UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 20, 2020**

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

Nevada	001-36868	46-5289499
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4880 Havana Street, Suite 201 Denver, Colorado	80239
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code **(303) 371-0387**

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 (*see* General Instructions A.2. below):

[_] 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).
Emerging growth company [X]

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. [X]

Section 2 Financial Information

Item 2.01. Completion of Acquisition or Disposition of Assets.

On April 24, 2020, Medicine Man Technologies, Inc., operating its business under the trade name Schwazze (the "Company") filed a Form 8-K in connection with the completion of the Agreement and Plan of Merger (the "Merger Agreement") with Mesa Organics, Ltd ("Mesa"). Upon consummation of the Merger, the Company acquired ownership of Mesa's subsidiaries, which are in the business of owning and operating certain marijuana establishments in the state of Colorado, pursuant to the MED and local licenses.

This Form 8-K/A amends the Form 8-K the Company filed on April 24, 2020 to include (i) unaudited financial statements as of, and for the three months ended, March 31, 2020 of Mesa, (ii) audited financial statements as of, and for the year ended, December 31, 2019 of Mesa, and (iii) unaudited pro forma condensed combined financial information of the Company giving effect to the Mesa Merger Agreement, required by Items 9.01(a) and 9.01(b) of Form 8-K.

Section 9 Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

1. The unaudited financial statements of Mesa and the notes thereto, for the three months ended March 31, 2020 and 2019, are included as Exhibit 99.1 hereto and are incorporated herein by reference.

2. The audited financial statements of Mesa and the notes thereto, for the year ended December 31, 2019, are included as Exhibit 99.1 hereto and are incorporated herein by reference.

(b) Pro Forma Financial Information

The following unaudited pro forma condensed combined financial information of the Company, giving effect to the Mesa Merger, is included in Exhibit 99.2 hereto and is incorporated herein by reference:

1. Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2020;

2. Unaudited Pro Forma Condensed Combined Statement of Operations for the three months ended March 31, 2020; and

3. Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2019.

(d) Exhibits

Exhibit No.	Description
99.1	Mesa Organics, Ltd. Unaudited Financial Statements for the three months ended March 31, 2020 and 2019 and the Audited Financial Statements for the year ended December 31, 2019.
99.2	Unaudited Pro Forma Condensed Combined Financial Information.

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.

July 2, 2020
Date

By: */s/ Justin Dye*
Justin Dye. Chief Executive Officer
(Principal Executive Officer)

By: */s/ Nancy Huber*
Nancy Huber, Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 99.1

MESA ORGANICS, LTD.
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2020 AND 2019 (Unaudited)
AND THE YEAR ENDED DECEMBER 31, 2019

MESA ORGANICS, LTD.
INDEX TO FINANCIAL STATEMENTS

Independent Auditor's Report

To the shareholders and board of directors of Mesa Organics, LTD (DBA as Purplebee's)

Report on the Financial Statements

We have audited the accompanying consolidated balance sheet of Mesa Organics, LTD (the "Company") as of December 31, 2019, the related statements of operations, stockholders' equity (deficit), and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

Going Concern Uncertainty

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company's lack of liquidity raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the results of its operations and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

/s/ B F Borgers CPA PC
Certified Public Accountants
Lakewood, CO

July 2, 2020

MESA ORGANICS, LTD.
CONSOLIDATED BALANCE SHEETS

	March 31, 2020 (unaudited)	December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 472,445	$ 199,306
Accounts receivable, net of allowance for doubtful accounts	732,665	580,637
Inventory	2,121,253	1,282,040
Other current assets	36,447	86,447
Total current assets	3,362,810	2,148,430
Non-current assets		
Intangible assets (net)	17,315	17,315
Property, plant, and equipment (net)	1,638,082	1,653,977
Total non-current assets	1,655,397	1,671,292
Total assets	$ 5,018,207	$ 3,819,722
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 2,331,141	$ 1,248,604
Other current liabilities	637,088	930,622
Total current liabilities	2,968,229	2,179,226
Non-current liabilities		
Note(s) payable	196,831	271,828
Total non-current liabilities	196,831	271,828
Total liabilities	3,165,060	2,451,054
Stockholder's equity (deficit)		
Additional paid-in capital	1,202,164	753,548
Accumulated equity (deficit)	404,887	(1,675,509)
Net income	246,096	2,290,629
Total stockholder's equity (deficit)	1,853,147	1,368,668
Total liabilities and member's equity	$ 5,018,207	$ 3,819,722

See accompanying notes to financial statements.

