

TABLE B

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

	Three Months Ended	
	September 30,	
	2017	2016
Net loss	\$ (1,817,506)	\$ (3,217,154)
Non-recurring transaction costs	29,163	-
Non-cash stock based compensation	257,461	282,425
Depreciation and amortization	888,252	834,697
Foreign currency loss (gain)	14,558	(3,646)
Change in derivative warrant liabilities	(772,499)	1,127,700
Change in contingent consideration liabilities	-	107,081
Loss on equity method investment	-	49,249
Interest expense - amortization of debt discount	33,999	599,458
Interest expense - convertible debt and other	347,729	352,542
Provision (benefit) for income taxes	51,421	(1,103,408)
Non-GAAP Adjusted EBITDA	<u>\$ (967,422)</u>	<u>\$ (971,056)</u>



S&W SEED COMPANY
CONSOLIDATED BALANCE SHEETS
 (unaudited)

	<u>September 30,</u> <u>2017</u>	<u>June 30,</u> <u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,306,895	\$ 745,001
Accounts receivable, net	25,206,682	23,239,325
Inventories, net	70,216,607	31,489,945
Prepaid expenses and other current assets	1,888,277	1,249,921
TOTAL CURRENT ASSETS	<u>101,618,461</u>	<u>56,724,192</u>
Property, plant and equipment, net	13,767,767	13,581,576
Intangibles, net	34,366,158	34,939,079
Goodwill	10,292,265	10,292,265
Other assets	1,568,339	1,563,176
TOTAL ASSETS	<u>\$ 161,612,990</u>	<u>\$ 117,100,288</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 47,059,106	\$ 7,157,745
Accounts payable - related parties	1,008,257	331,694
Deferred revenue	9,587,129	880,326
Accrued expenses and other current liabilities	2,622,608	2,733,718
Lines of credit	14,461,603	27,399,784
Current portion of contingent consideration obligation	2,500,000	2,500,000
Current portion of long-term debt	10,316,021	10,309,664
TOTAL CURRENT LIABILITIES	<u>87,554,724</u>	<u>51,312,931</u>
Long-term debt, less current portion	1,070,722	1,096,155
Derivative warrant liabilities	2,064,101	2,836,600
Other non-current liabilities	691,535	632,947
TOTAL LIABILITIES	<u>91,381,082</u>	<u>55,878,633</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; 20,717,089 issued and 20,692,089 outstanding at September 30, 2017; 18,004,681 issued and 17,979,681 outstanding at June 30, 2017;	20,716	18,004
Treasury stock, at cost, 25,000 shares	(134,196)	(134,196)
Additional paid-in capital	93,980,912	83,312,518
Accumulated deficit	(18,253,792)	(16,436,286)
Accumulated other comprehensive loss	(5,381,732)	(5,538,385)
TOTAL STOCKHOLDERS' EQUITY	<u>70,231,908</u>	<u>61,221,655</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 161,612,990</u>	<u>\$ 117,100,288</u>



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

	Three Months Ended	
	September 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,817,506)	\$ (3,217,154)
Adjustments to reconcile net loss from operating activities to net cash provided by operating activities		
Stock-based compensation	257,461	282,425
Bad debt expense	20,547	-
Depreciation and amortization	888,252	834,697
(Gain) loss on disposal of property, plant and equipment	(66,363)	-
Change in deferred tax asset	-	(1,170,110)
Change in foreign exchange contracts	(38,989)	(23,841)
Change in derivative warrant liabilities	(772,499)	1,127,700
Change in contingent consideration obligation	-	107,081
Amortization of debt discount	33,999	599,458
Loss on equity method investment	-	49,249
Changes in:		
Accounts receivable	(1,892,959)	211,471
Inventories	(38,503,457)	(27,521,148)
Prepaid expenses and other current assets	(620,193)	(58,342)
Other non-current asset	(4,963)	-
Accounts payable	39,781,675	23,223,125
Accounts payable - related parties	673,357	2,843,701
Deferred revenue	8,705,963	10,593,608
Accrued expenses and other current liabilities	(115,481)	(263,877)
Other non-current liabilities	57,926	(18,054)
Net cash provided by operating activities	6,586,770	7,599,989
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(636,588)	(212,680)
Proceeds from disposal of property, plant and equipment	256,000	-
Additions to internal use software	-	(76,540)
Net cash used in investing activities	(380,588)	(289,220)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from sale of common stock	10,472,021	-
Taxes paid related to net share settlements of stock-based compensation awards	(58,376)	(24,737)
Borrowings and repayments on lines of credit, net	(13,123,859)	(6,634,833)
Borrowings of long-term debt	-	25,536
Repayments of long-term debt	(46,393)	(34,451)
Repayments of convertible debt	-	(2,416,503)
Net cash used in financing activities	(2,756,607)	(9,084,988)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	112,319	134,373
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	3,561,894	(1,639,846)
CASH AND CASH EQUIVALENTS, beginning of the period	745,001	6,904,500
CASH AND CASH EQUIVALENTS, end of period	\$ 4,306,895	\$ 5,264,654