

# EVOLVING BEYOND

CORPORATE PRESENTATION  
Q2 FY19



# FORWARD LOOKING STATEMENTS



This presentation may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" describe future expectations, plans, results, or strategies and are generally preceded by words such as "may," "future," "plan" or "planned," "will" or "should," "expected," "anticipates," "draft," "eventually" or "projected." You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements, including the risks that actual results may differ materially from those projected in the forward-looking statements as a result of various factors, and other risks identified in the Company's 10-K for the fiscal year ended June 30, 2018 and other filings made by the Company with the Securities and Exchange Commission.

# EVOLVING BEYOND...



- ▶ **Mark Wong Named New CEO of S&W Seed Company on June 20, 2017**
- ▶ **40+ years of experience in agriculture as a senior executive**
- ▶ **Successfully built, operated, and sold multiple seed companies to industry leaders across multiple crops, including sorghum, corn, soybeans, and vegetables:**
  - ▶ **Agrigenetics**
    - ▶ One of the first three founding companies to transform plants in the biotech industry
    - ▶ Sold to **Lubrizol Corporation for \$150 million in 1985**
    - ▶ Agrigenetics was later sold to Mycogen Seeds and thereafter to Dow Chemical
  - ▶ **Agracetis**
    - ▶ Developed and commercialized key technologies for integration of value-added genes into soybeans and other crops
    - ▶ Eventually purchased by **Monsanto for \$250 million in 1992**
  - ▶ **Emergent Genetics**
    - ▶ Operated multiple international seed companies integrating technology into the company's seed lines, achieving the world's second largest market share in cotton seed
    - ▶ Sold to **Monsanto for \$325 million in 2005** with a separate vegetable component of the business later sold for **\$50 million to Syngenta in 2006**



# CAPITALIZING ON INDUSTRY TRENDS



## Supporting Animal Protein Demand

- ▶ Increasing pressure on the livestock sector to meet the growing demand for high-value animal protein.
- ▶ The world's livestock sector is growing at an unprecedented rate and the driving force behind this enormous surge is a combination of population growth, rising incomes and urbanization.
- ▶ **Alfalfa** and **sorghum** are rich sources of protein to address this increased demand.

## Healthier Consumer Diets

- ▶ Consumer health is front and center in today's day and age, with consumers increasingly focused on healthy foods and ingredients.
- ▶ S&W is addressing these trends through its production of **gluten-free sorghum**, **healthy sunflower oils**, and the non-caloric alternative to sugar – **stevia**.



# DIVERSIFYING CROP PORTFOLIO

**Alfalfa**



**Hybrid  
Sorghum**



**Hybrid  
Sunflower**



**Stevia**



# SEED MARKET SIZES



ALFALFA



**\$400 million<sup>(2)</sup>**

Approximately 175 million metric tons<sup>(2)</sup>  
Global alfalfa hay crop production

SORGHUM



**\$350 million<sup>(2)</sup>**

63 million metric tons<sup>(3)</sup>  
Global sorghum crop production

SUNFLOWER



**\$1 billion<sup>(2)</sup>**

47.3 million metric tons<sup>(4)</sup>  
Global sunflower seed crop production

STEVIA



**\$565 million<sup>(1)</sup>**

Est. value of stevia as additive to  
food/beverage by 2017



It is estimated that the world will need to increase food production by between 60% and 100% by 2050 to meet a roughly 30% increase in the overall population.



Expanding global middle class is shifting diets towards higher dairy and animal protein consumption



Emerging markets face increased pressure to maintain supply of high quality forages for increasing dairy and beef cattle populations

(1) Mordor Market Intelligence  
(2) Management estimates

(3) Technavio  
(4) <https://apps.fas.usda.gov/psdonline/circulars/oilseeds.pdf>

# ALFALFA



- ▶ Market leading proprietary alfalfa seed varieties
  - ▶ High Yield, Salt Tolerance, Drought Tolerance, Increased Digestibility, Leafhopper Resistance, Stem Nematode Resistance, Aphid Resistance, Tropical Adaptions
- ▶ Long-term exclusive Pioneer distribution agreement
  - ▶ Full access to Pioneer's 1,800 exclusive sales reps and farmer dealer network
  - ▶ Agreement runs through 2024
- ▶ Strong and diversified alfalfa production and distribution
  - ▶ Distribution to more than 30 countries
  - ▶ Northern and southern hemisphere diversification
  - ▶ Several hundred contract growers in North America and Australia
  - ▶ Tenured and diversified contractor grower base
  - ▶ Expansion of contract production in Australia provides lower cost of goods
- ▶ S&W and Calyxt (Nasdaq: CLXT) collaboration focused on gene-edited alfalfa plants with non-GMO designation



# HYBRID SORGHUM



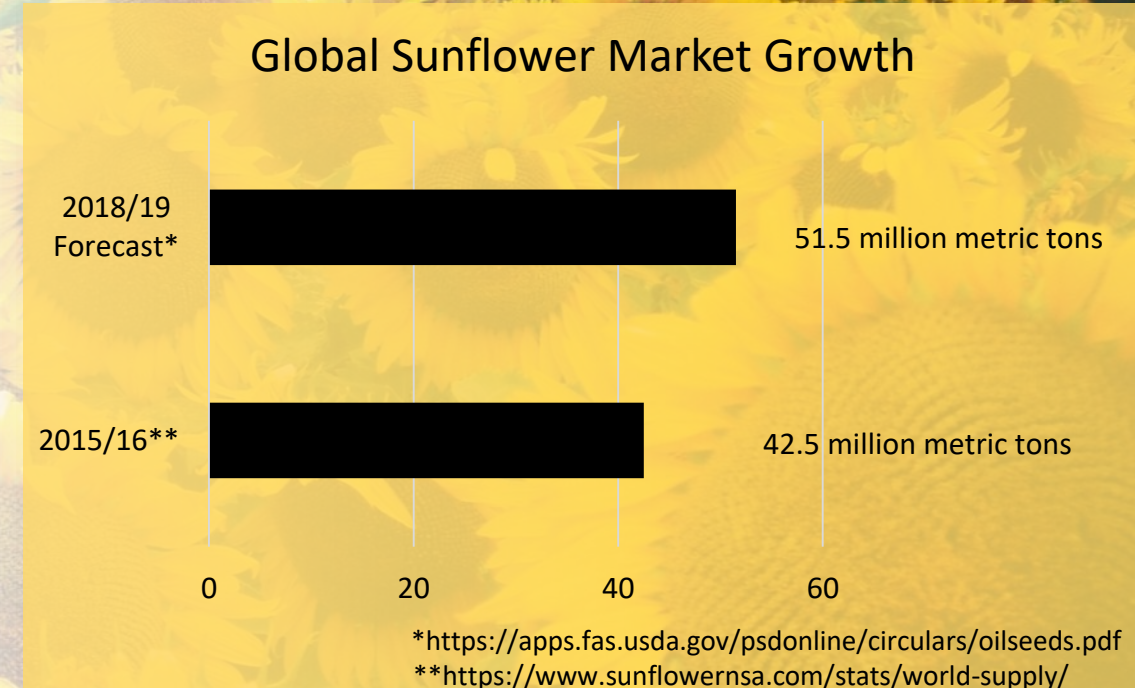
- ▶ Acquired Chromatin sorghum assets in October 2018
- ▶ Chromatin is a pure play fully integrated sorghum seed company with global production and distribution capabilities, providing competitive advantages and a platform for growth
  - ▶ Diverse sorghum product portfolio
  - ▶ Market leading R&D platform
  - ▶ Global sales network and operating platform
  - ▶ Farmer-dealer network in U.S.
- ▶ Chromatin's pipeline includes several products that are being launched in 2019-2020
  - ▶ Expanding market access with new Sugarcane Aphid tolerant hybrids
  - ▶ Validating and producing launch seed of high value proprietary herbicide tolerant trait (patent pending)
- ▶ Financial Highlights of Chromatin
  - ▶ Revenue: \$17-20 million annualized in FY 2020
  - ▶ Gross Margins: 30-40%
  - ▶ EBITDA: Positive EBITDA contribution in FY 2020; minimal impact to EBITDA in FY 2019
- ▶ Leverage Chromatin's sales, production, and R&D infrastructure to accelerate its hybrid development of SVG and NexSteppe hybrids



# HYBRID SUNFLOWER SEED



- ▶ Focus with sunflowers is in the manufacturing of sunflower oil, primarily utilized in cooking.
- ▶ Sunflower oil is light in taste and appearance and supplies more Vitamin E than any other vegetable oil. It is a combination of monounsaturated and polyunsaturated fats with low saturated fat levels.
- ▶ Sunflower meal, a co-product of oil extraction, is a high-protein feed source.
- ▶ Global sunflower seed production in 2018/19 is projected at 51.5 million tons, up 21.2 percent from the 2015/16 season continuing a long-term upward trend.
- ▶ Sunflower seed oil trade is forecast to rise, supported by very strong demand in India, the EU, North Africa, and the Middle East.



