



Acquisition of 365 Cannabis

September 13, 2021

Disclosures



Forward-Looking Statements

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The Cannabis Economy Runs on Akerna.

We are the technology backbone upon which the cannabis industry is built, enabling compliance, regulation, and taxation.

Akerna to Acquire 365 Cannabis



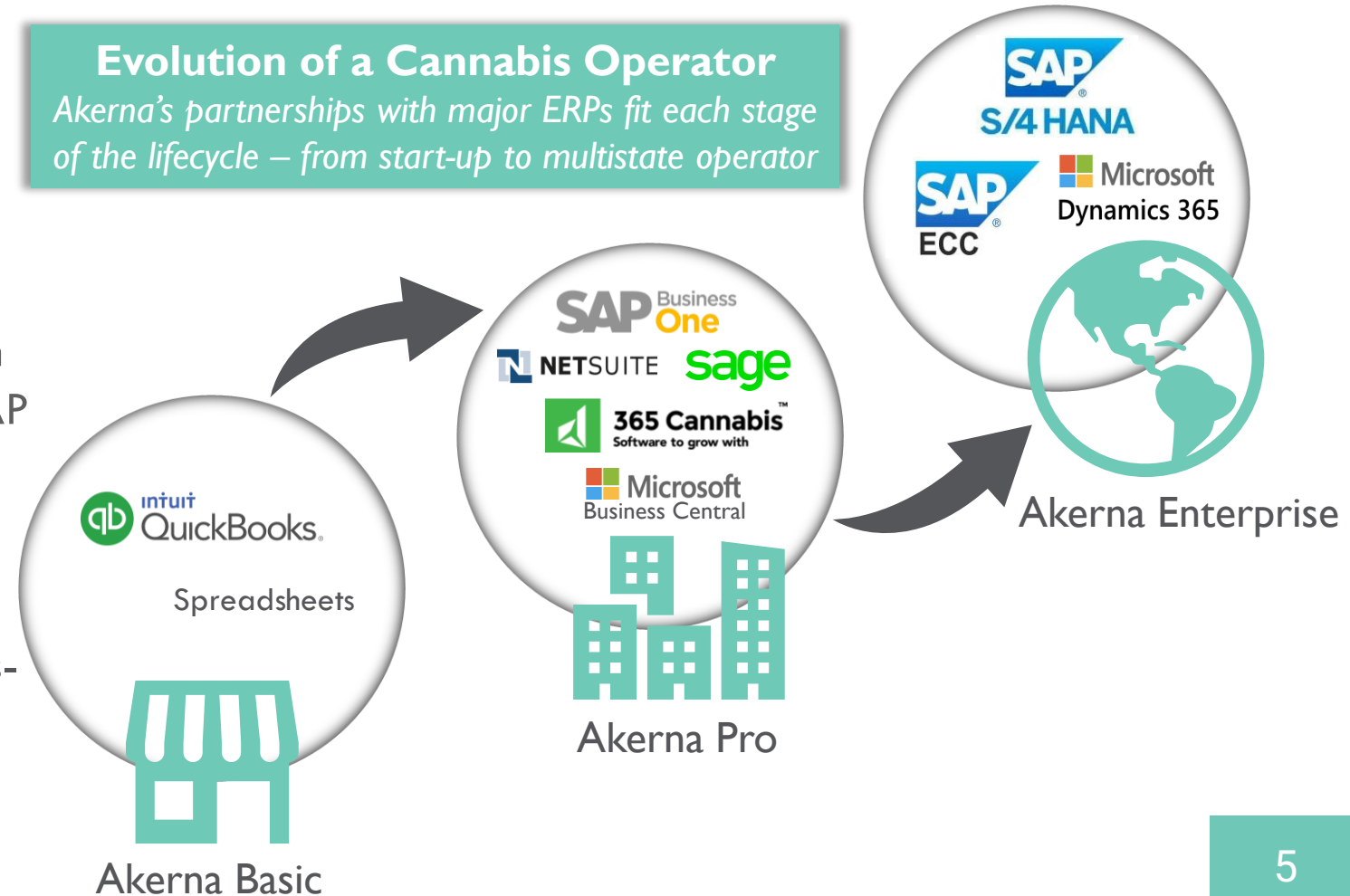
Cannabis Compliance + ERP: The final piece of the puzzle

