

Acquisition of MJ Platform, Leaf Data Systems and Ample Organics

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POSaBIT AT A GLANCE

POSaBIT is the leading payments infrastructure provider for the cannabis industry.

www.posabit.com

INDUSTRY FOCUS

CANNABIS

LOCATIONS

500+¹

ACTIVE IN STATES

22

CSE

PBIT

OTC

POSaF

PRODUCT SUITE

POSaBIT Point of Sale
POSaBIT Payments
Robust Reporting Portal



¹ Includes merchants that are active and in implementation.

POSaBIT to Acquire Software Platforms

Assets being acquired: MJ Platform, Leaf Data Systems and Ample Organics



MJ provides a “Point of Sale” (POS), Cultivation, Processing and Analytics suite



Leaf platform provide a central data management system for tracking regulated cannabis products



Canada’s leading seed-to-sale tracking and eCommerce platform

- Purchase price of \$4M cash, represents ~0.4x 2022 expected revenue¹
- Aggregate revenue of ~\$11M¹
- Aggregate gross profit of ~\$6.8M¹
- 350+ POS merchant locations in 16 states, Puerto Rico & Washington D.C.
- No overlap with POSaBIT POS customers; minimal overlap with POSaBIT payment customers
- Gross Merchandise Value (GMV) of ~\$2.0B²
- GMV represents total sales flowing through the MJ Platform and represents the opportunity for incremental POSaBIT payments volume
- Compliance revenue from two government contracts (UT & PA)
- Cultivation, manufacturing, distribution and robust analytics module

¹ Expected for the 12 months ended December 31, 2022. See “Forward-Looking Information” and “Future-Oriented Financial Information”. Ample revenue recognized at prevailing FX rate on the day of revenue recognition.

² Gross Merchandise Value is a performance metric and calculated by the Company as the total dollar amount of all transactions processed by merchant customers.

What are we acquiring?

MJ Platform & Leaf Data Systems

- MJ Platform is the retail business that includes POS, as well as modules to support cultivation and analytics;
- Leaf is a state “seed to sale” tracking business; contracts with states of Pennsylvania and Utah – both medical only states
- 350+ POS stores representing 200+ different customers in 16 states, Puerto Rico and Washington D.C.
 - ~\$2B of GMV processed during the 12 months ending 9/30/22... represents attractive incremental payments opportunity
- ~\$8M¹ revenue, and ~\$4M¹ gross profit

Ample Organics

- Canada’s leading seed-to-sale compliance tracking and eCommerce platform
- Leading position in largest federally legal market
- Scaled ecosystem including software, payments, data, analytics, marketplace
- ~\$3.2M¹ revenue and ~\$2.8M¹ gross profit

POSaBIT expects to be Adjusted EBITDA positive both on a standalone and pro forma basis in 2023

¹ Expected for the 12 months ended December 31, 2022. See “Forward-Looking Information” and “Future-Oriented Financial Information”. Ample revenue recognized at prevailing FX rate on the day of revenue recognition.

Why this Acquisition? Expanded Product Offerings

Adds major components to POSaBIT's existing product suite and a new product line:

- New Components: Grow/Cultivation Modules (MJ Platform) – can be sold to existing POSaBIT vertically integrated POS customers
- New Product line: State Traceability System (Leaf)

Currently, POSaBIT's Open API allows seamless integration with grow/cultivation software and state traceability systems. The addition of MJ Platform and Leaf gives POSaBIT a native end-to-end solution

- This is appealing for vertically-integrated dispensaries/any organization that prefers an all-in-one solution, and is vital for large MSO's that require a robust enterprise solution

Why this Acquisition? Payments Opportunity

Acquisition immediately Doubles POSaBIT's store count, all of which are potential payments opportunities

