

CANNABIS INDUSTRY

MID-YEAR REVIEW

2021



MAKING HISTORY:

On July 14, 2021, Senators Schumer, Wyden, and Booker made history by announcing the The Cannabis Administration and Opportunity Act, a 163-page Act which, upon passage, would federally legalize cannabis in the United States.



Introduction

Welcome to Akerna's mid-year report on the cannabis industry.

As the technology ecosystem for cannabis, we diligently keep up with the overall cannabis industry, which has seen so much movement and changes in just the first six months of this year.

We carefully curate this data and research-based report for anyone interested in gaining a better understanding of the fastest-growing industry in the world. You will find value in this report whether you are a business owner looking to make data-driven decisions, an investor looking to learn more about the promising cannabis industry, or a consumer interested in learning more about how the cannabis industry works to safely deliver the products you consume.

Over the past decade, we have witnessed substantial change in the political and social climate surrounding the cannabis industry, which has seen continued growth in revenue, new markets, and consumers. However, due to the struggles of operating in this emerging industry, we're seeing consolidation where larger cannabis operators are acquiring smaller ones.

While consolidation is mainly talked about from the operator side, with big players like Trulieve leading the charge, it is also happening on the ancillary side of the industry. Ancillary cannabis companies are businesses like us that operate in the industry without ever touching the plant, such as technology solutions, farming equipment, and more.

Early this year, Democrats regained control of the U.S. Senate via a special election in my home state of Georgia. With Democrats long being the party that has supported broader cannabis reform, this election signaled to ancillary companies that federal reform is coming – and it could be legalization.

Since then, major mainstream companies such as Uber and Amazon have said they are interested in entering the cannabis industry once federally legal. This poses major competitive threats to existing cannabis technology solutions with similar frameworks.

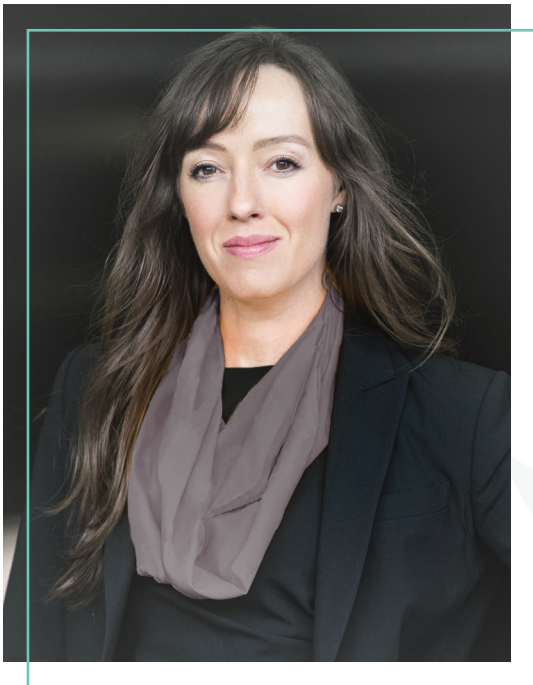
These realizations are accelerating the need for ancillary companies to consider their post-U.S. federal legalization strategy, especially given the fact that many ancillary companies were created to solve problems that only exist because of the ongoing state vs. federal conflict. As we approach U.S. federal cannabis reform, these cannabis ancillary solutions must know their value proposition in the current and legal world.

In the next year, I predict two things. First, that smaller ancillary solutions with mainstream competitors will be evaluating M&A options or pivoting strategies. Second, larger ancillary companies will be looking to acquire smaller operations that will position them as the solid and strategic post-legal solution.

Whether federal reform comes from the SAFE Banking Act, legalization, or elsewhere, I look forward to seeing the continued growth of this resilient industry.

Sincerely,

Jessica



Jessica Billingsley serves as Akerna's Chief Executive Officer. In June 2019 she became the first CEO of a cannabis ancillary company to be listed on Nasdaq. She co-founded MJ Freeway in 2010, where she served as President until April 2018, and later as the CEO until MJ Freeway was acquired by MTech to form Akerna. In 2015, she was named as one of Fortune's Most Promising Female Entrepreneurs, in 2018, she was named one of Inc. Magazine's 100 Female Founders, and in 2019, she was named to Entrepreneur's inaugural list of 100 Powerful Women.

