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Agrify Announces its First Total Turn-Key Agreement in New Jersey with Loud Wellness

April 11, 2022

500 of Agrify's Proprietary Vertical Farming Units to Be Installed at Loud Wellness' Glassboro, NJ Facility

Agrify Projects Approximately \$118 Million in Revenue Over the Next 10 Years

BILLERICA, Mass., April 11, 2022 (GLOBE NEWSWIRE) -- [Agrify Corporation \(Nasdaq:AGFY\)](#) ("Agrify" or the "Company"), the most innovative provider of advanced cultivation and extraction solutions for the cannabis industry, announced it has signed a definitive agreement for its Agrify Total Turn-Key Solution ("Agrify TTK Solution") with Loud Wellness Inc. ("Loud Wellness"), a New Jersey-based cultivation and manufacturing operator. Loud Wellness is one of only eight awardees that received both the Class 1 Cultivator and Class 2 Manufacturer licenses in New Jersey.

With the nascent New Jersey recreational cannabis market expected to top annual sales of \$2 billion within a few years to rival neighboring New York and Massachusetts as reported by [MJBizDaily](#), Loud Wellness is very well positioned to capture market share. As one of only eight vertically integrated operators in New Jersey with both cultivation and manufacturing licenses, Loud Wellness is hoping to leverage the technology, services, and support offered through the Agrify TTK Solution to produce the highest quality and most diversified product portfolio ranging from top premium flowers to other concentrated products. In addition, Loud Wellness has joined forces with Rowan University to study cannabis cultivated using [Agrify's Vertical Farming Units](#) ("VFUs") with the goal of uncovering the plant's benefits at a deeper level. Lastly, Loud Wellness is led by a team of highly capable, experienced individuals committed to success including Turk McBride, former NFL player and pioneer in the cannabis industry, and Pedro "Pete" Demorejon, Cultivation Manager, former MLB pitcher, and cannabis industry veteran personally holding more than 100 cultivars and former director of Florida's first legal grower.

The terms of the 10-year agreement entered into with Agrify include the installation of 500 VFUs, along with the use of the fully integrated [Agrify Insights™](#) software, at Loud Wellness' Glassboro, NJ facility – initially having 50,000 sq. ft. allocated to cultivation, 20,000 sq. ft. for manufacturing, and an 8,500 sq. ft. research center with an additional 50,000 sq. ft. available for expansion. Under the agreement, Agrify will also provide architectural and engineering services, operations consulting, and brand licensing. The engagement is expected to generate approximately \$100 million in production success fees, based on a conservative 35 pounds annual dry-flower production per VFU, and approximately \$18 million in SaaS software fees for Agrify during the 10-year term of the agreement. Upon securing additional third-party financing, Agrify may provide Loud Wellness up to an \$18 million construction loan based on its standard TTK terms.

"For the industry we serve, having superior products alone is not enough to guarantee success. Being easy to do business with is also imperative, which is why we offer our full-service Agrify TTK Solution as a way to remove unnecessary friction for companies such as Loud Wellness, who have a variety of other challenges they face including trying to navigate the regulatory complexities of social equity licensing in states like New Jersey," said [Raymond Chang, CEO of Agrify](#). "We are confident that our VFUs, along with our integrated Agrify Insights software, will provide Loud Wellness with the independent and precise control over its cultivation environment, grow recipes, and production planning needed to maximize their yields, consistency, quality, and ROI."

"One of Loud Wellness' core values - and key to our brand promise - is the cultivation and production of high-quality cannabis products giving our customers a consistent experience they can trust," said Tony Payton, Loud Wellness Founder and Board Member. "While this is certainly important for our direct markets of dispensaries and wholesalers, this is especially critical for our Alternative Treatment Centers market where the high quality, consistent, regulatory-compliant, and agile cultivation capabilities differentiate Loud Wellness to give us a competitive edge. After thoroughly evaluating other commercial cultivation options, only Agrify's VFUs with its built-in Agrify Insights software was capable of supporting our batch cultivation strategy - inspired by micro-brewery beer manufacturing - where carefully selected small batch products for tailored outcomes maintain exclusivity due to scarcity and attract higher values."

About Agrify TTK Solution

The Agrify TTK Solution is a first-of-its-kind program in which Agrify engages with qualified cannabis operators in the early phases of their business plans and provides critical support, typically over a 10-year period, which includes: design and buildout of their cultivation and extraction facilities, state-of-the-art cultivation and extraction equipment, process design, training, implementation, proven grow recipes, product formulations, data analytics, and consumer branding.

To date, the Company has contractual commitments for over 4,000 VFUs that will be powered by the Agrify Insights SaaS cultivation software as well as the value-added services mentioned above. Cumulatively, all of the 10-year agreements under Agrify's TTK Solution program are currently projected to generate approximately \$900 million in total revenue.

About Agrify (Nasdaq:AGFY)

Agrify is the most innovative provider of advanced 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 at scale. Our 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>.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 our customer relationship with Loud Wellness, Loud Wellness' efforts to secure the licenses necessary to operate, the revenue expected from the Agreement, project timelines, and our 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 as well as the terms and conditions that were mutually agreed upon in the definitive agreement between Agrify and Loud Wellness. 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 for the year ended December 31, 2021 filed with the SEC, which can be obtained on the SEC website at www.sec.gov. These forward-looking statements speak only as of the date of this communication. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements, whether as a result of any new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our public announcements and filings with the SEC.

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Source: Agrify