MESA ORGANICS, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2020 (unaudited)	Three Months Ended March 31, 2019 (unaudited)	Year Ended December 31, 2019
Revenues			
Retail	$ 2,356,997	$ 181,067	$ 1,269,835
Wholesale	321,144	1,033,153	6,573,476
Total revenue	2,678,141	1,214,220	7,843,311
Cost of goods sold			
Cost of goods sold	1,869,034	531,363	4,110,953
Total cost of goods sold	1,869,034	531,363	4,110,953
Gross profit	809,107	682,857	3,732,358
Operating Expenses			
Depreciation expenses	100,618	93,367	357,664
General and administrative	426,289	202,079	863,898
Payroll	36,104	39,801	169,357
Total operating expenses	563,011	335,247	1,390,919
Net income before other expenses	246,096	347,610	2,341,439
Other expense			
Gain (loss) on asset sale	–	–	(50,810)
Net income	$ 246,096	$ 347,610	$ 2,290,629

See accompanying notes to financial statements.

MESA ORGANICS, LTD.
STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31,		Year Ended December 31,
	2020 (unaudited)	2019 (unaudited)	2019
Cash Flows From Operating Activities			
Net income	$ 246,096	$ 347,610	$ 2,290,629
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation expense	100,618	93,367	357,664
Changes in operating assets and liabilities:			
Accounts receivable	(152,028)	132,318	(202,650)
Inventories	(839,213)	(731,560)	(1,176,543)
Other current assets	50,000	–	(85,540)
Accounts payable and accrued liabilities	1,082,537	(281,488)	423,083
Other current liabilities	(293,534)	683,479	(57,491)
Total Adjustments	(51,620)	(103,884)	(741,477)
Net Cash Provided By (Used In) Operating Activities	194,476	243,726	1,549,152
Cash Flows From Investing Activities			
Investment in leasehold improvements – cash	–	–	(5,559)
Investment in retail store license – cash	–	–	(50,000)
Purchase of land and buildings – cash	–	–	(45,753)
Purchase of equipment – cash	–	–	(285,491)
Purchase of equipment – exchange	–	–	(81,657)
Purchase of equipment - financed	–	–	(55,564)
Purchase of equipment – in kind exchange	(84,724)	(29,416)	26,706
Proceeds on sale of asset(s)	–	–	–
Net Cash Provided By (Used In) Investing Activities	(84,724)	(29,416)	(497,317)
Cash Flows From Financing Activities			
Owner contribution	448,616	345,033	–
Owner draw	(210,232)	(13,484)	(210,019)
Equity transfer(s) to Parco Properties	–	–	(699,921)
Repayment of notes payable	(74,997)	(470,000)	(160,003)
Net Cash Provided By (Used In) Financing Activities	163,387	(138,451)	(1,069,943)
Net Increase (Decrease) In Cash	273,139	75,859	(17,776)
Cash - Beginning	199,306	217,989	217,082
Cash - Ending	$ 472,445	$ 293,848	$ 199,306

See accompanying notes to financial statements.

NOTE 1. NATURE OF OPERATIONS

Mesa Organics, LTD ("Mesa") and/or ("the Company") was organized in the state of Colorado on October 26, 2014. In December 2016, the Company filed the tradename Purplebee's in the state of Colorado and began to do business under the name of Purplebees. Mesa was organized in order to produce and sell cannabis infused products utilizing pure Carbon Dioxide (CO2) extracts in the state of Colorado.

Included in these consolidated financial statements are the financial statements for the following entities Mesa Organics II, Ltd ("Mesa II"), Mesa Organics III, Ltd ("Mesa III"), and Mesa Organics IV, Ltd ("Mesa IV") all of which are Colorado Limited Liability companies.

On May 31, 2019, Medicine Man Technologies, Inc. ("Medicine Man"), a Colorado corporation, dba Schwazze ("Schwazze"), entered into binding term sheets with Mesa, Mesa II and Mesa III (known collectively as "MesPur"), to acquire 100% of the assets and equity of each. The purchase was expected to have a total price of $12,012,758, subject to adjustment at closing, consisting of a combination of cash and shares of Schwazze's common stock. The number of shares of Schwazze is to be determined by averaging the closing price of Schwazze's common stock for the ten (10) days prior to the execution date. Subsequent to closing the transaction, Schwazze included Mesa IV as part of the acquisition.

