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Agrify Corporation Announces Plans to Acquire the Señorita Brand of THC Beverages

November 12, 2024

Move would position Agrify to be a leader in the fast-growing, hemp-derived legal THC Beverage market

Formulated by renowned winemakers Charles Bieler and Joel Gott, popular rapid growth beverage brand is currently distributed in nine states and Canada

TROY, Mich., Nov. 12, 2024 (GLOBE NEWSWIRE) -- Agrify Corporation (Nasdaq: AGFY) ("Agrify" or the "Company"), a leading provider of solutions for the cannabis industry, today announced that it has signed a non-binding letter of intent to acquire certain assets from Double or Nothing LLC, the owner and creator of the Señorita brand of hemp-derived legal THC ("HDLT") drinks, in exchange for 530,000 shares of Agrify common stock or common stock equivalents (the "Transaction"). The Transaction is expected to close before year end.

"This is an exciting time for Agrify and our shareholders as our business has fresh energy, a strong balance sheet and new perspective on finding solutions in the cannabis industry," said Agrify Interim CEO Ben Kovler. "We know Americans are demanding alternatives to alcohol and we believe that HDLT drinks will be a big part of the solution. I feel lucky to have found Joel and Charles and their amazing creation of Señorita. The brand needs capital and energy to handle the tidal wave of demand and Agrify's balance sheet and team are ready."

Señorita was designed and formulated by best friends and world-class winemakers Charles Bieler and Joel Gott, who collectively produce over two million cases of wine sold annually across multiple North American distribution outlets. Recognizing a growing generational demand for adult beverage alternatives, they founded Señorita in 2022 and launched the brand in the U.S. in 2023. Señorita offers consumers HDLT beverages that mirror well-known cocktails like a margarita – in two flavors – classic and mango. Known for its clean, fresh flavors and commitment to high-quality, natural ingredients, Señorita offers a low-sugar, low-calorie alternative to alcoholic beverages. Señorita's HDLT products are currently offered in Canada and nine U.S. states, including Alabama, Florida, Georgia, Illinois, Louisiana, Minnesota, Ohio, Tennessee and Wisconsin, with plans for expansion across additional states. The product is also available direct to consumer where permissible under state law via the website senoritadrinks.com.

"We started Señorita because we saw an obvious need in the market from American consumers demanding alcohol alternatives that would still provide a great experience," Señorita co-founder Charles Bieler commented. "We love margaritas, so we focused on a small number of high-quality ingredients including agave, jalapeño and lime to make what we believe is the best tasting THC beverage on the market. As a result, we can't keep up with demand - so when we met Ben and the team at Agrify we knew it was an amazing opportunity to take Señorita to the next level. We feel confident that Ben's team, energy and expertise will guarantee the brand's future success."

"As interim CEO of Agrify, my primary responsibility is to allocate capital in a way that generates an attractive return for shareholders," added Kovler. "The data indicates a massive opportunity in the HDLT drink market, making this an attractive area to allocate capital. The good news is that Agrify's balance sheet is well positioned to support the growth that Señorita and this beverage sector are experiencing. Working with Joel and Charles made sense from the start. They have an unbeatable entrepreneurial mindset that we need at Agrify to win in this next chapter of the cannabis story. I am excited for them to join the team as we work to close this transaction and focus on growing the business. We agree with Joel, Charles and American consumers when we say, 'Más Señorita Por Favor.'"

The Transaction would involve the acquisition of assets involved in the operation of Señorita's HDLT business. There can be no assurances that Agrify will reach a binding agreement and if it does, the terms could differ from those stated in this press release. In any event, Agrify will disclose the final deal terms and binding transaction documents in a future announcement and applicable filings with the Securities Exchange Commission.

Currently, Agrify has approximately 1.4 million shares of common stock outstanding and 6.3 million warrants. This Transaction would increase the shares outstanding through the issuance of a combination of shares of common stock and pre-funded warrants totaling 530,000 shares of common stock on a fully-diluted basis. Agrify currently has approximately \$17 million of debt consisting of \$7 million with an entity affiliated with its former CEO and the recently announced \$10 million convertible note issued to a subsidiary of Green Thumb Industries Inc.

About Agrify (Nasdaq: AGFY)

Agrify is a leading provider of branded innovative solutions for the cannabis industry in extraction, cultivation and more. Agrify's proprietary micro-environment-controlled Vertical Farming Units (VFUs) enable cultivators to produce the highest quality products with unmatched consistency, yield, and ROI at scale. Agrify's comprehensive extraction product line, which includes hydrocarbon, ethanol, solventless, post-processing, and lab equipment, empowers producers to maximize the quantity and quality of extract required for premium concentrates. For more information, please visit Agrify at <https://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 expected benefits to be derived from the potential Transaction, Agrify's growth and future prospects, Agrify's ability to consummate the Transaction on the terms and the timeline described in this press release, the degree and timing of planned growth and geographic expansion of the Señorita brand, and Agrify's ability to generate an attractive return for shareholders. 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 filed for the year ended December 31, 2023 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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Source: Agrify