- ▶ Focus on breeding varieties that we believe can add value at the front end of the supply chain, including mechanized harvest and balanced steviol glycoside profile.
- ▶ 4 unique S&W stevia varieties granted patent protection
- ▶ The Company's belief is that the development of varieties that can balance the taste requirements of consumers, with the yield requirements of farmers where they can profitably grow stevia in North and South America, provides S&W with the opportunity to be a leader in stevia for many years to come.
- ▶ Addresses large and expanding market for sugar substitute
  - ▶ In 2016 the global market for food sweeteners was valued at \$85 billion. It is estimated to increase at a CAGR of 4.5% to reach nearly \$112 billion by 2022
  - ▶ WHO estimates stevia poised to replace 20% of sugar market

## All-Natural Sugar Substitute (Reb-A)

- ▶ 300 times sweeter than sugar
- ▶ No Calories, No Carbs, Zero Glycemic Index

## Reb-A Received GRAS Designation by U.S. FDA in December 2008 as a Food and Beverage Additive

- ▶ Hundreds of new products launched or coming to the market

# GO FORWARD STRATEGY



## ► Drive trait improvement

- Leverage strong asset base, including leadership position in alfalfa, through trait improvement of all current crops
- More value per pound attributed to traits than the seed itself

## ► Create customer centric organization

- Working in conjunction with our key distributors to highlight and communicate the attributes of our alfalfa, sorghum, sunflower, and stevia varieties, to our customers

## ► Expand Sorghum and Sunflower

- Look to establish market share through organic, and possibly acquisition growth, while developing traits that will allow us to become significant players in these crops going forward.

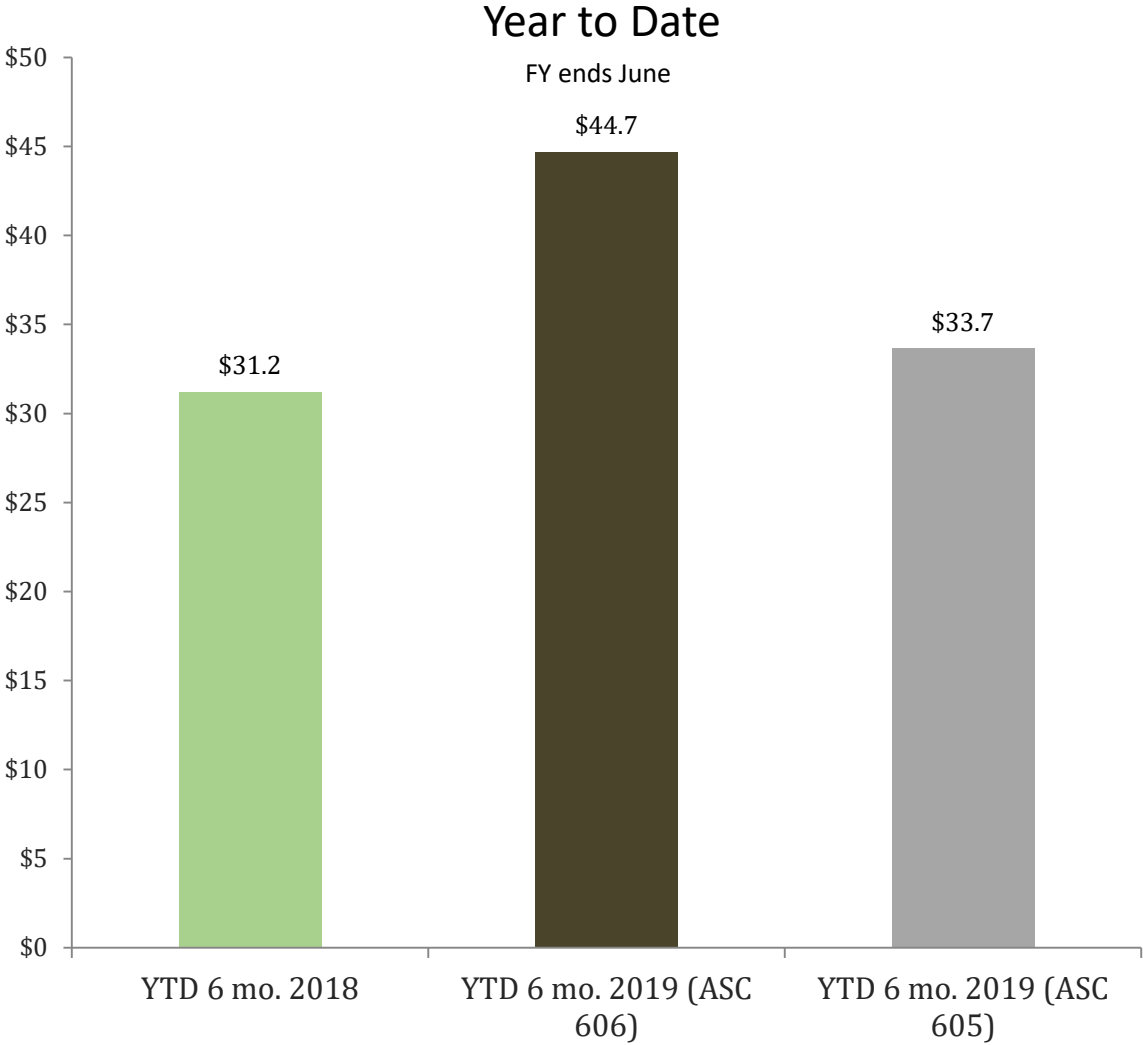
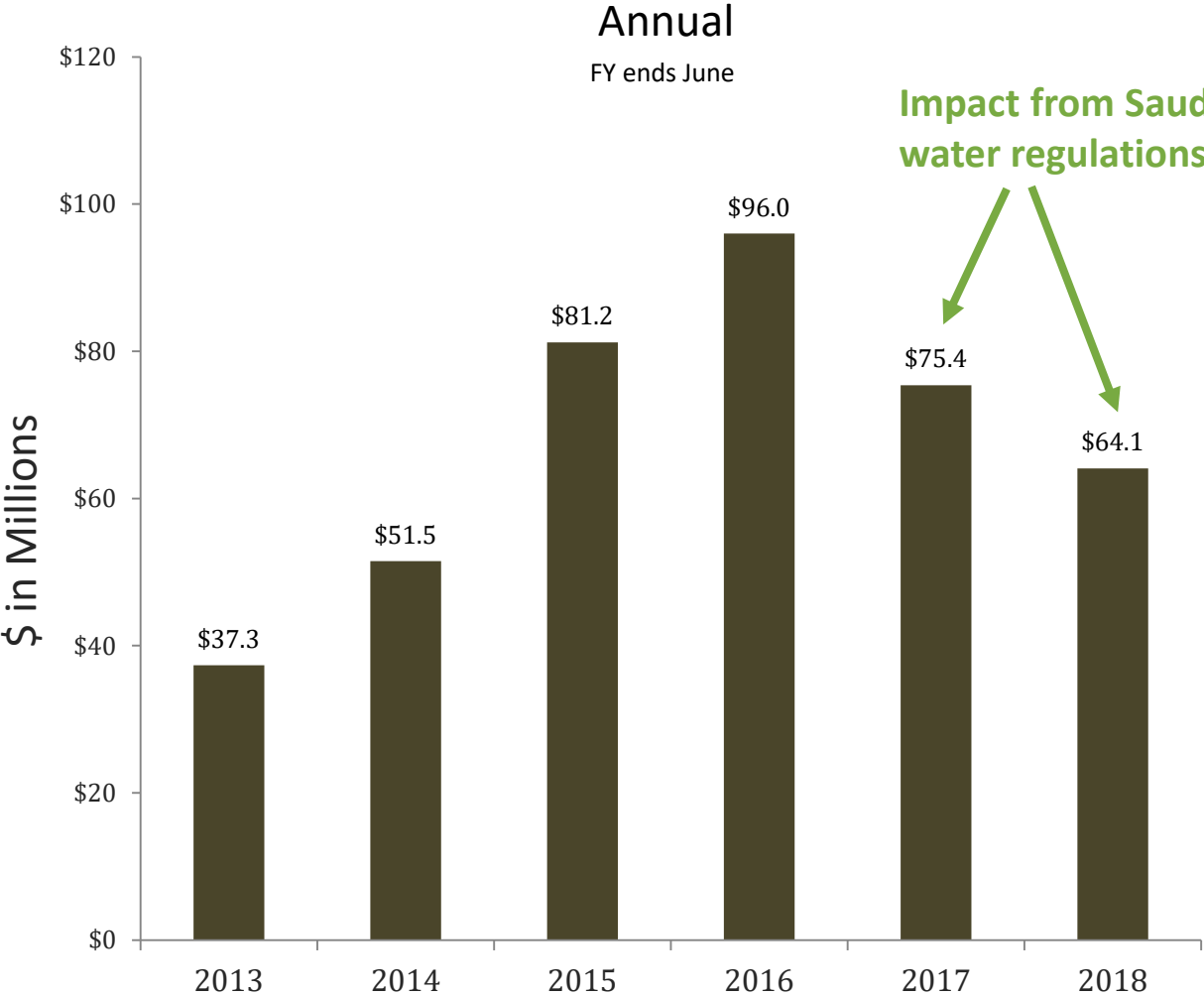
## ► Commercialize Stevia

- Ensure that resources are allocated to drive the commercial adoption and success in the years to come.

