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Akerna Flash Report: Dispensary Sales Up 140% Ahead of Closure Threat

"Panic Buying" Leads to Record Setting Sales Day as Restricted Markets See Overall Increases

DENVER, March 24, 2020 (GLOBE NEWSWIRE) -- 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 cannabis sales in Colorado increased 140% on Monday, March 23, after Denver Mayor Michael Hancock ordered all rec dispensaries, within the city limits, to stay closed until April 10. The order was reversed. Dispensaries are considered essential businesses.

In Colorado on March 23 compared to previous Monday's:

- Dispensary orders increased 54%
- The number of products ordered increased 101%
- Total sales increased 140%

In Denver on March 23 compared to previous Monday's:

- Recreational dispensary orders increased 174%
- The number of recreational products ordered increased 280%
- Total recreational sales increased 310%

Overall, in markets with heavier restrictions like California, Colorado and Michigan, where people are being asked to stay at home to reduce the spread of COVID-19, recreational sales are up 20% or more for the period of March 11-23, compared to previous three years of sales, with an average basket price over \$100. Oklahoma, a state not under a stay at home order, only saw a 5% increase in its average basket price.

On Friday, March 13, Akerna Business Intelligence found from *March 11 - March 18:

- Medical cannabis sales: Up 20.8%
- Recreational cannabis sales: Up 11.6%
- Flower sales: Up 22.6%
- Vape sales: Up 9.7%

- Edible sales: Up 12.4%

“Cannabis operators are running an essential business,” said Ostap Rapeyko, business intelligence analyst, Akerna. “On March 11, when major news of the potential impact of COVID-19 indicated changes in lifestyle, buying patterns were at normal rates. However, a week later, on March 18, sales increased by 19.2% overall. Now, with reduction in access, in certain markets, we’re seeing an increase in sales and the amount being spent.”

With demand at an all-time high, the MJ Platform team is available to help operators make smarter business decisions through analytics and reporting. MJ Platform can help with:

1. **Inventory Management:** Know what you have on hand, know what you can promote, and know where things are limited.
2. **Run Rates:** Know what your sales velocity is and get a handle on daily run rates, trends, and spikes.
3. **Ordering:** Know what to order, not just based on demand, but on historical sales and what’s hot during this time of high demand.

Current clients can learn more [click here](#).

New to MJ Platform? [Click here to request a demo today](#).

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. The size of the data set can vary by market. MJ Freeway provides operators with MJ Platform, the industry-leading solution for regulatory compliance technology, from seed-to-sale-to-self.

About Akerna

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

*Data is derived from MJ Platform, the leading provider of cannabis compliance software for the marijuana industry. Reporting data is derived from operators using Akerna’s MJ Platform solutions. Increases are relative to the prior period.

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 sustained increases in demand for cannabis and 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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