

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,	
	2016	2015	2016	2015
Net income (loss)	\$ 1,158,958	\$ 1,361,786	\$ (2,058,198)	\$ (512,447)
Non-recurring cost of revenue charges	-	-	-	259,566
Non-cash stock based compensation	296,235	303,612	578,659	628,173
Depreciation and amortization	842,454	791,242	1,677,151	1,580,038
Foreign currency (gain)	(2,837)	(335,159)	(6,483)	(251,813)
Change in derivative warrant liabilities	(959,200)	(943,000)	168,500	(1,482,000)
Change in contingent consideration obligations	57,282	47,811	164,363	(47,473)
Gain on sale of marketable securities	-	(123,038)	-	(123,038)
Loss on equity method investment	-	129,341	49,249	223,703
Interest expense - amortization of debt discount	381,660	1,055,202	981,118	1,961,454
Interest expense - convertible debt and other	295,042	537,749	647,584	1,233,984
Provision (benefit) from income taxes	106,485	(1,529,252)	(996,923)	(2,779,195)
Non-GAAP Adjusted EBITDA	<u>\$ 2,176,079</u>	<u>\$ 1,296,294</u>	<u>\$ 1,205,020</u>	<u>\$ 690,952</u>



S&W SEED COMPANY
CONSOLIDATED BALANCE SHEETS
(unaudited)

	<u>December 31,</u> <u>2016</u>	<u>June 30,</u> <u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,108,295	\$ 6,904,500
Accounts receivable, net	25,631,555	27,619,599
Inventories, net	42,550,711	21,846,130
Prepaid expenses and other current assets	1,054,665	1,218,280
TOTAL CURRENT ASSETS	<u>71,345,226</u>	<u>57,588,509</u>
Property, plant and equipment, net	13,223,114	12,600,106
Intangibles, net	36,013,237	37,006,802
Goodwill	10,292,265	10,292,265
Deferred tax assets	8,314,362	7,279,923
Other assets	2,154,332	2,237,380
TOTAL ASSETS	<u>\$ 141,342,536</u>	<u>\$ 127,004,985</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 24,349,997	\$ 14,303,877
Accounts payable - related parties	3,858,676	396,027
Deferred revenue	357,239	509,857
Accrued expenses and other current liabilities	1,189,546	2,385,160
Foreign exchange contract liabilities	179,203	-
Lines of credit	22,218,516	16,687,473
Current portion of contingent consideration obligation	2,290,850	-
Current portion of long-term debt	10,304,078	275,094
Current portion of convertible debt, net	1,193,618	6,840,608
TOTAL CURRENT LIABILITIES	<u>65,941,723</u>	<u>41,398,096</u>
Contingent consideration obligation	141,929	2,268,416
Long-term debt, less current portion	964,382	11,114,333
Derivative warrant liabilities	4,522,600	4,354,100
Other non-current liabilities	45,345	108,596
TOTAL LIABILITIES	<u>71,615,979</u>	<u>59,243,541</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; 17,973,483 issued and 17,948,483 outstanding at December 31, 2016; 17,086,111 issued and 17,061,111 outstanding at June 30, 2016;	17,973	17,086
Treasury stock, at cost, 25,000 shares	(134,196)	(134,196)
Additional paid-in capital	82,548,506	78,282,461
Accumulated deficit	(6,672,442)	(4,614,244)
Accumulated other comprehensive loss	(6,033,284)	(5,789,663)
TOTAL STOCKHOLDERS' EQUITY	<u>69,726,557</u>	<u>67,761,444</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 141,342,536</u>	<u>\$ 127,004,985</u>



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

	Six Months Ended	
	December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (2,058,198)	\$ (512,447)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities		
Stock-based compensation	578,659	628,173
Change in allowance for doubtful accounts	-	(7,350)
Depreciation and amortization	1,677,151	1,580,038
Change in deferred tax asset	(1,034,439)	(3,243,453)
Change in foreign exchange contracts	234,286	(55,845)
Change in derivative warrant liabilities	168,500	(1,482,000)
Change in contingent consideration obligations	164,363	(47,473)
Amortization of debt discount	981,118	1,961,454
Gain on sale of marketable securities	-	(123,038)
Loss on equity method investment	49,249	223,703
Changes in operating assets and liabilities, net:		
Accounts receivable	1,820,501	13,712,154
Inventories	(20,836,483)	(12,016,814)
Prepaid expenses and other current assets	72,841	(389,135)
Other non-current assets	-	(140,569)
Accounts payable	10,098,122	1,764,241
Accounts payable - related parties	3,462,649	4,174,847
Deferred revenue	(151,463)	218,023
Accrued expenses and other current liabilities	(1,150,794)	(945,516)
Other non-current liabilities	(61,677)	(42,731)
Net cash (used in) provided by operating activities	(5,985,615)	5,256,262
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,264,395)	(711,981)
Purchase of marketable securities	-	(316,000)
Sale of marketable securities	-	439,038
Equity method investment	-	(439,038)
Additions to internal use software	(118,389)	(191,844)
Net cash used in investing activities	(1,382,784)	(1,219,825)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from sale of common stock	-	4,872,794
Net proceeds from exercise of common stock options	602,083	34,566
Taxes paid related to net share settlements of stock-based compensation awards	(75,083)	(56,781)
Borrowings and repayments on lines of credit, net	5,646,664	(1,820,939)
Borrowings of long-term debt	88,150	440,179
Repayments of long-term debt	(169,598)	(104,463)
Repayments of convertible debt	(3,427,837)	(5,471,724)
Net cash provided by (used in) financing activities	2,664,379	(2,106,368)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(92,185)	(244,289)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(4,796,205)	1,685,780
CASH AND CASH EQUIVALENTS, beginning of the period	6,904,500	3,535,458
CASH AND CASH EQUIVALENTS, end of period	\$ 2,108,295	\$ 5,221,238