

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 12, 2024

AGRIFY CORPORATION
(Exact name of registrant as specified in its charter)

Nevada	001-39946	30-0943453
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
2468 Industrial Row Dr. Troy, MI		48084
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (617) 896-5243

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	AGFY	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EXPLANATORY NOTE

This Amendment No. 1 to a Current Report on Form 8-K/A (this “Amendment No. 1”) is being filed by Agrify Corporation (the “Company”) for the purpose of amending Item 9.01 of that certain Current Report on Form 8-K filed by the Company with the U.S. Securities and Exchange Commission (“SEC”) on December 16, 2024 (the “Original Form 8-K”) in connection with the December 12, 2024 completion of the acquisition of substantially all of the assets of Double or Nothing, LLC (“Double or Nothing”). As indicated in the Original Form 8-K, this Amendment is being filed to provide the financial statements and pro forma financial information required by Items 9.01(a) and (b) of Form 8-K, which were not previously filed with the Original Form 8-K as permitted by the rules of the SEC.

Item 9.01. Financial Statements and Exhibits.**(a) Financial Statements of Business Acquired**

The audited financial statements of Double or Nothing as of and for the years ended December 31, 2023 and 2022 and the unaudited financial statements of Double or Nothing as of and for the nine months ended September 30, 2024 and 2023 are filed as Exhibits 99.1 and 99.2, respectively, to this Amendment No. 1, and are incorporated herein by reference.

(b) Pro Forma Financial Information

The unaudited pro forma combined financial information of the Company, giving effect to the acquisition of substantially all of the assets of Double of Nothing, which includes the unaudited pro forma condensed combined balance sheet as of September 30, 2024 and the unaudited pro forma condensed combined statements of operations and comprehensive loss for the year ended December 31, 2023 and for the nine months ended September 30, 2024 and the related notes, is filed as Exhibit 99.3 to this Amendment No. 1, and is incorporated herein by reference.

(d) Exhibits.

The Company hereby files or furnishes, as applicable, the following exhibits:

Exhibit No.	Description
23.1	Consent of GuzmanGray
99.1	Audited financial statements of Double or Nothing, LLC as of and for the years ended December 31, 2023 and 2022
99.2	Unaudited financial statements of Double or Nothing, LLC as of and for the nine months ended September 30, 2024 and 2023
99.3	Unaudited pro forma condensed combined balance sheet as of September 30, 2024 and the unaudited pro forma condensed combined statements of operations and comprehensive loss for the year ended December 31, 2023 and for the nine months ended September 30, 2024 giving effect to the acquisition of substantially all of the assets of Double or Nothing, LLC
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AGRIFY CORPORATION

Date: February 25, 2025

By: /s/ Benjamin Kovler
Benjamin Kovler
Chairman and Interim Chief Executive Officer

**CONSENT OF INDEPENDENT AUDITORS**

We hereby consent to the use of our report dated February 21, 2025, relating to the financial statements of the Double or Nothing, LLC as of and for the years ended December 31, 2023 and 2022 included in this Amended Current Report on Form 8-K/A of Agrify Corporation.

/s/ GuzmanGray

Costa Mesa, California
February 25, 2025

DOUBLE OR NOTHING, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

DOUBLE OR NOTHING, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Double or Nothing, LLC
St. Helena, CA

Opinion

We have audited the accompanying financial statements of Double or Nothing, LLC (a California corporation) (hereinafter referred to as the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

/s/ GuzmanGray
GuzmanGray
Costa Mesa, CA
February 21, 2025

DOUBLE OR NOTHING, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash	\$ 53,466	\$ 43,613
Accounts receivable	187,181	48,753
Inventory	139,388	21,883
Prepaid insurance	3,775	-
Total current assets	<u>383,810</u>	<u>114,249</u>
Total assets	<u>\$ 383,810</u>	<u>\$ 114,249</u>
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable	\$ -	\$ 32,811
Accrued expenses	60,691	17,742
Total current liabilities	<u>60,691</u>	<u>50,553</u>
Total liabilities	<u>60,691</u>	<u>50,553</u>
Members' capital	1,129,345	661,437
Accumulated deficit	(806,226)	(597,741)
Total members' equity	<u>323,119</u>	<u>63,696</u>
Total liabilities and members' equity	<u>\$ 383,810</u>	<u>\$ 114,249</u>

The accompanying notes are an integral part of these financial statements.