In November 2019, the Schwazze, Mesa, James L. Parco, Mary Parco entered into an Agreement and Plan of Merger, subject to completion upon the delivery of certain items, including audited financial statements.

On April 20, 2020, the acquisition of MesPur by Schwazze was completed, the final purchase consideration is to be approximately $2.6 million cash and 2.6 million shares of the common stock of Schwazze.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Principles of Consolidation

All significant intercompany accounts and transactions have been eliminated in the consolidation. All financial information has been prepared in conformity with U.S. GAAP.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable are recognized at their net realizable value. All accounts receivable are trade related, recorded at the invoiced amount, and do not bear interest. The Company maintains allowances for doubtful accounts receivable for estimated uncollectible invoices resulting from a customer's inability to pay (bankruptcy, out of business, etc., i.e. "bad debt" which results in write-offs).

Other Current Assets

At December 31, 2019 and March 31, 2020, other current assets were $86,447 and $36,447, respectively. Other current assets consisted solely of undeposited funds, those customer payments that were recognized and received prior to December 31, 2019 and March 31, 2020, but not deposited.

Property and Equipment

Property and equipment acquisitions are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are charged to expenses on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

Intangible Assets

Intangible assets have either an identifiable or indefinite useful life. Intangible assets with identifiable useful lives are amortized on a straight-line basis over their economic or legal life, whichever is shorter. The Company's amortizable intangible assets consist of business startup costs including licensing and registration fees.

Long-lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the periods ended December 31, 2019 and March 31, 2020.

Fair Value

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, accounts payables, and notes payables. 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.

Income Taxes

The Companies are limited liability companies under IRS Code, all of which are taxed similar to a partnership. As such, in lieu of corporate income tax, the partners or members of the owners are taxed on their proportionate share of the owners' income (loss). Accordingly, no provision for income taxes has been made in the accompanying combined financial statements.

Revenue Recognition

The Company adopted Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP, on January 1, 2018. The Company recognizes revenues, net of sales incentives and sales returns, including shipping and handling charges billed to customers, upon delivery of goods to the customer—at which time the Company's performance obligation is satisfied—at an amount that the Company expects to be entitled to in exchange for those goods in accordance with the five-step analysis outlined in Topic 606: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations, and (v) recognize revenue when (or as) performance obligations are satisfied.

Cost of Goods Sold

Cost of goods sold consists of those expenses that are incurred in supporting the sale of our goods.

Shipping and Handling Costs

Shipping and handling costs of $0, $2,320, and $0 for March 31, 2019, December 31, 2019, and March 31, 2020, respectively, are included in cost of goods sold.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred and totaled $2,665, $13,691, and $5,696 for the periods ended March 31, 2019, December 31, 2019, and March 31, 2020, respectively.

Recently Issued Accounting Standards

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations except as noted below:

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes Topic 840, *Leases*. ASU 2016-02 requires a lessee to recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset (the lease asset) for the lease term. For leases with a term of 12 months or less for which there is not an option to purchase the underlying asset that the lessee is reasonably certain to exercise, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities and should recognize lease expense for such leases generally on a straight-line basis over the lease term. Certain qualitative disclosures along with specific quantitative disclosures will be required so that users are able to understand more about the nature of an entity's leasing activities. ASU 2016-02 is effective for private companies with fiscal years beginning after December 15, 2020, including interim periods within those fiscal years, with early adoption permitted. At transition, lessees are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients related to the identification and classification of leases that commenced before the effective date of ASU 2016-02. An entity that elects to use the practical expedients will, in effect, continue to account for leases that commenced before the effective date in accordance with previous GAAP unless the lease is modified, except that lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous GAAP.

In July 2018, the FASB issued *ASU 2018-11*, *Leases (Topic 842): Targeted Improvements*, providing entities with an additional, optional transition method by which to adopt the new leases standard. ASU 2018-11 allows for application of the new leases standard at adoption date and recognition of a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Generally, the Company is the lessee under an agreement for real estate that is currently accounted for as operating leases. As a result, existing and newly qualifying operating leases under these new rules will increase reported assets and liabilities.

The Company will apply the revised lease rules for its interim and annual reporting periods beginning January 1, 2021, using a modified retrospective approach, including adopting several optional practical expedients.

NOTE 3 – GOING CONCERN

The consolidated financial statements are prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had an accumulated equity (deficit) of ($1,117,999), ($1,675,509), $404,887 and recognized a net income of $347,610, $2,290,629, and $246,096 for the periods ended March 31, 2019, December 31, 2019, and March 31, 2020.

