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): **December 3, 2021**

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.)

76 Treble Cove Rd. Building 3 Billerica, MA 01862	**01862**
(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	The Nasdaq Stock Market LLC

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.

On December 3, 2021, Agrify Corporation (the “Company”) entered into a binding letter of intent (the “LOI”) with PurePressure, LLC (“PurePressure”) and the members of PurePressure (the “Members”) regarding a proposed transaction pursuant to which the Company intends to acquire all of the outstanding equity interests of PurePressure (the “Proposed Transaction”). Pursuant to the LOI, the parties intend, subject to satisfaction of various conditions, including satisfactory due diligence by the Company, to negotiate and execute a definitive agreement in accordance with the terms set forth in the LOI.

The LOI provides for an aggregate purchase price for PurePressure of $9.0 million, with $5.0 million payable in cash, subject to customary adjustments, and $4.0 million payable by the Company issuing shares of its common stock, par value $0.001 per share (“Common Stock”). Of the Common Stock issuable in the Proposed Transaction, a number of shares equal to $1.35 million will be held back for a period of twelve months following closing to satisfy post-closing adjustments and indemnification obligations of the Members.

Pursuant to the LOI, if PurePressure fails to consummate the Proposed Transaction by March 31, 2022 (the “Exclusivity Termination Date”) or ceases negotiations pursuant to the LOI other than in certain specified circumstances, then certain members of PurePressure will be obligated to pay $1.0 million plus reasonable enforcement costs to the Company. If the Company fails to consummate the Proposed Transaction by the Exclusivity Termination Date or ceases negotiations pursuant to the LOI other than in certain specified circumstances, then the Company will be obligated to pay $1.0 million plus reasonable enforcement costs to PurePressure. During the period between the signing of the LOI and the Exclusivity Termination Date, PurePressure and the Members agreed that neither they nor their affiliates will, among other things, solicit, initiate or participate in discussions or negotiations with any other party concerning a transaction similar to the Proposed Transaction.

The foregoing description of the LOI is a summary and does not purport to be complete. Such description is qualified in its entirety by reference to the text of the LOI, which is filed as Exhibit 10.1 to this Current Report on Form 8-K, and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On December 8, 2021, the Company issued a press release announcing the execution of the LOI for the Proposed Transaction. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information furnished herein, including Exhibit 99.1, is not deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This information will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates them by reference.

Certain of the statements in this Current Report on Form 8-K are “forward-looking” within the meaning of the federal securities laws. These “forward-looking” statements include statements relating to, among other things, the proposed terms and conditions of any definitive agreement with PurePressure, which is subject to the receipt of all necessary approvals and satisfaction of all closing conditions for the completion of the Proposed Transaction. These statements involve risks and uncertainties that may cause results to differ materially from the statements set forth in this Current Report on Form 8-K, including, among other things, certain risk factors described under the heading “Risk Factors” contained in the Company’s Annual Report on Form 10-K filed for the year ended December 31, 2020 with the Securities and Exchange Commission or described in the Company’s other public filings. The Company’s results may also be affected by factors of which the Company is not currently aware. The forward-looking statements in this Current Report on Form 8-K speak only as of the date hereof. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to such statements to reflect any change in its expectations with regard thereto or any changes in the events, conditions or circumstances on which any such statement is based.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

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

10.1	Letter of Intent by and among Agrify Corporation, PurePressure, LLC and the Sellers listed therein, dated as of December 3, 2021
99.1*	Press Release of the Company, dated as of December 8, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Furnished but not filed.

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
	By: /s/ Timothy R. Oakes
Date: December 8, 2021	Timothy R. Oakes
	Chief Financial Officer

