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Utah Selects Akerna to Run Its Seed-To-Sale Tracking Program

State will use next generation Leaf Data Systems, setting new standard for government regulation

DENVER, Aug. 14, 2019 (GLOBE NEWSWIRE) -- Akerna Corp. (Nasdaq: KERN), a leading seed-to-sale regulatory compliance technology provider and developer of the cannabis industry's first enterprise resource planning (ERP) software technology – MJ Platform[®], announced today it has been awarded a new contract from the Utah Department of Health and Department of Agriculture to implement its seed-to-sale tracking platform, Leaf Data Systems[®] (Leaf Data) for Utah's new medical cannabis program. Akerna also announced the launch of the next generation Leaf Data to combine a closed-loop platform with advanced tagging technology that evolves the category of government track-and-trace products, which first launches in Utah.

To create a closed-loop system, MJ Platform technology is the core of next generation Leaf Data and will be used by all Utah licensees as their primary cannabis tracking system at retail, wholesale, cultivation and manufacturing. MJ Platform, the cannabis industry's first ERP, tracks cannabis at the gram and item level, as well as by-products and waste—from seed to product to shelf to patient/customer—through the complete supply chain. Leaf Data provides licensees initial exposure to MJ Platform and creates opportunities for further integration of MJ Platform's richer functionality as business needs evolve.

To advance tagging technology, Leaf Data and solo sciences, inc, have partnered to launch solo*TAG™, the world's first cryptographically-secure, cannabis product authentication system, exclusively for governments and only available with Leaf Data. This alternative to RFID tags is cheaper, more secure and more flexible for diverse packaging application.

"We are excited to launch our next generation of Leaf Data Systems in Utah. Closing the data loop and elevating tagging technology sets a new standard for government regulation with greater transparency and accountability, while providing cannabis licensees an affordable, secure and intuitive supply chain compliance framework," stated Akerna Chief Executive Officer Jessica Billingsley.

"The inventory control and electronic verification systems are absolutely critical to the success of Utah's medical cannabis program. Leaf Data provides the transparency and security to successfully launch Utah's first program in cannabis," commented Rich Oborn, Director of the Center for Medical Cannabis at the Utah Department of Health. "We look forward to implementing the advanced system for the safety of all Utah residents."

Evolved Leaf Data Systems differentiators include:

- **Faster to implement** – Leaf Data provides governments their requested data points

and implements a working system quickly without lengthy and resource-intensive customization. As the only viable commercial-off-the-shelf (COTS) solution for cannabis traceability, Leaf Data can easily accommodate what are today large variances in the data points governments request for collection.

- **More transparency and accountability**– The evolved Leaf Data product closes the loop between governments and licensees to eliminate alternate data collection sources, which reduces error, improves security and increases accountability. Data is also available within 15 minutes for real-time compliance.
- **Less cost to licensees** – Current traceability tagging technology is costly and outdated. Solo science’s patented technology delivers an advanced solo*TAG as a unique digital fingerprint that eliminates the need for expensive technologies like holograms and RFID. The solo*TAG can also cost a fraction of the cost of current tagging technology, reducing some of the compliance cost burden for cannabis licensees.
- **Branding for export markets** – As a government traceability product, solo*TAG has the unique ability to remain a secure digital fingerprint, while also authenticating a country’s product in a highly customizable, branded graphic. Unlike other authentication technologies, the solo*TAG can be applied to pre-existing products without the need for packaging redesign.
- **Mobile App** – solo*TAG is mobile-app enabled, and Leaf Data is now the first mobile-enabled, seed-to-sale government traceability platform for cannabis businesses and for regulatory bodies.

“By partnering with Akerna, Utah will now have a first-of-its-kind, closed-loop intelligent authentication system to build consumer trust, and empower governments and brands with a 360° *seed-to-self*TM ecosystem to fulfill regulatory and compliance needs,” said Ashesh (Alex) Shah, CEO and founder of solo sciences.

The Utah solution also includes a partnership with MicroPact, provider of adaptive, COTS solutions to the public sector, to process patient and caregiver applications, renewals and payments while ensuring efficient registration and enforcement.

The evolved Leaf Data product gives governments a solution that’s faster to implement with reduced operating costs and less cost burden for licensees, while improving traceability and accountability. Globally, MJ Platform has adapted to 14 countries and the system operates in four languages and multiple currencies. Leaf Data currently supports state cannabis program operations that generate \$722-million in taxes. Akerna currently has two bids pending for Leaf Data with growth opportunity into three additional states and 10-20 countries in the next two years.

About Akerna Corp.

Akerna is a regulatory compliance technology company in the cannabis space. The cornerstones of Akerna’s service offerings are MJ Platform[®] and Leaf Data Systems[®], which are highly-versatile platforms that provide clients and government entities with a central data management system for tracking regulated cannabis products—from seed to product to shelf to customer—through the complete supply chain. Since establishment in 2010, the company has tracked more than \$15 billion in cannabis sales across 14 countries and has served clients in 29 states across the U.S. As part of its business strategy, Akerna intends to grow through targeted, strategic acquisitions that are complementary to its current business and

organically by accelerating its product development efforts. Akerna is based in Denver. More information is available online at www.akerna.com.

About solo sciences

Boston-based solo sciences provides instantaneous product authenticity reports via solo*, its proprietary technology offering, comprised of a secure tag, mobile app and backend system. The solo sciences mission is to build confidence and establish trust among consumers, while enabling retailers and distributors to close the loop with their suppliers. For more information, visit solosciences.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. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of 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 Akerna’s ability to recognize the anticipated benefits of the business combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; costs related to the business combination; changes in applicable laws or regulations; the possibility that Akerna may be adversely affected by other economic, business, and/or competitive factors; Akerna’s ability to identify and integrate acquisitions and achieve expected synergies and operating efficiencies in connection with acquired businesses; and other risks and uncertainties indicated from time to time in the final prospectus of Akerna, including those under “Risk Factors” therein, and other documents filed or to be filed with the Securities and Exchange Commission (“SEC”) by Akerna. Actual results, performance or achievements may differ materially, and potentially adversely, from any projections and forward-looking statements and the assumptions on which those vary from forward-looking statements are based. There can be no assurance that the data contained herein is reflective of future performance to any degree. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance as projected financial information, cost savings, synergies and other information are based on estimates and assumptions that are inherently subject to various significant risks, uncertainties and other factors, many of which are beyond our control. 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 we believe 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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