Management believes that the actions presently being taken to further implement its business plan and generate additional revenues provide the opportunity for the Company to continue as a going concern. The company invested $497,000 in 3 new dispensaries in 2019 and Q1 2020, which operated profitably in Q1 2020, the ongoing operations also were profitable in Q1 2020. The Company believes its current operations will generate cash flow allowing it to carry out its business plan, or enable it to raise the funds needed if necessary. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4. – INVENTORY

Inventory is comprised of raw materials and finished goods such as CO2 extracts, broad spectrum extracts, vape cartridges, lotions, and salves produced from cannabis.

Inventory is stated at the lower of cost or net realizable value, determined using weighted average cost. Cost includes expenditures directly related to manufacturing and distribution of the products. Primary costs include raw materials, packaging, direct labor, and shipping determined at normal capacity. Manufacturing overhead and related expenses include rent and outside contract labor.

Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. At the end of each reporting period, the Company performs an assessment of inventory obsolescence to measure inventory at the lower of cost or net realizable value. Factors considered in the determination of obsolescence include slow-moving or non-marketable items.

Inventory at March 31, 2019, December 31, 2019, and March 31, 2020 consisted of:

	For the Three Months Ended March 31, 2020 (unaudited)	For the Three Months Ended March 31, 2019 (unaudited)	Year Ended December 31, 2019
Raw Materials	$ 202,655	$ –	$ 42,236
Work in Process	1,350,822	442,858	1,163,343
Finished Goods	567,776	394,199	76,461
Inventory Allowance	–	–	–
Total	$ 2,121,253	$ 837,057	$ 1,282,040

Inventory allowance includes those adjustments for such items as lower of cost or market adjustments and adjustments determined for the capitalization of overhead items, such as direct labor and rent. During the periods ended March 31, 2019, December 31, 2019, and March 31, 2020, no allowance was allocated.

Note 5. Fixed Assets

Fixed assets are recorded at cost, net of accumulated depreciation and are comprised of the following:

	For the Three Months Ended March 31, 2020 (unaudited)	For the Three Months Ended March 31, 2019 (unaudited)	Year Ended December 31, 2019
Extraction Equipment	$ 1,529,348	$ 1,305,269	$ 1,529,348
Lab Equipment	363,608	351,438	361,307
Leasehold Improvements	85,912	24,953	150,498
Signage	147,008	22,500	–
	$ 2,125,876	$ 1,704,160	$ 2,041,153
Less: Accumulated Depreciation	(487,794)	(148,055)	(387,176)
Total Fixed Assets, Net	$ 1,638,082	$ 1,556,105	$ 1,653,977

Depreciation on fixed assets is recorded on a straight-line basis over the following expected useful life. The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Extraction Equipment	5 – 7 years
Lab Equipment	5 – 7 years
Leasehold Improvements	15 – 39 years

The Company recognized depreciation during the periods ended March 31, 2019, December 31, 2019, and March 31, 2020 were $93,367, $357,994, and $100,618, respectively.

During the periods ended March 31, 2019, December 31, 2019, and March 31, 2020, the Company recognized losses of $0, ($50,810), and $0, in connection with equipment that was taken out of service.

Note 6. Long-Term Debt

Related Parties

Big Tomato dba Two Js, LLC

In August 2019, the Company purchased extraction equipment from Big Tomato LLC, a subsidiary of Medicine Man for a total of $415,325. The purchase price of the equipment is to be paid in monthly installments of $25,000 over a period of 16 months. The outstanding amount owed does not accrue interest or any related finance charges. At December 31, 2019 and March 31, 2020, $271,827 and $196,927 is outstanding, respectively.

Jim Parco, Ltd.

During the year ended December 31, 2018, Jim Parco, Ltd, an entity, owned by James Parco, an equity holder of the Company, advanced funds of $200,000 to the Company to support operations. During the year ended December 31, 2019, the outstanding amount owed was netted against Mr. Parco's equity holdings as a contribution.

Note 7. Leases

In October 2019 and October 2018, the Company entered into a Commercial Property Agreement, with Parco Properties, Ltd ("Parco Properties") to rent the following properties in Southeastern Colorado.

Warehouse and Industrial Property in Pueblo, Colorado
Retail Space in Pueblo, Colorado
Retail Space in Ordway, Colorado
Retail Space in Las Animas, Colorado
Retail Space in Rocky Ford, Colorado

The Commercial Property Agreement has a perpetual term and self-renews each year in October 1st for 5 years. Rent is increased each October based upon the annual inflation as reported by the U.S. Bureau of Labor Statistics.