DOUBLE OR NOTHING, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Revenue	\$ 466,846	\$ 82,014
Cost of goods sold	<u>600,722</u>	<u>323,757</u>
Gross loss	(133,876)	(241,743)
Selling, general and administrative expenses	<u>74,609</u>	<u>169,844</u>
Net loss	<u><u>\$ (208,485)</u></u>	<u><u>\$ (411,587)</u></u>

The accompanying notes are an integral part of these financial statements.

DOUBLE OR NOTHING, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Members' Capital	Accumulated Deficit	Members' Equity
Balance as of December 31, 2021	\$ 224,351	\$ (186,154)	\$ 38,197
Contributions	437,086	-	437,086
Net loss	-	(411,587)	(411,587)
Balance as of December 31, 2022	661,437	(597,741)	63,696
Contributions	467,908	-	467,908
Net loss	-	(208,485)	(208,485)
Balance as of December 31, 2023	\$ 1,129,345	\$ (806,226)	\$ 323,119

The accompanying notes are an integral part of these financial statements.

DOUBLE OR NOTHING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net loss	\$ (208,485)	\$ (411,587)
Changes in assets and liabilities		
Accounts receivable	(138,428)	(48,753)
Inventory	(117,505)	16,314
Prepaid insurance	(3,775)	-
Accounts payable	(32,811)	32,811
Accrued expenses	42,949	17,742
Net cash used by operating activities	<u>(458,055)</u>	<u>(393,473)</u>
Cash flows from financing activities:		
Equity contributions	467,908	437,086
Net cash provided by financing activities	<u>467,908</u>	<u>437,086</u>
Net change in cash	9,853	43,613
Cash at beginning of year	<u>43,613</u>	<u>-</u>
Cash at end of year	<u><u>\$ 53,466</u></u>	<u><u>\$ 43,613</u></u>

The accompanying notes are an integral part of these financial statements.

DOUBLE OR NOTHING, LLC
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF OPERATIONS

Double or Nothing, LLC (the “Company”) is headquartered in St. Helena, California. The Company’s products include premium hemp-derived THC margarita flavored beverages. The Company utilizes manufacturing partners for production of its products which are sold in select markets in the United States and Canada.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: These financial statements were prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”).

Use of Estimates: The preparation of the Company’s financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Significant estimates include the valuation of inventory. Although these estimates are based on the Company’s knowledge of current events and expectations of future outcomes, actual results may differ.

Cash: The Company maintains its cash in a bank deposit account, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on its cash.

Accounts Receivable: Accounts receivable as of December 31, 2023, and 2022, totaled \$187,181 and \$48,753, respectively. As of December 31, 2023, 84% of the Company’s accounts receivable balance was due from one customer. This customer is the Company’s primary manufacturing partner, that purchases inventory from the Company for sale to beverage distributors. As of December 31, 2022, the entire accounts receivable balance was attributable to the Company’s primary manufacturing partner. Based on management’s assessment, the Company determined that no allowance for credit losses was necessary as of December 31, 2023 and 2022.

Inventory: Inventory is valued at the lower of cost or net realizable value, using the specific identification method. Inventory consists of raw materials and finished goods in the form of bottled beverages. The Company adjusts the carrying value of inventory if it is determined that it does not meet the criteria for sale to customers.

Prepaid Insurance: Prepaid insurance represents the unexpired portion of insurance premiums paid in advance. These amounts are amortized over the respective policy periods which are less than one year.

Accounts Payable: Accounts payable represent amounts owed to vendors and service providers for goods received and services rendered, for which invoices have been received. These balances reflect obligations directly attributable to the Company’s operations. As of December 31, 2022, the entire balance of accounts payable was due to the Company’s primary manufacturing partner.

Accrued Expenses: Accrued expenses represent expenses incurred but not yet paid. These liabilities are directly attributable to the Company’s operations.

Revenue: Revenue is recognized in accordance with Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which reflects the transfer of control of goods to customers in amounts that represent the consideration the Company expects to receive. Revenue is primarily derived from sales of beverages and is recognized at a point in time, typically upon transfer of ownership to customers. The majority of the Company’s revenue is related to one customer, the Company’s primary manufacturing partner, that purchase inventory for resale to beverage distributors in Canada. This customer accounted for 95% and 100% of revenue in the years ended December 31, 2023 and 2022, respectively.

