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Akerna Flash Report: Boomers Drive the Edibles Market Among First-time Buyers

Purchases of Tinctures, Concentrates, Have Fallen Out of Favor

DENVER, May 29, 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 among first-time cannabis buyers, baby boomers (55+) spend 22% on edibles versus 9% on edibles for consumers in the 18-34-year-old age range.

"The image of Jeff Spicoli as the stereotypical stoner has tainted the image of the cannabis consumer," said Aryeh Primus, vice president of analytics, Akerna. "Our research has shown baby boomers and older adults continue to be the largest and fastest-growing group of new cannabis users. Moreover, this demographic has the most flexible spending options, which means savvy operators could benefit from programs that cater to this demographic."

The higher share of edibles for boomers comes mostly at the expense of concentrates. At one time, the use of tinctures, concentrated herbal extracts, were thought to be popular among the Baby Boomer Generation, due to historical medical uses. Today, the data is clear, boomers don't buy concentrates.

"It's interesting to note, while we've seen strong purchases in edibles among first-time buyers, when it comes to regular buyers, boomers spend 15% on edibles versus 6% for consumers in the 18-34 age group," said Primus. "Over time, edible purchases in both groups decrease as they use more often but remains a much larger share for older people."

**The Numbers, Year-over-Year, April 2020 compared to April 2019:

Total cannabis sales increased 68%, with an average ticket size of \$123. Top categories:

- Concentrates increased 22%, accounting for 11% of total product sales
- Cartridges / Pens increased 3%, accounting for 35% of total product sales
- Infused Edibles decreased 18%, accounting for 9% of total product sales
- Flower maintained, accounting for 43% of total product sales

MJ Freeway is more than software as a service. Its flagship solution, MJ Platform now includes Platform Insights. Now operators, investors, and regulators can access the industry's largest, and most statistically relevant database to drive data-driven business 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

Platform Insights can eliminate the guesswork and provide answers to questions like:

- What is the gross margin return on inventory?
- What SKUs should be carried?
- How do basket adjacencies influence discounting and retention strategies?
- What does a medical market look like a year or five years after decriminalizing cannabis?

[Click here](#) for more information 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.

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