During the periods ended March 31, 2019, December 31, 2019, and March 31, 2020, the Company recognized $80,458, $235,692, and $118,850 in rent expense, respectively.

James and Mary Parco, equity holders in the Company, are also equity holders in Parco Properties.

In March 2020, in connection with the acquisition of the Company by Schwazze, the leases were renewed and rather than one lease, each property was leased separately by the Company. There was not a change to the rent or the rental period.

Note 8. Commitments and Contingencies

Legal

In the ordinary course of its business, the Companies are involved in various legal proceedings involving a variety of matters. The Company does not believe there are any pending legal proceedings that will have a material adverse effect on the Company's business, consolidated financial position, results of operations, or cash flows. However, the outcome of such legal matters is inherently unpredictable and subject to significant uncertainties. The Companies expenses legal fees in the period in which they are incurred.

Lease Commitments

See Note 7 for discussion of lease commitments.

Employment Contracts

During the periods ended March 31, 2019, December 31, 2019, and March 31, 2020, the Company did not have employment agreements with either of its officers or key employees.

Note 9. Additional Paid In Capital

During the year ended December 31, 2019, outstanding amounts connected to long-term debt owed by the Company to Mr. Parco or entities related to Mr. Parco were applied to the capital balance of his equity ownership. These amounts total $385,000.

Note 10. Accounts Receivable Concentrations

The Company had certain customers whose revenue individually represented 20% or more of the Company's total revenue, or whose accounts receivable balances individually represented 10% or more of the Company's total accounts receivable.

For the year ended December 31, 2019, one customer accounted for 38% of revenue, one with 23% and one with 22%. For the period ended March 31, 2020, one customer accounted for 20% of revenue. As of December 31, 2019, two customers accounted for 68.14% of accounts receivable, one with 55.71% and one with 12.43%. As of March 31, 2020, two customers accounted for 62.29% of accounts receivable, one with 44.94% and one with 17.35%.

Note 11. Subsequent Events

Schwazze Acquisition

On May 31, 2019, Schwazze entered into binding term sheets to acquire with Mesa, Mesa II and Mesa III (known collectively as "MesPur"), to acquire 100% of the assets and equity of each. The purchase has a total price of $12,012,758, subject to adjustment at closing, consisting of a combination of cash and shares of Schwazze' s common stock. The number of shares of Schwazze is to be determined by averaging the closing price of Schwazze's common stock for the ten (10) days prior to the execution date.

In November 2019, the Schwazze, Mesa, James L. Parco, Mary Parco entered into an Agreement and Plan of Merger, subject to completion upon the delivery of certain items, including audited financial statements.

On April 20, 2020, the acquisition of MesPur by Medicine Man was completed, the final purchase consideration is to be $2.6 Million cash and 2.6 Million shares of the common stock of Medicine Man.

Retail-Revenue Lines

During the quarter ended March 31, 2020, the Company expanded it retail operations with the opening of retail sites in both Los Animas and Rocky Ford, Colorado.

COVID-19

On March 11, 2020, the World Health Organization designated the novel coronavirus disease ("COVID-19") as a global pandemic. Our operations are solely located in Colorado and our retail shops are located in Colorado. On March 26, 2020, the state of Colorado began to implement measures to slow the spread of the virus, including not only a stay at home order, but also measures to restrict gatherings of individuals.

At that time, cannabis dispensaries were deemed to be essential businesses and while subject to gathering restrictions they were not closed.

We are not certain what, if any, impact COVID-19 will have on our consolidated operating results during 2020.

Medicine Man Technologies, Inc.
Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined balance sheet as of March 31, 2020 and the unaudited pro forma condensed combined statements of operations for each of the three months ended March 31, 2020 and for the year ended December 31, 2019 combine the financial statements of Medicine Man Technologies, Inc. ("**Medicine Man**") and Mesa Organics, Ltd. ("**Mesa**") giving effect to the transaction described in the Merger Agreement, as if they had occurred on January 1, 2019 in respect of the unaudited pro forma condensed combined statements of operations and on March 31, 2020 in respect of the unaudited pro forma condensed combined balance sheet.

