

TABLE B

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

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Net income (loss)	\$ 1,361,786	\$ (1,542,660)	\$ (512,447)	\$ (2,416,976)
Non-recurring cost of revenue charges	-	270,048	259,566	265,890
Depreciation and amortization	791,242	310,552	1,580,038	630,311
Impairment charges	-	500,198	-	500,198
Non-recurring transaction costs	-	1,145,064	-	1,145,064
Non-cash stock based compensation	324,561	228,063	628,173	447,075
Foreign currency (gain) loss	(335,159)	35,148	(251,813)	82,889
Change in derivative warrant liabilities	(943,000)	-	(1,482,000)	-
Change in contingent consideration obligation	47,811	-	(47,473)	-
Gain on sale of marketable securities	(123,038)	-	(123,038)	-
Loss on equity method investment	129,341	-	223,703	-
Interest expense - amortization of debt discount	1,055,202	13,107	1,961,454	26,142
Interest expense - convertible debt and other	537,749	174,635	1,233,984	408,250
Benefit from income taxes	(1,529,252)	(738,452)	(2,779,195)	(1,176,279)
Non-GAAP Adjusted EBITDA	<u>\$ 1,317,243</u>	<u>\$ 395,703</u>	<u>\$ 690,952</u>	<u>\$ (87,436)</u>



S&W SEED COMPANY
CONSOLIDATED BALANCE SHEETS
(unaudited)

ASSETS	December 31, 2015	June 30, 2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,221,238	\$ 3,535,458
Accounts receivable, net	12,654,321	26,728,741
Inventories, net	37,066,631	25,521,747
Prepaid expenses and other current assets	1,189,941	797,199
Deferred tax assets	280,280	286,508
TOTAL CURRENT ASSETS	56,412,411	56,869,653
Property, plant and equipment, net	11,861,970	11,476,936
Intangibles, net	36,536,619	38,004,916
Goodwill	9,496,202	9,630,279
Crop production costs, net	-	212,231
Deferred tax assets	7,303,609	4,060,156
Other assets	2,617,830	2,088,896
TOTAL ASSETS	\$ 124,228,641	\$ 122,343,067
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 14,982,183	\$ 13,722,900
Accounts payable - related parties	5,287,224	1,128,630
Deferred revenue	218,023	-
Accrued expenses and other current liabilities	1,340,706	2,328,349
Foreign exchange contract liabilities	-	59,116
Lines of credit	11,732,202	13,755,800
Current portion of long-term debt	2,657,687	2,223,465
Current portion of convertible debt, net	9,461,477	9,265,929
TOTAL CURRENT LIABILITIES	45,679,502	42,484,189
Contingent consideration obligation	2,030,527	2,078,000
Long-term debt, less current portion	10,585,363	10,682,072
Convertible debt, net, less current portion	4,143,209	8,777,041
Derivative warrant liabilities	4,776,000	6,258,000
Other non-current liabilities	141,385	188,160
TOTAL LIABILITIES	67,355,986	70,467,462
STOCKHOLDERS' EQUITY		
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; 14,697,903 issued and 14,672,903 outstanding at December 31, 2015; 13,479,101 issued and 13,454,101 outstanding at June 30, 2015;	14,698	13,479
Treasury stock, at cost, 25,000 shares	(134,196)	(134,196)
Additional paid-in capital	68,421,774	62,072,379
Accumulated deficit	(5,491,918)	(4,979,471)
Accumulated other comprehensive loss	(5,937,703)	(5,096,586)
TOTAL STOCKHOLDERS' EQUITY	56,872,655	51,875,605
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 124,228,641	\$ 122,343,067



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

	Six months ended	
	December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (512,447)	\$ (2,416,976)
Adjustments to reconcile net loss to net cash provided by operating activities		
Stock-based compensation	628,173	447,075
Change in allowance for doubtful accounts	(7,350)	8,632
Impairment charges	-	500,198
Depreciation and amortization	1,580,038	630,311
Change in deferred tax asset	(3,243,453)	(1,138,394)
Change in foreign exchange contracts	(55,845)	173,977
Change in derivative warrant liabilities	(1,482,000)	-
Change in contingent consideration obligation	(47,473)	-
Amortization of debt discount	1,961,454	26,142
Gain on sale of marketable securities	(123,038)	-
Loss on equity method investment	223,703	-
Changes in operating assets and liabilities, net:		
Accounts receivable	13,712,154	7,071,072
Inventories	(12,016,814)	4,838,843
Prepaid expenses and other current assets	(389,135)	32,855
Crop production costs	-	(1,567,276)
Other non-current assets	(140,569)	-
Accounts payable	1,764,241	(5,832,578)
Accounts payable - related parties	4,174,847	912,721
Deferred revenue	218,023	-
Accrued expenses and other current liabilities	(945,516)	296,580
Other non-current liabilities	(42,731)	4,445
Net cash provided by operating activities	5,256,262	3,987,627
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(903,825)	(693,311)
Acquisition of business	-	(27,000,000)
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	(1,219,825)	(27,698,293)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from sale of common stock	4,872,794	4,236,943
Net proceeds from exercise of common stock options	34,566	-
Taxes paid related to net share settlements of stock-based compensation awards	(56,781)	(43,111)
Borrowings and repayments on lines of credit, net	(1,820,939)	(1,763,375)
Borrowings of long-term convertible debt	-	27,000,000
Debt issuance costs	-	(1,726,543)
Borrowings of long-term debt	440,179	-
Repayments of long-term debt	(104,463)	(211,724)
Repayments of convertible debt	(5,471,724)	-
Net cash (used in) provided by financing activities	(2,106,368)	27,492,190
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(244,289)	(28,906)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,685,780	3,752,618
CASH AND CASH EQUIVALENTS, beginning of the period	3,535,458	1,167,503
CASH AND CASH EQUIVALENTS, end of period	\$ 5,221,238	\$ 4,920,121