Prior to MJ Freeway, Jessica earned her degree in Communications and Computer Science from the University of Georgia and later became CEO and founder of Zoco, a technology services firm with clients across the United States. With 20 years of technology and systems experience in rapidly scaling businesses, Jessica is a highly regarded executive in both the tech and cannabis space.



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Consolidation that has to date been focused on accumulating assets and planting as many flags in as many states as possible will start to shift to a focus on geographically strategic production positioned to service a national footprint.

-Scott Sozio, Head of Corporate Development, Akerna

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Cannabis Markets:

Trends and Forecasting

By Scott Sozio

Head of Corporate Development, Akerna

It's been 15 years since medical cannabis was first legalized in California. Yet, the industry is still very much an emerging one due to the lack of federal reform. This has led legalization to take the form of a patchwork of state-by-state regulations, each state determining for itself how to oversee the industry and coming up with its own set of unique rules and structures.

Within this patchwork, as more states join in legalizing cannabis and increase the number of markets available for expansion, that pressure is rising on cannabis operators to formulate and execute their growth plans. Two themes that have been taking shape in cannabis over the last few years are beginning to differentiate the top operators in the industry: consolidation and access to capital.

Consolidation

Emerging markets pose various challenges, and in cannabis, many of those challenges are elevated due to cannabis' status as a regulated substance. This means that the supply chain is volatile. Operators struggle with reliability, within their own organizations and with partners they depend on in other parts of the supply chain. This has led many operators to conclude that the best way to minimize risk within their supply chain is to own all the parts that are critical to their business: cultivation, processing, distribution and retail. The result: consolidation.

In some states, owning the full supply chain is built into the regulatory framework of cannabis legalization. But in most states, there are many smaller operators that generally compete in just one part of the cannabis supply chain. These operators must rely on partnerships with other businesses to bring products to market. Challenges emerge when a problem with a supplier or customer cascades through the supply chain. This can take the form of a product recall that has to be traced from the retail store back to the cultivation and through each stop in between. The management challenges and business disruptions that result from such an event contributes to increased costs. With many smaller operators not capitalized to endure such a financial hit, the supply chain may be further disrupted and start the cycle all over again.

Many operators have experienced the challenges of relying on others in the cannabis supply chain and have determined that the best way to ensure the success of their business is to own the full vertical. The operators that have taken this approach have a significant advantage when expanding into a new legal market where they can replicate their model without taking the risk of depending on smaller operators in different parts of the supply chain.

Another benefit of consolidation lies within a critical part of operating any cannabis business: compliance. Laws can vary significantly from one state to the next and even from one municipality to another, complicating compliant operation. To keep up with these variations, cannabis businesses need to dedicate significant time and money to ensure adherence to compliance with cannabis regulations. Failure to meet compliance is a daily risk that operators face, with potentially business-ending repercussions in the most severe cases. Large cannabis operations often employ a dedicated compliance role or outsource the regulatory work, but smaller operations rarely have the resources to do so. Having a dedicated compliance function opens opportunities for better access to banking and better access to financing, which is largely not available to smaller operators. The advantage of access to banking and financing is another important theme for the cannabis industry.

Access to Capital

Accessing capital is uniquely difficult for cannabis operators; the traditional ways available to finance a small business, such as government small business loans or bank loans, aren't available to cannabis businesses. Exacerbating the lack of available capital, the tax burdens on cannabis businesses are much higher than in other industries, including the inability of operators to deduct overhead expenses (the 280E issue) for calculating income taxes. Both these issues contribute to the challenges facing cannabis operators in their efforts to grow their businesses.

So, where is cannabis-friendly capital available? The larger companies, which have pursued a consolidation strategy to become the large companies they are, have accessed the public markets to pursue access to capital. This has allowed them to initially raise equity capital and, more recently, raise debt capital, with the cost of that capital continuing to go down as the capital markets warm up to the industry. This is a distinct advantage that the public cannabis companies have compared to their private competitors. Cannabis is a capital-intensive business, with the additional burdens of onerous regulation and high taxation. Those companies that can access less expensive capital are better positioned to take advantage of opportunities to invest in growing their business.