The unaudited pro forma condensed combined financial information should be read in conjunction with:

- Medicine Man's audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2019, as contained in the Form 10-K filed on March 31, 2020 with the United States Securities and Exchange Commission (the "SEC").
- Medicine Man's unaudited condensed consolidated financial statements and accompanying notes as of and for the three months ended March 31, 2020, as contained in its Quarterly Report on Form 10-Q filed on May 14, 2020 with the SEC.
- Mesa's audited financial statements as of and for the year ended December 31, 2019, contained elsewhere herein.
- Mesa's unaudited condensed financial statements as of and for the three months ended March 31, 2020 and 2019, contained elsewhere herein.
- the other information contained in or incorporated by reference into this filing.

The final purchase consideration and the allocation of the purchase consideration may materially differ from that reflected in the unaudited pro forma condensed combined financial information after final valuation procedures are performed and amounts are finalized following the completion of the acquisition.

The unaudited pro forma adjustments give effect to events that are directly attributable to the transaction and are based on available data and certain assumptions that management believes are factually supportable. In addition, with respect to the unaudited condensed combined statements of operations, the unaudited pro forma adjustments are expected to have a continuing impact on the combined results.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and to aid you in your analysis of the financial aspects of the acquisition. The unaudited pro forma condensed combined financial information described above has been derived from the historical financial statements of Medicine Man and Mesa and the related notes included elsewhere in this Form 8-K. The unaudited pro forma condensed combined financial information is based on Medicine Man's accounting policies. Further review may identify additional differences between the accounting policies of Medicine Man and Mesa. The unaudited pro forma adjustments and the pro forma condensed combined financial information don't reflect the impact of synergies or post-transaction management actions and are not necessarily indicative of the financial position or results of operations that may have actually occurred had the transaction taken place on the dates noted, or of Medicine Man's future financial position or operating results.

Medicine Man Technologies, Inc.
Unaudited Pro Forma Condensed Combined Balance Sheet
March 31, 2020

	Medicine Man	Mesa	Pro Forma Adjustments	Pro Forma Combined
ASSETS				
Current assets:				
Cash and cash equivalents	$ 9,075,427	$ 472,445	$ (472,445) (A)	$ 6,961,362
			(2,612,018) (B)	
			497,953 (C)	
Accounts receivable, net of allowance for doubtful accounts	511,984	732,665	(732,665) (A)	985,278
			473,294 (C)	
Accounts receivable – related party	59,512	–	–	59,512
Inventory	642,689	2,121,253	(2,121,253) (A)	4,379,611
			3,736,922 (C)	
Note receivable – related party	767,695	–	–	767,695
Other assets	707,706	36,447	(36,447) (A)	707,706
Prepaid acquisition costs	1,269,367	–	–	1,269,367
Total current assets	13,034,380	3,362,810	(1,266,659)	15,130,531
Non-current assets:				
Fixed assets, net accumulated depreciation	541,791	1,638,082	(1,638,082) (A)	1,650,906
			1,109,115 (C)	
Goodwill	12,304,306	–	1,837,354 (C)	14,141,660
Intangible assets, net of amortization	73,641	17,315	(17,315) (A)	2,743,941
			2,670,300 (C)	
Investment	435,898	–	–	435,898
Accounts receivable - litigation	3,063,968	–	–	3,063,968
Deferred tax assets, net	268,423	–	–	268,423
Notes receivable – noncurrent, net	242,959	–	–	242,959
Operating lease right of use assets	63,925	–	–	63,925
Total non-current assets	16,994,911	1,655,397	3,961,372	22,611,680
Total assets	$ 30,029,291	$ 5,018,207	$ 2,694,713	$ 37,742,211
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 1,182,832	$ 2,331,141	$ (2,331,141) (A)	$ 4,102,933
			2,920,101 (C)	
Accounts payable – related party	2,500	–	–	2,500
Accrued expenses	1,194,032	637,088	(637,088) (A)	1,194,032
Derivative liabilities	1,118,783	–	–	1,118,783
Income taxes payable	1,940	–	–	1,940
Total current liabilities	3,500,087	2,968,229	(48,128)	6,420,188
Non-current liabilities:				
Lease liabilities	75,838	–	–	75,838
Note(s) payable	–	196,831	(196,831) (A)	–
Total non-current liabilities	75,838	196,831	(196,831)	75,838
Total liabilities	3,575,925	3,165,060	(244,959)	6,496,026
Stockholders' equity:				
Common stock $0.001 par value. 250,000,000 authorized, 39,952,628 were issued and outstanding at March 31, 2020 and 2,554,750 were issued proforma at March 31, 2020.	39,953	–	2,555 (D)	42,508
Additional paid-in capital	51,609,200	1,202,164	(1,202,164) (A)	56,399,464
			4,790,264 (D)	
Accumulated equity (deficit)	(24,195,787)	404,887	(404,887) (A)	(24,195,787)
Common stock held in treasury, at cost, 257,732 shared held at March 31, 2020.	(1,000,000)	–	–	(1,000,000)
Net income	–	246,096	(246,096) (A)	–
Total stockholders' equity	26,453,366	1,853,147	2,939,672	31,246,185
Total liabilities and stockholders' equity	$ 30,029,291	$ 5,018,207	$ 2,694,713	$ 37,742,211

