

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): **April 17, 2024**

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

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

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

(Former name or former address, if changed since last report)

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	The 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.

Item 1.01 Entry into a Material Definitive Agreement.

Merger Term Sheet

On April 17, 2024, Agrify Corporation (the “Company”) entered into a term sheet (the “Merger Term Sheet”) with Nature’s Miracle Holding Inc., a Delaware corporation and Nasdaq listed entity (NASDAQ: NMHI) (“Nature’s Miracle”). Pursuant to the Merger Term Sheet, Nature’s Miracle expects to acquire the Company through a reverse triangular merger or other similar structure (the “Proposed Merger”), of which, among other things, a merger subsidiary of Nature’s Miracle (the “Merger Sub”) will merge with and into the Company, with the Company being the surviving entity. Nature’s Miracle, the Merger Sub, and the Company expect to enter into an Agreement and Plan of Merger (the “Merger Agreement”) which, among other things, provides that Nature’s Miracle will issue a certain number of shares of its common stock to the shareholders of the Company in exchange for 100% of the outstanding shares of common stock of the Company.

Under the terms of the Merger Term Sheet, each shareholder of the Company would be expected to receive approximately 0.45 of a share of Nature’s Miracle’s common stock for each share of the Company’s common stock, subject to customary adjustments. Upon closing of the Proposed Merger, Raymond Chang, Chief Executive Officer and Chairman of the Board of Directors of the Company, will assume the role as the President of the Agrify division of Nature’s Miracle and will join the Board of Directors of Nature’s Miracle. In addition to Mr. Chang, one other member of the Company’s Board of Directors will join the Board of Directors of Nature’s Miracle upon the closing of the Proposed Merger, who must qualify as an independent director pursuant to the Listing Rules of The Nasdaq Stock Market LLC (“Nasdaq”). The Proposed Merger is expected to close no later than six (6) months following the execution of the Merger Agreement, subject to the closing conditions described below.

Pursuant to the Merger Term Sheet, Nature’s Miracle agreed to purchase (i) \$500,000 of horticultural LED lighting goods from the Company, the payment terms of which will be finalized and the purchase order will be issued within 10 days from April 17, 2024 and (ii) prior to the closing of the Proposed Merger, a minimum of \$750,000 of horticultural LED lighting goods from the Company inclusive of the \$500,000 purchase order.

The closing of the Merger is subject to customary conditions precedent including the execution of definitive documentation for the transaction, the completion of mutually satisfactory due diligence, approval of board of directors of the Company and Nature’s Miracle, approval of the shareholders’ of the Company and, if required, Nature’s Miracle, purchase of certain outstanding debt of the Company (as further discussed below) and the declaration of effectiveness of a Registration Statement on form S-4 filed in connection with the Merger.

Debt Term Sheet

In connection with the closing of the Proposed Merger, Nature’s Miracle executed a separate term sheet related to the current debt of the Company held by two entities, CP Acquisitions LLC (“CP”) and GIC Acquisition, LLC (“GIC”), each of which is controlled by Raymond Chang, the Company’s Chairman and Chief Executive Officer (the “Debt Purchase Term Sheet”).

Pursuant to the Debt Purchase Term Sheet, CP will convert \$2.0 million of the outstanding principal of a Senior Secured Convertible Note of the Company with an outstanding principal amount of approximately \$15.0 million (the “Senior Note”). Nature’s Miracle will purchase the remaining post-conversion Senior Note from CP as follows: (i) \$3.0 million of the Senior Note principal amount will be purchased at the closing of the Merger, and (ii) the remaining approximately \$10.1 million of outstanding principal and interest under the Senior Note will be purchased for \$7.0 million in cash due within twelve months of the closing of the Merger.

Pursuant to the Debt Purchase Term Sheet, GIC will convert approximately \$1.0 million of the outstanding principal of a Second Amended and Restated Junior Note of the Company and up to a further \$2.0 million at the closing of the Merger (the “Junior Note”). Pursuant to the Debt Purchase Term Sheet, the Company will purchase the Junior Note for a purchase price payable in cash at the closing equal to the outstanding principal balance thereof. The closing of the transactions contemplated by the Debt Purchase Term Sheet is conditioned on customary closing conditions, including the execution of definitive documentation, the completion of due diligence, approval of the Board of Directors of Nature’s Miracle, and the approval of the Merger Agreement by the boards of the Company and Nature’s Miracle.

The foregoing descriptions of the Merger Term Sheet and the Debt Purchase Term Sheet are not complete and are qualified in their entirety by reference to the full text thereof, filed herewith as Exhibits 10.1 and 10.2, respectively to this Current Report on Form 8-K and incorporated herein by reference.

Item 8.01. Other Events.

