





















TABLE B

**S & W SEED COMPANY**  
**ITEMIZED RECONCILIATION BETWEEN NET INCOME (LOSS) AND NON-GAAP ADJUSTED EBITDA**  
(unaudited)

	Three Months Ended March 31		Nine Months Ended March 31	
	2016	2015	2016	2015
Net income (loss)	\$ 567,873	\$ (469,328)	\$ 55,426	\$ (2,886,306)
Non-recurring cost of revenue charges	-	-	259,566	265,890
Non-recurring transaction costs	-	111,106	-	1,256,170
Non-cash stock based compensation	289,314	233,848	917,487	680,923
Depreciation and amortization	796,062	580,365	2,376,101	1,210,676
Impairment charges	-	-	-	500,198
Foreign currency (gain) loss	87,342	33,503	(164,471)	116,392
Change in derivative warrant liabilities	(694,800)	1,082,000	(2,176,800)	1,082,000
Change in contingent consideration obligation	48,963	-	1,490	-
Gain on sale of marketable securities	-	-	(123,038)	-
Loss on equity method investment	28,916	-	252,619	-
Interest expense - amortization of debt discount	1,150,412	2,020,472	3,111,866	2,046,615
Interest expense - convertible debt and other	438,879	728,957	1,672,863	1,137,208
Provision (benefit) for income taxes	5,901	244,471	(2,773,294)	(931,808)
Non-GAAP Adjusted EBITDA	<u>\$ 2,718,862</u>	<u>\$ 4,565,394</u>	<u>\$ 3,409,815</u>	<u>\$ 4,477,958</u>



**S&W SEED COMPANY**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited)

	<u>March 31,</u> <u>2016</u>	<u>June 30,</u> <u>2015</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,267,622	\$ 3,535,458
Accounts receivable, net	12,970,876	26,728,741
Inventories, net	43,049,181	25,521,747
Prepaid expenses and other current assets	2,079,983	797,199
Deferred tax assets	286,734	286,508
TOTAL CURRENT ASSETS	64,654,396	56,869,653
Property, plant and equipment, net	12,889,609	11,476,936
Intangibles, net	35,978,261	38,004,916
Goodwill	9,496,202	9,630,279
Deferred tax assets	7,305,559	4,060,156
Other assets	2,324,268	2,301,127
TOTAL ASSETS	\$ 132,648,295	\$ 122,343,067
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 15,605,814	\$ 13,722,900
Accounts payable - related parties	90,711	1,128,630
Deferred revenue	371,383	525,530
Accrued expenses and other current liabilities	1,506,130	1,802,819
Foreign exchange contract liabilities	-	59,116
Lines of credit	21,710,803	13,755,800
Current portion of long-term debt	428,681	2,223,465
Current portion of convertible debt, net	8,910,997	9,265,929
TOTAL CURRENT LIABILITIES	48,624,519	42,484,189
Contingent consideration obligation	2,079,490	2,078,000
Long-term debt, less current portion	11,181,481	10,682,072
Convertible debt, net, less current portion	-	8,777,041
Derivative warrant liabilities	4,081,200	6,258,000
Other non-current liabilities	158,137	188,160
TOTAL LIABILITIES	66,124,827	70,467,462
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$0.001 par value; 50,000,000 shares authorized; 16,839,666 issued and 16,814,666 outstanding at March 31, 2016; 13,479,101 issued and 13,454,101 outstanding at June 30, 2015;	16,839	13,479
Treasury stock, at cost, 25,000 shares	(134,196)	(134,196)
Additional paid-in capital	77,118,847	62,072,379
Accumulated deficit	(4,924,045)	(4,979,471)
Accumulated other comprehensive loss	(5,553,977)	(5,096,586)
TOTAL STOCKHOLDERS' EQUITY	66,523,468	51,875,605
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 132,648,295	\$ 122,343,067



**S&W SEED COMPANY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	<b>Nine Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 55,426	\$ (2,886,306)
Adjustments to reconcile net income (loss) to net cash (used in) provided		
by operating activities		
Stock-based compensation	917,487	680,923
Change in allowance for doubtful accounts	(7,350)	17,264
Impairment charges	-	500,198
Depreciation and amortization	2,376,101	1,296,464
(Gain) loss on disposal of property, plant and equipment	(2,427)	24,646
Change in deferred tax asset	(2,974,375)	(904,887)
Change in foreign exchange contracts	(55,817)	27,873
Change in derivative warrant liabilities	(2,176,800)	1,082,000
Change in contingent consideration obligation	1,490	-
Amortization of debt discount	3,111,866	2,046,615
Intercompany foreign exchange gain	(284,774)	-
Gain on sale of marketable securities	(123,038)	-
Loss on equity method investment	252,619	-
Changes in operating assets and liabilities, net:		
Accounts receivable	13,498,542	8,167,899
Inventories	(16,946,534)	10,179,531
Prepaid expenses and other current assets	(974,732)	(546,449)
Other non-current assets	(140,569)	249,005
Accounts payable	1,632,353	(12,595,681)
Accounts payable - related parties	(1,021,524)	1,768,819
Deferred revenue	(163,211)	242,250
Accrued expenses and other current liabilities	(277,084)	(13,038)
Other non-current liabilities	(31,311)	6,358
Net cash (used in) provided by operating activities	(3,333,662)	9,343,484
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(2,089,420)	(1,034,183)
Proceeds from disposal of property, plant and equipment	28,100	7,100,000
Acquisition of business	-	(36,688,881)
Investment in Bioceres	-	(4,982)
Purchase of marketable securities	(316,000)	-
Sale of marketable securities	439,038	-
Equity method investment	(439,038)	-
Net cash used in investing activities	(2,377,320)	(30,628,046)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from sale of common stock	13,309,707	4,169,025
Net proceeds from exercise of common stock options	34,575	1,080,000
Taxes paid related to net share settlements of stock-based compensation awards	(83,803)	(61,669)
Borrowings and repayments on lines of credit, net	7,822,160	(715,779)
Proceeds from sale of convertible debt and warrants	-	27,000,000
Borrowings of long-term debt	601,341	493,956
Debt issuance costs	-	(1,915,417)
Repayments of long-term debt	(1,974,582)	(2,486,358)
Repayments of convertible debt	(11,274,679)	(5,000,000)
Net cash provided by financing activities	8,434,719	22,563,758
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	8,427	189,464
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,732,164	1,468,660
<b>CASH AND CASH EQUIVALENTS, beginning of the period</b>	3,535,458	1,167,503
<b>CASH AND CASH EQUIVALENTS, end of period</b>	\$ 6,267,622	\$ 2,636,163