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Clean Sweep for Cannabis: 2020 Elections Open Five New Markets for Cannabis Technology

DENVER, Nov. 5, 2020 /PRNewswire/ -- Akerna (Nasdaq: KERN) ("Akerna" or the "Company"), an enterprise software company, leading compliance technology provider, and developer of the cannabis industry's first seed-to-sale enterprise resource planning (ERP) software technology (MJ Platform®), is pleased to announce that the cannabis industry is the clear winner of the 2020 Elections.



Of the five states voting on cannabis reform this election, all five passed their respective ballot initiatives, adding four new adult-use markets and two medical markets. Those states were New Jersey, Arizona, Montana, South Dakota, and Mississippi.

New Jersey

New Jersey Public Question 1 – 67% in favor, 33% opposed

New Jersey Public Question 1 alters the state's constitution to legalize the cultivation, processing, and sale of cannabis for adults over 21. The New Jersey Cannabis Regulatory Commission will oversee the adult-use programs, though the scope of its regulatory authority

has yet to be determined by the legislature.

Arizona

Proposition 207 – 60% in favor, 40% opposed.

Proposition 207 will legalize adult-use cannabis for individuals over the age of 21 and permit residents to grow up to six cannabis plants per household. The measure also imposes a 16% tax on cannabis sales, allows the state to expunge cannabis-related offenses, and ban smoking cannabis in public.

Montana

Initiative 190 – 57% in favor, 43% opposed

Initiative 190 legalizes the possess and use of cannabis for adults over the age of 21. Cannabis sales will be taxed at 20%, and the Montana Department of Revenue will be responsible for developing industry regulations.

South Dakota

Amendment A – 53% in favor, 47% opposed

Amendment A legalizes adult-use cannabis for adults over the age of 21. Adults may legally possess up to one ounce of cannabis, grow up to three mature plants, and cannabis sales are taxed at 15%.

Initiated Measure 26 – 69% in favor, 31% opposed

Initiated Measure 26 legalizes medical cannabis for patients suffering from debilitating conditions, which is loosely defined as chronic conditions causing cachexia or wasting syndrome; severe, debilitating pain; severe nausea; seizures; or severe and persistent muscle spasms. The state Department of Health will be responsible for overseeing and regulating the program.

Mississippi

Initiative 65 – 74% in favor, 26% opposed

Initiative 65 amends the state's constitution to legalize medical cannabis for patients suffering from up to 22 debilitating conditions. Patients may possess up to 2.5 ounces of cannabis, and sales will be taxed at 7%. The Mississippi State Department of Health will oversee the program and pass regulations.

With a clean electoral sweep, these burgeoning markets will undoubtedly accelerate growth in the cannabis technology sector, as well as the wider industry. By 2025, the North American cannabis retail sales are estimated to grow to \$40.3 billion. During that same period, the cannabis seed-to-sale software market is expected to increase from \$330.3 million to \$630.4 million.

Further fueling the potential for growth is the increasing pressure on Congress to enact

federal cannabis reform. Cannabis has not only proven to be popular with both Republican and Democratic voters, but also the substance is now legal, either for adult-use or medical purposes, in more than half of the country.

"We are well positioned to capitalize on these new market opportunities. Cannabis reform once again proves to be a bipartisan issue," said Akerna Chief Executive Officer Jessica Billingsley. "One out of three Americans now live in states with adult-use cannabis, and many more live in states with medical cannabis laws. There has never been a better time for Congress to act on cannabis reform."

About Akerna

Akerna (Nasdaq: KERN) is an enterprise software company focused on compliantly serving the cannabis, hemp, and CBD industry. Based in Denver, Colorado, the Company's mission is to create the world's most transparent and accountable supply chain by building a cannabis technology ecosystem connecting data points across the global cannabis supply chain from seed to sale to self. First launched in 2010, Akerna has tracked more than \$20 billion in cannabis sales to date and is the first cannabis software company listed on Nasdaq.

Using connected data and information to propel the cannabis industry forward, Akerna empowers businesses, governments, patients, and consumers to make smart decisions. The Company's cornerstone technology, MJ Platform, the world's leading infrastructure as a service platform powers retailers, manufacturers, brands, distributors, and cultivators. Akerna also offers a complete suite of professional consulting services and data analytics for businesses as well as solo sciences, MJ Freeway, Leaf Data Systems, Trellis, and Ample Organics.

For more information, visit <https://www.akerna.com/>

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