

**A leading Global Cannabis Consulting Services Company with their own Products, Facilities, Cultivation Technology and Book on the market, Medicine Man Technologies, Inc. is helping other Cannabis Companies Win Licenses, Train Employees, Design and Build Facilities, and moving aggressively to become operators**



**Andy Williams**  
Co-Founder and CEO

**Medicine Man Technologies, Inc.**  
(OTCQX: MDCL)  
[www.medicinemantechologies.com](http://www.medicinemantechologies.com)

**Contact:**  
**Andy Williams**  
303-371-0387  
[andy@medicinemandenver.com](mailto:andy@medicinemandenver.com)

**Interview conducted by:**  
**Bud Wayne, Editorial Executive**  
CEOCFO Magazine

**CEOCFO: Mr. Williams, would you tell us the original idea for Medicine Man Technologies (OTCQX: MDCL) and where are you today?**

**Mr. Williams:** Medicine Man Technologies (MMT), actually started as an idea generated from another one of my companies. This gets a little confusing because they are similarly named but Medicine Man is a marijuana company in Colorado. We grow and sell marijuana in both the recreational and medical markets. We are very early adopters in this industry. We started our business in 2009. We quickly developed some intellectual property on how to grow marijuana industrially that was unknown to most people in the world and had not been done. This intellectual property had value. My co-founder of MMT who recently passed away, Brett Roper and I, were talking about it and we knew that we had something of value and he said, "Well let's start a consulting firm", and I said, "Ok".

We started building a consulting company in 2012 and it took us quite a while to build the foundation of the company, standard operating procedures and drawings and all kinds of things. The company launched in 2014 in March and we took it public. We started trading in 2015 and when we first started in business we were exactly that, a consulting company. The people that wanted to get into the cannabis industry that had the money, desire and business acumen but did not have the know-how, we provided the know-how. We provided that through what are usually requests for applications, which are very competitive in states, so we gave them an extra edge in winning a license, and we became very good at that. We helped design and build the facilities, train their employees and get their systems up and going and get their doors open. Our service gave them a jumpstart on their competition because they got to learn from all of our mistakes. That is how the company started.

Where we are today is we have grown not only in the amount of consulting we do but service lines that we provide. Not only do we help people with licensing and getting their doors open, but we also help people that are in business that are not faring well. They will call us up and ask us to come in and help them to perform at our level, which we do. We also perform a lot of ad hoc services, such as design and proforma, training and all kinds of things. We have also expanded to product lines. Our first acquisition of products came in the form of Success Nutrients™, which is the best nutrient on the market today. It is designed specifically for cannabis. Success Nutrients is selling in six states and Canada. We expanding distribution of that product line throughout the country soon and then will expand globally. We also have a book called Three A Light™, which is how to grow marijuana the way we grow marijuana but not at an industrial level but at home. For

a lot of people it is legal to grow cannabis at home and our first addition of that book sold for \$500 a copy and we sold out with 2000 copies of that. The second addition is out now and it is selling for \$300 a copy. It is a great book; it promotes our company and brand and helps people learn how to grow cannabis themselves. We have an app that goes along with that book. In addition, we recently made an acquisition of a company called Big Tomato, which is one of the oldest supply companies of cannabis in the country. This allows us to service our customers as well as other people with everything they need in order to run their cultivation. They are consumables and equipment that range from lighting and fixtures, to soil, pots, nutrients, scissors and nets, and all the other things you need in a grow marijuana. We have expanded our product and service lines greatly and this year we will do \$9 to \$10 million in revenue. That is about two and a half times what we did last year. Our growth is about to accelerate even further.

**CEOCFO: *What is your geographic reach?***

**Mr. Williams:** Right now we have clients in seventeen states. In addition, we are in maybe five to seven countries right now. The countries include New Zealand, Australia, Germany, Croatia, South Africa, Columbia and Canada. We are also in Puerto Rico.

**CEOCFO: *Do you send representatives to these companies or do they come to you?***

**Mr. Williams:** It is boots on the ground. A lot of times we offer a training package with our consulting services where people actually send their employees here for training onsite at our facilities. We have cultivation facilities, retail facilities and process facilities. We also send people to their locations for any number of things whether it is training, site evaluations, making sure the projects are going well or even long-term placements of people in some locations.

**“This is a company that is right now poised for exponential growth that I have already begun to execute and we are doing it from a place of expertise and reputation and proven performance.”- Andy Williams**

**CEOCFO: *What is your consulting services revenue model? Do you generate revenues long-term?***

**Mr. Williams:** Yes. We have multiple revenue models. There are some clients that are fee based, where there are milestone payments over time and those contracts are 12 to 18 months in length with a good chunk upfront and then payments along the way. Other services we provide are both upfront fees with annuities. They pay the upfront fees and then annuity is based on the performance over time. We do very well with those.

**CEOCFO: *Would you tell us about your dispensary operations?***

**Mr. Williams:** Medicine Man Technologies does not own dispensary operations right now, but Medicine Man does, which is owned by me and my family. We have four dispensaries right now in Colorado and both retail and medical. We are in the process of expanding to probably two more this year. We just got voted the Best Cannabis Company to Work for in the State of Colorado, and among the top in the country. We have won a lot of awards and that is my favorite award that we ever won. We also have a company called MedPharm, which is a processing company. The company focus is on pharma-grade products and research. The facility is GMP compliant and will soon finish GMP certification. We are the first marijuana licensee in the country to also own a research license for cannabis.