On April 17, 2024, the Company and Nature's Miracle issued a press release announcing that they had entered into the Merger Term Sheet and Debt Purchase Term Sheet. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 8.01, including Exhibit 99.1, will not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise be subject to the liabilities of that section, nor will it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statement and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Term Sheet between Nature's Miracle Holding Inc. and Agrify Corporation.
10.2	Term Sheet between Nature's Miracle Holding Inc., CP Acquisitions LLC and GIC Acquisition, LLC.
99.1	Press Release dated as of April 17, 2024.
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: April 22, 2024

By: /s/ Raymond Nobu Chang
Raymond Nobu Chang
Chief Executive Officer

Term Sheet

This term sheet (this “Term Sheet”) dated as of April 17, 2024 (the “Effective Date”) sets forth the terms and conditions pursuant to which Nature’s Miracle Holding Inc., a Delaware corporation (the “Acquirer” or “NMHI”), or any of its affiliates shall Agrify Corporation, a Nevada corporation (the “Acquiree” or “AGFY”), or any of its affiliates. The execution of the Merger Agreement and the completion of the Merger (each as defined below) is subject to the completion mutually satisfactory due diligence in the parties’ respective sole discretion, applicable board and shareholder approvals, and the execution and delivery of definitive transaction documentation (the “Definitive Documentation”).

Summary of the Transaction

Acquiree	Agrify Corporation (NASDAQ: AGFY)
Acquirer	Nature’s Miracle Holding Inc. (NASDAQ: NMHI; NMHIW)
Transaction Summary	NMHI will acquire AGFY in a reverse triangular merger transaction in which a merger subsidiary of NMHI shall merge with and into AGFY, with AGFY as the surviving entity, of which results in NMHI wholly owning AGFY (the “ <u>Merger</u> ”). NMHI, the Merger Sub, and AGFY will enter into an Agreement and Plan of Merger (the “ <u>Merger Agreement</u> ”) which, among other things, provides that NMHI will issue a certain number of shares of its common stock to the shareholders of AGFY in exchange for 100% of the outstanding shares of common stock of AGFY. The structure of the acquisition of AGFY may change subject to due diligence and tax analysis.
Share Exchange Information	Each AGFY shareholder shall receive 0.45 share of NMHI stock post-merger. Based on the fully diluted shares outstanding of 15,174,501 (including warrants) and NMHI closing price of \$0.93 as of April 16, 2024, AGFY equity is valued at \$6,350,529 or \$0.4185 per share.

Terms of the Transaction

Merger Consideration Shares	Upon closing of the Merger, the AGFY shares issued and outstanding shall be canceled and each shareholder of AGFY is expected to receive approximately 0.45 NMHI shares in exchange for one share of AGFY (the “ <u>Merger Consideration Shares</u> ”), subject to completion of due diligence and customary adjustments.
Merger Agreement	The Merger Agreement is expected to be executed on or before May 15, 2024, subject to the approval of the board of directors of NMHI and AGFY and satisfactory completion of mutual due diligence.

Term Sheet

Key Management Personnel	<p>Upon closing of the Merger, Raymond Chang shall be the President of the Agrify division of NMHI.</p> <p>The key management (the “<u>Key Management</u>”) of Acquiree consists of the following individuals:</p> <p>David Kessler; Kelly Gibbs; Brian Towns; Alex Cergnul; and Raymond Chang.</p> <p>The compensation to be paid to the Key Management shall be approved by NMHI.</p>
Board of Directors	Following the Merger, the board of directors of NMHI shall consist of seven (7) individuals, two (2) of whom shall be former AGFY board members, of which one shall qualify as an independent director under the rules of The Nasdaq Stock Market LLC (“Nasdaq”).
Closing of the Transaction	Subject to the Closing Conditions, the closing of the transaction is expected to occur no later than six (6) months following the execution of the Merger Agreement, subject to any agreed upon extension by the parties hereto.
Registration & Lock-up	All of the Merger Consideration Shares shall be registered in the registration statement on Form S-4. Each Key Management’s Merger Consideration Shares shall be subject to a three (3)-month lock-up.
Covenants	The Definitive Documentation will include standard negative and affirmative pre-closing and post-closing covenants and conditions.

Other Conditions

Fees and Expenses	Each party hereto shall pay for its own fees and expenses in relation to the transactions proposed in this Term Sheet and the negotiation and preparation hereof, including without limitation the due diligence fees, accounting and legal fees, and any other fees or expenses associated thereof.
Purchase Transaction	Within 10 days of the Effective Date, the Acquirer and the Acquiree will enter into a purchase order for the purchase of horticultural LED lighting goods from the Acquiree with a total purchase price of \$500,000 subject to the payment terms agreed to by the parties. Before close of the merger, the Acquirer agrees to purchase a minimum of \$750,000 LED lights from Acquiree including the \$500,000 purchase order aforementioned.

