

















**Table B**

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

	<b>Three Months Ended</b>	
	<b>September 30,</b>	
	<b>2016</b>	<b>2015</b>
Net loss	\$ (3,217,154)	\$ (1,874,233)
Non-recurring cost of revenue charges	-	259,566
Non-cash stock based compensation	282,425	324,561
Depreciation and amortization	834,697	788,796
Foreign currency (gain) loss	(3,646)	83,346
Change in derivative warrant liabilities	1,127,700	(539,000)
Change in contingent consideration obligations	107,081	(95,284)
Loss on equity method investment	49,249	94,362
Interest expense - amortization of debt discount	599,458	906,252
Interest expense - convertible debt and other	352,542	696,235
Benefit from income taxes	(1,103,408)	(1,249,943)
Non-GAAP Adjusted EBITDA	\$ (971,056)	\$ (605,342)





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

	<u>September 30,</u> <u>2016</u>	<u>June 30,</u> <u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,264,654	\$ 6,904,500
Accounts receivable, net	27,646,573	27,619,599
Inventories, net	49,569,515	21,846,130
Prepaid expenses and other current assets	1,274,871	1,218,280
<b>TOTAL CURRENT ASSETS</b>	<b>83,755,613</b>	<b>57,588,509</b>
Property, plant and equipment, net	12,591,294	12,600,106
Intangibles, net	36,527,365	37,006,802
Goodwill	10,292,265	10,292,265
Deferred tax assets	8,450,033	7,279,923
Other assets	2,188,131	2,237,380
<b>TOTAL ASSETS</b>	<b>\$ 153,804,701</b>	<b>\$ 127,004,985</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 37,795,148	\$ 14,303,877
Accounts payable - related parties	3,239,728	396,027
Deferred revenue	11,103,617	509,857
Accrued expenses and other current liabilities	2,110,979	2,385,160
Lines of credit	10,168,347	16,687,473
Current portion of long-term debt	286,122	275,094
Current portion of convertible debt, net	3,214,192	6,840,608
<b>TOTAL CURRENT LIABILITIES</b>	<b>67,918,133</b>	<b>41,398,096</b>
Contingent consideration obligations	2,375,497	2,268,416
Long-term debt, less current portion	11,125,238	11,114,333
Derivative warrant liabilities	5,481,800	4,354,100
Other non-current liabilities	91,930	108,596
<b>TOTAL LIABILITIES</b>	<b>86,992,598</b>	<b>59,243,541</b>
<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; 17,492,618 issued and 17,467,618 outstanding at September 30, 2016; 17,086,111 issued and 17,061,111 outstanding at June 30, 2016;	17,493	17,086
Treasury stock, at cost, 25,000 shares	(134,196)	(134,196)
Additional paid-in capital	80,344,704	78,282,461
Accumulated deficit	(7,831,398)	(4,614,244)
Accumulated other comprehensive loss	(5,584,500)	(5,789,663)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>66,812,103</b>	<b>67,761,444</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 153,804,701</b>	<b>\$ 127,004,985</b>



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

	<b>Three Months Ended</b>	
	<b>September 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (3,217,154)	\$ (1,874,233)
Adjustments to reconcile net loss to net cash provided by operating activities		
Stock-based compensation	282,425	324,561
Change in allowance for doubtful accounts	-	(1,000)
Depreciation and amortization	834,697	788,796
Change in deferred tax asset	(1,170,110)	(1,450,117)
Change in foreign exchange contracts	(23,841)	586,431
Change in derivative warrant liabilities	1,127,700	(539,000)
Change in contingent consideration obligations	107,081	(95,284)
Amortization of debt discount	599,458	906,252
Loss on equity method investment	49,249	94,362
Changes in operating assets and liabilities, net:		
Accounts receivable	211,471	118,389
Inventories	(27,521,148)	(21,482,850)
Prepaid expenses and other current assets	(58,342)	(311,159)
Other non-current assets	-	(140,568)
Accounts payable	23,223,125	17,681,243
Accounts payable - related parties	2,843,701	2,789,651
Deferred revenue	10,593,608	14,096,618
Accrued expenses and other current liabilities	(263,877)	(472,841)
Other non-current liabilities	(18,054)	(45,219)
Net cash provided by operating activities	<u>7,599,989</u>	<u>10,974,032</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(212,680)	(247,067)
Additions to internal use software	(76,540)	(110,326)
Net cash used in investing activities	<u>(289,220)</u>	<u>(357,393)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Taxes paid related to net share settlements of stock-based compensation awards	(24,737)	(23,302)
Borrowings and repayments on lines of credit, net	(6,634,833)	(3,414,683)
Borrowings of long-term debt	25,536	85,368
Repayments of long-term debt	(34,451)	(2,223)
Repayments of convertible debt	(2,416,503)	(2,141,675)
Net cash used in financing activities	<u>(9,084,988)</u>	<u>(5,496,515)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<u>134,373</u>	<u>(276,262)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,639,846)	4,843,862
<b>CASH AND CASH EQUIVALENTS, beginning of the period</b>	<u>6,904,500</u>	<u>3,535,458</u>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<u>\$ 5,264,654</u>	<u>\$ 8,379,320</u>