See notes to the unaudited pro forma condensed combined financial information.

Medicine Man Technologies, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Three Months Ended March 31, 2020

	Medicine Man	Mesa	Pro Forma Adjustments	Pro Forma Combined
Operating revenues				
Product sales	$ 2,418,235	$ 2,678,141	$ –	$ 5,096,376
Product sales – related party	110,696	–	–	110,696
Consulting and licensing services	661,257	–	–	661,257
Other operating revenues	12,946	–	–	12,946
Total revenue	3,203,134	2,678,141	–	5,881,275
Cost of goods and services				
Cost of goods and services	2,148,535	1,869,034	–	4,017,569
Total cost of goods and services	2,148,535	1,869,034	–	4,017,569
Gross profit	1,054,599	809,107	–	1,863,706
Operating expenses				
Selling, general and administrative	657,763	426,289	–	1,084,052
Professional services	1,248,988	–	–	1,248,988
Salaries	1,997,036	36,104	–	2,033,140
Stock-based compensation	1,252,731	–	–	1,252,731
Depreciation and amortization expense	9,156	100,618	13,873 (A)	123,647
Total operating expenses	5,165,674	563,011	13,873	5,742,558
Income (loss) from operations	(4,111,075)	246,096	(13,873)	(3,878,852)
Other income/expenses				
Interest income (expense)	48,042	–	–	48,042
Gain on forfeiture of contingent consideration	1,462,636	–	–	1,462,636
Unrealized gain (loss) on derivative liabilities	1,191,963	–	–	1,191,963
Unrealized gain (loss) on investment	29,124	–	–	29,124
Total other income (expense)	2,731,765	–	–	2,731,765
Loss before income taxes	(1,379,310)	246,096	(13,873)	(1,147,087)
Provision for income tax (benefit) expense	–	–	–	–
Net income (loss)	$ (1,379,310)	$ 246,096	$ (13,873)	$ (1,147,087)
(Loss) per share				
Basic and fully diluted:				
Weighted average number of shares outstanding	39,952,628		2,554,750 (D)	42,507,378
(Loss) per share	$ (0.03)			$ (0.03)

See notes to the unaudited pro forma condensed combined financial information

Medicine Man Technologies, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2019

	Medicine Man	Mesa	Pro Forma Adjustments	Pro Forma Combined
Operating revenues				
Product sales, net	$ 6,468,230	$ 7,843,311	$ –	$ 14,311,541
Product sales – related party, net	1,351,578	–	–	1,351,578
Litigation revenue	1,782,457	–	–	1,782,457
Licensing, consulting and Cultivation Max fees	2,767,649	–	–	2,767,649
Other operating revenues	31,041	–	–	31,041
Total operating revenues	12,400,955	7,843,311	–	20,244,266
Cost of goods and services				
Cost of goods and services	7,616,221	4,110,953	–	11,727,174
Total cost of goods and services	7,616,221	4,110,953	–	11,727,174
Gross profit	4,784,734	3,732,358		8,517,092
Operating expenses				
Selling, general and administrative	2,199,609	863,898	–	3,063,507
Professional services	3,357,877	–	–	3,357,877
Salaries, benefits and related expenses	3,567,535	169,357	–	3,736,892
Stock-based compensation	7,279,363	–	–	7,279,363
Depreciation and amortization expense	61,708	357,664	100,332 (A)	519,704
Derivative expense – contingent compensation	5,400,559	–	–	5,400,559
Total operating expenses	21,866,651	1,390,919	100,332	23,357,902
(Loss) Income from operations	(17,081,917)	2,341,439	(100,332)	(14,840,810)
Other income (expense)				
Bad debt expense	(151,169)	–	–	(151,169)
Gain (loss) on sale of assets	–	(50,810)	–	(50,810)
Unrealized gain on derivative liabilities	1,627,177	–	–	1,627,177
Unrealized loss on marketable securities	(1,792,569)	–	–	(1,792,569)
Interest expense	(160,195)	–	–	(160,195)
Total other expense	(476,756)	(50,810)	–	(527,566)
Income before income tax expense	(17,558,673)	2,290,629	(100,332)	(15,368,376)
Income tax benefit	582,931	–	–	582,931
Net (loss) income	$ (16,975,742)	$ 2,290,629	$ (100,332)	$ (14,785,445)
(Loss) per share				
Basic and fully diluted:				
Weighted average number of shares outstanding	33,740,557		2,554,750 (D)	36,295,307
(Loss) per share	$ (0.50)			$ (0.41)

