

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 29, 2019**

Medicine Man Technologies, Inc.
(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation)

001-36868

(Commission
File Number)

46-5289499

IRS Employer
Identification No.)

**4880 Havana Street, Suite 201
Denver, Colorado**

(Address of principal executive offices)

80239

(Zip Code)

(303) 371-0387

(Registrant's telephone number, including area code)

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 Instruction 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))

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

Title of each class

Not applicable

**Trading
Symbol(s)**

Not applicable

Name of each exchange on which registered

Not applicable

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On August 29, 2019 (the “Execution Date”), Medicine Man Technologies (the “Company”), a Nevada corporation, entered into a binding term sheet (the “Term Sheet”) with High Country Supply d/b/a Colorado Harvest Company (“CHC”) pursuant to which the Company will purchase 100% of the capital stock or assets of CHC (the “Acquisition”).

As consideration, the Company shall pay a total purchase price of \$12,500,000 (the “Purchase Price”) consisting of \$4,000,000 in cash and 2,881,356 shares of its common stock, par value \$0.001 per share. The 2,881,356 shares was determined by averaging the closing price of Company’s common stock for the five (5) days prior to July 8, 2019, which equated to \$2.95 per share.

A portion of the stock consideration will be subject to certain trading restrictions in the first year after issuance, to be defined in the Long-Form Agreement, as defined below. In addition, claw-back language for twenty-five percent (25%) of the stock consideration will also be included in the Long-Form Agreement, as defined below.

The Purchase Price is predicated on projected 2019 gross revenues of CHC. The Purchase Price will be adjusted to reflect the actual 2019 gross revenues as of December 31, 2019 and will be memorialized in the Long Form Agreement, as defined below. However, no adjustment in the Purchase Price will be made if the variation between CHC’s actual and projected 2019 sales is plus or minus ten percent (10%). In addition, the Purchase Price may be adjusted if certain EBITDA targets are not met.

The Term Sheet provides for a closing on or before May 1, 2020, unless the parties agree to an extension.

The obligations of the Company and CHC under the Term Sheet are conditioned upon the satisfaction or mutual waiver of certain closing conditions (the “Conditions”) on or before May 1, 2020 or unless the parties agree to a mutual extension, including the following:

- i. regulatory approval relating to all applicable filings and expiration or early termination of any applicable waiting periods;
- ii. regulatory approval of the Marijuana Enforcement Division and applicable local licensing authority approval;
- iii. receipt of all material necessary, third party, consents and approvals;
- iv. each party’s compliance in all material respects with the respective obligations under the Term Sheet;
- v. a tax structure that is satisfactory to both the Company and CHC;
- vi. the execution of leases with right of first refusals to acquire any relevant real estate property; and
- vii. employment agreements that are mutually acceptable to each party.

Under the terms of the Term Sheet, the Company and CHC agreed to mutual indemnification upon the terms and conditions outlined therein.

The Term Sheet contemplates the parties entering into a long-form agreement and other ancillary documents to memorialize the Acquisition (the “Long-Form Agreement”) upon the conclusion of all standard legal and business due diligence. In the event the Long-Form Agreement is not agreed to on or before May 1, 2020 and all of the Conditions are either satisfied or waived, the Acquisition shall be consummated and governed by the terms of the Term Sheet.

On September 4, 2019, the Company issued a press release with respect to the foregoing, a copy of which is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release dated September 4, 2019

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 thereunto duly authorized.

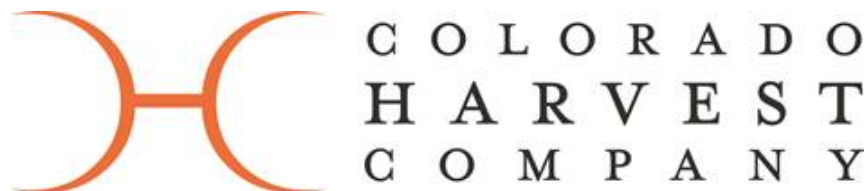
Medicine Man Technologies, Inc.

