Back to School: Cannabis Sales Increase in College Towns

DENVER, Sept. 9, 2020 /PRNewswire/ -- 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 cannabis retailers located in towns with a population of at least 1,000 college students or more saw an 8% rise in transactions between the months of July and August as schools began their fall semesters.

Month-over-month, transactions for consumers under the age of 30 grew by 10% and accounted for 29% of all sales in August. However, although the under 30 age group accounted for more transactions, their average basket size was the smallest among the other age groups.

The average basket size for consumers under the age of 30 was around 2.63 products with an average total of approximately $101.73. In contrast, adults over the age of 60 spent around $119.09 per transaction with an average basket size of 3.16 products. This would seem to indicate that while consumers under 30 frequent cannabis retailers more than their counterparts, they spend less and purchase fewer products.

Additional Insights:

- In July 88% of sales were in store, while in August they accounted for 85% of sales, showing a 3% increase of sales for pickup and delivery in August
- The under 30 age group shows a big swing in category sales for August: 15% of sales were concentrates, while all other age groups only had 9% of their sales consist of concentrates. This 6% difference is significant at category sales. In July the under 30 age group had 11% sales that were concentrates.
- Flower is still King- 49% of sales were flower. This remained constant across July and August and for the under 30 age group.
- Gender remains constant – 64% sales were male, and 36% of sales were female both months and for the under 30 age group

"Overall, I would say there are strong enough data points to say there is a 'back to school' influence in the cannabis industry," said [PERSON], Business Intelligence Engineer for Akerna. "With students going back to school, and some moving to campus, dispensaries near campus are seeing an increase in foot traffic for the under 30 age group."

About MJ Freeway:
MJ Freeway is more than software as a service. Its flagship solution, MJ Platform, 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 MJ Platform.

About Akerna:
Akerna is a global regulatory compliance technology company. Akerna's service offerings include MJ Platform®, Leaf Data Systems®, solo sciences tech platform and Ample Organics. 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 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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