## ► Expand crop portfolio and sales synergies

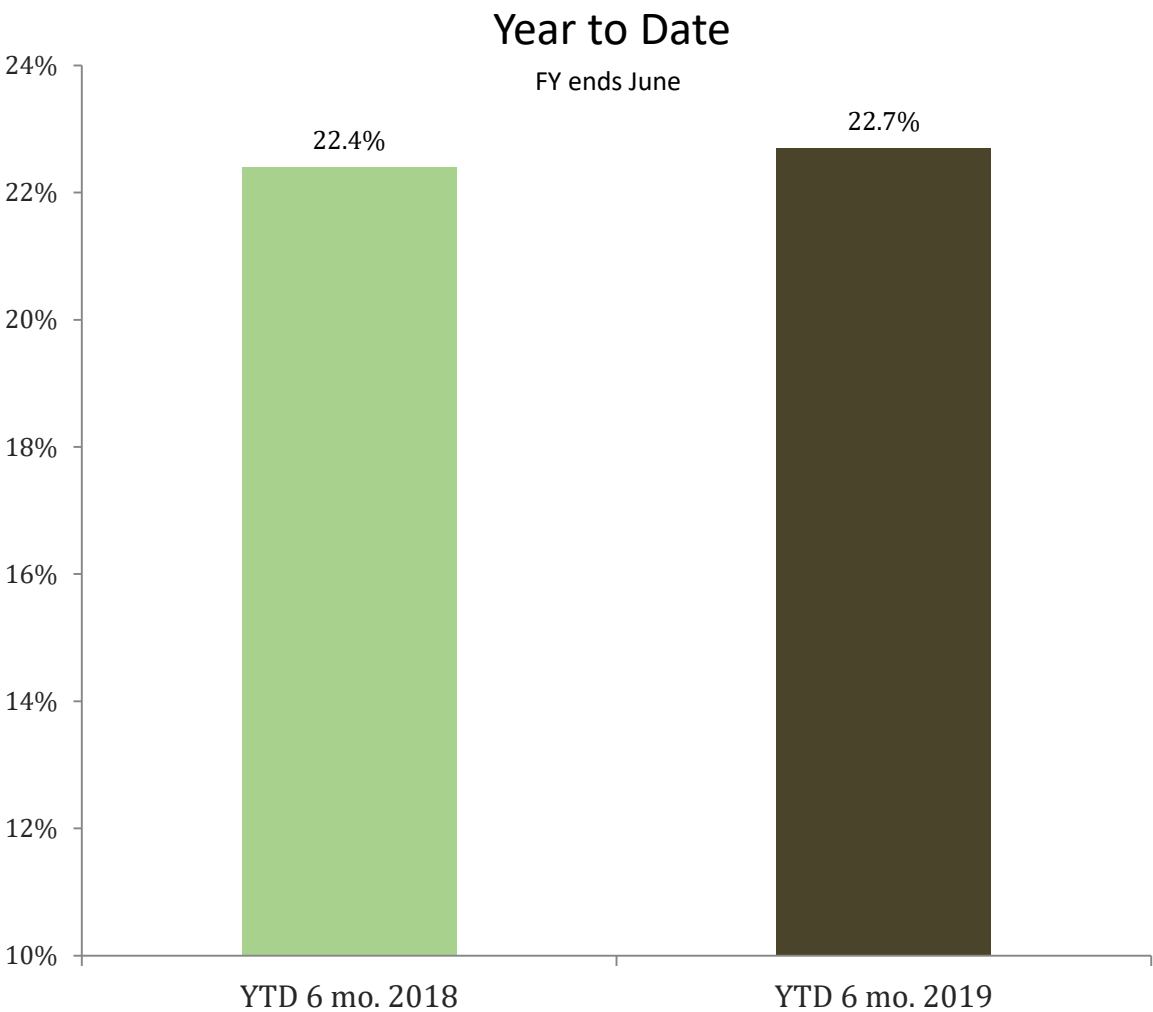
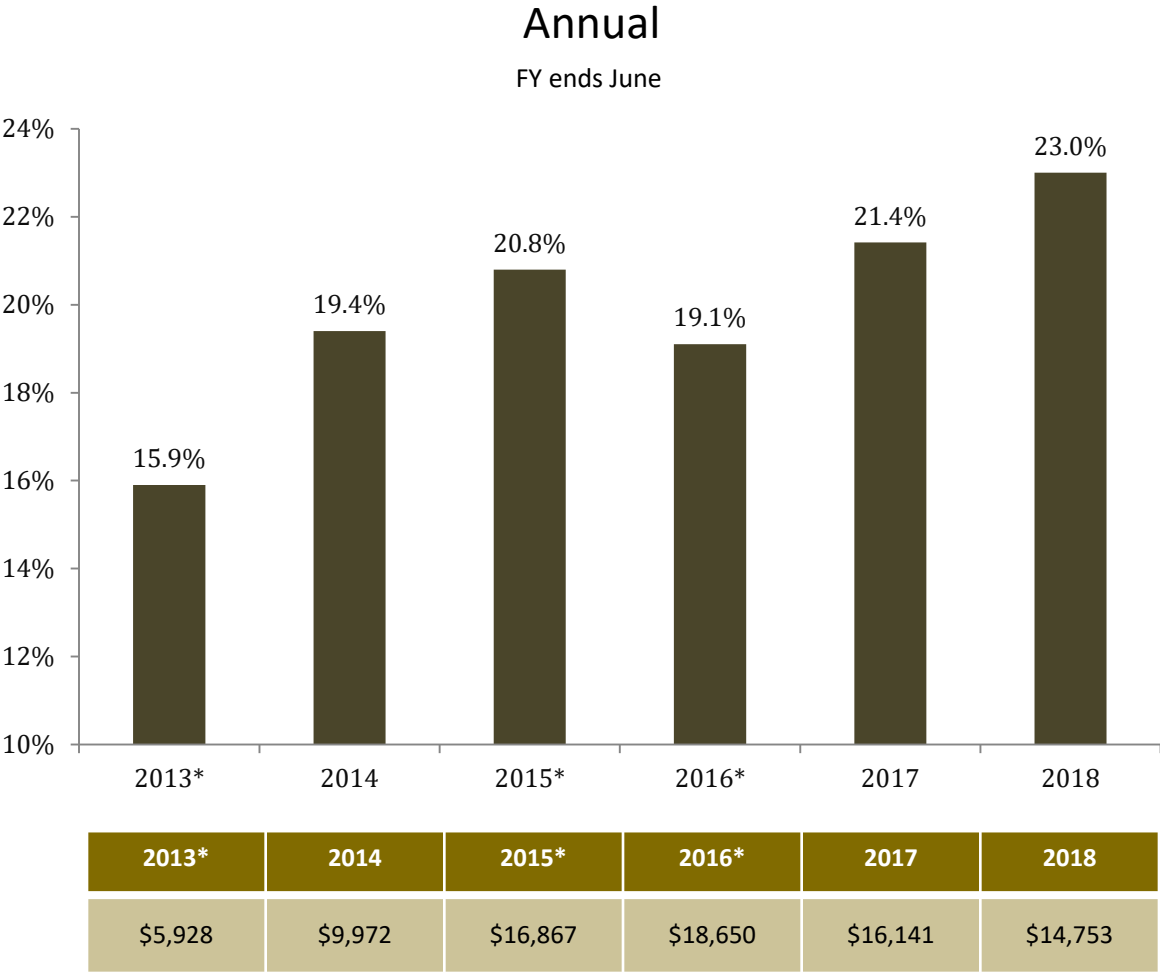
- Pursue additional crop opportunities where we can drive value by incorporating technological advances.