Term Sheet

Conditions Precedent to the Consummation of the Merger	<p>Customary conditions precedent to the completion of the Merger shall include the following, which is not exhaustive:</p> <ul style="list-style-type: none">● the execution of the Definitive Documentation for the transactions contemplated by the Merger (of which the Merger Agreement shall include the provisions of customary representations and warranties by the Acquiree and the Acquirer), legal opinions, and closing certificates acceptable to the Acquirer and the Acquiree;● the Acquiror shall have reached agreements with GIC Acquisition, LLC and CP Acquisition LLC regarding the terms of the purchase of the AGFY notes they are holding, respectively;● compliance by the Acquiree with all applicable regulatory, governmental, and corporate requirements;● the completion of business, legal, and financial due diligence by both parties prior to signing the Definitive Documentation;● approval of the Board of Directors of the Acquiree;● approval of the Board of Directors of NMHI;● receipt by the Board of Directors of the Acquiree of a customary fairness opinion that the transaction is fair, from a financial point of view, to the shareholders of the Acquiree;● receipt by the Board of Directors of the Acquirer of a customary fairness opinion that the transaction is fair, from a financial point of view, to the shareholders of the Acquirer;● approval of the shareholders of the Acquiree and the requisite number of days shall have elapsed after shareholder approval;● approval of the shareholders of the Acquirer (if required pursuant to the rules and regulations of Nasdaq);● approval of the stockholders of NMHI if required;● the filing of all reports of the Acquiree that are required to be filed with the Securities and Exchange Commission (“SEC”);● the absence of any pending or threatened injunction, order or law promulgated by any governmental entity that would reasonably be expected to enjoin or otherwise prohibit the Merger;● compliance by NMHI with all applicable Nasdaq rules and the receipt of any required Nasdaq approval; and● the declaration of effectiveness by the SEC of the registration statement on Form S-4 filed in connection with the transactions contemplated by the Merger.
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Term Sheet

Confidentiality	Except as required by applicable securities law, and without prejudice to any non-disclosure or confidentiality agreement between the Acquiree and the Acquirer, each of the Acquiree and the Acquirer agrees to keep confidential and not to disclose to any person or entity the contents of this Term Sheet and/or the fact that discussions or negotiations are taking place or have taken place between the Acquiree and the Acquirer in connection with the proposed transactions described herein provided that the Acquiree and the Acquirer may disclose such confidential information to their respective attorneys, accountants, advisors and consultants for the sole purpose of evaluation the transactions contemplated by this Term Sheet, and such other parties shall agree to keep such information confidential to the same degree as the receiving party. Notwithstanding anything to the contrary herein, it is agreed that AGFY and NMHI can each release a press release disclosing the execution of this Term Sheet and the terms of this Term Sheet. Furthermore, each of NMHI and AGFY may file an 8-K with the Securities and Exchange Commission describing the terms of this Term Sheet and including this Term Sheet as an exhibit to the 8-K.
Exclusivity	The parties hereto acknowledge that following the execution of this Term Sheet, each party anticipates the incurrence of substantial costs and the expenditure of substantial efforts in the conduct of its due diligence investigation of the other party and its business, and the preparation and negotiation of the Definitive Documentation. In consideration of the parties' incurrence of costs and expenditure of such efforts, each of NMHI and AGFY agrees that, from the date of this Term Sheet until the earlier of (i) the Expiration Date, and (ii) the termination of this Term Sheet (the " <u>Exclusivity Period</u> "), such party will not, and will cause its officers, directors, employees, other affiliates, agents, and others not to, initiate, encourage (including by way of furnishing any non-public information concerning the other party), solicit, conduct, or continue any negotiations or discussions with or enter into any agreement with any third party (other than the other party to this Term Sheet) relating to the acquisition of all or any portion of such party or any of its assets (whether by merger, share purchase, asset purchase, lease, exclusive license, or otherwise).
Access	During the Exclusivity Period, each of AGFY and NMHI will operate only in the ordinary course, consistent with past practices, and will provide the other party and its advisors and representatives, at reasonable times and upon reasonable notice, with access to its (i) properties, books, records, accounts, and documents, (ii) employees, agents, and advisors, and (iii) customers, vendors, sales representatives, and others having significant relationships with AGFY or NMHI, as applicable. Each party agrees to honor all requests of the other party and its advisors and representatives for other information and materials that relate to such party and its business.
Public Disclosure	So long as this Term Sheet is in effect, neither parties hereto will, and shall cause their respective subsidiaries not to, disseminate any press release or other public announcement or disclosure concerning this Term Sheet or the transactions contemplated by this Term Sheet, except as may be required by applicable law or the rules of a recognized securities exchange, including Nasdaq, without the prior written consent of the other, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, without the prior written consent of the other party, each party may disseminate information substantially consistent with information included in a press release or other document previously approved for external distribution by the other party.