AGRIFY

Letter of Intent
Agrify and PurePressure, LLC

CONFIDENTIAL

This Letter of Intent (this "Letter") is entered into as December 3, 2021 ("Effective Date"), between Agrify Corporation ("Agrify"), PurePressure, LLC (together with its subsidiaries, including, without limitation, Pure Services, LLC, the "Company"), and the Sellers listed on the signature page hereto ("collectively, the "Sellers"). The Sellers, Agrify and the Company are collectively referred to as the "Parties" and each as a "Party". This Letter confirms the intention of the Parties to enter into a transaction for the acquisition of the Company by Agrify (the "Transaction") as described in more detail in Schedule 1. The Parties intend that this Letter create a binding obligation on each Party's part to act in the utmost good faith to expeditiously negotiate, execute and deliver a definitive agreement (together with any ancillary documents, the "Definitive Documentation") between the Parties to be consummated as soon as practicable, providing for a target closing date of December 31, 2021, or such other date as Agrify, the Company and the Majority Sellers shall agree to in writing, and all Parties hereto may rely justifiably on the binding nature of this Letter. The Definitive Documentation will be drafted by counsel for Agrify and will contain provisions such as representations and warranties, covenants, indemnifications and other provisions which are consistent with this Letter, which are acceptable to the Parties and customarily found in agreements of the kind contemplated by this Letter. For purposes of this Letter, the term "Majority Sellers" shall collectively refer only to Benjamin Britton and Joshua Rutherford and shall not refer to any other Sellers and the term "Minority Sellers" shall refer to all other Sellers that are not Majority Sellers.

1. Due Diligence Period and No-Shop. In consideration of, among other things, the execution of this Letter and the expenditure of extensive time, effort, and expense by or on behalf of the Parties in negotiating this Letter, and otherwise proceeding in accordance herewith, the Company and the Sellers hereby agree for the period (the "Due Diligence Period") beginning on the Effective Date and ending on the date (the "Exclusivity Termination Date") which is the earlier of (a) March 31, 2022, and (b) the date on which this Letter is terminated in accordance with Section 3 hereof, that the Company and the Sellers shall, and the Company shall cause each of its affiliates, officers, managers, members, directors, employees, agents, legal counsel, financial advisors and other representatives ("Representatives"):

- to immediately terminate all existing discussions with any corporation, partnership, person or other entity or group (other than Agrify) concerning a Transaction or any similar transaction involving the sale of the Company, its securities or any of its material assets;

- not to directly or indirectly, solicit, initiate or participate in any way in discussions or negotiations with, or provide any information to, any corporation, partnership, person or other entity or group (other than Agrify) concerning any Transaction or any similar transaction involving the sale of the Company, its securities or any of its material assets, in whole or in part, whether through direct or indirect purchase, joint venture, partnership, consolidation or other business combination, or otherwise; and

- not to disclose to any person other than its Representatives, the proposed terms of, or the existence of, the Transaction, including, without limitation, drafts of the Definitive Documentation that Agrify provides to the Company and the Sellers in connection therewith.

During the Due Diligence Period, each Party shall allow the other Parties and their respective auditors, legal counsel and other authorized representatives all reasonable opportunity and access during normal business hours to inspect and investigate the assets and information concerning the business of the Parties for purposes of conducting due diligence.

2. Prior MNDA and Confidentiality. Agrify and the Company are parties to a Mutual Confidentiality and Non-Disclosure Agreement dated November 17, 2021 (the "Existing MNDA"). This Letter is confidential to the Parties and their representatives and is subject to the Existing MNDA, which continues in full force and effect. Notwithstanding the above, nothing in this Letter or the Existing MNDA shall prohibit: (i) a Party from disclosing Confidential Information of the other Party to the extent required by applicable law, rule or regulation (including a court order or other government order) or the rules and regulations of the SEC or any national securities exchange; or (ii) a Party from disclosing the existence or terms and conditions of this Letter to its attorneys and financial advisors, or current or potential lenders or other sources of financing.

3. Term and Termination. This Letter will terminate upon the earliest to occur of (the "Termination Date"):

(a) delivery to the Company and the Sellers of the written election of Agrify, which Agrify shall promptly and in good faith deliver to the Company if Agrify determines or evidences that it will no longer pursue the Transaction for any reason in its sole discretion upon expiration of the Due Diligence Period; or

(b) at 5:00 pm, Eastern Standard Time on the Exclusivity Termination Date, unless extended by mutual written agreement of Agrify and the Company.

"Term" shall mean the period of time from the Effective Date until the Termination Date.

4. Nature of Letter. The Company and each Seller agrees that, notwithstanding anything to the contrary contained herein, only the agreements and obligations of the Company and the Sellers provided for in Sections 2, 5, 6 and 8 of this Letter shall survive any termination or expiration of this Letter. Notwithstanding the foregoing, the provisions set forth herein shall be binding upon the Parties. The Company and each Seller acknowledges that there may be material provisions and terms relating to the Transaction that have not yet been negotiated or agreed as between the Parties, and that the Company and the Sellers will not have any rights or any legally binding obligations with respect to such matters until the Definitive Documentation relating to the Transaction have been approved by each of Agrify, the Company and the Sellers and executed and delivered by each of them and/or their respective affiliates, as applicable. The transactions described in this Letter shall be subject to, among other things, (i) execution of Definitive Documentation mutually satisfactory to Agrify and the Company, (ii) the reasonable satisfaction of Agrify and the Company with conditions thereto (including those described in Schedule 1), (iii) satisfaction of Agrify (in its sole and absolute discretion) with: (A) the results of its due diligence, and (B) the financial and business condition of the Company and its affiliates.