**CEOCFO: *Would you tell us about your cultivation technology and how important is that in this industry?***

**Mr. Williams:** Growing marijuana in an industrial setting is very difficult. We have a lot of restrictions on what we can use to keep the plants healthy in terms of pesticides and fungicides. Learning how to grow in a very clean environment is very difficult and being able to produce in large quantity and with high quality is just something that takes a long time to learn. We have improved these processes to where we are now harvesting over 800 grams per sq. ft. of flower space per year, where the industry average is closer to 300 grams per year. What is great about our company is people do not have to take my word for it, we can show them. There are not a lot of consultants in the space that can do that, not only can we show them our facilities but we can also show them the data that we report to the state regarding what we produce. We have a lot of things that we have created over time whether it is the equipment we use or the facility. There are a lot of things that we use in the facility that we created and that we provide our clients. It is also our technique, we have a unique technique for growing cannabis that paired with our nutrients, is the key to our success.

**CEOCFO: *Do you also get involved in helping people understand regulations?***

**Mr. Williams:** We do. We are a one-stop shop for people; they do not have to go to multiple vendors when they come to us, when it comes to cannabis knowledge. In every country that we work in, we develop the knowledge that we need in order to function in those spaces. We learn regulations, and we learn the ins and outs of the industry. We help our clients

to understand that and we help our clients to understand the cultures that they need to setup within their facilities to be successful. There is a lot that goes into consulting and the dos and don'ts of growing cannabis.

**CEOCFO: *We are waiting and expecting some changes in the laws and regulation, both on the Federal level and in Colorado. What will that mean for Medicine Man Technologies, as well as the cannabis industry as a whole?***

**Mr. Williams:** One is the States Act and that is at the Federal level. It was introduced in 2018 and will prevent Federal interference with states that have legalized marijuana. I believe that has a very good chance of passing this year, which will federalize cannabis. That will have a great impact on this industry because the states will be able to set up their own regulatory structures without federal interference. In addition, people participating in those legal industries in the state will not run afoul of the Controlled Substances Act, which is what is keeping us from banking right now. This will allow banking to open up. However, more importantly to me is that IRS Tax Code Section 280E will no longer be part of my life. 280E is a tax code that was put into place in the early 1980's to prevent drug runners or other criminals from using the tax code to lessen their tax burden on unlawful activities. What that means is that right now the whole industry is affected by this 280E tax code, which tells us that we cannot take normal tax deductions. We cannot take deductions for expenses such as marketing or retail employees, or anything that is associated with retail sale of cannabis. I cannot take my own salary or any deductions for anything pursuant to the sale of marijuana. Even the cost of our licenses are considered bribes to government officials to conduct illegal activity. Therefore, our effective tax rates are about 80% at the federal level. That will go away and imagine what that will do for the industry in being able to reinvest in itself. The second thing that is changing is I have been very involved in changing laws in Colorado to allow public company ownership in out of state investment into the cannabis industry in Colorado, which up to this point has been prevented by Colorado law. We passed a bill last year which was House Bill 18-1011 that would allow those things, but the former Colorado Governor, John Wright Hickenlooper Jr. vetoed it. However, we now have a new Governor, Jared Polis and he has committed to not only sign this but fully embrace it, and a bill is running this year that will be better than the bill last year, which will allow public company ownership in cannabis companies in Colorado and investments in our state. It could possibly be signed as early as February of 2019, and then made effective sometime later this year. Medicine Man Technologies is uniquely poised to roll up the best of the best businesses in Colorado.

**CEOCFO: *What are you doing to get the word out about your company? Do you go to road shows and industry, and investor conferences?***

**Mr. Williams:** Up until this year, our company has been very focused on just performing. We have three quarters of profitability, seven quarters of quarter over quarter growth, and we are growing fast. We have not spent a lot of money on investor relations and we pick and choose conferences. We do go to investor conferences; we go to MJBizDaily twice a year and we choose others. However, right now we are at a pivot point for our company, so we are going to be responsibly increasing our investor relations. We are going to be attending more shows. We will be attending the Benzinga Cannabis Capital Conference in Miami next week. I will be speaking there. This is exciting for the company. We are pivoting to become an operator in the space. Right now there are a lot of companies out there that I call power point companies. There are people with a lot of money and companies with a lot of money that have gotten into the space with a lot of business acumen and all the required skills except the know-how. They are trying to purchase their know-how. I think they are spending money irresponsibly and the companies that will suffer for it over time. We went about it a different way and gained the expertise, we gained the trust of the industry, we gained the reputations. We are leaders in markets that are very competitive. Now we are pivoting to become an operator in the public space. We are not going to be paying crazy prices for assets. I have people that call me all the time wanting me to acquire them, because I am trusted and know what I am doing, I have been around and have paid my dues, as well as the other people that I have working for me at the company, Josh Haupt for one. I think we are going to be a much better choice for investors over time because they will see exponential growth of our company as operators in the space and we are going to be doing it responsibly and aside from the investments that we are going to be making, we will be profitable and the investments will pay off over time as well. It is an exciting time for our company.

**CEOCFO: *Why is Medicine Man Technologies an important company for our readers to become acquainted with?***

**Mr. Williams:** This is a company that is right now poised for exponential growth that I have already begun to execute and we are doing it from a place of expertise and reputation and proven performance. Aside from the fact that these other companies have a lot of money in the bank which is enviable, but they do not have the know-how that we do, and they do not have the clean balance sheet that we do. They are going to drown in their own debt, this company will not. We have proven that we can run a responsible company. I think watching the news wire here in the short-term, people see what we are about to do.