Term Sheet

Term and Termination	<p>This Term Sheet shall become effective upon the Effective Date and will remain in effect until May 15, 2024 (the “<u>Expiration Date</u>”) or earlier terminated as set forth below.</p> <p>This Term Sheet shall be terminated upon the earlier of (i) the Expiration Date, (ii) at any time by mutual written agreement or notice of the parties hereto, or (iii) the execution of the Merger Agreement.</p>
Governing Law and Binding Effect	<p>This Term Sheet shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to any applicable conflicts of law.</p> <p>No legal suit, action, or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby (each, a “<u>Related Proceeding</u>”) may be commenced, prosecuted, or continued in any court other than the courts of the State of New York or the courts of the United States located in the Borough of Manhattan, New York City, New York, which courts (collectively, the “<u>Specified Courts</u>”) shall have jurisdiction over the adjudication of any Related Proceeding, and the parties to this Term Sheet hereby irrevocably consent to the exclusive jurisdiction the Specified Courts and personal service of process with respect thereto. The parties to this Term Sheet hereby irrevocably waive any objection to the laying of the venue of any Related Proceeding in the Specified Courts and irrevocably waive and agree not to plead or claim in any Specified Court that any Related Proceeding brought in any Specified Court has been brought in an inconvenient forum.</p> <p>Each of the parties hereto agrees to act in good faith and on an exclusive basis to prepare and negotiate the Definitive Documentation with respect to matters referred to herein, based upon this Term Sheet. It is understood that this Term Sheet does not contain all matters upon which agreement must be reached in order for the proposed transaction to be consummated.</p> <p>This Term Sheet constitutes a binding agreement subject to the completion of mutually satisfactory due diligence, board and shareholder approval, and negotiation and execution of definitive agreements that will detail all terms and conditions of the transaction, including, without limitation, a customary fairness opinion that the transaction is fair.</p>
Amendment	<p>This Term Sheet may only be modified by mutual consent of the parties hereto.</p>
Counterparts	<p>This Term Sheet may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one document. A signed copy of this Term Sheet delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Term Sheet.</p>

By executing this Term Sheet, the Acquiree and the Acquirer represent and warrant that this term sheet has been duly authorized, executed, and delivered.

Term Sheet

[SIGNATURE PAGE TO TERM SHEET]

Nature's Miracle Holding Inc.

By: /s/ Tie (James) Li
Name: Tie (James) Li
Title: Chairman of the Board and
Chief Executive Officer

Agrify Corporation

By: /s/ Raymond Chang
Name: Raymond Chang
Title: Chief Executive Officer

***Agrify Debt Purchase
Binding Term Sheet - CONFIDENTIAL***

This binding term sheet (this “Term Sheet”), dated as of April 17, 2024 (the “Effective Date”), is a binding and enforceable agreement among the parties hereto whereby Nature’s Miracle Holding Inc., a Delaware corporation (the “Purchaser” or “NMHI”), or any of its affiliates, shall purchase or otherwise acquire the Notes (as defined below) on the terms and conditions set forth herein, subject to (i) the completion of due diligence, applicable board and shareholder approvals, required third-party approvals, the Closing (as defined below) or any other of the conditions precedent and (ii) the execution and delivery of definitive transaction documentation (the “Definitive Documentation”).

Summary and Terms of the Transaction

Notes; Sellers	<ul style="list-style-type: none"> ● Senior Secured Convertible Note of Agrify (as defined below) (“<u>Senior Note</u>”) held by CP Acquisitions LLC (“<u>CP</u>”) app. \$15.1M principal amount o/s at present. ● Second Amended and Restated Junior Note of Agrify (“<u>Junior Note</u>”) held by GIC Acquisition, LLC (“<u>GIC</u>”) app. \$1.0M principal amount o/s at present and up to \$2.0M at close of the Merger. ● Senior Note and Junior Note are collectively referred to herein as “<u>Notes</u>.” ● CP and GIC are collectively referred to herein as “<u>Sellers</u>.”
Purchaser	Nature’s Miracle Holding Inc. (NASDAQ: NMHI; NMHIW)
Merger	The parties hereto acknowledge that Purchaser intends to acquire Agrify Corporation (NASDAQ: AGFY) (“ <u>Agrify</u> ”), subject to the approval of the boards of directors of Purchaser and Agrify and pursuant to a Merger Agreement expected to be executed on or before May 15, 2024. The closing of the Merger (as defined in the Merger Agreement) is expected to occur no later than six (6) months following such execution (the “ <u>Closing</u> ”).
Transaction Summary	<p>Simultaneously with and conditioned upon the consummation of the Closing (and potentially as terms and conditions to the Merger Agreement), the parties agree to effect the following transactions:</p> <p>Junior and Senior Note Conversions:</p> <ul style="list-style-type: none"> ● CP will convert \$2.0M of the outstanding principal of the Senior Note in exchange for 3,021,148 shares of Purchaser’s common stock; and ● GIC will convert \$1.0M of the outstanding principal of the Junior Note in exchange for 1,510,574 shares of Purchaser’s common stock. <p>Junior Note Sale:</p> <p>Purchaser will purchase the remaining post-conversion Junior Note from GIC for a purchase price payable in cash at the Closing equal to the outstanding principal balance thereof (app. \$1.0M) (the “<u>Junior Note Sale</u>”). (For the avoidance of doubt as of the date of this Term Sheet, GIC holds a \$1,000,000 Junior Secured Note but it is anticipated that GIC will loan Agrify an additional \$1,000,000 prior to the Closing.)</p>

