

August 20, 2020



Akerna Signs Agreement with Priority Technology Holdings

Integration with MJ Platform brings payment solution to CBD and Hemp retailers

DENVER, Aug. 20, 2020 /PRNewswire/ -- 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®), has signed an agreement with Priority Technology Holdings, Inc. (Nasdaq: PRTN) to provide CBD and Hemp retailers that use Akerna's MJ Platform with a credit card payment processing solution. As part of the agreement, Akerna and Priority Technology Holdings will share in payment transaction revenue.



Find out if MJ Platform with Payments is Right for Your Business:[Learn More](#)

CBD is derived from hemp and is legal in the United States as long as it contains less than 0.3% THC. Nevertheless, there is confusion about this industry and these products. Integrating with a specialty merchant services provider, like Priority, is critical to the long-term success of the industry.

Key Facts about The CBD and Hemp Market:

- CBD is an industry poised to reach [\\$16 billion](#) in revenue by 2025. The CBD therapeutics segment alone is on track to earn [\\$9.30 billion](#) in 2026, growing at a compound annual growth rate (CAGR) of 27.4%
- In 2018, investment firm [Cowen, Inc.](#) stated that retail sales of CBD consumer products in the U.S. ranged from \$600 million-\$2 billion
- [Brightfield Group](#) anticipates global CBD sales will grow to approximately \$22 billion by 2022
- According to a 2019 MarketandMarkets report, the Industrial Hemp Market is projected to grow from \$4.6 billion in 2019 to \$26.6 billion by 2025, growing at a CAGR of 34.0% during the forecast period
- The major factors driving growth in the hemp market include increasing legalization in the cultivation of industrial hemp, functional properties of hemp seed and hemp seed oil, and their growing use in different food applications, and chronic diseases

"Akerna's technology solutions take a comprehensive approach to helping operators across all sectors of the industry increase efficiency through compliance, precise inventory visibility, and streamlined operations at every point in the supply chain," said Jessica Billingsley, chief executive officer, Akerna. "With this solution, we are making it easier for our CBD and hemp clients to process payments. With this agreement, we are also well positioned to activate payment solutions through Priority for traditional cannabis sales pending legislative action at the federal level."

Although federal action is uncertain, at the state level there are 12 cannabis-related ballot initiatives up for a vote in November. The 12 initiatives are the most since the last presidential election in which eight of the nine measures up for consideration passed.

Value to CBD and Hemp Clients

With Priority's integrated into MJ Platform, CBD and hemp clients no longer need to use an additional or separate payment processing system. The Priority solution supports ACH, card-not-present, recurring payments, and automatic credit card information updates. The integration also allows end-users to enroll and use Priority's payment processing without leaving MJ Platform.

"We are excited to collaborate with the Akerna team to bring a truly seamless payment and revenue activation experience to the CBD and Hemp industry," noted Tom Priore, Priority CEO. "Akerna recognized that our agile platform can effectively integrate both point of sale and vendor payment solutions together with analytical features into their application coupled with our robust compliance and market-leading client service will free them to focus on their customer experience and respond to market needs."

Availability

- Existing MJ Platform CBD and hemp clients can contact their customer success manager or account executive to sign up to use payment processing.
- New CBD and hemp retailers can contact [MJ Freeway](#) to learn if MJ Platform with payments is the right solution for their business.
- Canadian retail clients can also use the integrated payment solution.

About Akerna

Akerna is a global regulatory compliance technology company in the cannabis space. Akerna's service offerings include MJ Platform[®], Leaf Data Systems[®], solo sciences tech platform, Trellis and Ample Organics. Since its establishment in 2010, the company has tracked more than \$18 billion in cannabis sales. Akerna is based in Denver. For more information please visit akerna.com.

About Priority Technology Holdings, Inc.

Priority is a leading provider of merchant acquiring, integrated payment software and commercial payment solutions, offering unique product and service capabilities to its merchant network and distribution partners. Priority's enterprise operates from a purpose-built business platform that includes tailored customer service offerings and bespoke technology development, allowing the Company to provide end-to-end solutions for payment and payment-adjacent opportunities. Additional information can be found at www.PRTH.com.

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 market forecasts and growth projections for the CBD and Hemp markets, the potential benefits to CBD and hemp clients of the integration of payment processing by Priority Technology Holdings and MJ Platform, future action regarding traditional cannabis at the federal and state levels, the ability of the MJ Platform team to help operators across all sectors of the industry increase efficiency through compliance, precise inventory visibility, and streamlined operations at every point in the supply chain, 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 PRTH's and 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) PRTH or 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 PRTH's and 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 PRTH or Akerna, or the date of such information, in the case of information from persons other than PRTH or Akerna. PRTH and Akerna undertake no duty to update or revise the information contained herein. Forecasts and estimates regarding PRTH's or 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.

View original content to download multimedia:<http://www.prnewswire.com/news-releases/akerna-signs-agreement-with-priority-technology-holdings-301115832.html>

SOURCE Akerna