

June 17, 2021



Akerna Flash Report: Alabama could add over \$600,000,000 to its GDP in first three years of medical cannabis retail sales

Southern-region US states are recognizing the economic opportunity of legalizing medical cannabis

DENVER, June 17, 2021 /PRNewswire/ -- Business intelligence from Akerna (Nasdaq: KERN), an enterprise software, leading compliance technology provider, and developer of the cannabis industry's first seed-to-sale enterprise resource planning (ERP) software technology ([MJ Platform®](#)), predicts that Alabama will make \$600,146,880 in its first three years of medical retail cannabis sales.



In May, Alabama became the 36th state to legalize medical cannabis, marking the second "Deep South" state to do so.

Akerna data analyzed the average retail sales history of current legal medical-only marijuana markets and then compared those figures to Alabama's population. Based on the study, Alabama is projected to retail around \$48 million in its first full year of medical sales, about \$163 million in the second year, and approximately \$387 million in the third year of legal

medical cannabis sales.

It was a widely shared expectation that all southern-region states, many of which have long been led by conservative politicians, would never legalize cannabis at any level. However, recent legislative moves have proved otherwise. For example, Louisiana has a medical program, Virginia recently legalized adult use, medical licensing is underway in Georgia, and medical bills are being worked on in South Carolina, North Carolina, and Kentucky.

If the remaining southern-region states were to fully legalize medical marijuana, they would see the following retail sales trajectory:

State	Population	Year 1 Sales	Year 2 Sales	Year 3 Sales	Total Sales in First 3 Years
State with medical-only cannabis	13,002,700	\$ 126,488,281.42	\$ 422,631,126.48	\$ 1,004,044,705.50	\$ 1,553,164,113.40
		Projected:			
AL	5,024,279	\$ 48,875,419.42	\$ 163,305,828.29	\$ 387,965,632.44	\$ 600,146,880.15
GA*	10,711,908	\$ 104,203,806.41	\$ 348,172,744.49	\$ 827,153,938.27	\$ 1,279,530,489.18
KY	4,505,836	\$ 43,832,085.03	\$ 146,454,701.29	\$ 347,932,412.47	\$ 538,219,198.79
LA*	4,657,757	\$ 45,309,949.33	\$ 151,392,640.59	\$ 359,663,474.15	\$ 556,366,064.07
MS	2,961,279	\$ 28,806,870.23	\$ 96,251,446.21	\$ 228,664,546.71	\$ 353,722,863.14
NC	10,439,388	\$ 101,552,773.44	\$ 339,314,935.38	\$ 806,110,442.45	\$ 1,246,978,151.27
SC	5,118,425	\$ 49,791,257.34	\$ 166,365,887.36	\$ 395,235,414.32	\$ 611,392,559.02
TN	6,910,840	\$ 67,227,596.94	\$ 224,625,354.28	\$ 533,642,421.39	\$ 825,495,372.61
TX	29,145,505	\$ 283,523,025.11	\$ 947,326,140.72	\$ 2,250,562,574.26	\$ 3,481,411,740.09
WV*	1,793,716	\$ 17,448,995.53	\$ 58,301,753.76	\$ 138,507,467.91	\$ 214,258,217.20

* Indicates state with current limited medical program

Virginia, which recently legalized adult-use cannabis, is projected to see over \$109 million in their first year, \$364 million in their second, and \$866 million in their third, totaling over \$1.3 billion in projected cannabis retail sales. Florida has had a full medical market for over three years and was omitted from the report.

"States across the US are realizing the massive economic impact that legalizing medical marijuana would have on their local economy," said James Ahrendt, Business Intelligence Architect at Akerna. "With so much movement happening in the south, we compared states in that region with other legal medical-only markets to uncover the potential retail sales of cannabis. The history of other markets and our data reports show that cannabis has the potential to be a major cash crop in regions of the US that are historically leaders in agriculture and farming."

Cannabis sales in other medical markets have consistently shown year-over-year growth, likely due to more medical licenses, increased retail access, and decreased stigma around the medical use of cannabis.

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 (Nasdaq: KERN) is an enterprise software company focused on compliantly serving the cannabis, hemp, and CBD industry. 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. The company's cornerstone technology, MJ Platform, the world's leading infrastructure as a service platform, powers retailers, manufacturers, brands, distributors, and cultivators.

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

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, Trellis, and Viridian Sciences.

Data is derived from MJ Platform, the leading provider of cannabis compliance software for the marijuana industry. Sales projections are based on market adjustment calculations and represent the entire US market as an aggregate.

Reporting Data is obtained from operators using Akerna's MJ Platform solutions. Akerna has one of the largest seed-to-sale footprints in the cannabis industry, operating in 15 countries and 23 U.S. states, including Pennsylvania, Oklahoma, Puerto Rico, Arizona, California, Utah, Michigan, Colorado, Montana, Nevada, Maine, Vermont, New Mexico, Missouri, Texas, Ohio, Maryland, Washington D.C., Kansas, Arkansas, New York.

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 terms 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.



View original content to download multimedia:<http://www.prnewswire.com/news-releases/akerna-flash-report-alabama-could-add-over-600-000-000-to-its-gdp-in-first-three-years-of-medical-cannabis-retail-sales-301314152.html>

SOURCE Akerna