary processes they have developed, implemented and practiced at its cannabis facilities relating to the commercial growth, cultivation, marketing and distribution of medical marijuana and recreational marijuana pursuant to relevant state laws and the right to use and to license such information, including trade secrets, skills and experience (present and future) (the "Medicine Man Denver License Agreement").

We commenced our business on May 1, 2014 and currently generate revenues derived from licensing agreements with cannabis related entities, as well as sponsoring seminars offered to the cannabis industry and other business endeavors related to our core competencies. As of the date of this report we have or have had 45 fee generating clients in 14 different states.

We are a cannabis consulting company providing services related to cost efficient cannabis cultivation technologies focusing on quality as well as safety, retail operations related to the delivery of cannabis related products, and other related business lines as described in our operating strategic vision.

We have never been subject to any bankruptcy proceeding. Our executive offices are located at 4880 Havana Street, Suite 201 South, Denver, Colorado 80239, telephone (303) 371-0387. Our website address is [www.medicinemantechologies.com](http://www.medicinemantechologies.com).

### **RESULTS OF OPERATIONS**

#### *Comparison of Results of Operations for the three months ended March 31, 2019 and 2018*

During the three months ended March 31, 2019, we generated revenues of \$2,003,476, including product sales of \$1,544,300, consulting and licensing services of \$452,380, and other operating revenues of \$6,796 as compared with the three months ended March 31, 2018, where we generated revenues of \$1,211,037, of which \$459,335 was related to product sales, \$717,527 was related to consulting and licensing services, and \$34,175 was related to other operating revenues. In comparison to the March 31, 2018, consulting and licensing revenues, were consistent quarter over quarter. Overall revenue increased during this three-month period over that of the prior year by 165% of \$792,439.

Cost of goods and services, consisting of expenses related to delivery of services and product procurement, was \$1,598,712 during the three months ended March 31, 2019, compared to \$373,518 during the comparable period in 2018. This increase was due to the increase in sales of goods and increase in salaries for the period.

Operating expenses during the three months ended March 31, 2019, were \$2,632,791 consisting of professional fees of \$1,901,764, salaries and bonuses of \$435,721, and general and administrative expense of \$295,306, compared to operating expenses of \$819,492 incurred during the three months ended March 31, 2018, an increase of \$1,813,299. The increase in operating expenses during the three-month period ended March 31, 2019 were primarily attributable to salaries and related expenses, professional fees and as well as the cost increase of additional staff needed to service our expanding client base as reflected in our operating expense category.

As a result, we generated a net loss of \$2,911,818 during the three months ended March 31, 2019 (or a loss of approximately \$0.10 per share), compared to net income of \$25,424 during the three months ended March 31, 2018.

#### **LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2019, we had \$699,979 in cash on hand.

Net cash provided by operating activities was \$373,551 during the three-month period ended March 31, 2019, compared to cash used from operating activities of \$(298,814) for the similar period in 2018, an increase of \$664,968.

Cash flows used for investing activities was \$152,318 during the three-month period ended March 31, 2019, compared to cash used of \$67,316 for the similar period in 2018.

Cash flows from financing activities was \$156,958 during the three-month period ended March 31, 2019, compared to \$0 for the similar period in 2018. In 2018 the Company received proceeds of \$1,000,000 from the private sale of our common stock.

While no assurances can be provided, we believe we will generate positive cash flow from our operations in 2019. If we are successful in achieving this objective, of which there can be no assurance, we do not believe we will need to raise any additional capital and that the revenue generated will be sufficient to allow us to implement our current business plan. However, if we do not generate positive cash flow, or we identify an acquisition which we believe will significantly impact our business operations in a positive manner, or unforeseen developments occur, we may need to raise additional capital, either debt, equity or both. At this time, we are unable to state how much capital we will need. As of the date of this Report we have no commitment from any investor or investment-banking firm to provide us with any funding and there can be no assurances we will obtain such funding in the future. Failure to obtain this additional financing may have a material negative impact on our ability to generate profits on a regular basis in the future.