Agrify Debt Purchase
Binding Term Sheet - CONFIDENTIAL

	<p>Senior Note Sale:</p> <p>Purchaser will purchase the remaining post-conversion Senior Note from CP in two separate tranches:</p> <ol style="list-style-type: none">1. \$3.0M of the Senior Note principal amount will be purchased at the Closing for \$3.0M in cash due at the Closing; and2. The remaining app. \$10.1M of the Senior Note principal amount will be purchased for \$7.0M in cash due within twelve (12) months of the Closing (collectively, the “<u>Senior Note Sale</u>” and together with the Junior Note Sale, the “<u>Notes Transactions</u>”). In the case that CP and Purchaser complete the restructuring of the terms under Agrify’s TTK projects as specified below, the remaining \$10.1M principal of the Senior Note shall be reduced by the \$3.1M discount such that the Senior Note principal shall be \$7.0M, which Purchaser will purchase for \$7.0M within twelve (12) months of the Closing. For the avoidance of doubt, upon the completion of the restructuring of the Agrify TTK projects as specified below, the \$10.1M Senior Note principal shall automatically be reduced to \$7.0M. <p>Until the completion of the Senior Note Sale and the receipt of payment in full, the outstanding portion of the Senior Note held by CP will remain secured by the Agrify assets and full payment under the Senior Note Sale will be guaranteed by Purchaser (or any parent entity or successor-in-interest), to the reasonable satisfaction of CP.</p> <p>The parties hereto acknowledge that in consideration for the app. \$3.1M discount on the Senior Note in the Senior Note Sale, CP (on behalf of itself and its affiliates) and Purchaser agree to potentially restructure some of the terms under Agrify’s current total turn-key (TTK) projects after the completion of the Closing.</p>
Covenants	The Definitive Documentation will include standard negative and affirmative pre-closing and representations and warranties.
Board & Officer Roles; Acceleration	<p>The parties hereto acknowledge that subsequent to the completion of the Closing, Raymond Chang, the principal of CP and GIC and currently the CEO/President and a member of the Board of Directors of Agrify, has agreed to serve as (i) a member of the Board of Directors of Purchaser and (ii) the President of the new wholly-owned subsidiary formed by Purchaser in connection with the Merger.</p> <p>However, the parties agree that should Mr. Chang (i) be terminated from his roles as an officer and director as described above after the Closing but before the twelve (12) month anniversary of the Closing or (ii) fail to be appointed to such roles within two (2) business days of the Closing, then the second tranche of the Senior Note Sale described above will be accelerated and the payment by Purchaser of \$7.0M in cash to CP will become immediately due.</p>

Agrify Debt Purchase
Binding Term Sheet - CONFIDENTIAL

Other Conditions

Fees and Expenses	Each party hereto shall pay for its own fees and expenses in relation to the transactions proposed in this Term Sheet and the negotiation and preparation hereof, including without limitation the due diligence fees, accounting and legal fees, and any other fees or expenses associated thereof.
Conditions Precedent to the Consummation of the Notes Transactions	Customary conditions precedent to the completion of the Notes Transaction, in addition to the Closing, shall include the following, which is not exhaustive: <ul style="list-style-type: none">● the execution of the Definitive Documentation for the Notes Transactions (which shall include the provisions of customary representations and warranties by the Sellers and Purchaser) and closing certificates acceptable to the Purchaser and the Sellers;● compliance by the Sellers with all applicable regulatory, governmental, and corporate requirements;● the completion of business, legal, and financial due diligence by both parties prior to signing the Definitive Documentation;● approval of the Board of Directors of the Purchaser;● approval of the Boards of Directors of the Purchaser and Agrify of Merger and Merger Agreement;● if required pursuant to the rules and regulations of Nasdaq, the approval of the requisite number of shares of the outstanding shares of NMHI.● receipt by the Board of Directors of the Purchaser of a customary fairness opinion that the Note Transactions are fair, from a financial point of view, to the shareholders of the Purchaser;● approval of the stockholders of the Purchaser of the Merger, if required;● any consents required under the Notes, if required;● the filing of all reports of the Sellers that are required to be filed with the Securities and Exchange Commission (“SEC”);● compliance by the Purchaser with all applicable Nasdaq rules; and● the declaration of effectiveness by the SEC of the registration statement on Form S-4 filed in connection with the transactions contemplated by the Merger.