Future Themes

The current themes of consolidation and access to capital are sowing the seeds for the next two important themes that we see ahead for the cannabis industry: interstate commerce and the importance of brands.

The recently proposed Cannabis Administration and Opportunity Act ("CAOA") contemplates interstate commerce. Whether the bill passes or not, interstate commerce is now part of the conversation, and operators large and small will have to develop their plans for how they will compete when state borders open. Consolidation that has to date been focused on accumulating assets and planting as many flags in as many states as possible will start to shift to a focus on geographically strategic production positioned to service a national footprint.

The first evidence that the larger operators are positioning for interstate commerce came earlier this year when Curaleaf acquired Los Suenos, the largest outdoor grow in Colorado. The announcement noted that the transaction would provide Curaleaf with one of the largest outdoor cannabis cultivation facilities in the U.S. while building on its strategy of constructing low-cost supply chains critical to eventual interstate commerce. We expect to see more acquisitions of strategic supply as a future involving interstate commerce nears.

Whatever the timing of interstate commerce, the consolidators of the industry are building their national footprints now. The brands they go to market with today they hope will become the cannabis household names of the future. Will a successful California brand resonate in Florida? Will the product be consistent from one state to the next? As in any industry, there will be national brands and niche brands. The question for the national brands is how they earn customer loyalty in a very noisy market. If they can, the reward for creating a nationally recognized brand could be well worth the effort.



About the Author

Scott Sozio serves as Head of Corporate Development for Akerna. He was the CEO of MTech Acquisition Corp., a Nasdaq-listed special purpose acquisition company that merged with MJ Freeway to create Akerna. He is the Co-Founder and Managing Director of Hypur Ventures, a cannabis-focused venture fund and a Partner at Van Dyke Holdings, a family office investment firm. Scott is Director of Hypur Inc., a banking compliance technology business, and Director of Simplifya Holdings, LLC, a cannabis compliance technology business.

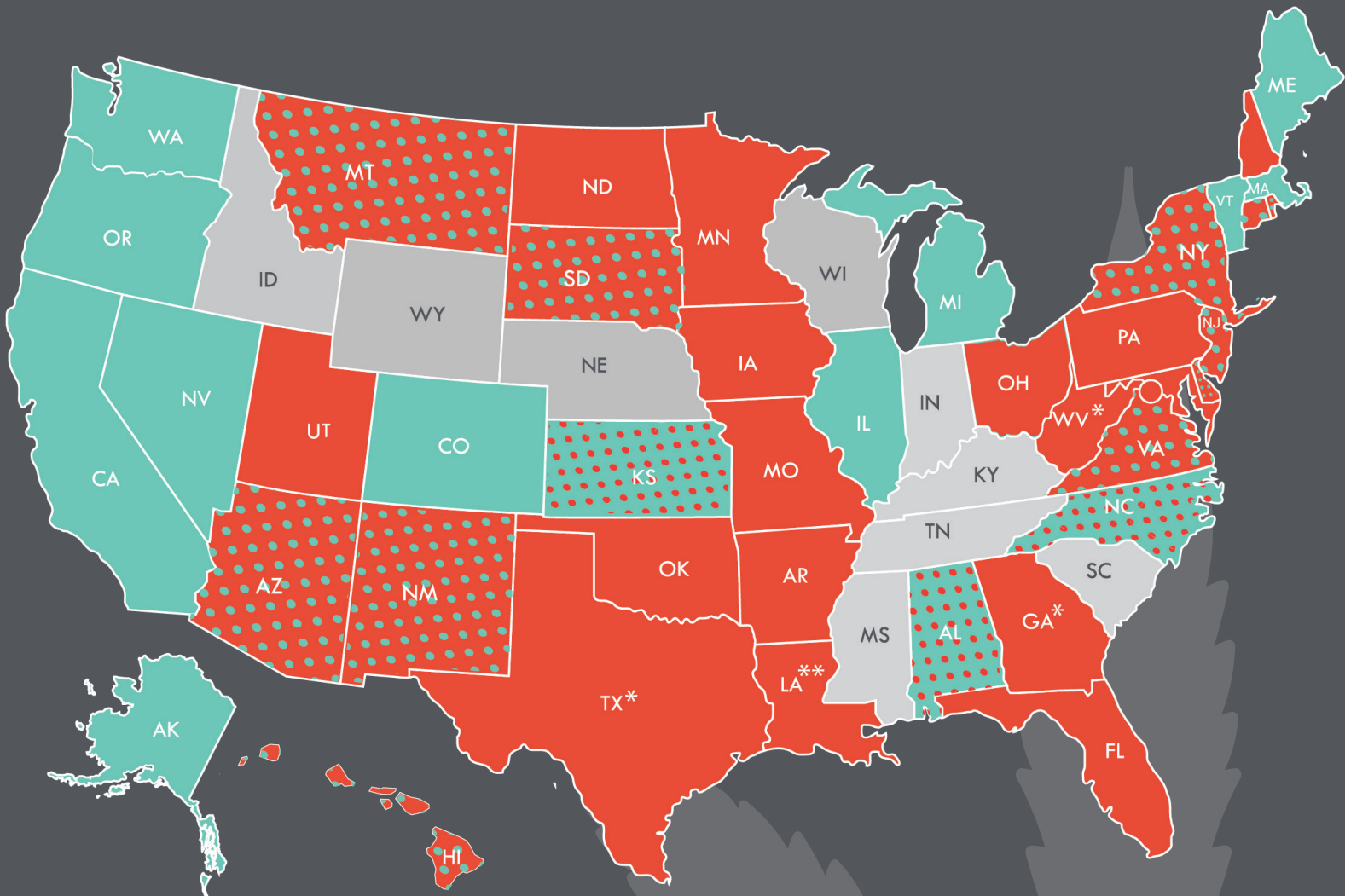
Are you interested in learning more about the cannabis industry, Akerna, and our family of cannabis technology solutions?
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QUICK HIT: STATES MAKING MOVES



