

TABLE B

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

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2018	2017	2018	2017
Net income (loss)	\$ 1,778,453	\$ 1,327,240	\$ (438,942)	\$ (730,961)
Non-recurring transaction costs	23,367	-	58,314	-
Non-cash stock based compensation	149,198	306,800	600,231	885,456
Depreciation and amortization	838,585	798,559	2,597,818	2,475,710
Impairment charges	-	319,001	-	319,001
Foreign currency (gain) loss	(27,939)	2,125	(5,908)	(4,358)
Change in derivative warrant liabilities	-	(1,009,901)	(431,300)	(841,400)
Change in contingent consideration liabilities	-	(86,688)	-	77,675
Loss on equity method investment	-	95,591	-	144,841
Interest expense - amortization of debt discount	51,185	150,875	118,284	1,131,994
Interest expense	512,892	300,627	1,244,515	948,211
Provision (benefit) for income taxes	(248,931)	463,509	(48,808)	(533,414)
Non-GAAP Adjusted EBITDA	<u>\$ 3,076,810</u>	<u>\$ 2,667,738</u>	<u>\$ 3,694,204</u>	<u>\$ 3,872,755</u>



S&W SEED COMPANY
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>March 31,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,988,392	\$ 745,001
Accounts receivable, net	14,589,886	23,239,325
Inventories, net	63,654,908	31,489,945
Prepaid expenses and other current assets	<u>1,511,024</u>	<u>1,249,921</u>
TOTAL CURRENT ASSETS	82,744,210	56,724,192
Property, plant and equipment, net	13,496,922	13,581,576
Intangibles, net	33,311,053	34,939,079
Goodwill	10,292,265	10,292,265
Other assets	<u>1,303,489</u>	<u>1,563,176</u>
TOTAL ASSETS	\$ <u>141,147,939</u>	\$ <u>117,100,288</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 12,384,239	\$ 7,157,745
Accounts payable - related parties	120,081	331,694
Deferred revenue	107,897	880,326
Accrued expenses and other current liabilities	3,146,874	2,733,718
Lines of credit, net	25,128,689	27,399,784
Current portion of contingent consideration obligation	-	2,500,000
Current portion of long-term debt, net	<u>509,297</u>	<u>10,309,664</u>
TOTAL CURRENT LIABILITIES	41,397,077	51,312,931
Long-term debt, net, less current portion	13,038,521	1,096,155
Derivative warrant liabilities	-	2,836,600
Other non-current liabilities	<u>553,498</u>	<u>632,947</u>
TOTAL LIABILITIES	<u>54,989,096</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; 24,362,579 issued and 24,337,579 outstanding at March 31, 2018; 18,004,681 issued and 17,979,681 outstanding at June 30, 2017;	24,362	18,004
Treasury stock, at cost, 25,000 shares	(134,196)	(134,196)
Additional paid-in capital	108,663,983	83,312,518
Accumulated deficit	(16,875,228)	(16,436,286)
Accumulated other comprehensive loss	<u>(5,520,078)</u>	<u>(5,538,385)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>86,158,843</u>	<u>61,221,655</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ <u>141,147,939</u>	\$ <u>117,100,288</u>



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

	Nine Months Ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (438,942)	\$ (730,961)
Adjustments to reconcile net loss from operating activities to net cash used in operating activities		
Stock-based compensation	600,231	885,456
Bad debt expense	20,547	99,640
Depreciation and amortization	2,597,818	2,475,710
(Gain) loss on disposal of property, plant and equipment	(81,776)	7,630
Impairment charges	-	319,001
Change in deferred tax asset	-	(448,447)
Change in foreign exchange contracts	192,360	50,522
Change in derivative warrant liabilities	(431,300)	(841,400)
Change in contingent consideration obligation	-	77,675
Amortization of debt discount	118,284	1,131,994
Loss on equity method investment	-	144,841
Changes in:		
Accounts receivable	8,663,419	4,481,129
Inventories	(32,191,993)	(15,972,829)
Prepaid expenses and other current assets	(461,883)	(245,248)
Other non-current asset	259,683	-
Accounts payable	5,236,255	(7,323,842)
Accounts payable - related parties	(216,449)	(318,428)
Deferred revenue	(561,615)	60,298
Accrued expenses and other current liabilities	396,478	(770,337)
Other non-current liabilities	(79,096)	(67,915)
Net cash used in operating activities	(16,377,979)	(16,985,511)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,062,406)	(1,624,493)
Proceeds from disposal of property, plant and equipment	46,218	6,000
Additions to internal use software	-	(118,121)
Net cash used in investing activities	(1,016,188)	(1,736,614)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from sale of common stock	22,459,339	-
Net proceeds from exercise of common stock options	-	602,083
Taxes paid related to net share settlements of stock-based compensation awards	(107,047)	(107,495)
Borrowings and repayments on lines of credit, net	(2,371,486)	19,325,988
Repayment of contingent consideration obligation	(2,500,000)	-
Borrowings of long-term debt	12,836,896	89,717
Debt issuance costs	(257,964)	-
Repayments of long-term debt	(10,470,302)	(209,454)
Repayments of convertible debt	-	(4,721,551)
Net cash provided by financing activities	19,589,436	14,979,288
EFFECT OF EXCHANGE RATE CHANGES ON CASH	48,122	158,996
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,243,391	(3,583,841)
CASH AND CASH EQUIVALENTS, beginning of the period	745,001	6,904,500
CASH AND CASH EQUIVALENTS, end of period	\$ 2,988,392	\$ 3,320,659