Date: September 4, 2019

By: /s/ Andrew Williams
Andrew Williams
Chief Executive Officer

Medicine Man Technologies to Bolster Retail Distribution Channels with Planned Acquisition of Colorado Harvest Company

- *Colorado Harvest Company operates three retail centers in the Denver Metro area and is the Company's ninth proposed acquisition in 2019*
- *Company will benefit from added retail scale and cross-selling opportunities given its current strategy to acquire a fast-growing portfolio of companies and brands*
- *Industry pioneers Tim Cullen and Ralph Morgan, Co-Founders of Colorado Harvest Company, bring a wealth of retail experience and their proprietary, all-natural strains to the Company*



DENVER, September 4, 2019 /PRNewswire/ -- Medicine Man Technologies, Inc. (OTCQX: MDCL) ("Medicine Man Technologies" or the "Company"), announced today that it has entered into a binding term sheet to acquire Colorado Harvest Company ("Colorado Harvest"), an operator of two leading cannabis dispensaries in Denver and one in nearby Aurora.

Under the terms of the transaction, Medicine Man Technologies will purchase Colorado Harvest for \$12.5 million, or 1.25 times its anticipated 2019 revenue of \$10 million. The purchase price will consist of \$4 million in cash and \$8.5 million in Company stock, equating to 2,881,356 shares issued at \$2.95 per share. The terms of the transaction can also be referenced in the Company's 8-K, which outlines the closing conditions and are conditioned upon the satisfaction or mutual waiver of certain conditions, including regulatory approval.

"Tim and Ralph are early industry pioneers that built an avid following for their proprietary naturally grown strains when recreational cannabis was legalized in Colorado," said Andy Williams, Co-Founder and Chief Executive Officer of Medicine Man Technologies. "Given their many years of underlying cultivation experience, Tim and Ralph have perfected their formula for growing cannabis naturally with a focus on utmost quality using environmentally sensitive grow practices that many consumers enjoy. Their combined cannabis knowledge even led them to begin producing CO₂-extracted cannabis oil that they later turned into a company called O.penVAPE, now the leading cannabis personal vaporizer in the country. Adding their deep retail, cultivation, and product development experience to the Company will prove very beneficial as we continue with our plans to vertically integrate our business and look for future cross-selling opportunities from our expanding operations."

"Colorado HB 19-1090 has ushered in the next phase of development for the Colorado cannabis industry by permitting outside investors to invest in the Colorado cannabis space," said Tim Cullen, Chief Executive Officer of Colorado Harvest Company. "Following the passage of this law, the time was never more right for us to join the outstanding team at Medicine Man Technologies, who is now free to invest in the industry, given the synergies involved. Their growing team of Colorado cannabis pioneers is very impressive, and we are happy to be aligned with their joint efforts, all soon to be under one roof. Furthermore, the management team at Medicine Man Technologies is incredibly accomplished, and they are executing successfully on their plan to bring financial discipline and a clear strategy in their efforts to build the region's premier cannabis company. We are delighted to join them in this next leg of growth."

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

About Colorado Harvest Company

Founded in 2009 by Tim Cullen and Ralph Morgan, Colorado Harvest Company has an extensive selection of quality concentrates, edibles, and over 70 strains of in-house cannabis. The dispensaries have a reputation of providing quality products at a great value with a knowledgeable and friendly staff. Colorado Harvest Company's two modern grow facilities supply the three robust retail locations with fresh batches of Colorado's finest indoor strains, multiple times per week.

About Medicine Man Technologies

Denver, Colorado-based Medicine Man Technologies (OTCQX: MDCL) is a rapidly growing provider of cannabis consulting services, nutrients and supplies. The Company's client portfolio includes active and past clients in 20 states and 7 countries throughout the cannabis industry. The Company has entered into agreements to become one of the largest vertically integrated seed-to-sale operators in the global cannabis industry. Current agreements will enable Medicine Man Technologies to offer cultivation, extraction, distribution and retail pharma-grade products internationally. The Company's intellectual property includes the "Three A Light" methodology for cannabis cultivation and the pending acquisition-candidate MedPharm's GMP-certified facility, which has the first cannabis research license to conduct clinical trials in the United States. Management includes decades of cannabis experience, a unique combination of first movers in industrial cannabis and proven Fortune 500 corporate executives.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such statements may be preceded by the words "intends," "may," "will," "plans," "expects," "anticipates," "projects," "predicts," "estimates," "aims," "believes," "hopes," "potential" or similar words. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) regulatory limitations on our products and services; (ii) our ability to complete and integrate acquisitions; (iii) general industry and economic conditions; and (iv) our ability to access adequate financing on terms and conditions that are acceptable to us, as well as other risks identified in our filings with the SEC. The Company assumes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

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