DOUBLE OR NOTHING, LLC
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Cost of Goods Sold: Cost of goods sold reflects all direct expenses incurred in producing the Company's beverages. This includes costs for raw materials, manufacturing services, and other professional services related to production.

Income Taxes: The Company is a Limited Liability Company and has elected to be treated as a Partnership under the provisions of the Internal Revenue Code, whereby income is passed through to the individual members and reported on each members personal income tax return. Under the election, the Company does not pay any federal or state income taxes. Accordingly, no provisions for income taxes have been made in the accompanying financial statements. If it is probable that an uncertain tax position will result in a material liability and the amount of the liability can be estimated, then the estimated liability is accrued. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income tax expense. As of December 31, 2023 and 2022, management believes there were no uncertain tax positions.

NOTE 3 – INVENTORY

Inventory is composed of the following as of December 31:

	2023	2022
Raw materials	\$ 21,127	\$ 10,654
Finished goods	118,261	11,229
Total inventory	<u>\$ 139,388</u>	<u>\$ 21,883</u>

NOTE 4 – COMMITMENTS AND CONTINGENCIES

The Company has no material commitments or contingencies as of December 31, 2023 and 2022, beyond normal operating obligations.

The Company has evaluated legal and contractual obligations, including any potential litigation, long-term purchase commitments, and guarantees, and determined that no additional disclosures or liabilities are required. The Company operates in a regulated industry and actively monitors compliance with applicable laws and regulations and to ensure proper recognition and disclosure.

NOTE 5 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through February 21, 2025, the date these financial statements were available to be issued.

On December 6, 2024, the Company executed a promissory note with Agrify Corporation ("Agrify"). The promissory note allowed for draws up to \$1.0 million and charged an interest rate of approximately 4% with all principal and interest due on March 31, 2025. The amount drawn on this promissory note was \$0.4 million as of December 12, 2024. On December 12, 2024, certain assets of the Company including intellectual property and inventory were acquired by Agrify in exchange for 97,300 shares of Agrify common stock and 432,700 pre-funded warrants with a fair value of approximately \$18.8 million and \$0.4 million of assumed liabilities in the form of the promissory note balance outstanding.

DOUBLE OR NOTHING, LLC
INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

DOUBLE OR NOTHING, LLC
INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Members of
Double or Nothing, LLC
St. Helena, CA

We have reviewed the accompanying financial statements of Double or Nothing, LLC (a California corporation) (hereinafter referred to as the "Company") which comprise the balance sheets as of September 30, 2024 and 2023, and the related statements of operations, changes in members' equity and cash flows for the nine months ended September 30, 2024 and 2023, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

/s/ GuzmanGray

GuzmanGray
Costa Mesa, CA
February 21, 2025

DOUBLE OR NOTHING, LLC
BALANCE SHEETS
AS OF SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash	\$ 51,775	\$ 84,768
Accounts receivable	256,926	141,381
Inventory	360,337	116,428
Prepaid insurance	4,345	5,191
Total current assets	<u>673,383</u>	<u>347,768</u>
Total assets	<u>\$ 673,383</u>	<u>\$ 347,768</u>
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accrued expenses	\$ 65,744	\$ 11,870
Total current liabilities	<u>65,744</u>	<u>11,870</u>
Total liabilities	<u>65,744</u>	<u>11,870</u>
Members' capital	1,358,345	1,128,344
Accumulated deficit	(750,706)	(792,446)
Total members' equity	<u>607,639</u>	<u>335,898</u>
Total liabilities and members' equity	<u>\$ 673,383</u>	<u>\$ 347,768</u>

See accompanying notes to financial statements and independent accountant's review report.

DOUBLE OR NOTHING, LLC
STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Revenue	\$ 803,523	\$ 350,559
Cost of goods sold	<u>662,003</u>	<u>478,353</u>
Gross profit (loss)	141,520	(127,794)
Selling, general and administrative expenses	<u>86,000</u>	<u>66,911</u>
Net income (loss)	<u><u>\$ 55,520</u></u>	<u><u>\$ (194,705)</u></u>

See accompanying notes to financial statements and independent accountant's review report.

