

October 4, 2021



Akerna closes \$17 million acquisition of 365 Cannabis, built on Microsoft's Dynamics 365 Business Central, offering cannabis operators the most comprehensive ERP system

The acquisition combines Akerna's compliance gateway and feature-rich reporting with 365 Cannabis' Microsoft ERP solution to create the cannabis sector's most complete portfolio of tax, financials, operations, reporting, and compliance systems, crucial to scale as the industry grows and matures.

DENVER, Oct. 4, 2021 /PRNewswire/ -- Akerna (Nasdaq: KERN), a leading enterprise software company and the developer of the most comprehensive technology infrastructure, ecosystem, and compliance gateway powering the global cannabis industry, announced it has closed the acquisition of 365 Cannabis, a cannabis ERP and business management software system built on Microsoft's Dynamics 365 Business Central, in a \$17 million deal.



The combined complementary key capabilities of Akerna and 365 Cannabis will:

- Add the most robust cannabis-compliant Microsoft ERP on the market, establishing Akerna as the broadest portfolio of technology solutions provider for cannabis operators with a majority of the mainstream mid-market to enterprise finance, inventory, and operations solutions
- Offer cannabis operators a seamless solution from startup to multi-state operator while maintaining regulatory compliance every step of the way through Akerna's compliance gateway
- Give 365 Cannabis' 85+ customers, including Pharmacann, Nectar, Revolution, Sundial, and Kiaro, access to Akerna's compliance gateway, feature-rich reporting, MJ Retail POS, and the recently launched [Akerna Connect](#).

An updated investor deck on the transaction is available at:ir.akerna.com.

"The 365 Cannabis acquisition represents the final piece of the puzzle for connecting cannabis compliance with mainstream ERP offerings to give our clients a choice between all of the most popular financial and operational systems," said Jessica Billingsley, Akerna CEO. "We are proud to offer cannabis operators the most comprehensive cannabis technology ecosystem of the best-in-class tax, financial, compliance, consulting, training, data analytics, product development, and more."

As the cannabis industry experiences continued growth and the possibility of US federal reform increases, cannabis operators are seeking to grow their operations and expand into new markets. To reach those growth goals while meeting multistate compliance, cannabis operators require a comprehensive ERP system, like Akerna's, that can scale with them.

Akerna has partnered with SAP, Sage Intacct, and other leading financial and tax planning providers to offer cannabis operators a solution for each stage of their evolution – from startup to multistate operator (MSO) – while maintaining regulatory compliance through Akerna's compliance gateway. The acquisition of 365 Cannabis accelerates the deployment of this strategy with the addition of Microsoft capabilities, further establishing Akerna as the most robust cannabis-compliant ERP system offering a complete portfolio of mainstream tax and financials.

"We're thrilled for this acquisition to be finalized and to officially be a part of the Akerna family of brands. Akerna's clients have a true path to scalability while remaining in the Akerna ecosystem. 365 Cannabis' clients will receive access to a more robust platform, a large pool of integrations and complementary products, and a broader support team. Overall, this acquisition provides unparalleled opportunities for growth to service current and future clients, expansion into new markets, and supports client retention through product, service, and reach," said Jeff Kiehn, 365 Cannabis Chief Executive Officer.

About Akerna

Akerna (Nasdaq: [KERN](#)) is an enterprise software company focused on compliantly serving the cannabis, hemp, and CBD industries. Based in Denver, Colorado, the Company's mission is to create the world's most transparent and accountable supply chain by building a cannabis technology ecosystem connecting data points across the global cannabis supply chain from seed to sale to self. First launched in 2010, Akerna has tracked more than \$20 billion in cannabis sales to date and was the first cannabis software company listed on

Nasdaq.

Using connected data and information to propel the cannabis industry forward, Akerna empowers businesses, governments, patients, and consumers to make smart decisions. The Company's cornerstone technology, MJ Platform, the world's leading infrastructure as a service platform, powers retailers, manufacturers, brands, distributors, and cultivators. Akerna also offers a complete suite of professional consulting services and data analytics for businesses as well as solo sciences, MJ Freeway, Leaf Data Systems, Trellis, Ample Organics, Viridian Sciences.

About 365 Cannabis

365 Cannabis is a comprehensive vertically integrated cannabis software solution built on the Microsoft Dynamics platform. The company is a Microsoft Gold Partner and its ERP (Enterprise Resource Planning) solution incorporates Cultivation, Production, Global Compliance, QC, Finance, Dispensing & Retail, CRM, Warehousing, Distribution, Multi-Facility, Multi-Company, Multi-Entity, Language, Currency and more. The Company services a client base comprised of leading U.S.-based MSOs and single-state operators, and Canadian LPs, in addition to global cannabis clients outside North America. Learn more at www.365cannabis.com or call 888-609-6766.

Forward-Looking Statements

Certain statements made in this release and any accompanying statements by management 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 Akerna to integrate 365 Cannabis and the potential benefits to Akerna and its customers, the impact of the acquisition for 365 Cannabis' customers, Akerna's future business plans, Akerna's potential business strengths in the market and any other statements expressing the views of Akerna's management on future business results or strategy. 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 (including, without limitation, the results of Akerna's contracts, strategic initiatives, and business plans as described herein) 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 recognize the anticipated benefits of being a public company, (ii) competition, (iii) Akerna's ability to grow and manage growth profitably, (iv) Akerna's ability to maintain relationships with customers and suppliers and retain its management and key employees, (v) costs related to being a public company, (vi) changes in applicable laws or regulations, (vii) Akerna's ability to identify, complete and integrate acquisitions, including 365 Cannabis, and achieve expected synergies and operating efficiencies in connection with acquired businesses, (viii) 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. 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 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 Akerna's 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 believed to be reliable; however, there can be no assurance these forecasts and estimates will prove accurate in whole or in part.

This press release does not constitute an offer to sell or a solicitation of an offer to buy securities of the Company nor shall there be any sell of securities of the Company in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The securities to be issued in connection with the transactions described in this press release have not been and will not be registered under the Securities Act of 1933, as amended, or any applicable state securities laws and may not be offered or sold absent such registration or an available exemption therefrom.

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