See notes to the unaudited pro forma condensed combined financial information

Medicine Man Technologies, Inc.
Notes to Unaudited Pro Forma Condensed Combined Financial Information
(USD and shares in 000's except for per share amounts)

Note 1. Basis of Presentation

The unaudited pro forma condensed combined financial information set forth herein is based upon the consolidated financial statements of Medicine Man Technologies, Inc. and Mesa Organics, Ltd. The unaudited pro forma condensed combined financial information is presented as if the transaction had been completed on January 1, 2019 with respect to the unaudited pro forma condensed combined statements of operations for each of the three months ended March 31, 2020 and for the year ended December 31, 2019 and on March 31, 2020 in respect of the unaudited pro forma condensed combined balance sheet.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the combined financial position or results of operations had the transaction occurred as of the dates indicated, nor is it meant to be indicative of any anticipated combined financial position or future results of operations that the combined company will experience after the completion of the transactions.

We have accounted for the acquisition in this unaudited pro forma condensed combined financial information using the acquisition method of accounting, in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 805 "Business Combinations" ("ASC 805"). In accordance with ASC 805, we use our best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. Goodwill as of the acquisition date is measured as the excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired.

Pro forma adjustments reflected in the unaudited pro forma condensed combined balance sheet are based on items that are factually supportable and directly attributable to the transaction. Pro forma adjustments reflected in the pro forma condensed combined statements of operations are based on items that are factually supportable, directly attributable to the transaction and expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities or benefits from the transaction, including potential synergies that may be generated in future periods.

Note 2. Description of the Transaction

On April 20, 2020, Medicine Man Technologies, Inc. operating its business under the trade name Schwazze (the "Company") consummated the merger (the "Merger") with Mesa Organics, Ltd. ("Mesa"). On April 20, 2020, the Parties entered into an amendment to the Merger Agreement. The aggregate purchase price is $2,643,314 of cash and 2,594,754 shares of the Company's common stock, par value $0.001 per share. Upon consummation of the Merger, the Company acquired ownership of Mesa's subsidiaries, which are in the business of owning and operating certain marijuana establishments in the state of Colorado, pursuant to the MED and local license.

Note 3. Purchase Price Allocation

The fair value of the consideration transferred was valued as of the date of the acquisition as follows:

Mesa Organics, Ltd. Purchase Price Allocation

Cash	$	2,646,314
Common stock		4,930,033
Working capital adjustment		(171,510)
Other Non-Interest Bearing Liabilities Assumed		2,920,101
Total Purchase Consideration	$	10,324,938

The preliminary allocation for the consideration recorded for the acquisition is as follows:

Current assets	$	4,708,169
Net fixed assets		1,109,115
Intangible assets		2,670,300
Goodwill		1,837,354
Total Purchase Consideration	$	10,324,938

The purchase price allocation is preliminary. The purchase price allocation will continue to be preliminary until a third-party valuation is finalized and the fair value and useful life of the assets acquired is determined. The amounts from the final valuation may significantly differ from the preliminary allocation.

Note 4. Pro Forma Adjustments

The following pro forma adjustments give effect to the transaction.

Unaudited Pro Forma Condensed Combined Balance Sheet – As of March 31, 2020

Note A To remove Mesa Organics, Ltd. assets, liabilities, and equity.
Note B To record cash consideration paid.
Note C To record assets acquired and liabilities assumed from Mesa Organics Ltd.
Note D To record common stock issued as consideration.

Unaudited Pro Forma Condensed Combined Statement of Operations – For The Three Months Ended March 31, 2020

Note A To record depreciation/amortization expense.

Unaudited Pro Forma Condensed Combined Statement of Operations – For The Year Ended December 31, 2019

Note A To record depreciation/amortization expense.