DOUBLE OR NOTHING, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	Members' Capital	Accumulated Deficit	Members' Equity
Balance as of December 31, 2023	\$ 1,129,345	\$ (806,226)	\$ 323,119
Contributions	229,000		229,000
Net income		55,520	55,520
Balance as of September 30, 2024	<u><u>\$ 1,358,345</u></u>	<u><u>\$ (750,706)</u></u>	<u><u>\$ 607,639</u></u>
Balance as of December 31, 2022	\$ 661,437	\$ (597,741)	\$ 63,696
Contributions	466,907		466,907
Net loss		(194,705)	(194,705)
Balance as of September 30, 2023	<u><u>\$ 1,128,344</u></u>	<u><u>\$ (792,446)</u></u>	<u><u>\$ 335,898</u></u>

See accompanying notes to financial statements and independent accountant's review report.

DOUBLE OR NOTHING, LLC
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income (loss)	\$ 55,520	\$ (194,705)
Changes in assets and liabilities		
Accounts receivable	(69,745)	(92,627)
Inventory	(220,949)	(94,544)
Prepaid insurance	(570)	(5,191)
Accounts payable	-	(32,811)
Accrued expenses	5,053	(5,874)
Net cash used by operating activities	<u>(230,691)</u>	<u>(425,752)</u>
Cash flows from financing activities:		
Equity contributions	229,000	466,907
Net cash provided by financing activities	<u>229,000</u>	<u>466,907</u>
Net change in cash	(1,691)	41,155
Cash at beginning of period	<u>53,466</u>	<u>43,613</u>
Cash at end of period	<u><u>\$ 51,775</u></u>	<u><u>\$ 84,768</u></u>

See accompanying notes to financial statements and independent accountant's review report.

NOTE 1 – NATURE OF OPERATIONS

Double or Nothing, LLC (the “Company”) is headquartered in St. Helena, California. The Company’s products include premium hemp-derived THC margarita flavored beverages. The Company utilizes manufacturing partners for production of its products which are sold in select markets in the United States and Canada.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: These financial statements were prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”).

Use of Estimates: The preparation of the Company’s financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Significant estimates include the valuation of inventory. Although these estimates are based on the Company’s knowledge of current events and expectations of future outcomes, actual results may differ.

Cash: The Company maintains its cash in a bank deposit account, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on its cash.

Accounts Receivable: Accounts receivable as of September 30, 2024 and 2023, totaled \$256,926 and \$141,381, respectively. As of September 30, 2024, 29% of the Company’s accounts receivable balance was due from one customer. This customer is the Company’s primary manufacturing partner, that purchases inventory from the Company for sale to beverage distributors. As of September 30, 2024, three other customers represented at least 10% of the Company’s accounts receivable. As of September 30, 2023, 91% of the Company’s accounts receivable balance was attributable to the Company’s primary manufacturing partner. Based on management’s assessment, the Company determined that no allowance for credit losses was necessary as of September 30, 2024 and 2023.

Inventory: Inventory is valued at the lower of cost or net realizable value, using the specific identification method. Inventory consists of raw materials and finished goods in the form of bottled beverages. The Company adjusts the carrying value of inventory if it is determined that it does not meet the criteria for sale to customers.

Prepaid Insurance: Prepaid insurance represents the unexpired portion of insurance premiums paid in advance. These amounts are amortized over the respective policy periods which are less than one year.

Accounts Payable: Accounts payable represent amounts owed to vendors and service providers for goods received and services rendered, for which invoices have been received. These balances reflect obligations directly attributable to the Company’s operations.

Accrued Expenses: Accrued expenses represent expenses incurred but not yet paid. These liabilities are directly attributable to the Company’s operations.

Revenue: Revenue is recognized in accordance with Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which reflects the transfer of control of goods to customers in amounts that represent the consideration the Company expects to receive. Revenue is primarily derived from sales of beverages and is recognized at a point in time, typically upon transfer of ownership to customers. The majority of the Company’s revenue is related to one customer, the Company’s primary manufacturing partner, that purchase inventory for resale to beverage distributors in Canada. This customer accounted for 62% and 90% of revenue in the nine months ended September 30, 2024 and 2023, respectively.