- Adult-use
- Medical
- Illegal
- Legalized or working to legalize Medical
- Legalized or working to legalize adult-use

*State has limited program

**Added flower to medical offerings

Insights pulled from Marijuana Policy project and are accurate as of the release of this report.



States are Recognizing the Economic Opportunity of Cannabis

By Sheri Springer

Director of Consulting Sales, Akerna

There is no denying this past year has seen significant strides in the legalization of cannabis and the industry's overall growth. In the 2020 U.S. election, we saw Montana, Mississippi, New Jersey, South Dakota, and Arizona support legalization for the recreational use of cannabis. In March of this year, New York became the latest to join that ever-growing list. Only a month later, Virginia became the first southern region state to begin the process for full legalization. Even the historically conservative Deep South has started to make steady gains, with Alabama joining Louisiana as states from the region to legalize medical marijuana.

However, if there is one thing we have learned from the industry's recent growth, it is that every market is different. Particularly in the U.S., where regulations vary from state to state. With cannabis still illegal at the federal level, it is all the more difficult for U.S. operators to navigate the state-by-state complexities.

The Domino Effect in the Northeast U.S.

What is the driver behind the recent push for legalization at the state level across the United States? The urgency was heightened by the coronavirus pandemic, which caused revenue from state taxes to decline. Governors realized cannabis could be part of the solution to those budget woes, particularly in the Northeast, where legislative action creates a domino effect in the region.

New Jersey's decision to legalize recreational use was the first domino to fall. In recent months, we have seen New York and Connecticut follow suit. Pennsylvania and Rhode Island could be next. Those states lagging behind recognize the significant revenue they could lose by having customers go to a neighboring state.

While states out West, such as Colorado and California, legalized through a ballot process, Virginia, Alabama, Connecticut, and New York used legislative action. Legislative action is a much quicker process (the ballot process can only be done every two to four years during election periods). It also shortens the time it takes for an operator to get a license. As the pressure to generate economic opportunities and tax revenues in the wake of the pandemic increases, we will anxiously wait to see which state is the next domino to fall.

Southern States

While cannabis legalization is happening somewhat quickly in the northern states, it is also making steady progress in the South. At one point, it was a widely shared expectation that 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 proven otherwise.

We already mentioned the new legislation in Virginia and Alabama, and those states are just the tip of the iceberg. Medical licensing is underway in Georgia. Medical bills are being worked on in South Carolina, North Carolina, and Kentucky.