# REVENUE



Note: Annual results do not include contribution from its recent acquisition of Chromatin sorghum assets and business which closed on October 25, 2018.

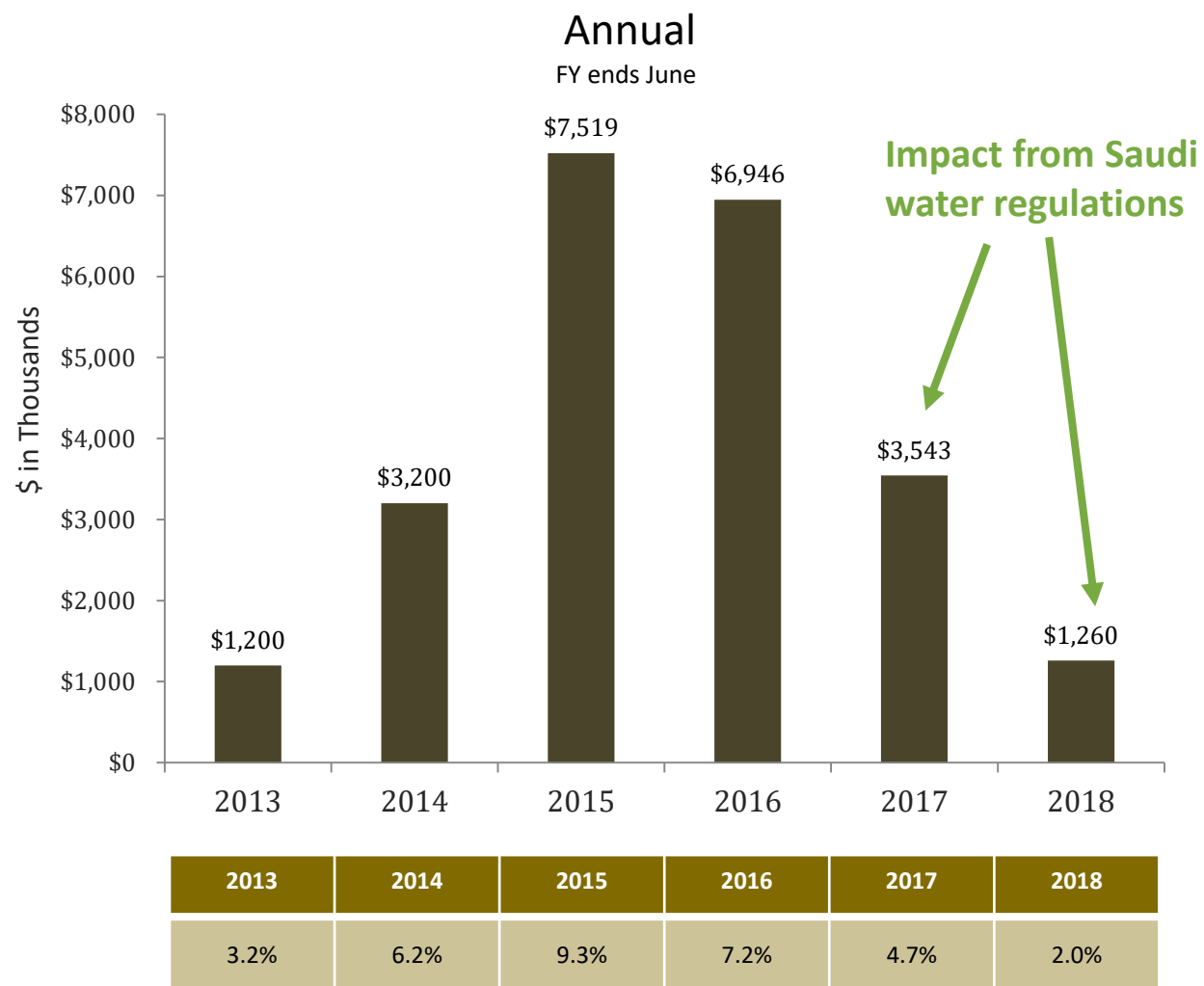
# ADJUSTED GROSS MARGINS ARE EXPANDING



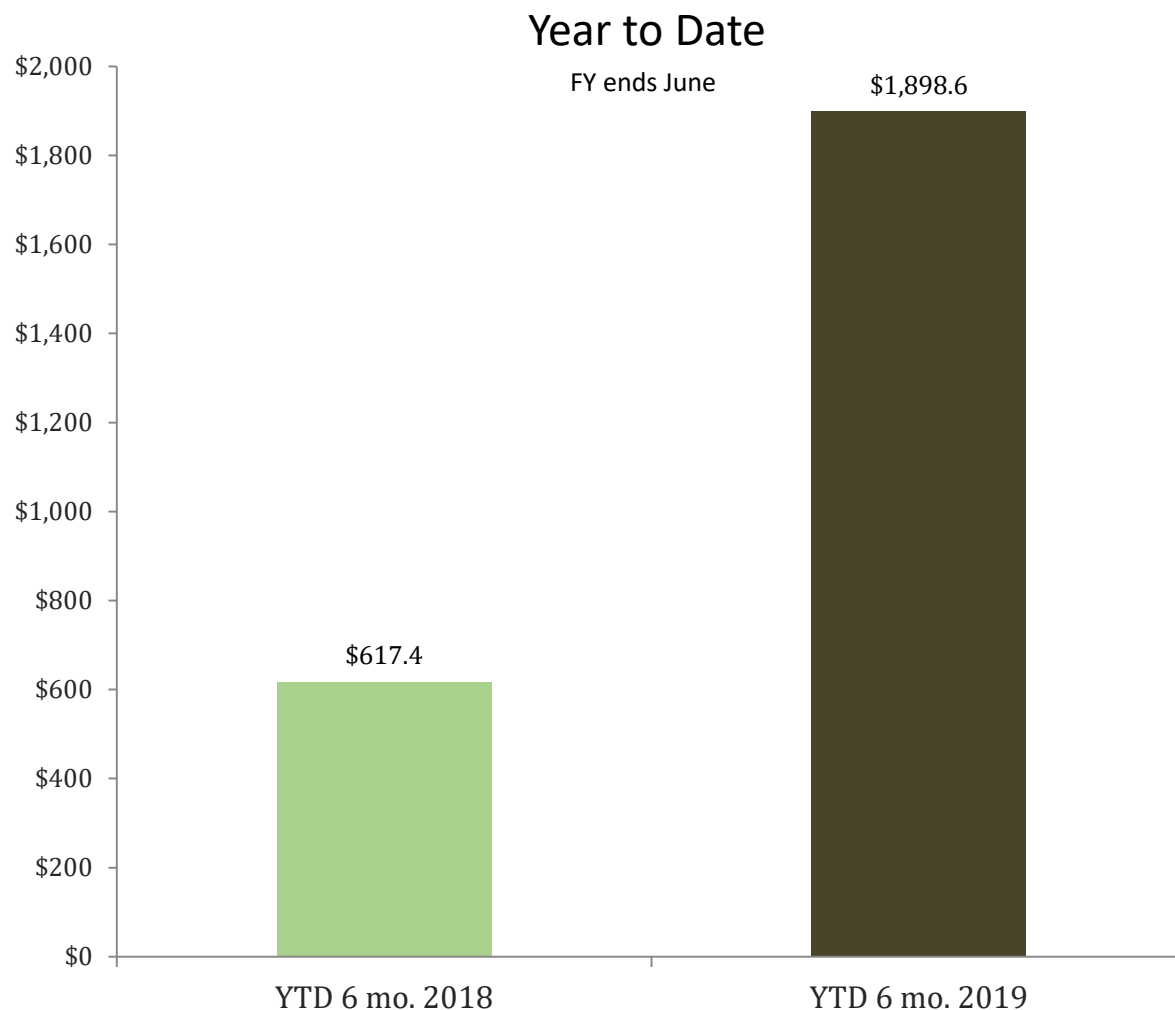
Note: Results do not include contribution from its recent acquisition of Chromatin sorghum assets and business which closed on October 25, 2018.