Agrify Debt Purchase
Binding Term Sheet - CONFIDENTIAL

Confidentiality	Without prejudice to any non-disclosure or confidentiality agreement between the Sellers and the Purchaser, each of the Sellers and the Purchaser agrees to keep confidential and not to disclose to any person or entity the contents of this Term Sheet and/or the fact that discussions or negotiations are taking place or have taken place between the Sellers and the Purchaser in connection with the proposed transactions described herein, provided that the Sellers and the Purchaser may disclose such confidential information to their respective attorneys, accountants, advisors and consultants for the sole purpose of evaluating the transactions contemplated by this Term Sheet, and such other parties shall agree to keep such information confidential to the same degree as the receiving party. The parties hereto acknowledge that the confidential information of each party may constitute material non-public financial information (of the Purchaser, Agrify or otherwise) and no party hereto may trade in any applicable securities while aware of any such material non-public financial information or use such information, either directly or indirectly, in violation of the US securities laws.
Exclusivity	The parties hereto acknowledge that following the execution of this Term Sheet, Purchaser anticipates the incurrence of substantial costs and the expenditure of substantial efforts in the conduct of its due diligence, and the preparation and negotiation of the Definitive Documentation. In consideration of Purchaser's incurrence of costs and expenditure of such efforts, Sellers agree that, from the date of this Term Sheet until the earlier of (i) the Expiration Date, and (ii) the termination of the Term Sheet (the " <u>Exclusivity Period</u> "), Sellers will not, and will cause their respective managers, officers, directors, employees, other affiliates, agents, and others not to, initiate, encourage (including by way of furnishing any non-public information concerning the Notes), solicit, conduct, or continue any negotiations or discussions with or enter into any agreement with any third party (other than Purchaser) relating to the acquisition of all or any portion of the Notes (whether by merger, share purchase, asset purchase, lease, exclusive license, or otherwise). Each party hereto hereby irrevocably agrees not to circumvent, avoid, bypass, or obviate, directly or indirectly, the intent of this Term Sheet while effective through any transaction, transfer, pledge, agreement, recapitalization, loan, lease, assignment, or otherwise.
Access	During the Exclusivity Period, each of Sellers and Purchaser will operate only in the ordinary course, consistent with past practices, and will provide the other party and its advisors and representatives, at reasonable times and upon reasonable notice, with access to its (i) properties, books, records, accounts, and documents, (ii) employees, agents, and advisors, and (iii) customers, vendors, sales representatives, and others having significant relationships with Sellers. Each party agrees to honor all reasonable requests of the other party and its advisors and representatives for other information and materials that relate to such party and its business.

Agrify Debt Purchase
Binding Term Sheet - CONFIDENTIAL

Public Disclosure	So long as this Term Sheet is in effect, none of the parties hereto will, and shall cause their respective subsidiaries not to, disseminate any press release or other public announcement or disclosure concerning this Term Sheet or the transactions contemplated by this Term Sheet, except as may be required by applicable law or the rules of a recognized securities exchange, including Nasdaq, without the prior written consent of the other, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, without the prior written consent of the other party or parties, each party may disseminate information substantially consistent with information included in a press release or other document previously approved for external distribution by the other party or parties.
Term and Termination	<p>This Term Sheet shall become effective upon the Effective Date and will remain in effect until June 30, 2024 (the “<u>Expiration Date</u>”) or earlier terminated as set forth below.</p> <p>This Term Sheet shall be terminated upon the earlier of (i) the Expiration Date, or (ii) at any time by mutual written agreement or notice of the parties hereto.</p>
Governing Law and Binding Effect	<p>This Term Sheet shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any applicable conflicts of law.</p> <p>No legal suit, action, or proceeding arising out of or relating to this Term Sheet or the transactions contemplated hereby (each, a “<u>Related Proceeding</u>”) may be commenced, prosecuted, or continued in any court other than the courts of the State of New York or the courts of the United States located in the Borough of Manhattan, New York City, New York, which courts (collectively, the “<u>Specified Courts</u>”) shall have jurisdiction over the adjudication of any Related Proceeding, and the parties to this Term Sheet hereby irrevocably consent to the exclusive jurisdiction the Specified Courts and personal service of process with respect thereto. The parties to this Term Sheet hereby irrevocably waive any objection to the laying of the venue of any Related Proceeding in the Specified Courts and irrevocably waive and agree not to plead or claim in any Specified Court that any Related Proceeding brought in any Specified Court has been brought in an inconvenient forum.</p> <p>Each of the parties hereto agrees to act in good faith and on an exclusive basis to prepare and negotiate the Definitive Documentation with respect to matters referred to herein, based upon this Term Sheet. It is understood that this Term Sheet does not contain all matters upon which agreement must be reached in order for the proposed transaction to be consummated.</p>

