



Agrify Corporation Announces First Multi-Year and Two-Million Dollar Extraction Managed Services Contract with Customer in Michigan

February 22, 2024

TROY, Mich., Feb. 22, 2024 (GLOBE NEWSWIRE) -- Agrify Corporation (Nasdaq: AGFY) ("Agrify" or the "Company"), a leading provider of innovative cultivation and extraction solutions for the cannabis industry, today announced the signing of a term sheet with PDS Ventures, LLC ("PDS Ventures" or the "Customer"), a licensed Michigan operator, to provide PDS Ventures with Agrify's multi-year end-to-end managed extraction services ("Managed Services").

Agrify's Managed Services is a first-of-its-kind program where Agrify leases turnkey extraction and post-processing lab equipment to qualified operators and provides a full-time customer success specialist to guide and manage extraction-related operations for the customer. The customer success specialist will be on-site at the customer's facility to provide hands-on support, training, and guidance on how to adhere to standard operating procedures of a full suite of extraction equipment. Managed Services allows Agrify to significantly increase the average lifetime value of our customers. Instead of just selling the hardware, this new innovative partnership allows Agrify to invest alongside qualified operators and enjoy multi-year high margin revenue. Operators also benefit from Agrify's professional design, support, installation, and ongoing training and SOP enforcement to ensure maximum yield and results.

The multi-year Managed Service contract allows Agrify to collect a monthly production success fee based on the actual amount of finished product produced and a monthly management fee during the duration of the contract term. Agrify could potentially earn up to \$2 million throughout the lifetime of this multi-year managed service contract with PDS Ventures.

"We are extremely excited to launch our end-to-end managed service contract with PDS Ventures," said Brian Towns, EVP & General Manager of Agrify. "We have been planning for the launch of this industry-first end-to-end managed extraction service for some time and it is only possible with the combination of our proprietary managed software and the multiple extraction solutions now under Agrify. Together, we believe PDS Ventures will become one of the most successful extraction operators in the State of Michigan."

PDS Ventures has signed a 3-year contract with Agrify and together, Agrify and PDS have elected to deploy Agrify's PX10 Hydrocarbon Extraction System, Hydrocarbon Distillation Unit (HDU), and Diamond Miner from Precision Extraction. The post-processing capabilities have been enhanced by the selection of a HIVE15 Thin Film Distillation System from Lab Society, and to scale solventless processing, the Axis Trichome Separator turn-key package which includes a Pikes Peak Rosin Press.

"We are confident that Agrify's Managed Services program will be a game-changer for our business," said Daniel Yatooma, Partner at PDS Ventures. "With Agrify's expertise and support, we are excited to expand our extraction capabilities and bring even higher-quality products to our customers."

For information about Agrify's managed services program, please reach out to sales@agrify.com to learn more.

About Agrify

Agrify is a leading provider of innovative cultivation and extraction solutions for the cannabis industry, bringing data, science, and technology to the forefront of the market. Our proprietary micro-environment-controlled Vertical Farming Units (VFUs), enable cultivators to produce the highest quality products with unmatched consistency, yield, and ROI (return on investment) at scale. Our comprehensive extraction product line, which includes hydrocarbon, ethanol, solventless extraction, post-processing, and lab equipment, empowers producers to maximize the quantity and quality of extract required for premium concentrates. For more information, please visit our website at <http://www.agrify.com>.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 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 the entry into definitive agreements regarding the managed services contract with PDS Ventures and the receipt of the lifetime of revenue from the agreements. 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 and financial trends that we believe may affect our business, financial condition, and results of operations. 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, 2022 that was filed with the SEC on November 28,

2023, 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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Source: Agrify