DOUBLE OR NOTHING, LLC
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

Cost of Goods Sold: Cost of goods sold reflects all direct expenses incurred in producing the Company's beverages. This includes costs for raw materials, manufacturing services, and other professional services related to production.

Income Taxes: The Company is a Limited Liability Company and has elected to be treated as a Partnership under the provisions of the Internal Revenue Code, whereby income is passed through to the individual members and reported on each members personal income tax return. Under the election, the Company does not pay any federal or state income taxes. Accordingly, no provisions for income taxes have been made in the accompanying financial statements. If it is probable that an uncertain tax position will result in a material liability and the amount of the liability can be estimated, then the estimated liability is accrued. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income tax expense. As of September 30, 2024 and 2023, management believes there were no uncertain tax positions.

NOTE 3 – INVENTORY

Inventory is composed of the following as of:

	2024	2023
Raw materials	\$ 81,366	\$ 36,615
Finished goods	278,971	79,813
Total inventory	<u>\$ 360,337</u>	<u>\$ 116,428</u>

NOTE 4 – COMMITMENTS AND CONTINGENCIES

The Company has no material commitments or contingencies as of September 30, 2024 and 2023, beyond normal operating obligations.

The Company has evaluated legal and contractual obligations, including any potential litigation, long-term purchase commitments, and guarantees, and determined that no additional disclosures or liabilities are required. The Company operates in a regulated industry and actively monitors compliance with applicable laws and regulations and to ensure proper recognition and disclosure.

NOTE 5 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through February 21, 2025, the date these financial statements were available to be issued.

On December 6, 2024, the Company executed a promissory note with Agrify Corporation ("Agrify"). The promissory note allowed for draws up to \$1.0 million and charged an interest rate of approximately 4% with all principal and interest due on March 31, 2025. The amount drawn on this promissory note was \$0.4 million as of December 12, 2024. On December 12, 2024, certain assets of the Company including intellectual property and inventory were acquired by Agrify in exchange for 97,300 shares of Agrify common stock and 432,700 pre-funded warrants with a fair value of approximately \$18.8 million and \$0.4 million of assumed liabilities in the form of the promissory note balance outstanding.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION OF AGRIFY AND DOUBLE OR NOTHING

On December 12, 2024, Agrify Corporation (“Agrify”) completed its acquisition of substantially all of the assets of Double or Nothing, LLC (“Double or Nothing”) pursuant to an Asset Purchase Agreement (the “Purchase Agreement”) and (the “Transaction”). Pursuant to the terms of the Purchase Agreement, the consideration exchanged consisted of 97,300 shares of Agrify common stock as well as pre-funded warrants to acquire up to 432,700 shares of Agrify common stock, (collectively the “Shares”), and forgiveness of \$0.4 million in debt for total consideration of approximately \$19.2 million. The fair value of the Shares was based on the closing price of Agrify’s common stock as traded on NASDAQ at the date of the transaction. Double or Nothing is the owner and creator of the Senorita brand of hemp-derived THC (“HD9”) drinks and the purchase of these assets are part of the Company’s strategic plan to reposition itself as a distributor of hemp-derived THC beverages (and similar products).

The following unaudited pro forma condensed combined financial statements (the “pro forma financial statements”) are based on the historical consolidated financial statements of Agrify and Double or Nothing, as adjusted to give effect to the Transaction which closed on December 12, 2024. The unaudited pro forma condensed combined balance sheet as of September 30, 2024 (the “pro forma balance sheet”) gives effect to the Transaction as if it had occurred on September 30, 2024. The unaudited pro forma condensed combined statements of operations and comprehensive loss for the nine months ended September 30, 2024 and for the year ended December 31, 2023 (the “pro forma statements of operations”) give effect to the Transaction as if it had occurred on January 1, 2023.

The unaudited pro forma financial information was prepared in accordance with Article 11 of Regulation S-X. The pro forma adjustments are based on available information and assumptions that we believe are reasonable. Included in the pro forma financial information is an estimate of the consideration exchanged for substantially all of the assets of Double or Nothing which is based on known information and preliminary estimates of fair value for certain equity instruments. While this is our best estimate at this time, the valuation of these amounts is still in progress and subject to change. All estimates and assumptions included in these pro forma statements could change significantly as we finalize our assessment of the allocation and fair value of the net tangible and intangible assets acquired, most of which are dependent on the completion of valuations being performed by independent valuation specialists and expected to change significantly as these valuations are completed and recorded. The unaudited pro forma financial information does not include adjustments to reflect any synergies or dis-synergies, any future operating efficiencies, associated costs savings or any possible integration costs that may occur related to the Transaction. Actual results may be materially different than the pro forma information presented herein.