With the acquisition of 365 Cannabis, Akerna clients have a choice between all the most popular financial and tax planning systems, now including Microsoft

Akerna: Cannabis Compliance + ERP



- Akerna has partnered with SAP, Netsuite and Sage to integrate financials & tax planning with cannabis compliance and industry connectivity
- Earlier this year, Akerna acquired Viridian to become the only cannabis-compliant SAP Business One offering
- With the acquisition of 365 Cannabis, Akerna is adding the most robust cannabis-compliant Microsoft offering



Deal Overview



Business Overview

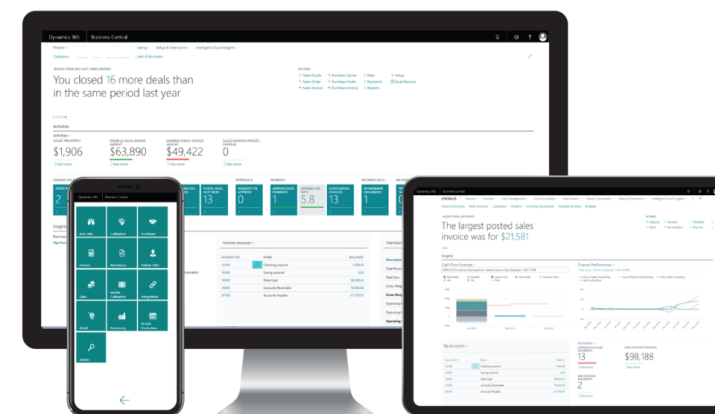
- 365 Cannabis is built on Microsoft's Dynamics 365 Business Central and serves the cannabis supply chain
 - Over 85 customers, multi-year contracts
 - \$8.2 million in LTM Revenue

Deal Terms

- Acquisition price of \$17.0 million
 - 2.1x LTM Revenue
 - Consideration in the form of \$4.0M cash, \$13.0M stock
 - Potential \$8.0 million earn-out subject to achievement of recurring revenue target
 - Targeting October 2021 closing

Investment Highlights

- \$5.2 million LTM SaaS Revenue
- 70%+ Software Margins
- 85+ Customers



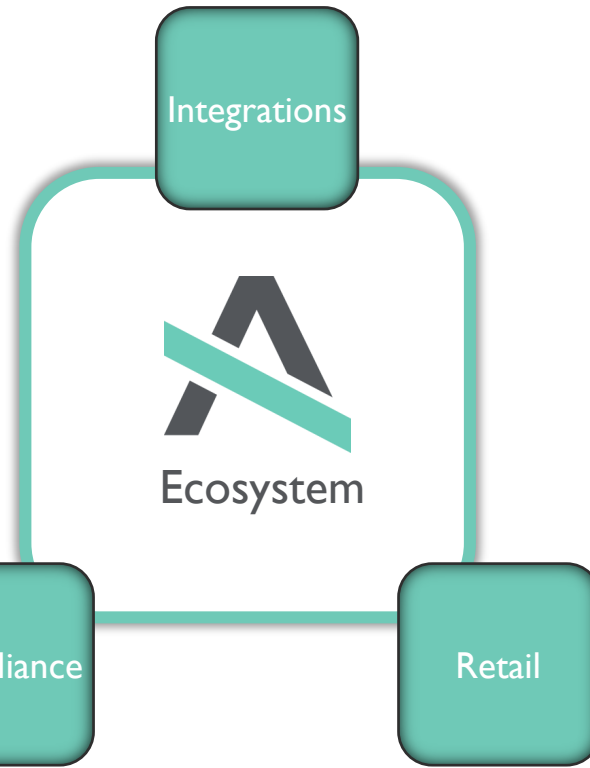
Akerna + 365 = The Microsoft Solution for Cannabis