Like their northern counterparts, southern states are noticing the economic impact of legalizing medical and/or recreational cannabis. We predict Alabama could add [\\$600 million to its GDP](#) in its first three years of medical cannabis sales.

If the remaining southern-region states were to fully legalize medical marijuana without any current standing limitations, they would see the following retail sales trajectory:

State	Population	Year 1 Sales	Year 2 Sales	Year 3 Sales	Total State Sales
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:					
ALABAMA	5,024,279	\$48,875,419.42	\$163,305,828.29	\$387,965,632.44	\$600,146,880.15
GEORGIA*	10,711,908	\$104,203,806.41	\$348,172,744.49	\$827,153,938.27	\$1,279,530,489.18
KENTUCKY	4,505,836	\$43,832,085.03	\$146,454,701.29	\$347,932,412.47	\$538,219,198.79
LOUISIANA*	4,657,757	\$45,309,949.33	\$151,392,640.59	\$359,663,474.15	\$556,366,064.07
MISSISSIPPI	2,961,279	\$28,806,870.23	\$96,251,446.21	\$228,664,546.71	\$353,722,863.14
NORTH CAROLINA	10,439,388	\$101,552,773.44	\$339,314,935.38	\$806,110,442.45	\$1,246,978,151.27
SOUTH CAROLINA	5,118,425	\$49,791,257.34	\$166,365,887.36	\$395,235,414.32	\$611,392,559.02
TENNESSEE	6,910,840	\$67,227,596.94	\$224,625,354.28	\$533,642,421.39	\$825,495,372.61
TEXAS	29,145,505	\$283,523,025.11	\$947,326,140.72	\$2,250,562,574.26	\$3,481,411,740.09
WEST VIRGINIA*	1,793,716	\$17,448,995.53	\$58,301,753.76	\$138,507,467.91	\$214,258,217.20

Medical vs. Recreational

As states continue to move forward with legalization, what does that mean for you as an operator? What market(s) should you look to next?

While recreational markets tend to create more economic opportunities (higher sales, cannabis tourism, etc.), starting out or expanding into states with a medical program can help set you up for long-term success. From experience, we have learned the most straightforward path into the recreational market is through medical. In almost every state with legalized recreational use, medical operators in good standing are usually grandfathered into the recreational program.

Take Illinois, for example. Recreational use was legalized in September 2019 through the legislative process, and recreational sales started in January 2020. Since sales began so quickly, no new licenses had yet been awarded to new, recreational-only operators looking to enter the market. This landscape gave medical licensee holders all the recreational sales revenue in the state at the start. The legislative recreational bill initially planned to grant additional recreational licenses in 2020, but as of today, no new recreational licenses have been awarded due to delays. Hence, to date, all recreational sales have been made by medicinal licensees since January 2020, giving them a significant leg up on the competition.

The biggest takeaway is if you want to be in a market and licenses open up, whether it is medical or recreational, don't wait around, or you may miss your chance. You never know when there might be delays from the state, an increase in competition, or other factors that could derail your plans to enter a market. Our recommendation is to jump at the first licensing opportunity that comes available or risk losing out.

Globalization

Much like the domino effect we see in the northeastern United States, there is the potential for a similar scenario to play out on a global scale.

If the U.S. were to legalize cannabis federally, it could accelerate global legalization. However, other countries are certainly not waiting for the U.S to take the lead. Import and export of cannabis are already taking place. Germany is a big importer, while Canada, the Netherlands, Uruguay, Colombia, Israel, Jamaica, South Africa, Lesotho, and Australia are exporting.

This is all still very new, and as with anything in the cannabis industry, the legal and political factors that once made international trade seem unthinkable are constantly evolving. There are also other, more practical matters to consider, such as quality standards and supply chain integrity. We can glean from all of this that the international trade channels being built today will likely serve as a solid model for other countries moving forward. Until then, we will continue to keep an eye on the developments in this space.

The race to legalize cannabis and reap the economic benefits is alive and well in the U.S.

Our team of consultants has a combined 30+ years of experience in the medical and recreational cannabis industry. We will help you learn how to win a license, build, set up, open, operate, and scale a successful cannabis business.