#### ***Inflation***

Although our operations are influenced by general economic conditions, we do not believe that inflation had a material effect on our results of operations during the three-month period ended March 31, 2019.

#### ***Off-Balance Sheet Arrangements***

We had no off-balance sheet arrangements as of March 31, 2019 and December 31, 2018.

### ***Critical Accounting Estimates***

Our financial statements and accompanying notes have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect reported amounts of assets, liabilities, revenues and expenses. We continually evaluate the accounting policies and estimates used to prepare the condensed financial statements. The estimates are based on historical experience and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates made by management. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial position are discussed in our Annual Report on Form 10-K for the year ended December 31, 2018 in the Critical Accounting Policies section of Management’s Discussion and Analysis of Financial Condition and Results of Operations.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

Not applicable

### **Item 4. Controls and Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Interim Chief Financial Officer of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based upon this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is: (i) recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms, and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Interim Chief Financial Officer, or person performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Interim Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) as of the end of the period covered by this Report.

#### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the last quarterly period covered by this report that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. *Legal Proceedings.*

On July 6, 2018, we filed a complaint in the Eight Judicial Court, Clark County, Nevada against Vegas Valley Growers ("VVG"). Within the complaint, the Company alleges the breach by VVG of that certain Technologies License Agreement dated April 27, 2017 entered into between the parties and seeks general, special, and punitive damages in the amount of \$3,876,850.14. On August 28, 2018, VVG filed an Answer and Counterclaim against the Company. A jury trial has been set for July 1, 2019. MMT intends to diligently pursue the suit and defend against the Counterclaim.

### Item 1A. *Risk Factors*

As a smaller reporting company, we are not required to provide the information required by this Item.

### Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

During the three months ended March 31, 2019, we issued an aggregate 118,013 shares of our Common Stock to accredited investors for gross proceeds of \$156,956.

Also, during the three months ended March 31, 2019, we issued an aggregate of 550,000 shares of our Common Stock valued at \$755,000 to directors of our Company for board service and an aggregate of 163,775 shares of our Common Stock valued at \$274,221 to contractors for services rendered.

The Company relied upon an exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, and/or Regulation D promulgated under the Securities Act of 1934, as amended, in connection with the foregoing issuances.

### Item 3. *Defaults upon Senior Securities*

None.

### Item 5. *Other Information*

None.

### Item 6. *Exhibits*

31.1 [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Executive Officer](#)

31.2 [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Financial Officer](#)

32 [Chief Executive Officer and Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

101.INS XBRL Instance Document\*

101.SCH XBRL Schema Document\*

101.CAL XBRL Calculation Linkbase Document\*

101.DEF XBRL Definition Linkbase Document\*

101.LAB XBRL Label Linkbase Document\*

101.PRE XBRL Presentation Linkbase Document\*

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\* (Previously filed)

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned thereunder duly authorized.

Dated: May 23, 2019

**MEDICINE MAN TECHNOLOGIES, INC.**

By: /s/ Andrew Williams  
Andrew Williams, Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Paul Dickman  
Paul Dickman, Interim Chief Financial Officer  
(Principal Financial and Accounting Officer)



**CERTIFICATION PURSUANT TO  
18 USC, SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002**

I, Andrew Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Medicine Man Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedure to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 23, 2019

/s/ Andrew Williams  
Andrew Williams, Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO  
18 USC, SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002**

I, Andrew Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Medicine Man Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedure to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 23, 2019

/s/ Paul Dickman  
Paul Dickman, Chief Financial Officer  
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO  
18 USC, SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report of Medicine Man Technologies, Inc. (the "Company") on Form 10-Q/A for the quarter ended March 31, 2019, as filed with the Securities and Exchange Commission on April 16, 2019 (the "Report"), we, the undersigned, in the capacities and on the date indicated below, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

1. The Report fully complies with the requirements of Rule 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 23, 2019

/s/ Andrew Williams  
Andrew Williams, Chief Executive Officer  
(Principal Executive Officer)

Dated: May 23, 2019

/s/ Paul Dickman  
Paul Dickman, Chief Financial Officer  
(Principal Financial and Accounting Officer)