The pro forma financial statements do not necessarily reflect what the combined company’s financial condition or results of operations would have been had the Transaction occurred on the dates indicated. They also may not be useful in predicting the future financial condition and results of operations of the combined company. The actual financial condition and results of operations of the combined company may differ significantly from the pro forma amounts reflected herein due to a variety of factors, including differences in accounting policies, elections, and estimates, which while accounted for to the extent known, are still in process of being determined.

Agrify Corporation
Acquisition of Substantially All Assets of Double or Nothing
Pro Forma Balance Sheet as of September 30, 2024
(Unaudited)
(In thousands, except share amounts)

	Historical Agrify (as reported)	Double or Nothing, LLC.	Pro Forma Adjustments	Ref	Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	\$ 263	\$ 52	\$ (52)	(a)	\$ 263
Marketable securities	4	-	-		4
Accounts receivable, net	328	257	(257)	(a)	328
Inventories, net	18,085	360	42	(a), (b)	18,487
Loans receivable, current	1,680	-	-		1,680
Prepaid expenses and other current assets	410	4	(4)	(a)	410
Total current assets	20,770	673	(271)		\$ 21,172
Loans receivable, net	9,903	-	-		9,903
Property and equipment, net	6,596	-	-		6,596
Operating lease right-of-use assets	1,573	-	-		1,573
Tradenames and proprietary recipes	-	-	6,100	(c)	6,100
Customer relationships	-	-	2,800	(c)	2,800
Other non-current assets	110	-	-		110
Total assets	\$ 38,952	\$ 673	\$ 8,629		\$ 48,254
Liabilities and Equity					
Current liabilities:					
Accounts payable	\$ 12,034	\$ -	\$ -		\$ 12,034
Accrued expenses and other liabilities	7,473	66	190	(a), (d)	7,729
Operating lease liabilities, current	666	-	-		666
Long-term debt, current	525	-	-		525
Related party debt, current	2,344	-	-		2,344
Contract liabilities	4,724	-	-		4,724
Total current liabilities	27,766	66	190		28,022
Warrant liabilities	277	-	-		277
Operating lease liabilities, net of current	1,090	-	-		1,090
Related party debt, net of current	4,360	-	-		4,360
Long-term debt, net of current	2	-	-		2
Total liabilities	\$ 33,495	\$ 66	\$ 190		\$ 33,751
Commitments and contingencies					
Equity	5,457	607	8,439	(e)	14,503
Total liabilities and equity	\$ 38,952	\$ 673	\$ 8,629		\$ 48,254

See accompanying notes to unaudited pro forma condensed combined financial statements.

Agrify Corporation
Acquisition of Substantially All Assets of Double or Nothing
Pro Forma Income Statement as of September 30, 2024
(Unaudited)
(In thousands, except share amounts)

	Historical Agrify (as reported)	Double or Nothing, LLC.	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenue	\$ 7,526	\$ 804	\$ (70)	(f)	\$ 8,260
Cost of goods sold	6,009	662	(70)	(f)	6,601
Gross profit	1,517	142	-		1,659
Selling, general and administrative	10,930	86	1,125	(g)	12,141
Research and development	628	-	-		628
Gain on settlement of contingent liabilities	(5,935)	-	-		(5,935)
Gain on early termination of lease	(39)	-	-		(39)
Loss on disposal of property and equipment	1	-	-		1
Change in contingent consideration	(2,180)	-	-		(2,180)
Total operating expenses	3,405	86	1,125		4,616
Operating loss	(1,888)	56	(1,125)		(2,957)
Interest expense	(166)				(166)
Change in fair value of warrant liabilities	(15,502)	-	-		(15,502)
Other income	169		-		169
Total other income (expense), net	(15,499)	-	-		(15,499)
Net loss	(17,387)	56	(1,125)		(18,456)
Loss attributable to non-controlling interest	-	-	-		-
Net loss attributable to shareholders	\$ (17,387)	\$ 56	\$ (1,125)		\$ (18,456)
Net loss per share attributable to shareholders - basic and diluted	\$ (16.82)				\$ (16.32)
Weighted average shares outstanding - basic and diluted	1,033,582		97,300	(h)	1,130,882

See accompanying notes to unaudited pro forma condensed combined financial statements.

