

Akerna Flash Report: Stimulus Checks Boost Cannabis Sales to New Highs Order Sizes Remain High as Medical Sales Normalize and Rec Sales Decline

DENVER, April 17, 2020 (GLOBE NEWSWIRE) -- Business intelligence from Akerna (Nasdaq: KERN), a leading compliance technology provider and developer of the cannabis industry's first seed-to-sale enterprise resource planning (ERP) software technology (MJ Platform®) shows that April 15th, after the COVID-19 stimulus checks were received by many, was far and away the biggest Wednesday in the history of legal cannabis, with both ticket size and total revenue up over 50% compared to a normal Wednesday in 2020.

Year over year, March 2019 to March 2020, total cannabis sales increased 78%. During the same period, recreational cannabis spending is up with a 20% increase in ticket size. The ticket size for the under 30 age group also increased by 17%. As the industry evolves to meet customer needs, product pick-up as a fulfillment method increased 200%, accounting for 9% of total sales. However, as panic buying started to subside, business intelligence shows, medical cannabis revenues have returned to early 2020 ranges; the slightly smaller number of transactions is being offset by larger tickets. In contrast, overall recreational sales remain below early 2020 revenues; a 30+% increase in average ticket size has not been enough to compensate for a smaller number of shoppers.

“The data we see wasn't unexpected. Recreational users stockpiled in March and now have no immediate need to make additional purchases,” said Aryeh Primus, vice president of analytics, Akerna. “Medical cannabis is a five billion dollar industry serving more than two million patients. These patients have consistent needs driving regular demand.”

MJ Freeway is more than just software--MJ Platform recently rolled-out a new offering with Platform Insights.

Operators, investors, and regulators can now access the industry's largest, and most statistically-relevant database to drive data-driven cannabis decisions.

Platform Insights provides:

- The greatest statistical relevance across countries
- Normalized data (not farmed from various disparate POS platforms)
- Full cannabis supply chain data
- Business insights founded in category management methodology

What is the gross margin return on your inventory?

What SKUs should you be carrying?

How do basket adjacencies influence your discounting and retention strategy?

What does a medical market look like a year or 5 years after decriminalizing cannabis?

These are a few of the many questions Platform Insights can help you answer.

[Click here](#) to set up a time to speak with a representative about Platform Insights.

About Akerna

Akerna is a global regulatory compliance technology company. Akerna's service offerings include MJ Platform®, Leaf Data Systems®, and solo sciences tech platform. Since its establishment in 2010, Akerna has tracked more than \$18 billion in cannabis sales. Akerna is based in Denver. For more information, please visit www.akerna.com and follow us on Twitter @AkernaCorp.

About The Akerna Flash Report

Flash Report is a look at buying trends in the cannabis market as captured by Akerna's MJ Freeway subsidiary. MJ Freeway provides operators with MJ Platform, the industry-leading solution for regulatory compliance technology, from seed-to-sale-to-self. Some instances of the flash report may include business intelligence derived from Akerna's family of companies, including Ample Organics, Leaf Data Systems, solo sciences, and Trellis.

Data is derived from MJ Platform, the leading provider of cannabis compliance software for the marijuana industry. Reporting data is obtained from operators using Akerna's MJ Platform solutions. Increases are relative to the prior period. Additional business intelligence data sources may include proprietary tools used by Akerna's family of companies.

Forward-Looking Statements

Certain statements made in this release are "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. Such forward-looking statements include but are not limited to statements regarding sustained increases in demand for cannabis and the ability of the MJ Platform team to help operators make decisions through analytics and reporting. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of significant known and unknown risks, uncertainties, assumptions, and other important factors, many of which are outside Akerna's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others that may affect actual results or outcomes, include (i) Akerna's ability to maintain relationships with customers and suppliers and retain its management and key employees, (ii) changes in applicable laws or regulations, (iii) changes in the market place due to the coronavirus pandemic or other market factors, (iv) and other risks and uncertainties disclosed from time to time in Akerna's filings with the U.S. Securities and Exchange Commission, including those under "Risk Factors" therein. You are cautioned not to place undue reliance on forward-looking statements. All information herein speaks only as of the date hereof, in the case of information about Akerna, or the date of such information, in the case of information from persons other than Akerna. Akerna undertakes no duty to update or revise the information contained herein. Forecasts and estimates regarding Akerna's industry and end markets are based on sources believed to be reliable; however, there can be no assurance these forecasts and estimates will prove accurate in whole or in part.

Akerna Media Relations

D. Nikki Wheeler
Nikki.Wheeler@Akerna.com
303-514-2012

Akerna Investor Relations

Jason Assad
JAssad@akerna.com
678-570-6791



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