Reconciliation of FY2013, FY2015 and FY2016 and FY2016 Gross Margins is found included in the appendix to this presentation

# ADJUSTED EBITDA

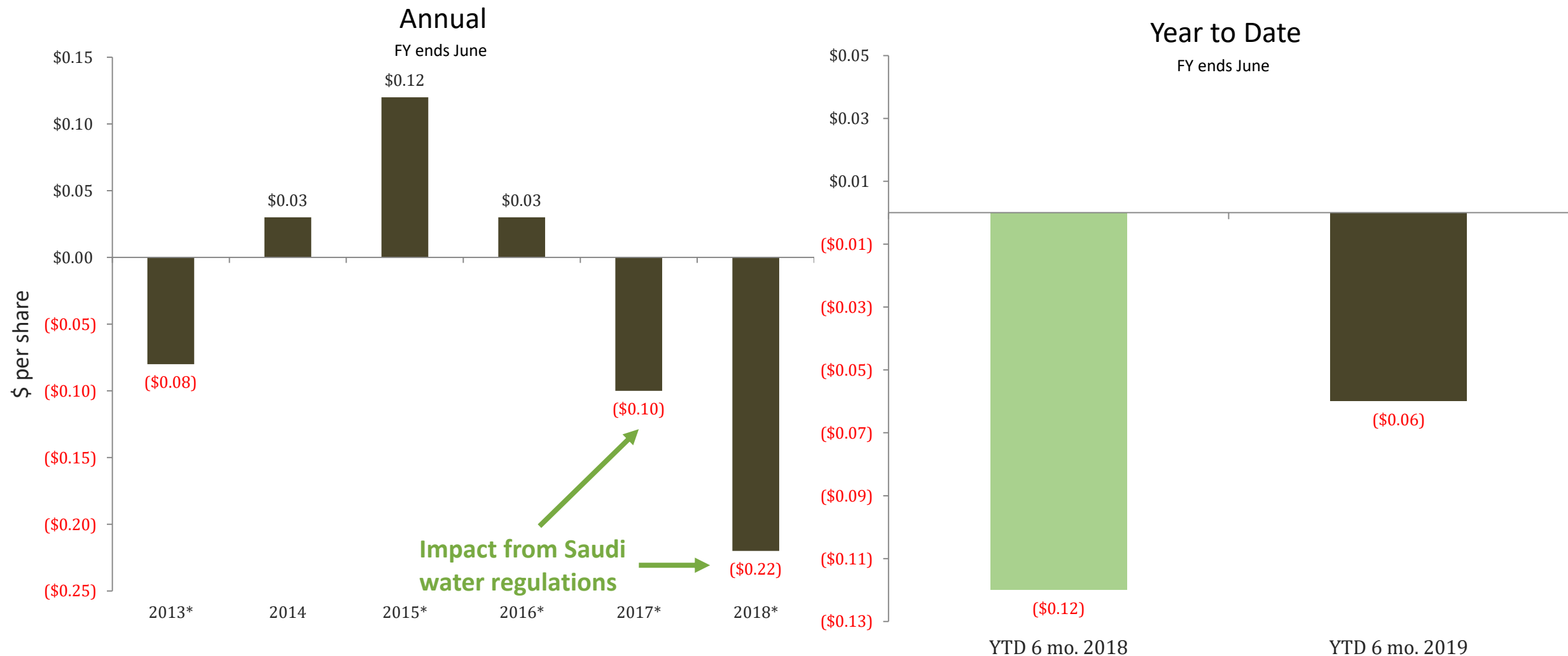


Note: Annual results do not include contribution from its recent acquisition of Chromatin sorghum assets and business which closed on October 25, 2018.



Reconciliation of EBITDA is included in the appendix to this presentation

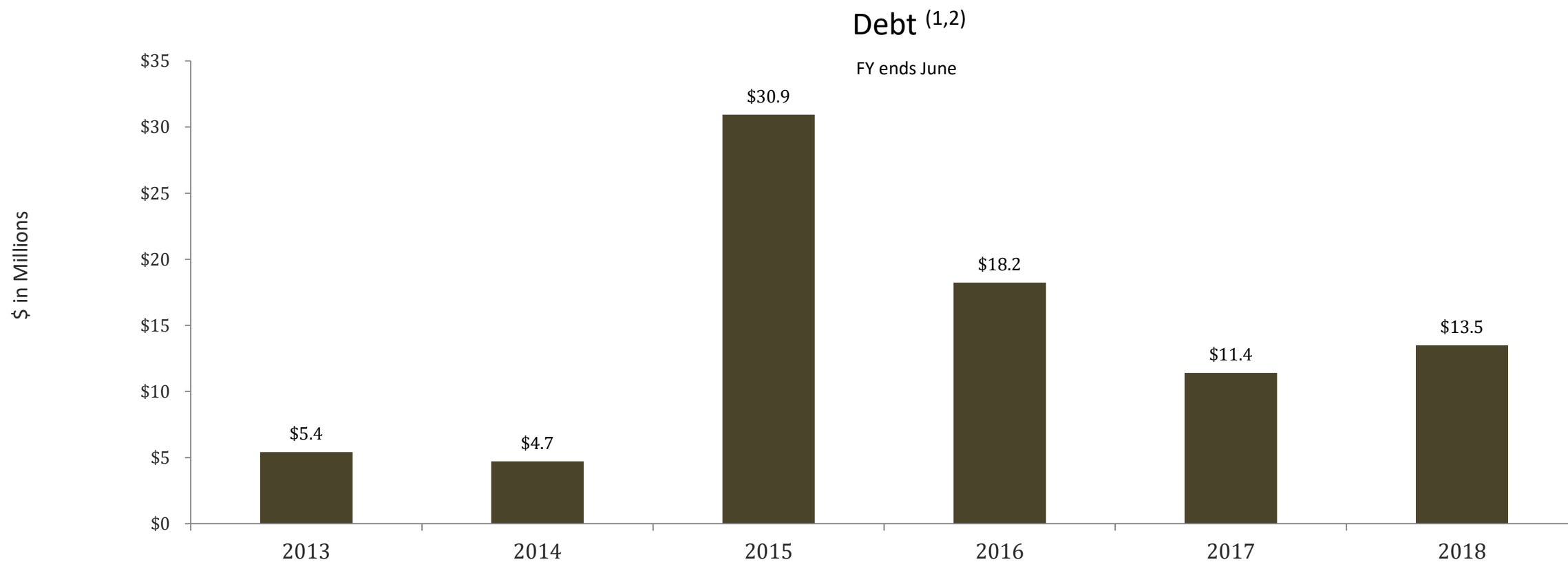
# ADJUSTED EPS



Note: Results do not include contribution from its recent acquisition of Chromatin sorghum assets and business which closed on October 25, 2018.

\*Reconciliation of Adjusted EPS found included in the appendix to this presentation

# DEBT



Note: Results do not include contribution from its recent acquisition of Chromatin sorghum assets and business which closed on October 25, 2018.

(1) Debt excluding working capital lines

(2) Debt balances presented on this chart exclude the Pioneer earn-out obligation

# BALANCE SHEET FLEXIBILITY FOR GROWTH



(\$ in Millions)	6/30/2016	6/30/2017	6/30/18	12/31/18
Cash and cash equivalents	\$6.9	\$0.7	\$4.3	\$2.5
Accounts receivable, net	\$27.6	\$23.2	\$13.9	\$23.2
Inventory	\$21.8	\$31.5	\$60.4	\$88.5
Total assets	\$127.0	\$117.1	\$137.8	\$204.1
Short-term working capital lines	\$16.7	\$27.4	\$32.6	\$46.3
Pioneer note payable and earn-out	\$12.3	\$12.5	\$0.0	\$0.0
Other debt	\$8.2	\$1.4	\$13.5	\$13.3
Total shareholder's equity	\$67.8	\$61.2	\$81.7	\$106.4
Net working capital	\$16.2	\$17.9 <sup>(1)</sup>	\$37.5	\$43.6

(1) June 30, 2017 net working capital excludes Pioneer note payable and earn-out.

## Recent Capital Raise Activity

- ▶ In July 2017, completed \$10.7 million private placement with two largest existing shareholders and one new investor.
- ▶ In October 2017, completed \$262,500 private placement with CEO, Mark Wong
- ▶ In December 2017, completed a fully backstopped rights offering raising \$12.25 million
- ▶ In September 2018, completed \$5.0 million private placement with the Company's largest shareholder at \$3.11 per share.
- ▶ In October 2018, completed a \$22.5 million 0% coupon Series A preferred stock private placement to MFP Investors; which automatically converted to common stock at \$3.11 per share in November 2018.

