

TABLE B

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

	Three Months Ended June 30,		Years Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	\$ 307,019	\$ (270,066)	\$ 365,227	\$ (3,163,127)
Non-recurring cost of revenue charges	-	-	259,566	265,890
Non-recurring transaction costs	236,211	34,756	267,353	1,290,926
Non-cash stock based compensation	272,639	215,960	1,190,126	896,882
Depreciation and amortization	809,025	968,962	3,185,126	2,179,638
Impairment charges	-	-	-	500,198
Foreign currency (gain) loss	(62,059)	43,371	(226,529)	159,763
Change in derivative warrant liabilities	272,900	314,000	(1,903,900)	1,396,000
Change in contingent consideration obligations	53,602	74,000	55,092	74,000
Gain on sale of marketable securities	-	-	(123,038)	-
Loss on equity method investment	41,578	-	294,197	-
Interest expense - amortization of debt discount	787,873	887,549	3,899,739	2,934,164
Interest expense - convertible debt and other	413,142	693,849	2,086,005	1,831,057
Provision (benefit) for income taxes	372,722	85,829	(2,403,379)	(845,979)
Non-GAAP Adjusted EBITDA	<u>\$ 3,504,652</u>	<u>\$ 3,048,210</u>	<u>\$ 6,945,585</u>	<u>\$ 7,519,412</u>



**S & W SEED COMPANY
CONSOLIDATED BALANCE SHEETS**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,904,500	\$ 3,535,458
Accounts receivable, net	27,619,599	26,728,741
Inventories, net	21,846,130	25,521,747
Prepaid expenses and other current assets	1,218,280	797,199
Deferred tax assets	-	286,508
TOTAL CURRENT ASSETS	<u>57,588,509</u>	<u>56,869,653</u>
Property, plant and equipment, net	13,121,699	11,476,936
Intangibles, net	36,485,209	38,004,916
Goodwill	10,292,265	9,630,279
Deferred tax assets	7,279,923	4,060,156
Other assets	2,237,380	2,301,127
TOTAL ASSETS	<u>\$ 127,004,985</u>	<u>\$ 122,343,067</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 14,303,877	\$ 13,722,900
Accounts payable - related parties	396,027	1,128,630
Deferred revenue	509,857	525,530
Accrued expenses and other current liabilities	2,385,160	1,802,819
Foreign exchange contract liabilities	-	59,116
Lines of credit	16,687,473	13,755,800
Current portion of long-term debt	275,094	2,223,465
Current portion of convertible debt, net	6,840,608	9,265,929
TOTAL CURRENT LIABILITIES	<u>41,398,096</u>	<u>42,484,189</u>
Contingent consideration obligations	2,268,416	2,078,000
Long-term debt, less current portion	11,114,333	10,682,072
Convertible debt, net, less current portion	-	8,777,041
Derivative warrant liabilities	4,354,100	6,258,000
Other non-current liabilities	108,596	188,160
TOTAL LIABILITIES	<u>59,243,541</u>	<u>70,467,462</u>
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; 17,086,111 issued and 17,061,111 outstanding at June 30, 2016; 13,479,101 issued and 13,454,101 outstanding at June 30, 2015;	17,086	13,479
Treasury stock, at cost, 25,000 shares	(134,196)	(134,196)
Additional paid-in capital	78,282,461	62,072,379
Accumulated deficit	(4,614,244)	(4,979,471)
Accumulated other comprehensive loss	(5,789,663)	(5,096,586)
TOTAL STOCKHOLDERS' EQUITY	<u>67,761,444</u>	<u>51,875,605</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 127,004,985</u>	<u>\$ 122,343,067</u>



S&W SEED COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 365,227	\$ (3,163,127)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Stock-based compensation	1,190,126	896,882
Change in allowance for doubtful accounts	16,700	83,039
Impairment charges	-	500,198
Depreciation and amortization	3,185,126	2,179,638
(Gain) loss on disposal of property, plant and equipment	(153)	24,646
Change in deferred tax asset	(2,721,746)	(1,402,397)
Change in foreign exchange contracts	(56,264)	64,593
Change in derivative warrant liabilities	(1,903,900)	1,396,000
Change in contingent consideration obligations	55,092	74,000
Amortization of debt discount	3,899,739	2,934,164
Intercompany foreign exchange gain	(332,477)	-
Gain on sale of marketable securities	(123,038)	-
Loss on equity method investment	294,197	-
Changes in operating assets and liabilities, net:		
Accounts receivable	(1,007,637)	(4,391,780)
Inventories	3,561,808	21,308,005
Prepaid expenses and other current assets	(201,236)	(318,479)
Other non-current assets	(101,368)	341,985
Accounts payable	767,328	(11,158,693)
Accounts payable - related parties	(718,432)	143,781
Deferred revenue	(15,933)	242,250
Accrued expenses and other current liabilities	588,169	1,349,332
Other non-current liabilities	(26,346)	8,313
Net cash provided by operating activities	6,714,982	11,112,350
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,612,794)	(1,595,813)
Proceeds from disposal of property, plant and equipment	53,150	7,100,000
Acquisition of business	(1,000,000)	(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	(3,875,644)	(31,189,676)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from sale of common stock	13,253,288	4,161,937
Net proceeds from exercise of common stock options	57,610	1,079,999
Taxes paid related to net share settlements of stock-based compensation awards	(109,197)	(114,502)
Borrowings and repayments on lines of credit, net	3,021,538	(766,673)
Proceeds from sale of convertible debt and warrants	-	27,000,000
Borrowings of long-term debt	573,447	509,702
Debt issuance costs	-	(1,931,105)
Repayments of long-term debt	(2,124,584)	(2,488,567)
Repayments of convertible debt	(14,104,728)	(5,045,519)
Net cash provided by financing activities	567,374	22,405,272
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(37,670)	40,009
NET INCREASE IN CASH AND CASHEQUIVALENTS	3,369,042	2,367,955
CASH AND CASHEQUIVALENTS, beginning of the period	3,535,458	1,167,503
CASH AND CASHEQUIVALENTS, end of period	\$ 6,904,500	\$ 3,535,458