5. Costs. The Parties will bear their own costs and expenses in connection with the execution and delivery of this Letter, the negotiation of the Transaction, and the execution of the Definitive Documentation.

6. Termination Fee. Each Party recognizes the time and cost associated with consummating the Transaction. In the event that Agrify fails to consummate the Transaction by the Exclusivity Termination Date or ceases negotiations pursuant to this Letter for any reason other than either (i) as a result of reasonably concluding during its diligence review of the Company during the Due Diligence Period that there exists a fact or set of facts that would reasonably be expected to result in a material adverse effect to the business or assets of the Company and its subsidiaries, taken as a whole, or (ii) as a result of the Company or the Sellers refusing or intentionally failing to consummate any of the transactions referenced herein or adhere to the material terms of this Letter, including, but limited to, the exclusivity provisions of Section 1 (provided such refusal or failure is not related to any breach by Agrify of this Letter or refusal to adhere to its material terms), then Agrify shall promptly pay to the Company an amount equal to $1,000,000.00 (the "Termination Fee") plus any costs reasonably incurred in connection with enforcing the payment of such Termination Fee, which shall be the sole remedy of the Company or the Sellers arising from any termination of this Letter or otherwise in connection with any failure to close the Transaction.

In the event that the Company fails to consummate the Transaction by the Exclusivity Termination Date or ceases negotiations pursuant to this Letter for any reason other than as a result of Agrify refusing or intentionally failing to consummate any of the transactions referenced herein or adhere to the material terms of this Letter (provided such refusal or failure is not related to any breach by the Company or any of the Sellers of this Letter or refusal to adhere to its material terms), then the Majority Sellers shall promptly pay to Agrify an amount equal to the Termination Fee plus any reasonable costs incurred in connection with enforcing the payment of such Termination Fee, which shall be the sole remedy of Agrify arising from any termination of this Letter or otherwise in connection with any failure to close the Transaction.

Notwithstanding anything to the contrary herein, the Parties acknowledge and agree that this Section 6 is binding upon each of the Parties and shall survive the termination of this Letter.

7. Entire Agreement. This Letter supersedes any prior written or oral communications or agreements between Agrify and the Company relating to its subject matter and constitutes the entire agreement of the Parties with respect thereto. This Letter may not be amended, except in a writing signed by each of Agrify and the Company. Except as otherwise set forth herein, the provisions contained in this Letter shall be binding upon the Parties until such time as the Parties execute and deliver the Definitive Documentation at which time the Parties shall be bound by the terms thereof.

8. General Provisions. This Letter will be construed under the laws of the Commonwealth of Massachusetts, without giving effect to its conflicts of law provisions. This Letter may be executed in one or more counterparts, each of which will be deemed to be an original and all of which taken together will constitute but one and the same instrument. No Party may assign its rights hereunder without the prior written consent of all of the other Parties.

THESE TERMS AND CONDITIONS CONTAINED HEREIN REPRESENT A BINDING COMMITMENT TO CONSUMMATE THE TRANSACTION SUBJECT TO EXECUTION OF THE DEFINITIVE DOCUMENTATION CONSISTENT WITH THE TERMS OF THIS LETTER. NOTWITHSTANDING THE FOREGOING OR ANYTHING ELSE CONTAINED HEREIN TO THE CONTRARY, THE COMPANY AND EACH SELLER, BY ITS SIGNATURE BELOW, HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT THIS LETTER SHALL BE BINDING UPON THE PARTIES AND THAT SECTIONS 2, 5, AND 8 ARE HEREBY BINDING ON THE COMPANY AND EACH SELLER AND THAT SECTION 6 IS BINDING ON AGRIFY AND THE MAJORITY SELLERS AND THAT THE TERMS OF THESE SECTIONS SHALL SURVIVE ANY TERMINATION HEREOF.

[Signature page follows]

Agreed to as of the Effective Date.