## Key Balance Sheet Items

- ▶ \$55 million of Short-Term Working Capital Lines to manage alfalfa seed inventory
  - ▶ Alfalfa seed inventory has shelf life up to 5-7 years
- ▶ Paid down \$27 million in convertible debt over 27 month period from January 2015 through March 2017
- ▶ In November 2017, completed a \$12.5 million long-term note financing to repay the promissory note and earn-out due to DuPont Pioneer.
- ▶ Net Operating Loss Carry Forwards in excess of \$40 million

# MANAGEMENT



**Mark Wong**  
*CEO and Director*



**Dennis Jury**  
*SVP, International  
Production and Supply Chain*



**Robin Newell**  
*VP of North American Sales*



**Daniel Karsten**  
*VP of Processing*



**Matthew Szot**  
*CFO, EVP of Finance and  
Administration*



**Danielson Gardner**  
*SVP, Technology and  
Breeding for the  
Americas*



**Walter van Leeuwen**  
*VP of International Sales and  
Marketing*



**David Holman**  
*SV Genetics – Sales and  
Marketing*



**David Callachor**  
*EVP, International*



**Christine Hatcher**  
*VP of Finance*



**Kirk Rolfs**  
*VP, Production and Supply  
Chain for the Americas*



**Alan Scott**  
*SV Genetics - Breeder*



**Don Panter**  
*EVP, Americas*



**Mark Smith**  
*VP of Alfalfa Seed Breeding  
and Genetics*



**Holly Misenhimer**  
*Global Director Human  
Resources*

# BOARD OF DIRECTORS



**Mark Harvey**  
*Chairman of the Board*



**Consuelo Madere**  
*Monsanto Company,  
retired*



**Robert Straus**  
*Portfolio Manager and Analyst  
Wynnefield Capital*



**Mark Wong**  
*CEO, S&W Seed Company*



**Alex Matina**  
*Vice President, Investments  
at MFP Investors LLC*



**Alan Willits**  
*Chairman of Cargill Asia Pacific and leads  
Cargill's Agriculture Supply Chain, retired*



**David Fischhoff**  
*Monsanto Company, retired*



**Charles Seidler**  
*Portfolio Manager,  
City Financial Hedge Fund Group*

# APPENDIX



# SUMMARY OF NON-GAAP ADJUSTMENTS (RECONCILIATION TABLES TO FOLLOW)



## FY2013

*Adjustments for the fiscal year ended June 30, 2013 include \$2,333,123 pertaining to the crop loss charge for the company's stevia operations, \$486,166 pertaining to acquisition-related expenses associated with IVS and SGI, and a tax adjustment for the exclusion of the aforementioned inventory charges and business combination expenses.*

## FY2015

*Adjustments for the fiscal year ended June 30, 2015 include \$265,890 representing losses incurred in connection with the farming of various non-seed crops, including hay, sorghum and triticale, impairment charge of \$500,000 attributable to the unrecovered stand establishment and growing crop costs that were incurred on the farmland sold in March 2015; \$1,290,926 expense for non-recurring one-time transaction expenses related to the acquisition and financing completed on December 31, 2014. \$2,934,164 pertaining to the amortization of debt discount and issuance costs are related to our Convertible Debentures and warrants issued in December 2014. \$1,396,000 pertaining to the change in derivative warrant liabilities are related to the change in fair value of the warrants issued in conjunction with our Convertible Debentures issued in December 2014. \$74,000 pertaining to the change in contingent consideration liabilities. \$1,909,730 pertaining to the estimated non-GAAP effective tax rate adjusts the tax effect to quantify the excluded tax consequences of the excluded non-GAAP items.*

## FY2016

*Adjustments for the fiscal year ended June 30, 2016 include \$259,566 representing losses incurred in connection with the farming of various non-seed crops, \$267,353 expense for non-recurring one-time transaction expenses related to the acquisition SVG; \$1,903,900 pertaining to the change in derivative warrant liabilities related to the change in fair value of the warrants issued in conjunction with our Convertible Debentures issued in December 2014, \$(55,092) pertaining to the change in contingent consideration obligation to DuPont Pioneer for the December 2014 acquisition, \$123,038 pertaining to the gain on sale of marketable securities related to a gain on purchase and subsequent sale of certain bonds, (\$294,197) loss on equity method investment related to our portion of losses incurred at our 50% owned Joint Corporation in Argentina, and (\$3,899,737) pertaining to interest expense amortization of debt discount related to our convertible debentures and warrants issued in December 2014. \$2,680,947 pertaining to the estimated non-GAAP effective tax rate adjusts the tax effect to quantify the excluded tax consequences of the excluded non-GAAP items.*

## FY2017

*Adjustments for the fiscal year ended June 30, 2017 include nearly \$675,000 pertaining to the separation agreement with the previous CEO; \$223,000 pertaining to the write off of uncollectable sublease receivable; \$319,001 pertaining to impairment charges; \$1,517,500 pertaining to the change in derivative warrant liabilities related to the change in fair value of the warrants issued in conjunction with our Convertible Debentures issued in December 2014; \$(231,584) pertaining to the change in contingent consideration obligation to DuPont Pioneer for the December 2014 acquisition; \$(144,841) loss on equity method investment; \$(424,600) pertaining to anticipated loss on sub-lease land; (\$1,176,023) pertaining to interest expense amortization of debt discount related to our convertible debentures and warrants issued in December 2014; \$(8,310,140) pertaining to a valuation allowance against deferred tax assets offset by the estimated non-GAAP effective tax rate adjusts the tax effect to quantify the excluded tax consequences of the excluded non-GAAP items.*

## FY2018

*Adjustments for the fiscal year ended June 30, 2018 include \$66,000 pertaining to transaction costs; \$431,000 pertaining to the change in derivative warrant liabilities related to the change in fair value of the warrants issued in conjunction with our Convertible Debentures issued in December 2014; \$(169,045) pertaining to interest expense amortization of debt discount related to our convertible debentures and warrants issued in December 2014; offset by the estimated non-GAAP effective tax rate adjusts the tax effect to quantify the excluded tax consequences of the excluded non-GAAP items.*

# SUMMARY OF ADJUSTED FINANCIALS



	Fiscal Years Ended					
In Millions, except per share	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Revenue	\$37.34	\$51.5	\$81.2	\$96.0	\$75.4	\$64.1
Adjusted Gross Profit	\$5.93	\$9.97	\$16.87	\$18.65	\$16.14	\$14.75
Adjusted Gross Profit Margin	15.9%	19.3%	20.8%	19.4%	21.4%	23.0%
Adjusted EBITDA	\$1.2	\$3.2	\$7.5	\$6.9	\$3.5	\$1.3
Adjusted EBITDA Margin	3.2%	6.2%	9.3%	7.2%	4.7%	2.0%
Adjusted Net Income	(\$0.68)	\$0.37	\$1.55	\$0.43	(\$1.8)	(\$4.9)
Adjusted Net Margin	(1.8%)	0.7%	1.9%	0.5%	(2.4%)	(7.7%)
Adjusted Diluted EPS	(\$0.08)	\$0.03	\$0.12	\$0.03	(\$0.10)	(\$0.22)

# NON-GAAP ADJUSTED EBITDA



	Fiscal Year Ended June 30,					
	2013	2014	2015	2016	2017	2018
<b>Net Income</b>	(\$2,516)	\$373.1	(\$3,163.1)	\$365.2	(\$11,822.0)	(\$4,725.1)
Non-recurring cost of revenue charges	2,333.1	0	265.9	259.6	0	0
Separation costs	0	0	0	0	674.6	0
Reserve for uncollectable sublease income	0	0	0	0	223.2	0
Non-recurring acquisition related expenses	486.2	0	1,290.9	267.4	0	66.2
Depreciation and amortization	694.6	1,265.7	2,179.6	3,185.1	3,325.7	3,439.3
Impairment Charges	0	0	500.2	0	319.0	0
Non-cash stock based compensation	1,053.9	872.7	896.9	1,190.1	1,409.4	748.5
Foreign currency loss	263.9	(51.6)	159.8	(226.5)	1.4	(12.6)
Change in derivative warrant liabilities	0	0	1,396.0	(1,903.9)	(1,517.5)	(431.3)
Change in contingent consideration liabilities	0	0	74.0	55.1	231.6	
Gain on sale of marketable securities	0	0	0	(123.0)	0	
Loss on equity method Investment	0	0	0	294.2	144.8	
Interest expense – amortization of debt discount	0	52.6	2,934.2	3,899.7	1,176.0	169.0
Interest expense – convertible debt and other	226.9	600.7	1,831.1	2,086.0	1,324.9	1,863.3
Income tax expense (benefit)	(1,343.1)	87.1	(846.0)	(2,403.4)	7,627.7	143.0
<b>Adjusted EBITDA</b>	<b>\$1,199.5</b>	<b>\$3,200.4</b>	<b>\$7,519.4</b>	<b>\$6,945.6</b>	<b>\$3,543.5</b>	<b>\$1,260.4</b>

Please see "summary of Non-GAAP Adjustments" for detailed descriptions of adjustments