About the Author

Sheri Springer is the Director of Service Sales at Akerna. She joined our team in 2011 and has served as Director of Service Sales since 2016. Sheri has worked endlessly to educate the cannabis industry and assist clients from obtaining their licenses through opening their doors and optimizing their business operations. With her 30+ years of experience in sales and technology, paired with her client driven approach, the Akerna consulting team has won dozens of applications across 17 states and completed successful build outs across many central and east coast emerging states as well as internationally.



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Are you interested in MJ Freeway's Consulting services?

[Click here to learn more](#)



QUICK HIT: TOP SALES DAYS OF 2021

Below are the top single sales days to date of 2021 which correlate with nationally celebrated holidays in the United States.

#1

April 20
420

\$111.8M

(The unofficial marijuana consumption holiday)

#2

March 17
St Patrick's Day

\$89.8M

(When qualifying Americans got stimulus check)

#3

May 28th

\$86.9M

(Friday before Memorial Day)

#4

April 16

\$85.3M

(Friday before 420 Day)



Data Snapshot:

Cannabis Consumer Spending and Trends

Cannabis businesses can leverage MJ Platform's data-driven insights to optimize business sales and strategies

By James Ahrendt

Business Intelligence Architect, Akerna

As more and more markets are legalizing cannabis, the stigma of cannabis consumption is lessening. Together, these two happenings drive increases in cannabis consumption and give us insight into cannabis consumers through data and trends.

Data is a critical piece of the cannabis ecosystem when it comes to fully understanding consumer habits. Brands must consider these habits and preferences when creating, marketing, and selling products. By leveraging data-driven insights like these from our MJ Platform offering, cannabis businesses can make strategic predictions and decisions for their companies.

In our year-end piece, we reported that female consumers were gaining market share of sales, a trend that has continued to grow in 2021. Since 2019, females have steadily increased their percentage of sales, a total of 3.2%. While that may seem like a low number, it's actually a significant change considering the vast numbers of cannabis consumers – 14.9 million have purchased in 2021 so far.

Increasing Female cannabis spending






YEAR	MARKET SHARE
2019	35%
2020	36.6%
2021 (first 6 months)	38.2%

When it comes to product preferences, females of all ages are still overwhelmingly purchasing flower, claiming 44% of female spend this year.

While flower remains the top product, there has been a shift in the ranking of top product categories for females since 2020 – concentrates overtook edibles in popularity.



Female Product Preferences

	Flower	44%
	Cartridges / Pens	34%
	Concentrates	10.2%
	Infused Edible	8.9%
	Other	2.9%






The concentrate category shows a direct correlation between age and the percentage of sales share for females. The younger age groups spend more (14% of sales for under 30), and the sales percentage gradually drops in each age group as you increase in age (60+ age group only spends 5%).

Edibles also correlate with age but in an inverse relationship to concentrates. For the under 30 female age group, edibles are only 5.37% of their sales, 30-40 its 6.93% of their sales, and this trend continues up as the 60+ age group spends 19% of their sales on edibles.

This trend also holds up for males – the younger groups are spending more on concentrates while the elders are spending more on edibles.

For all genders, flower has always been the top purchased product, claiming 48.2% of sales in 2021 to date, up 3% sales share from 2020. Cartridges, pens, and edibles slightly fell, while concentrate sales slightly rose.

Product Preferences - All Genders

	Flower	48.2%
	Cartridges / Pens	30.9%
	Concentrates	11.4%
	Infused Edible	7.7%
	Other	1.8%

Akerna offers insights into consumer trends, product strategy, gross margins, retention strategies, market projections, industry-standard operating procedures, and more through our MJ Platform offering, the industry's largest and most statistically relevant database to drive data-driven business decisions.

By crystallizing connections in the cannabis supply chain and providing valuable input on processes, data can support your cannabis business in several areas, including strategizing, optimizing, identifying problems, planning, and reporting.

Our data is based on over ten years of legal cannabis retail sales, and we use it ourselves to make strategic, data-driven decisions about our business.



About the Author

James has been with Akerna 5 years, where he built the company's business intelligence and data products. He has 10+ years' experience in BI in industries including higher education, healthcare and cannabis.

Are you interested in learning more about how data-driven insights can power your cannabis business?