AGRIFY

AGRIFY CORPORATION

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

COMPANY

PUREPRESSURE, LLC

By: /s/ Benjamin Britton
Name: Benjamin Britton
Title: CEO

SELLERS

/s/ Benjamin Britton
Name: Benjamin Britton

/s/ Eric Vlosky
Name: Eric Vlosky

/s/ Kyle Manuel
Name: Kyle Manuel

/s/ John Harned
Name: John Harned

/s/ Joshua Rutherford
Name: Joshua Rutherford

/s/ Scott Christensen
Name: Scott Christensen

/s/ Alicia Britton
Name: Alicia Britton

Schedule 1

Summary of Terms and Conditions

This Schedule 1 summarizes the principal terms of the Transaction. Capitalized terms used but not defined herein and not defined are as defined in the Letter.

Closing Date	The closing date ("Closing") shall occur by December 31, 2021.
Transaction Overview	Agrify will purchase 100% of Company's outstanding equity interests (the "Interests").
Closing Payment	Aggregate purchase price payable to the Sellers pro rata at closing equal to $9.0 million on a cash-free, debt-free basis and subject to adjustment as provided below (the "Closing Consideration Amount"). $5.0 million of the Closing Consideration Amount will be in the form of unregistered shares of Agrify common stock based on the 30-day VWAP up to and including the fifth business day prior to Closing (such price per share, the "Closing Share Price"), and $4.0 million of the Closing Consideration Amount will be paid in cash via wire transfer of immediately available funds to accounts designated in writing by the Sellers. The Agrify common stock issued at closing will not be subject to any contractual lock-up restrictions, and the Company will use its commercially reasonable efforts to assist Agrify (who shall use its commercially reasonable efforts) with removal of restrictive legends when permitted pursuant to Rule 144 under the Securities Act of 1933, as amended.
Closing Adjustments	Target Net Working Capital to be mutually agreed upon by Agrify and the Company, which amount will be customary for transactions of this size and appropriate based on the working capital needs of the Company. If the adjustment is a positive number, the cash portion of the Closing Consideration Amount shall be increased by the amount of the adjustment; if the adjustment is a negative number, the cash portion of the Closing Consideration Amount shall be reduced by the amount of the adjustment. Additionally, the cash portion of the Closing Consideration Amount will be increased by cash on hand at closing and reduced by the amount of any indebtedness and unpaid transaction expenses (including, but not limited to, any severance or transaction bonus payments payable in connection with the Transaction) of the Company. If the adjustment is a positive number, the cash portion of the Closing Consideration. Amount shall be increased by the amount of the adjustment not to exceed $1,000,000; if the adjustment is a negative number, the cash portion of the Closing Consideration Amount shall be reduced by the amount of the adjustment not to exceed $1,000,000.

Net Working Capital will be equal to Current Assets minus Current Liabilities. For purposes of the net working capital adjustment, "Current Assets" shall mean accounts receivable, inventory and prepaid expenses, but excluding (a) cash, (b) the portion of any prepaid expense of Agrify will not receive the benefit following the closing, (c) deferred tax assets and (d) receivables from any of the Company's affiliates, managers, employees, officers or members and any of their respective affiliates, determined in accordance with the Company's historic accounting principles.

For purposes of the net working capital adjustment, "Current Liabilities" shall mean accounts payable, accrued taxes and accrued expenses, but excluding (a) payables to any of the Company's affiliates, managers, employees, officers or members and any of their respective affiliates, (b) deferred tax liabilities, (c) transaction expenses, and (d) indebtedness of the Company, determined in accordance with the Company's historic accounting principles.

Earnout Payments

In addition to the Closing Consideration Amount, the Sellers (on a pro rata basis) will be entitled to the following earn-outs based on revenue from the sales of Company products and services (including resales) following closing:

(i) If Agrify receives eligible revenues from the sale of Company products during the calendar year ended December 31, 2022 (A) greater than or equal to $13,000,000.00 and less than $14,000,000.00, then the Sellers shall receive an earn-out payment with a value of $750,000.00, or (B) greater than or equal to $14,000,000.00, then the Sellers shall receive an earn-out payment with a value of $1,500,000.00.

(ii) If Agrify receives eligible revenues from the sale of Company products during the calendar year ended December 31, 2023 (A) greater than or equal to $18,500,000.00 and less than $20,000,000.00, then the Sellers shall receive an earn-out payment with a value of $750,000.00, or (B) greater than or equal to $20,000,000.00, then the Sellers shall receive an earn-out payment with a value of $1,500,000.00.