Current 365 Offering

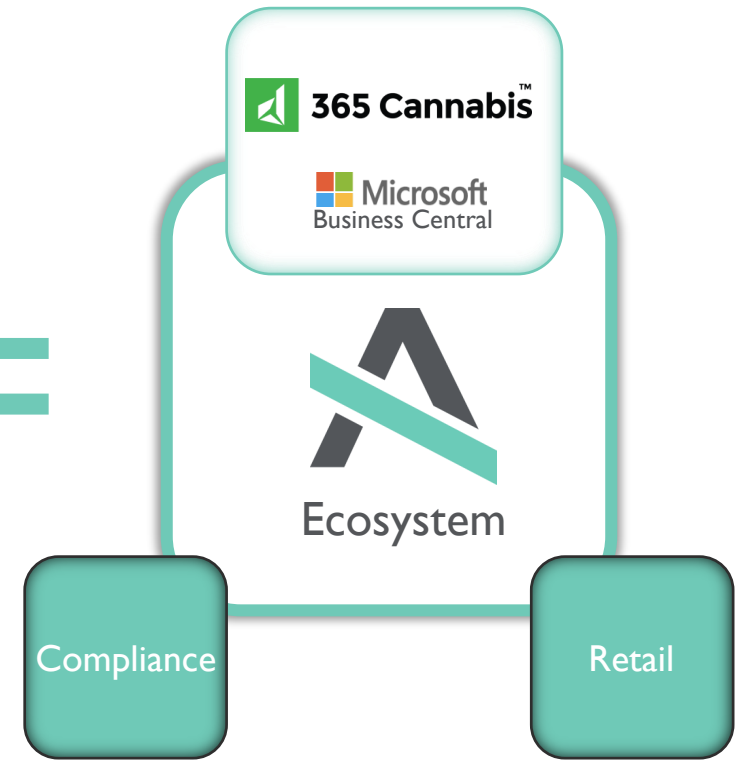


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Akerna Ecosystem with 365 Integration





Key 365 Cannabis Customers

United States

HARVEST
HOUSE OF CANNABIS

**PAPA
&
BARKLEY™**



 **flowerone**

 **VIREO**

SKYMINT™
PREMIUM CANNABIS

MED PHARM
IOWA

PHARMACANN

 **NECTAR™**

 **Buddies™**

Canada


SUNDIAL

KIARO


HERITAGE CANNABIS
Holdings Corp

cannara

 **greentone**


CANNAPIECE

Global

 **LASANTA**
BOTANICALS

 **FARMAGROWERS**

 **PHARMACANN**
International



Inorganic Strategy

Infrastructure powers our advantage

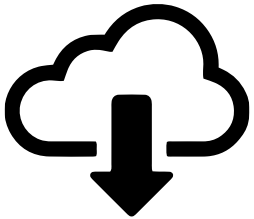
INFRASTRUCTURE

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TARGETS

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NETWORK EFFECTS



Technology

- Cloud Hosted
- API Framework
- Micro Services



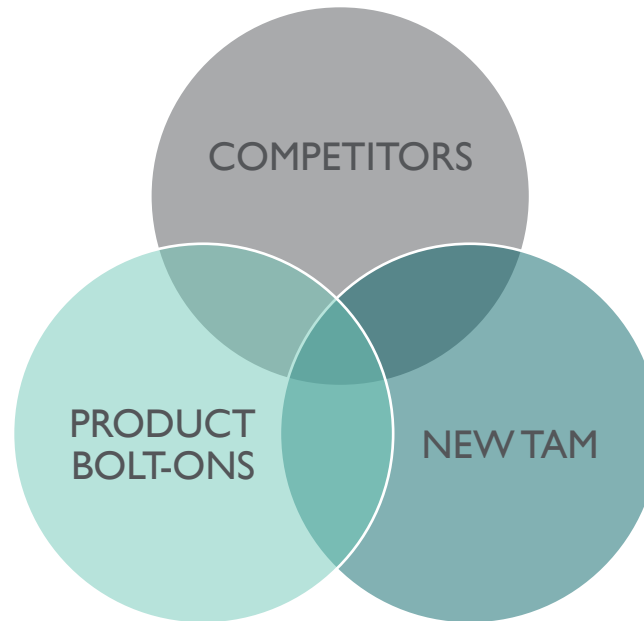
Geography

- Compliant in more legal markets than any competitors



Ability to Execute

- Public Currency & Strong Balance Sheet
- Integration Roadmap Successfully Implemented



The technology solution for cannabis operators

- Increased wallet share
- Increased stickiness
- Increased exposure to growing cannabis sales



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