POSaBIT to integrate payments solution with the MJ Freeway point of sale

- Outside of cannabis, point of sale and payments are fully integrated in every other industry
- The largest market leading integrated payments companies including Square, Toast, Clover, etc. offer fully integrated payments and POS solutions
- Payments within the cannabis industry is complex, and POSaBIT is uniquely positioned to monetize transaction volume
 - POSaBIT's PIN Debit solution is the most complete, most trusted, and longest running compliant solution in the industry
- Each new store represents significant revenue and gross profit upside
- Full product suite – including payments – provides a compelling anchor solution for merchants
- Opens the door for further MSO opportunities already utilizing the MJ Platform

Illustrative Revenue Synergy Analysis





- The MJ Platform currently has 350+ POS locations with ~\$2B of GMV
 - ~\$5.5M of volume per location annually
- Historically, POSaBIT payments share of wallet is ~1/3 after one year of processing and continues to increase over time, however for conservatism we assume 1/4 for this analysis
 - Non-cannabis retailers sees 95% digital payments penetration. This remains the long-term upside.
- We estimate each store converted to POSaBIT payments will contribute ~\$26,000 of annualized gross profit¹

MJ Platform locations converted to POSaBIT Payments								
(\$ USD in millions)	0	50	100	150	200	250	300	350
Incremental Gross Profit	\$0.0	\$1.3	\$2.6	\$3.9	\$5.1	\$6.4	\$7.7	\$9.0

¹Based on Q3 2022 payments gross profit as a percent of transactional sales and initial wallet share of 1/3.

Point of Sale Competition: A Comparison

Positions POSaBIT as a leading, vertically integrated solutions provider

	POSaBIT	Dutchie	BioTrack	Treez	Blaze
Retail Point-of-Sale	✓  POSaBIT	✓	✓	✓	✓
Cultivation / Grow Software	✓  mj freeway	✓	✓		✓
Payments and Reporting	✓  POSaBIT				
State Traceability System	✓  mj freeway		✓		

Key Transaction Terms

Purchase Price	<ul style="list-style-type: none"> • \$4M cash paid at closing representing 0.4x 2022E Revenue¹
Timing and Approvals	<ul style="list-style-type: none"> • Transaction is expected to close during Q2 2023 • Subject to customary closing conditions including Akerna shareholder approval
Capital Raise	<ul style="list-style-type: none"> • POSaBIT is raising up to \$11M to support this transaction <ul style="list-style-type: none"> • Use of proceeds: purchase price, acquisition pipeline, general corporate purposes
Debt Financing	<ul style="list-style-type: none"> • Up to \$8M of debt financing (to close at transaction close or sooner at POSaBIT option) <ul style="list-style-type: none"> • Three-year term • 10% annual interest in years one and two, 12% in year three • Up to 800,000 POSaBIT common share purchase warrants with a \$1.50 CAD exercise price, exercisable for three-years
Equity Financing	<ul style="list-style-type: none"> • \$3M of equity financing (closed today) <ul style="list-style-type: none"> • \$0.90 CAD per unit • Each unit consists of one common share and 0.95 common share purchase warrants with a \$1.25 CAD exercise price • Implies ~4.5M shares and ~4.3M warrants • Securities subject to a four month hold period

¹ See “Forward-Looking Information” and “Future-Oriented Financial Information”.

Combined Company at a Glance

	POSaBIT ¹	MJP/Ample ²	Combined	Synergy Potential
GMV (Payments Opportunity)	~\$1.5 billion	~\$2.0 billion	~\$3.5 billion	✓
Customer Locations	500+	350+	850+	✓
States / Territories	22	18 ³	27 ³	✓
State Contracts	0	2	2	✓
Employees	~50	~50	~100	✓
SaaS Revenue	~\$6 million ¹	~\$10 million	~\$16 million	✓
Total Revenue	~\$43 million ¹	~\$11 million	~\$54 million	✓
Gross Profit	~14 million ¹	~\$7 million	~\$20 million	✓

Note: Numbers may not sum due to rounding. All numbers are approximate.

¹Based on Reported Q3 financial annualized, pro forma for a full quarter of licensing revenue.

²Based on expected 2022 financials. See "Forward-Looking Information" and "Future-Oriented Financial Information".

³Includes 16 states plus Puerto Rico and Washington D.C.

Thank you!