In each case, 40% of the applicable earn-out amounts shall be paid in the form of cash and the remaining 60% shall be paid in the form of shares of Agrify common stock, with the value per share equal to the 30-day VWAP up to and including the end of the applicable earn-out period. Each earn-out payment will be payable within 90 calendar days after the end of the applicable earn-out period. Agrify may set off against any earn-out payment to the extent that the Sellers are liable for any indemnification obligations.

During each applicable earn-out period, Agrify shall not intentionally, directly or indirectly, take any actions in bad faith that have the primary purpose of deferring, delaying or impairing revenue for purposes of the earn-out calculations.

Holdback for Stock	A number of shares of Agrify common stock representing 15% of the value of the Closing Consideration Amount (the "Holdback Shares") will be held back by Agrify for a period of twelve (12) months for purposes of satisfying any post-closing adjustments or indemnification obligations of Sellers.
Representations, Warranties	Customary for transactions of this type, including organization and qualification, authority, third party consents, title to and sufficiency of assets, capitalization and subsidiaries, financial statements, absence of undisclosed liabilities, absence of certain changes, legal actions and governmental orders, compliance with laws, permits, taxes, warranties, material contracts, intellectual property, inventory, real property, customers and suppliers, employees and benefits, personal data, insurance, product liability, brokers, environmental matters, affiliate transactions, bank accounts, and books and records. Certain of the representations and warranties will be deemed "Fundamental Representations", including organization and qualification, authority, capitalization, compliance with laws, intellectual property, taxes, employee benefits, employee matters, brokers, and environmental matters. The Representations and Warranties of the Parties will survive for a period of twelve (12) months following Closing, except for the Fundamental Representations, which will survive for the applicable statute of limitations plus 60 days.

AGRIFY

Conditions to Closing	Execution of employment agreements and/or offer letters between Agrify and key Company executives and employees, including two-year employment agreements with each of the Majority Sellers, with a base salary of $175,000 and performance bonus eligibility of up to $50,000 for each Majority Seller, with the titles to be mutually agreed upon by the Parties. Additionally, in connection with the offer letters to be entered into between Agrify and each Minority Seller, each Minority Seller shall be entitled to receive 5,000 Restricted Stock Units of Agrify common stock. Other standard conditions to Closing for transactions of this type, including Board approval, ordinary course operation during Due Diligence Period, absence of material adverse change in Company's business or financial condition, absence of litigation, Nasdaq compliance, and stockholder approval.
Indemnification	The Majority Sellers will jointly and severally, and the Minority Sellers will severally (but not jointly), indemnify Agrify against losses arising from (a) misrepresentations or breaches of representations or warranties of the Sellers or the Company; (ii) breaches of any covenants, agreements or obligations of the Sellers or the Company; (iii) taxes of the Company with respect to pre-Closing periods; and (iv) indebtedness and transaction expenses of the Company, to the extent not paid at Closing. Indemnification obligations of the Majority Sellers will be satisfied (A) first, by deducting any remaining Holdback Shares due to Majority Sellers, with the value per Holdback Share being equal to the Closing Share Price, (B) second, by setting off against any earn-out payments due to Majority Sellers, and (C) third, by payment directly from Majority Sellers. The sole Indemnification obligations of the Minority Sellers may only be satisfied by deducting any remaining Holdback Shares due to Majority Sellers, with the value per Holdback Share being equal to the Closing Share Price. Agrify will indemnify the Sellers against losses arising from (i) misrepresentations or breaches of represents or warranties of Agrify; and (ii) breaches of any covenants, agreements or obligations of Agrify. The indemnification obligations of the Sellers, on the one hand, and Agrify, on the other hand, with respect to losses arising from breaches of representations and warranties other than the Fundamental Representations, will be subject to (i) a basket of $90,000, at which point the indemnifying Party shall be obligated to indemnify from the first dollar, and (ii) an aggregate cap of $1,350,000. In no event shall the Sellers be responsible to make indemnity payments or offsets with respect of breaches of representations or warranties (including breaches of Fundamental Representations) that, in the aggregate, exceed the Closing Consideration Amount plus any earn-out consideration actually received by the Sellers.
Governing Law/Venue	Commonwealth of Massachusetts.
Transaction Documents	All other terms will be negotiated between the Parties in good faith and will be set forth in Definitive Documentation.