# FY 2013 NON-GAAP ADJUSTMENTS



**S&W SEED COMPANY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended June 30,			Year Ended June 30,			
	2013		2012	2013		2012	
	GAAP	NON-GAAP Adjustments	Adjusted	GAAP	NON-GAAP Adjustments	Adjusted	
Revenue	\$ 12,723,905		\$ 12,723,905	\$ 754,721	\$ 37,338,258	\$ 37,338,258	\$ 14,147,617
Cost of revenue	10,323,048	(192,914)	10,130,134	923,647	33,743,221	(2,333,123)	31,410,098
Gross profit	2,400,857 18.9%	192,914	2,593,771 20.4%	(168,926) -22.4%	3,595,037 9.6%	5,928,160 15.9%	3,907,703 27.6%
Operating expenses							
Selling, general and administrative expenses	2,666,835	(300,881)	2,365,954	669,969	5,762,838	(486,166)	5,276,672
Research and development expenses	230,570	-	230,570	43,625	505,872		505,872
Depreciation and amortization	320,023	-	320,023	71,469	694,595		694,595
Total operating expenses	3,217,428	(300,881)	2,916,547	785,063	6,963,305	(486,166)	6,477,139
Income (loss) from operations	(816,571)	493,795	(322,776)	(953,989)	(3,368,268)	2,819,289	(548,979)
Other expense							
Loss on disposal of fixed assets	-	-	-	-	-	-	-
Foreign currency loss	263,973	-	263,973	-	263,973	-	263,973
Interest expense, net	196,008	-	196,008	8,152	226,909	-	226,909
Income (loss) before income tax expense (benefit)	(1,276,552)		(782,757)	(962,141)	(3,859,150)	(1,039,861)	(574,145)
Income tax expense (benefit)	(397,534)	153,774	(243,760)	(350,506)	(1,343,123)	981,214	(361,909)
Net income (loss)	\$ (879,018)	340,021	\$ (538,997)	\$ (611,635)	\$ (2,516,027)	1,838,075	\$ (677,952)
Net income (loss) per common share:							
Basic	\$ (0.08)		\$ (0.05)	\$ (0.10)	\$ (0.29)	\$ (0.08)	\$ 0.06
Diluted	\$ (0.08)		\$ (0.05)	\$ (0.10)	\$ (0.29)	\$ (0.08)	\$ 0.06
Weighted average number of common shares outstanding:							
Basic	11,405,120		11,405,120	6,222,222	8,770,975	8,770,975	5,904,110
Diluted	11,405,120		11,405,120	6,330,390	8,770,975	8,770,975	5,906,899

# FY 2015 NON-GAAP ADJUSTMENTS



S&W SEED COMPANY CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)								
	Three Months Ended June 30,				Years Ended June 30,			
	2015			2014	2015			2014
	GAAP	NON-GAAP Adjustments	Adjusted	GAAP	GAAP	Non-GAAP Adjustments	Adjusted	GAAP
Revenue	\$ 28,723,104	-	\$ 28,723,104	\$ 19,564,134	\$ 81,208,903	-	\$ 81,208,903	\$ 51,533,643
Cost of revenue	22,514,457	-	22,514,457	15,925,669	64,607,502	(265,890)	64,341,612	41,561,736
Gross profit	6,208,647	-	6,208,647	3,638,465	16,601,401	(265,890)	16,867,291	9,971,907
Operating expenses								
Selling, general and administrative expenses	2,579,901	(34,756)	2,545,145	2,026,624	9,620,807	(1,290,926)	8,329,881	6,815,576
Research and development expenses	838,008	-	838,008	194,633	1,890,234	-	1,890,234	840,578
Depreciation and amortization	968,962	-	968,962	318,570	2,179,638	-	2,179,638	1,265,739
Impairment charges	-	-	-	-	500,198	(500,198)	-	-
Disposal of property, plant and equipment loss (gain)	-	-	-	(5,024)	24,646	-	24,646	(11,921)
Total operating expenses	4,386,871	(34,756)	4,352,115	2,534,803	14,215,523	(1,791,124)	12,424,399	8,909,972
Income from operations	1,821,776	(34,756)	1,856,532	1,103,662	2,385,878	(2,057,014)	4,442,892	1,061,935
Other expense								
Foreign currency loss (gain)	43,371	-	43,371	(10,157)	159,763	-	159,763	(51,571)
Change in derivative warrant liabilities	314,000	(314,000)	-	-	1,396,000	(1,396,000)	-	-
Change in contingent consideration liabilities	74,000	(74,000)	-	-	74,000	(74,000)	-	-
Interest expense - amortization of debt discount	887,549	(887,549)	-	12,965	2,934,164	(2,934,164)	-	52,550
Interest expense - convertible debt and other	693,849	-	693,849	210,947	1,831,057	-	1,831,057	600,740
(Loss) income before income taxes	(190,993)	1,310,305	1,119,312	889,907	(4,009,106)	6,461,178	2,452,072	460,216
(Benefit) provision for income taxes	79,073	426,124	505,197	269,552	(845,979)	1,748,341	902,362	87,116
Net (loss) income	\$ (270,066)	884,181	\$ 614,115	\$ 620,355	(3,163,127)	4,712,837	\$ 1,549,710	\$ 373,100
Net (loss) income per common share:								
Basic	\$ (0.02)		\$ 0.05	\$ 0.05	\$ (0.25)		\$ 0.12	\$ 0.03
Diluted	\$ (0.02)		\$ 0.05	\$ 0.05	\$ (0.25)		\$ 0.12	\$ 0.03
Weighted average number of common shares outstanding:								
Basic	13,443,331		13,443,331	11,606,103	12,785,450		12,785,450	11,572,406
Diluted	13,443,331		13,443,331	11,740,919	12,785,450		12,785,450	11,733,621

# FY 2016 NON-GAAP ADJUSTMENTS



S&W SEED COMPANY CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)						
	Year Ended June 30, 2016			Year Ended June 30, 2015		
	NON-GAAP		NON-GAAP	NON-GAAP		NON-GAAP
	GAAP	Adjustments	Adjusted	GAAP	Adjustments	Adjusted
Revenue	\$ 96,044,254	-	\$ 96,044,254	\$ 81,208,903	-	\$ 81,208,903
Cost of revenue	77,653,646	(259,566)	77,394,080	64,607,502	(265,890)	64,341,612
Gross profit	18,390,608	259,566	18,650,174	16,601,401	265,890	16,867,291
Operating expenses						
Selling, general and administrative expenses	10,397,863	(267,353)	10,130,510	9,620,807	(1,290,926)	8,329,881
Research and development expenses	2,764,358	-	2,764,358	1,890,234	-	1,890,234
Depreciation and amortization	3,185,126	-	3,185,126	2,179,638	-	2,179,638
Disposal of property, plant and equipment loss (gain)	(153)	-	(153)	24,646	-	24,646
Impairment Charges	-	-	-	500,198	(500,198)	-
Total operating expenses	16,347,194	(267,353)	16,079,841	14,215,523	(1,791,124)	12,424,399
Income from operations	2,043,414	526,919	2,570,333	2,385,878	2,057,014	4,442,892
Other expense						
Foreign currency (gain) loss	(226,529)	-	(226,529)	159,763	-	159,763
Change in derivative warrant liabilities	(1,903,900)	1,903,900	-	1,396,000	(1,396,000)	-
Change in contingent consideration obligation	55,092	(55,092)	-	74,000	(74,000)	-
Loss on equity method investment	294,197	(294,197)	-	-	-	-
Gain on sale of marketable securities	(123,038)	123,038	-	-	-	-
Interest expense - amortization of debt discount	3,899,739	(3,899,739)	-	2,934,164	(2,934,164)	-
Interest expense - convertible debt and other	2,086,005	-	2,086,005	1,831,057	-	1,831,057
Income (loss) before income taxes	(2,038,152)	2,749,009	710,857	(4,009,106)	6,461,178	2,452,072
Provision (benefit) for income taxes	(2,403,379)	2,680,947	277,568	(845,979)	1,748,341	902,362
Net income (loss)	\$ 365,227	68,062	\$ 433,289	\$ (3,163,127)	4,712,837	\$ 1,549,710
Net income (loss) per common share:						
Basic	\$ 0.02		\$ 0.03	\$ (0.25)		\$ 0.12
Diluted	\$ 0.02		\$ 0.03	\$ (0.25)		\$ 0.12
Weighted average number of common shares outstanding:						
Basic	14,936,311		14,936,311	12,785,450		12,785,450
Diluted	14,936,311		14,936,311	12,785,450		12,785,450