Agrify Debt Purchase
Binding Term Sheet - CONFIDENTIAL

Compliance with Laws	For clarity, entering into the Definitive Documentation and the performance of each party's obligations contemplated hereunder is conditioned by and subject to compliance with all applicable laws, rules and regulations, including but not limited to the U.S. federal and relevant state securities laws, the Nasdaq rules and U.S. federal and relevant state cannabis laws.
Amendment; Assignment	This Term Sheet may only be modified by mutual consent of all of the parties hereto. Neither this Term Sheet, nor any rights or obligations hereunder, may be assigned, delegated or conveyed by any party without the prior written consent of the other parties hereto.
Entire Agreement; Counterparts	This Term Sheet constitutes the entire understanding and agreement between the parties with respect to the transactions contemplated herein and supersedes all oral or written prior or contemporaneous agreements, statements or negotiations regarding the same. This Term Sheet may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Term Sheet delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Term Sheet.

By executing this Term Sheet, the Sellers and the Purchaser represent and warrant that this term sheet has been duly authorized, executed, and delivered.

[SIGNATURE PAGE TO MERGER TERM SHEET TO FOLLOW]

Agrify Debt Purchase
Binding Term Sheet - CONFIDENTIAL

IN WITNESS WHEREOF, the parties hereto have executed this Term Sheet as of the date set forth above.

Nature's Miracle Holding Inc.

By: /s/ Tie (James) Li
Name: Tie (James) Li
Title: Chairman of the Board and
Chief Executive Officer

CP Acquisitions LLC

By: /s/ Raymond Chang
Name: Raymond Chang
Title: Manager

GIC Acquisition, LLC

By: /s/ Raymond Chang
Name: Raymond Chang
Title: Manager

Nature's Miracle Holding Inc. and Agrify Corporation Agree to Merge

- *Combined Entity is Expected to Become the Leading Provider of CEA Products and Solution*
- *AGRIFY Brings Industry-Leading Cultivation and Extraction Solution Service*
- *Immediately Realizable Financial and Operational Synergies*

Upland, CA, April 17, 2024 -- Nature's Miracle Holding Inc. (NASDAQ: NMHI) ("Nature's Miracle" or the "Company"), a leader in vertical farming technology and infrastructure, today announced it has entered into a term sheet to acquire 100% of all the outstanding shares of Agrify Corporation (NASDAQ: AGFY) ("Agrify"), a leading provider of innovative cultivation and extraction solutions.

When closed, the strategic acquisition of Agrify is expected to bring a meaningful revenue stream for Nature's Miracle through Agrify's powerful SaaS and AI technology which can be applied to Nature's Miracle's vertical farming business, while its leading market share in cannabis extraction continues to drive revenue growth. In return, Agrify will benefit from the distinct expertise and strong operators that comprise the Nature's Miracle management team and its prominent market position providing advanced horticultural and cultivation lighting technologies powering agricultural vertical farming.

Under the terms of the agreement, Nature's Miracle expects to acquire Agrify through issuing shares of Nature's Miracle common stock which would result in Nature's Miracle wholly owning Agrify. Each shareholder of Agrify would be expected to receive approximately 0.45 of a share of Nature's Miracle common stock for each share of Agrify common stock, subject to customary adjustments. Based on the fully diluted shares outstanding of 15,174,501 (including warrants) and NMHI closing price of \$0.93 as of April 16, 2024, AGFY equity is valued at \$6,350,528, or \$0.4185 per share. Upon closing of the Merger, Raymond Chang, Chief Executive Officer and Chairman of the Board of Agrify, will assume the role as President of the Agrify division of Nature's Miracle and will join the board of Nature's Miracle. The transaction is expected to close within six months of this announcement, subject to completion of mutual due diligence, shareholder approval and customary closing conditions.

Pursuant to the term sheet with Agrify, Nature's Miracle agreed to purchase approximately \$750,000 of horticultural LED lighting goods from Agrify prior to the closing of the acquisition. Nature's Miracle also executed a term sheet related to the current debt of Agrify held by two entities controlled by Raymond Chang, Agrify's Chief Executive Officer. Pursuant to the term sheet, Nature's Miracle will purchase all of the outstanding indebtedness from the entities with a combination of cash and Nature's Miracle stock.

