



# RYTHM™

## Agrify Corporation Announces Results for First Quarter 2024

May 21, 2024

*Company achieves near break-even quarterly results*

TROY, Mich., May 21, 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 financial results for the first quarter ended March 31, 2024.

### First Quarter 2024 Financial Results Summary

- Revenue was \$2.6 million for the first quarter of 2024, compared to \$5.8 million for the first quarter of 2023.
- Gross profit was \$0.73 million for the first quarter of 2024, compared to a gross profit of \$1 million for the first quarter of 2023.
- Operating loss was \$0.8 million for the first quarter of 2024, compared to \$7.6 million in the first quarter of 2023.
- Net loss for the first quarter of 2024 was \$0.04 million, compared to \$10 million in the first quarter of 2023.

"Following our first positive quarter in the fourth quarter of 2023, we are pleased to witness a sustained improvement in our business, marking another near break-even quarter. We have observed a notable uptick in extraction sales, particularly among prominent multi-state operators (MSOs). Additionally, consumable and part sales are on the rise as the supply of second-hand equipment diminishes, compelling operators to upgrade or replace their existing machinery. The success of our customer's Las Vegas facility using our VFU technology has reignited interest in our VFUs, attracting both new and existing operators seeking advanced cultivation technology to enhance flower quality" stated Raymond Chang, Chairman and CEO of Agrify.

### About Agrify (Nasdaq:AGFY)

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. 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 <http://www.agrify.com>.

### AGRIFY CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands, except share and per share data)

	Three months ended March 31,	
	2024	2023
Revenue (including \$0 and \$46 from related parties, respectively)	\$ 2,598	\$ 5,804
Cost of goods sold	1,869	4,816
Gross profit	729	988
General and administrative	2,952	6,931
Selling and marketing	462	1,590
Research and development	275	735
Change in contingent consideration	(2,180)	(684)
Total operating expenses	1,509	8,572
Loss from operations	(780)	(7,584)
Interest expense, net	(145)	(799)
Change in fair value of warrant liabilities	873	2,672
Loss on extinguishment of long-term debt, net	—	(4,620)
Other income, net	14	4
Total other income (expense), net	742	(2,743)
Net loss before income taxes	(38)	(10,327)

Income tax benefit (expense)	—	—
Net loss	(38)	(10,327)
Net loss attributable to Agrify Corporation	\$ (38)	\$ (10,327)
Net loss per share attributable to Common Stockholders – basic and diluted (1)	\$ —	\$ (9.63)
Weighted average common shares outstanding - basic and diluted (1)	8,894,229	1,072,292

(1) Periods presented have been adjusted to reflect the 1-for-20 reverse stock split on July 5, 2023. Additional information regarding reverse stock splits may be found in Note 1 – Overview, Basis of Presentation, and Significant Accounting Policies, included elsewhere in the notes to the consolidated financial statements.

**AGRIFY CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per share data)

	March 31, 2024 (Unaudited)	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 95	\$ 430
Marketable securities	4	4
Accounts receivable, net of allowance for credit losses of \$2,512 and \$1,887 at March 31, 2024 and December 31, 2023, respectively	211	1,149
Inventory, net of reserves of \$17,184 and \$17,599 at March 31, 2024 and December 31, 2023, respectively	18,862	19,094
Loan receivable, current	692	—
Prepaid expenses and other current assets	1,028	3,332
Total current assets	20,892	24,009
Loan receivable, net of allowance for credit losses of \$18,885 and \$19,215 at March 31, 2024 and December 31, 2023, respectively, net of current	10,891	11,583
Property and equipment, net	7,328	7,734
Operating lease right-of-use assets	1,651	1,803
Other non-current assets	99	141
Total assets	\$ 40,861	\$ 45,270
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable	\$ 12,428	\$ 20,766
Accrued expenses and other current liabilities	7,843	10,655
Operating lease liabilities, current	615	599
Notes payable, current	1,374	—
Long-term debt, current	696	766
Related party debt, current	1,000	4,444
Deferred revenue	3,784	4,019
Total current liabilities	27,740	41,249
Warrant liabilities	417	1,290
Operating lease liabilities, net of current	1,235	1,394
Notes payable, net of current	3,464	—
Related party debt, net of current	17,683	—
Long-term debt, net of current	47	16,047
Total liabilities	50,586	59,980
Stockholders' deficit:		
Common Stock, \$0.001 par value per share, 35,000,000 and 10,000,000 shares authorized at March 31, 2024 and December 31, 2023, respectively, 13,275,702 and 1,702,243 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively <sup>(1)</sup>	13	2
Preferred Stock, \$0.001 par value per share, 2,895,000 shares authorized, no shares issued or outstanding	—	—
Preferred A Stock, \$0.001 par value per share, 105,000 shares authorized, no shares issued or outstanding	—	—
Additional paid-in capital	255,867	250,855
Accumulated deficit	(265,835)	(265,797)
Total stockholders' deficit attributable to Agrify	(9,955)	(14,940)
Non-controlling interests	230	230
Total liabilities and stockholders' deficit	\$ 40,861	\$ 45,270

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**AGRIFY CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(In thousands)

	Three months ended March 31,	
	2024	2023
	(Unaudited)	
<b>Cash flows (used in) provided by:</b>		
Operating activities	\$ (2,987)	\$ (9,469)
Investing activities	328	9,795
Financing activities	2,324	(9,307)
Net (decrease) in cash and cash equivalents	\$ (335)	\$ (8,981)

**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 future financial results, the potential for increased extraction sales, the ability to realize revenue from the bookings, backlog, and pipeline, project timelines, and Agrify's 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 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](http://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.

**Company Contacts**

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Source: Agrify