Agrify Enters into Binding Letter of Intent to Acquire PurePressure, the Leader in Solventless Extraction and Advanced Ice Water Hash Processing in the Cannabis and Hemp Industry

Agrify's Rapidly Expanding Extraction Division to Offer Best-In-Class Solutions in Two of the Fastest Growing Segments within the Extraction Market

Billerica, Mass., December 8, 2021 – Agrify Corporation (Nasdaq:AGFY) ("Agrify" or the "Company"), the most innovative and vertically integrated provider of premium cultivation and extraction solutions for the cannabis and hemp industry, today announced it has signed a binding letter of intent to acquire PurePressure, the leader in solventless extraction and advanced ice water hash processing in the cannabis and hemp industry.

With the acquisition of PurePressure, Agrify expects to bolster its rapidly expanding extraction division by adding best-in-class solutions to its product mix in two of the fastest growing subcategories in the cannabis and hemp extraction market. PurePressure, which is located in Denver, Colorado, offers premium solventless processing products and rosin presses to support any operation, big or small. The PurePressure team has worked with over 7,000 customers to date and has developed a superior reputation for quality, reliability, precision, control, and exceptional customer service. This has resulted in record organic growth every year since PurePressure's inception in 2015, and annual revenue for 2021 is currently projected to be approximately $10 million. The parties intend to close the acquisition by the end of December 2021, and the acquisition is expected to be accretive in early 2022.

Management Commentary

"We are thrilled with the pending acquisition of PurePressure, a company with very impressive solventless extraction solutions, a growing portfolio of intellectual property, some of the best and brightest talent in the extraction industry, a strong product roadmap, and limitless potential," said Raymond Chang, Chairman and CEO of Agrify. "We believe superior extraction solutions will be at the core of producing high-quality medical and recreational consumer products consistently, and the expected addition of PurePressure will make Agrify the number one source for the finest extraction solutions on the market in the cannabis and hemp industry."

Mr. Chang added, "We are committed to providing the most comprehensive suite of cutting-edge cultivation and extraction solutions. We are confident that this acquisition, once completed, will strengthen our competitive position as a provider of choice."

"We are immensely proud of the significant accomplishments we have achieved over the past six years," said Ben Britton, Co-Founder and CEO of PurePressure. "We believe that becoming part of Agrify's platform will provide PurePressure with the valuable resources needed to accelerate our growth and support our product development initiatives."

Agreement Details

Agrify has agreed to acquire PurePressure, contingent on customary closing conditions and the negotiation of a definitive acquisition agreement, for a base purchase price of $9 million, consisting of $4 million in cash and $5 million in unregistered shares of Agrify common stock, subject to customary adjustments. There is also an additional earnout opportunity that can bring the total purchase price up to $12 million if PurePressure achieves certain financial milestones in 2022 and 2023.

About Agrify (Nasdaq:AGFY)

Agrify is the most innovative and vertically integrated provider of premium cultivation and extraction solutions for the cannabis and hemp industry. Our proprietary micro-environment-controlled Vertical Farming Units (VFUs) enable our customers to produce the highest quality products with unmatched consistency, yield, and ROI at scale. Agrify brings data, science, and technology to its customers for unparalleled control over cultivation and extraction. For more information, please visit Agrify at http://www.agrify.com, and Precision Extraction, a division of Agrify, at http://www.precisionextraction.com.

About PurePressure

PurePressure is the leader in solventless extraction and advanced ice water hash processing in the cannabis and hemp industry. The company offers premium solventless processing products and rosin presses to support any operation, big or small, and it has a legendary reputation for reliability, precision, control, and exceptional customer service. For more information, please visit PurePressure at https://gopurepressure.com/.

Forward-Looking Statements
This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 concerning Agrify, PurePressure, and other matters. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding the expected results of the combination of Agrify and PurePressure; the proposed terms and conditions of any binding definitive agreement with PurePressure, which is subject to the receipt of all necessary approvals and satisfaction of all closing conditions for the completion of the transaction; future prospects; and financial performance. 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, 2020 with the SEC, which can be obtained on the SEC website at www.sec.gov. These forward-looking statements speak only as of the date of this communication. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements, whether as a result of any new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our public announcements and filings with the SEC.

Company Contacts:

Agrify
Timothy Oakes
Chief Financial Officer
tim.oakes@agrify.com
(351) 777-6585

Investor Relations
Anna Kate Heller
ICR
agrify@icrinc.com