James Li, Chief Executive Officer of Nature’s Miracle, commented, “Following our recent public company debut, we are thrilled to announce the signing of a term sheet to acquire Agrify. As we reviewed opportunities to accelerate our business’s growth, it was clear that Agrify represented a business with immediate synergy functions. We believe that Agrify will not only provide meaningful revenue with their cannabis extraction business, but the combined business will benefit through efficiencies with the consolidation of our advanced lighting technology and their industry leading Software as a service (“SaaS”) model and Vertical Farming Unit (“VFU”) technology. We are especially intrigued by the AI learning capability of Agrify’s SaaS and VFU system. We would like to thank Raymond and the entire Agrify team for building Agrify’s innovative technology and we look forward to working in unison to continue to grow Nature’s Miracle as an industry leader in the vertical farming agriculture business.”

Raymond Chang, Chief Executive Officer and Chairman of the Board of Agrify, stated, “We believe the indoor growing industry is in need of a major consolidation and we are glad to have the opportunity to team up with one of the most impressive and experienced teams in the industry. As a next step to develop the vertical farming industry, it is a natural fit to join forces with the team at Nature’s Miracle. Nature’s Miracle’s lead lighting product is a premium offering in the vertical farming industry and will serve as a critical component in order to advance our extraction and ancillary integrated businesses. Similarly, we developed our VFU, SaaS and AI technologies to be leveraged across indoor farming of agriculture crops and by integrating with Nature’s Miracle’s expansive collection of offerings, we are optimistic the strength of the combined company’s share of vertical farming will reveal a significant scale opportunity.”

About Nature’s Miracle Holding Inc.

Nature’s Miracle is an integrated agriculture technology company providing equipment and services to the Controlled Environment Agriculture industry. Through its two wholly-owned subsidiaries Visiontech Group, Inc. and Hydroman, Inc., the company offers products including horticultural lighting, irrigation systems, power distribution systems, materials and equipment to indoor, greenhouse, hydroponic and vertical growers. Nature’s Miracle has also developed cost-effective solutions for greenhouse systems, automated vertical farming, and modular container grow systems.

Nature’s Miracle was founded and continues to be led by James Li who co-founded China Hydroelectric Corporation, one of the largest small hydroelectric companies listed on the NYSE (“CHC”) and by President Jonathan Zhang, who built Efinity, a well-recognized and respected brand of grow lighting in the indoor farming and controlled environment field. For more information, please visit www.Nature-Miracle.com.

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 www.agrify.com.

Forward-Looking Statements

Except for historical information contained herein, this press release contains certain “forward-looking statements” within the meaning of the federal U.S. securities laws with respect to the term sheet and business of Nature’s Miracle and Agrify; other future references such as the anticipated synergies resulting from the transactions contemplated by the term sheet, the parties’ ability to close the proposed merger on the expected timeline or at all, the expected exchange ratio, Mr. Chang’s role following the merger, the valuation of Agrify to be used in the merger, the services and markets of Nature’s Miracle and Agrify, our expectations regarding future growth, results of operations, performance, future capital and other expenditures, competitive advantages, business prospects and opportunities, future plans and intentions, results, level of activities, performance, goals or achievements or other future events. These forward-looking statements generally are identified by words such as “anticipate,” “believe,” “expect,” “may,” “could,” “will,” “potential,” “intend,” “estimate,” “should,” “plan,” “predict,” or the negative or other variations of such statements, reflect our management’s current beliefs and assumptions and are based on the information currently available to our management. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements, including but not limited to: (i) the risk that the business and revenue prospects of Nature’s Miracle may not materialize which may adversely affect the price of Nature’s Miracle’s securities; (ii) the occurrence of any unforeseen event that would impact continued listing of Nature’s Miracle’s or Agrify’s securities on the Nasdaq exchange; (iii) changes in the competitive industries in which Nature’s Miracle and Agrify operates, variations in operating performance across competitors, changes in laws and regulations affecting Nature’s Miracle’s and Agrify’s business and changes in the combined capital structure; (iv) the ability to implement business plans, forecasts and other expectations after the completion of the proposed transactions contemplated by the term sheet; (v) the risk of downturns in the market and Nature’s Miracle’s and Agrify’s industry including, but not limited to market prices of indoor grower’s produce, transportation costs, competition with outdoor growers and demand in the consumer marketplace; and (vi) the risk that the parties may not be able to satisfy one or more of the closing conditions to the transaction. For additional details on the uncertainties that may cause our actual results to be materially different than those expressed in our forward-looking statements, please review the most recent Annual Reports on Form 10-K filed by Nature’s Miracle and by Agrify with the Securities and Exchange Commission at www.sec.gov, particularly the information contained in the section entitled “Risk Factors.” Forward-looking statements speak only as of the date on which they are made, and neither Nature’s Miracle nor Agrify assume any obligation to update or revise any forward-looking statements or other information contained herein, whether as a result of new information, future events or otherwise. You are cautioned not to put undue reliance on these forward-looking statements. Neither Nature’s Miracle nor Agrify gives any assurance that it will achieve its expectations.

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