[Click here for more information on Akerna's MJ Platform & MJ Analytics](#)



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QUICK HIT: 2021 CANNABIS STATS

January to June



BASKET SIZE

Medical:

\$124.92

average total dollar
amount per order

2.90

average number of
products per order

Adult-Use:

\$76.01

average total dollar
amount per order

2.93

average number of
products per order

DEMOGRAPHICS

SALES BY AGE GROUP

Under 30 28.2%

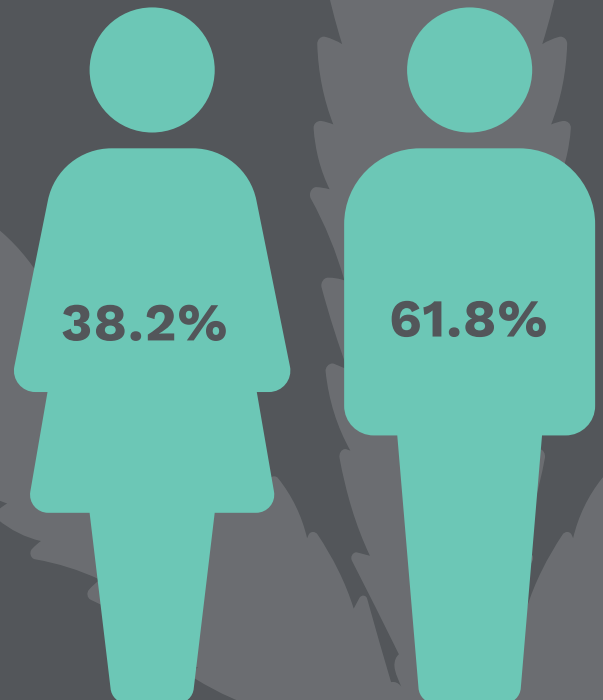
30-40 30.2%

40-50 19%

50-60 11.5%

Over 60 11.1%

SALES BY GENDER





Cannabis & Corporate Social Responsibility

By Missi Wooldridge

Marketing and Community Engagement Specialist, Akerna

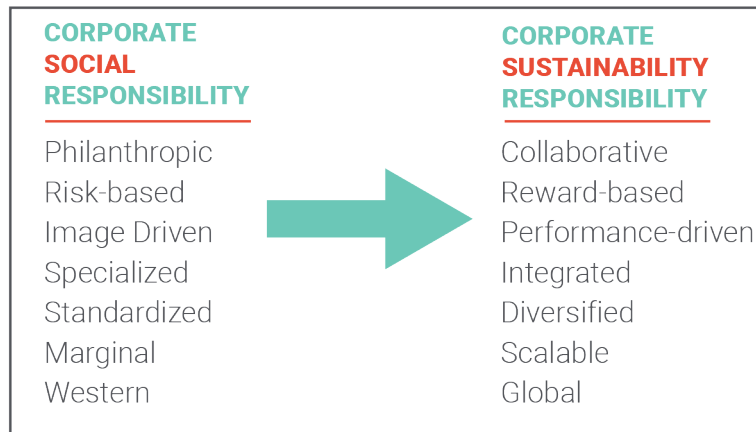
Corporate Social Responsibility (CSR) has been somewhat of a buzzword recently. But what does it mean, and why is it uniquely linked to the cannabis industry?

People tend to use the ideas of “CSR” and “philanthropy” interchangeably, but the truth is CSR is so much more than putting money toward nonprofits and social impact activations. CSR refers to the practice of conducting business in a manner that links it to ethical values, compliance with legal requirements, and, most importantly, respect for people, communities, and the environment.

Implementing a CSR strategy contributes to your triple bottom line (i.e., the profits your business makes socially, environmentally, and economically) and is highly desirable for most investors. In fact, ESG (Environmental, Social, Governance) investing is increasingly becoming the norm for many investors as they understand the value of incorporating ESG data into investment processes. There is significant data to show companies that manage their ESG risks and opportunities well are likely to outperform. Additionally, It’s a valuable tool for risk management. The future is in ESG investing – there are [more requirements](#) for companies and investors to disclose how they are engaging in ESG investing.

When constructing your CSR strategy, it’s important to note that in recent years, there has been a shift from an emphasis on “Social” to one on “Sustainability.” Despite the common association that has developed over the past decade between the word “sustainability” and the environment, this doesn’t mean that all CSR efforts need to focus only on the environment. Instead, in the context of business, “sustainability” is a way of managing a business for longevity and profitability by using the well-being of humankind as a guiding principle when making business decisions.