Agrify Corporation
Acquisition of Substantially All Assets of Double or Nothing
Pro Forma Income Statement as of December 31, 2023
(Unaudited)
(In thousands, except share amounts)

	Historical Agrify (as reported)	Double or Nothing, LLC.	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenue	\$ 16,868	\$ 467	\$ (47)	(f)	\$ 17,288
Cost of goods sold	11,590	601	(45)	(f)	12,146
Gross profit	<u>5,278</u>	<u>(134)</u>	<u>(2)</u>		<u>5,142</u>
Selling, general and administrative	23,139	74	1,500	(g)	24,713
Research and development	2,295	-	-		2,295
Change in contingent consideration	(1,322)	-	-		(1,322)
Gain on disposal of property and equipment	144	-	-		144
Total operating expenses	<u>24,256</u>	<u>74</u>	<u>1,500</u>		<u>25,830</u>
Operating loss	<u>(18,978)</u>	<u>(208)</u>	<u>(1,502)</u>		<u>(20,688)</u>
Interest expense, net	(1,853)	-	-		(1,853)
Change in fair value of warrant liabilities	4,695	-	-		4,695
Loss on extinguishment of long-term debt, net	(4,311)	-	-		(4,311)
Other income, net	1,799	-	-		1,799
Total other income (expense), net	<u>330</u>	<u>-</u>	<u>-</u>		<u>330</u>
Net loss before income tax	<u>(18,648)</u>	<u>(208)</u>	<u>(1,502)</u>		<u>(20,358)</u>
Income tax expense	(2)	-	-		(2)
Net loss before income tax	<u>(18,650)</u>	<u>(208)</u>	<u>(1,502)</u>		<u>(20,360)</u>
Income attributable to non-controlling interest	1	-	-		1
Net loss attributable to shareholders	<u>\$ (18,649)</u>	<u>\$ (208)</u>	<u>\$ (1,502)</u>		<u>\$ (20,359)</u>
Net loss attributable to Agrify Corporation					
Net loss per share attributable to shareholders - basic and diluted	\$ (12.51)				\$ (12.82)
Weighted average shares outstanding - basic and diluted	1,490,871		97,300	(h)	1,588,171

See accompanying notes to unaudited pro forma condensed combined financial statements.

1. Basis of Presentation

The pro forma financial statements represent the combined company's (Agrify and Double or Nothing) unaudited pro forma condensed combined balance sheet as of September 30, 2024, and unaudited pro forma statements of operations for the nine months ended September 30, 2024 and the year ended December 31, 2023. The pro forma financial statements are based on the historical financial statements of Agrify and Double or Nothing, adjusted to give effect to the Transaction, and should be read in conjunction with the historical financial statements from which they are derived.

The pro forma financial statements are presented in United States dollars ("USD") and prepared in accordance with U.S. GAAP.

The pro forma balance sheet gives effect to the Transaction as if it had occurred on September 30, 2024. The pro forma statements of operations give effect to the Transaction as if it had occurred on January 1, 2023.

In preparing the unaudited pro forma balance sheet and statements of operations in accordance with U.S. GAAP, the following historical information was used:

- Agrify's Quarterly Report filed on Form 10-Q as of and for the period ended September 30, 2024;
- Agrify's Annual Report filed on Form 10-K as of and for the year ended December 31, 2023;
- Double of Nothing's unaudited financial statements as of and for the nine months ended September 30, 2024;
- Double or Nothing's audited financial statements as of and for the year ended December 31, 2023.

The unaudited pro forma balance sheet and statements of operations should be read in conjunction with the historical financial statements including the notes thereto, as listed above, which are incorporated by reference.

The pro forma financial statements have been prepared for illustrative purposes only and may not be indicative of the operating results or financial condition that would have been achieved if the Transaction had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or financial position for any future period or as of any future date. The actual financial position and results of operations may differ materially from the pro forma amounts reflected herein due to a variety of factors.

The unaudited pro forma financial statements do not reflect operational and administrative cost savings that may be achieved as a result of the Transaction.

