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Agrify Announces First Total Turn-Key Solution Customer Partnership

May 12, 2021

Up to 1,200 of Agrify's Vertical Farming Units to be installed at 50,000 square foot facility with up to \$280 million expected in the next 10 years

BURLINGTON, Mass., May 12, 2021 (GLOBE NEWSWIRE) -- [Agrify Corporation](#) (NasdaqCM:AGFY) ("Agrify" or the "Company"), a developer of highly advanced and proprietary precision hardware and software grow solutions for the indoor agriculture marketplace, today announced it has signed a definitive agreement with its first Agrify Total Turn-Key Solution ("Agrify TTK Solution") customer, Bud & Mary's Cultivation, Inc. ("B&M"). B&M is currently a tier-four licensed cultivator in Bellingham, MA and through its parent company, Bud & Mary's, LLC, the company is a fully integrated operator in the cannabis space with one dispensary license and a home delivery license in the state of Massachusetts.

Agrify will be working with B&M on a phased approach for the build-out of B&M's 50,000 square foot facility. The initial construction phase is expected to include installation of 774 Vertical Farming Units ("VFUs") in a double-stacked configuration to help B&M maximize canopy space. This initial phase is expected to be completed by Q1, 2022, with up to an additional 426 VFUs installed in subsequent phases, which would bring the total up to 1,200 VFUs. Agrify will provide senior financing of up to \$13.5 million for construction, which will be repaid within 24 months following the commencement of the first commercial production at the facility.

Under the terms of the agreement, Agrify will also receive fixed SaaS revenue derived from B&M's use of the Agrify Insights cultivation software as well as additional production-based fees for up to 10 years. Assuming the completion of the maximum 1,200 VFUs being installed at full capacity, Agrify anticipates that it could generate over \$28 million per annum in revenue through this partnership.

"I am thrilled to announce that we have secured our first Agrify TTK Solution partnership," said Raymond Chang, CEO of Agrify. "This solution was developed to enable customers to access the initial capital required to quickly establish modern cultivation facilities that are outfitted with our VFUs and controlled by our Agrify Insights software, which should lead to substantial gains in yield, quality, and consistency at a significantly lower cost of production for them. In turn, we have the potential to develop deeper long-term customer relationships earlier in a company's lifecycle, create significant IRR for our investment, and increase our total addressable market to drive long-term value creation for both our customers and our shareholders. We look forward to beginning our partnership with B&M and working together over the next 10 years to ensure they have the ability to capitalize on all the benefits our technology has to offer. We expect to announce several more of these long-term customer engagements in 2021 as we have already identified 2-3 additional TTK opportunities."

"The team at Agrify has developed an unparalleled end-to-end solution that should allow us to get to market faster with industry-leading technology, while producing the consistent high-quality products consumers are looking for," said David Morgan, CEO of B&M. "The ongoing support, extensive training, and knowledge base available throughout the life of our relationship combined with the data and insights available through the software platform made this the clear choice for our company. We sincerely look forward to working with the entire team at Agrify to help us establish ourselves in the growing Massachusetts market."

About Agrify (NasdaqCM:AGFY)

We are a developer of premium grow solutions for the indoor agriculture marketplace. We use data, science, and technology to empower our customers to be more efficient, more productive, and more intelligent about how they run their businesses. Our highly advanced and proprietary hardware and software solutions have been designed to help our customers achieve the highest quality, consistency, and yield, all at the lowest possible cost. For more information, please visit our website at www.agrify.com.

About Bud & Mary's Cultivation, Inc.

Bud & Mary's Cultivation, Inc., through its parent company Bud & Mary's, LLC, is a vertically integrated cannabis company in Massachusetts focused on the adult-use market. The company is at the forefront of the new era of cannabis, having assembled industry experts in cultivation, processing, packaging, and sales. Bud & Mary's is poised to bring a unique vision to life: A locally crafted, fully vertical operation utilizing a library of proprietary strains to deliver a superior experience to discerning cannabis consumers.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, concerning Agrify and other matters. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our customer relationship with B&M, project timelines, and ability to deliver solutions and services. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends,"

"targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this press release are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events as well as the terms and conditions that were mutually agreed upon in the underlying definitive agreement between Agrify and Bud & Mary's Cultivation, Inc. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You should carefully consider the risks and uncertainties that affect our business, including those described in our filings with the Securities and Exchange Commission ("SEC"), including under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC, which can be obtained on the SEC website at www.sec.gov. These forward-looking statements speak only as of the date of this communication. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements, whether as a result of any new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our public announcements and filings with the SEC.

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