The image below depicts what the difference looks like in practice.



Cannabis & CSR: An Inextricable Link

Cannabis operators and ancillary companies are inextricably linked with social equity in the cannabis space. The War on Drugs is rooted in social inequity. The first anti-marijuana laws, enforced in the Midwest and the Southwest in the 1910s and 1920s, were directed at Mexican migrants and Mexican Americans. Today, Latino and especially black communities are still subject to wildly disproportionate drug enforcement and sentencing practices. People of color have been disproportionately affected by the drug war. Among other social injustices, it has also prohibited people of color from owning and operating canna-businesses.

This [2016 video](#) from hip hop icon Jay Z, and the artist, Molly Crabapple, depicts the drug war's devastating impact on the Black community. It chronologically traces the drug war from President Nixon to the Rockefeller Drug Laws to the lawful cannabis market that makes investors wealthy investors for doing the same thing that generations of people of color have been arrested and incarcerated for.

It is imperative that those investing and operating in the cannabis space take ownership of repairing the harms of prohibition. Some actionable steps operators can take include:

- *Promote expungement of records and partner with community-based organizations to host expungement events*
- *Advocate for people of color to have equal access to participate in the legal cannabis market and not restrict people with former cannabis offenses from obtaining a cannabis license, working in the industry, participating in home grow, or accessing social cannabis clubs*
- *Participate in lobbying efforts to shape how cannabis is regulated and how tax revenue from that regulation is used*
- *Make commitments to increase diversity and inclusion in the cannabis workplace*
- *Re-invest directly into communities of color disproportionately affected by the drug war by implementing round-up donations, job training and workforce development, incubation, and technical assistance*

Akerna aims to support clients in achieving their CSR goals. Akerna built a round-up functionality into MJ Platform, enabling customers to donate to an important social justice cause. This functionality will be replicable for a nonprofit of your choice.

Most importantly, Akerna produces data points that empower customers to make responsible business decisions in two main areas: Environment and Employee Wellbeing & Training. Our platforms ensure operators are ordering the correct amount of inventory and avoiding wasteful over-purchasing. It also tracks product testing, additives, such as pesticides, and waste. Further, our data points enable our clients to adequately staff for busy days and times of day, promoting employee well-being and preventing an overburdened workload. Finally, we ensure budtenders can provide real, meaningful help to patients and consumers by educating all budtenders on the plant and its uses through ZolTrain.



About the Author

Missi earned her Bachelor of Science in Community Health and Master of Public Health in Social and Behavioral Sciences & Community Health from the State University of New York. Prior to joining the Akerna team in February 2020, she focused on her consulting company, nonprofit leadership, and drug policy reform and advocacy work in the nightlife industry and harm reduction community. She has 10+ years of event management experience including conference and outreach coordination. Missi serves as the Marketing & Community Engagement Specialist at Akerna where she manages events and marketing engagement channels including community relations and Corporate Social Responsibility initiatives.

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Conclusion

The Akerna ecosystem has been developed to provide a wide range of solutions and insights to both our clients and the larger cannabis industry. Our platform allows cannabis operators to manage every detail of their business, while our business intelligence helps them make the most impactful decisions for their operations. With our 80+ integration partners, our functionality is at maximum capacity, allowing us to provide the full range of services that enhance cannabis businesses, including inventory management, online ordering, digital menus, and numerous payment options, just to name a few.

We are proud to be a part of the cannabis industry. This community fosters inclusivity, creativity, and support for those who have been disenfranchised.

The cannabis industry is resilient, and we stand ready to grow with the global community, excitedly anticipating what the future holds for our clients and our industry.

We are on the cusp of another great leap forward with the potential for federal cannabis reform in the United States and look forward to providing a follow-up report in early 2022 on the second half of this year.

Sources:

Akerna Data

USDA NASS 2020 State Data: USDA - [National Agricultural Statistics Service - Statistics by State](#)

Marijuana Policy Project: [Marijuana Policy Project - We Change Laws!](#)

ESG Investing: [How Deeper Data Impacts ESG Investing - S&P Dow Jones Indices](#)

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