2. Pro forma Adjustments

Balance Sheet Adjustments

The following adjustments have been made to the pro forma balance sheet. These adjustments reflect only preliminary purchase accounting estimates as of September 30, 2024. Fair value assessment and valuations have not yet been completed and alignment of accounting policies is still in progress and are therefore not reflected herein.

- (a) Represents the elimination of assets and liabilities that were not acquired as part of the acquisition of substantially all of the assets of Double or Nothing.
- (b) Represents the pro forma purchase accounting adjustment to record the estimated adjustment to reflect inventory acquired at fair value.
- (c) Reflects the pro forma purchase accounting adjustment to record the estimated fair value of intangible assets acquired.
- (d) Reflects accrual of transaction expenses of approximately \$0.3 million.
- (e) Reflects issuance of 97,300 shares of acquirer's common stock as consideration for a fair value of \$331 and the issuance of 432,700 pre-funded warrants to purchase acquirer's common stock with a fair value of \$1,471. The estimated fair value of the shares and warrants on September 30, 2024 would have been \$1.8 million at a \$3.41 per share closing price. The actual closing stock price on December 12th, 2024 (the actual closing date), was \$35.54 making the fair value of the shares and warrants \$18.8 million. The estimated fair value of assets on September 30, 2024 would have exceeded the fair value of consideration on that date, generating a \$7.5 million bargain purchase gain. Due to the substantial increase in the acquirer's stock price, no bargain purchase gain is expected to be recognized in the subsequent income statement after closing. These amounts are offset by the elimination of Double or Nothing's historical equity.

Statements of Operations and Comprehensive Loss Adjustments

The following adjustments have been made to the pro forma condensed combined statements of operations and comprehensive loss. These adjustments reflect only preliminary accounting policy and estimates alignment. Fair value assessment and valuations have not yet been completed and alignment of accounting policies is still in progress and are therefore not fully reflected here.

- (f) Represents the elimination of revenues and expenses not attributable to the assets and operations acquired from Double or Nothing.
- (g) Represents estimated amortization related to acquired intangible assets.
- (h) Reflects shares issued as part of purchase consideration. Periods presented have been adjusted to retroactively reflect the 1-for-20 reverse stock split on July 5, 2023, and for the 1-for-15 reverse stock split on October 8, 2024. Additional information regarding reverse stock splits may be found in Note 1 – Overview, Basis of Presentation, and Significant Accounting Policies of the Company’s Form 10-Q for the quarterly period ended September 30, 2024 filed with the SEC on November 14, 2024.

3. Pro forma Purchase Price Allocation

Agrify is the legal acquirer, and pursuant to the Purchase Agreement consideration exchange consisted of 97,300 shares of Agrify common stock as well as 432,700 of pre-funded warrants. Acquisition consideration also included forgiveness of \$0.4 million in liabilities, which are not included in the pro forma consideration estimate as the liability was not incurred until December 2024. Estimated pro forma consideration of \$1.8 million is based on Agrify’s closing share price of \$3.41 on September 30, 2024 (the effective share price as if the transaction closed on September 30, 2024). On the transaction date of December 12, 2024, the fair value of the consideration was \$18.8 million for the shares and warrants (based on Agrify’s closing share price of \$35.54) as well as the forgiveness of liabilities for total fair value of consideration exchanged of \$19.2 million.

The following table summarizes the calculation of the estimated pro forma consideration (in thousands):

97,300 shares of Agrify common stock	\$	331
432,700 pre-funded warrants	\$	1,471
Total estimated consideration	\$	<u>1,802</u>

Following is a preliminary estimate of the purchase price allocation for the transaction. There are significant items not reflected herein as they are still in process. These open items include fair value adjustments, further alignment of accounting principles, estimates and methodologies, and evaluation of contingencies. Amounts are expected to change substantially in the final purchase price allocation.

Consideration:

97,300 shares of Agrify common stock	\$	331
432,700 pre-funded warrants		1,471
Estimated fair value of consideration exchanged		<u>1,802</u>

Recognized amounts of identifiable assets acquired:

Inventory	\$	402
Tradenames and propriety recipes		6,100
Customer relationships		2,800
Total assets acquired	\$	<u>9,302</u>
Fair value of consideration in excess of identified assets acquired	\$	<u>(7,500)</u>