# FY 2017 NON-GAAP ADJUSTMENTS



S&W SEED COMPANY CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)						
	Year Ended June 30, 2017			Year Ended June 30, 2016		
	GAAP	NON-GAAP Adjustments	NON-GAAP Adjusted	GAAP	NON-GAAP Adjustments	NON-GAAP Adjusted
Revenue	\$ 75,373,810	-	\$ 75,373,810	\$ 98,044,254	-	\$ 98,044,254
Cost of revenue	59,232,848	-	59,232,848	77,853,648	(259,586)	77,394,080
Gross profit	16,140,964	-	16,140,964	18,390,608	259,586	18,650,174
Operating expenses						
Selling, general and administrative expenses	11,794,028	(837,329)	10,956,697	10,397,863	(267,353)	10,130,510
Research and development expenses	3,032,112	-	3,032,112	2,794,358	-	2,794,358
Depreciation and amortization	3,325,743	-	3,325,743	3,185,128	-	3,185,128
Disposal of property, plant and equipment loss (gain)	78,538	(80,488)	18,070	(153)	-	(153)
Impairment charges	319,001	(319,001)	-	-	-	-
Total operating expenses	16,549,420	(1,218,798)	17,332,822	16,347,194	(267,353)	16,079,841
Income (loss) from operations	(2,408,456)	1,218,798	(1,191,658)	2,043,414	526,919	2,570,333
Other expense						
Foreign currency loss (gain)	1,388	-	1,388	(228,529)	-	(228,529)
Change in derivative warrant liabilities	(1,517,500)	1,517,500	-	(1,903,900)	1,903,900	-
Change in contingent consideration obligations	231,584	(231,584)	-	55,092	(55,092)	-
Loss on equity method investment	144,841	(144,841)	-	294,197	(294,197)	-
Anticipated loss on sub-lease land	424,800	(424,800)	-	-	-	-
Gain on sale of marketable securities	-	-	-	(123,038)	123,038	-
Interest expense - amortization of debt discount	1,178,023	(1,178,023)	-	3,899,739	(3,899,739)	-
Interest expense - convertible debt and other	1,324,945	-	1,324,945	2,088,005	-	2,088,005
Income (loss) before income taxes	(4,194,337)	1,678,348	(2,517,991)	(2,038,152)	2,749,009	710,857
Provision (benefit) for income taxes	7,827,705	(8,348,088)	(718,383)	(2,403,379)	2,680,947	277,568
Net (loss) income	\$ (11,822,042)	10,022,434	\$ (1,799,608)	\$ 365,227	68,062	\$ 433,289
Net (loss) income per common share:						
Basic	\$ (0.67)		\$ (0.10)	\$ 0.02		\$ 0.03
Diluted	\$ (0.67)		\$ (0.10)	\$ 0.02		\$ 0.03
Weighted average number of common shares outstanding:						
Basic	17,718,057		17,718,057	14,938,311		14,938,311
Diluted	17,718,057		17,718,057	14,938,311		14,938,311

# FY 2018 NON-GAAP ADJUSTMENTS



S&W SEED COMPANY CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)						
	Year Ended June 30, 2018			Year Ended June 30, 2017		
	GAAP	NON-GAAP Adjustments	NON-GAAP Adjusted	GAAP	NON-GAAP Adjustments	NON-GAAP Adjusted
Revenue	\$ 64,085,510	-	\$ 64,085,510	\$ 75,373,810	-	\$ 75,373,810
Cost of revenue	49,332,052	-	49,332,052	59,232,846	-	59,232,846
Gross profit	14,753,458	-	14,753,458	16,140,964	-	16,140,964
Operating expenses						
Selling, general and administrative expenses	10,503,020	(66,160)	10,436,860	11,794,026	(837,329)	10,956,697
Research and development expenses	3,887,723	-	3,887,723	3,032,112	-	3,032,112
Depreciation and amortization	3,439,287	-	3,439,287	3,325,743	-	3,325,743
Disposal of property, plant and equipment (gain) loss	(82,980)	-	(82,980)	78,538	(60,468)	18,070
Impairment charges	-	-	-	319,001	(319,001)	-
Total operating expenses	17,747,050	(66,160)	17,680,890	18,549,420	(1,216,798)	17,332,622
Loss from operations	(2,993,592)	66,160	(2,927,432)	(2,408,456)	1,216,798	(1,191,658)
Other expense						
Foreign currency (gain) loss	(12,584)	-	(12,584)	1,388	-	1,388
Change in derivative warrant liabilities	(431,300)	431,300	-	(1,517,500)	1,517,500	-
Change in contingent consideration obligation	-	-	-	231,584	(231,584)	-
Anticipated loss on sub-lease land	-	-	-	424,600	(424,600)	-
Loss on equity method investment	-	-	-	144,841	(144,841)	-
Interest expense - amortization of debt discount	169,045	(169,045)	-	1,176,023	(1,176,023)	-
Interest expense	1,863,288	-	1,863,288	1,324,945	-	1,324,945
Loss before income taxes	(4,582,041)	(196,095)	(4,778,136)	(4,194,337)	1,676,346	(2,517,991)
Provision (benefit) for income taxes	143,049	-	143,049	7,627,705	(8,346,088)	(718,383)
Net loss	\$ (4,725,090)	(196,095)	\$ (4,921,185)	\$ (11,822,042)	10,022,434	\$ (1,799,608)
Net loss per common share:						
Basic	\$ (0.21)		\$ (0.22)	\$ (0.67)		\$ (0.10)
Diluted	\$ (0.21)		\$ (0.22)	\$ (0.67)		\$ (0.10)
Weighted average number of common shares outstanding:						
Basic	22,481,491		22,481,491	17,718,057		17,718,057
Diluted	22,481,491		22,481,491	17,718,057		17,718,057

# YTD 2019 NON-GAAP and EBITDA ADJUSTMENTS



## S&W SEED COMPANY CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

	Six Months Ended December 31, 2018			Six Months Ended December 31, 2017		
	GAAP	NON-GAAP Adjustments	NON-GAAP Adjusted	GAAP	NON-GAAP Adjustments	NON-GAAP Adjusted
Revenue	\$ 44,701,133	-	\$ 44,701,133	\$ 31,244,512	-	\$ 31,244,512
Cost of revenue	34,554,463	-	34,554,463	24,236,757	-	24,236,757
Gross profit	10,146,670	-	10,146,670	7,007,755	-	7,007,755
Operating expenses						
Selling, general and administrative expenses	7,230,074	(995,316)	6,234,758	5,361,035	(34,947)	5,326,088
Research and development expenses	2,365,667	-	2,365,667	1,597,081	-	1,597,081
Depreciation and amortization	1,890,714	-	1,890,714	1,759,233	-	1,759,233
Disposal of property, plant and equipment loss (gain)	3,463	-	3,463	(81,776)	-	(81,776)
Impairment charges	-	-	-	-	-	-
Total operating expenses	11,489,918	(995,316)	10,494,602	8,635,573	(34,947)	8,600,626
Loss from operations	(1,343,248)	995,316	(347,932)	(1,627,818)	34,947	(1,592,871)
Other expense						
Foreign currency (gain) loss	(58,430)	-	(58,430)	22,030	-	22,030
Change in derivative warrant liabilities	-	-	-	(431,300)	431,300	-
Interest expense - amortization of debt discount	135,392	(135,392)	-	67,099	(67,099)	-
Interest expense	1,298,709	-	1,298,709	731,623	-	731,623
Income (loss) before income taxes	(2,718,919)	1,130,708	(1,588,211)	(2,017,270)	(329,254)	(2,346,524)
Provision for income taxes	4,533	-	4,533	200,123	-	200,123
Net income (loss) including noncontrolling interests	\$ (2,723,452)	1,130,708	\$ (1,592,744)	\$ (2,217,393)	(329,254)	\$ (2,546,647)
Net income attributed to noncontrolling interest	21,673	-	21,673	-	-	-
Net income (loss) attributed to S&W Seed Company	\$ (2,745,125)	1,130,708	\$ (1,614,417)	\$ (2,217,393)	(329,254)	\$ (2,546,647)
Net income (loss) attributed to S&W Seed Company per common share:						
Basic	\$ (0.10)		\$ (0.08)	\$ (0.11)		\$ (0.12)
Diluted	\$ (0.10)		\$ (0.08)	\$ (0.11)		\$ (0.12)
Weighted average number of common shares outstanding:						
Basic	26,996,483		26,996,483	20,643,973		20,643,973
Diluted	26,996,483		26,996,483	20,643,973		20,643,973

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2018	2017	2018	2017
Net income (loss)	\$ (2,766,056)	\$ (399,887)	\$ (2,745,125)	\$ (2,217,393)
Non-recurring transaction costs	586,800	5,784	995,316	34,947
Non-cash stock based compensation	222,153	193,572	377,458	451,033
Depreciation and amortization	1,035,606	870,981	1,890,715	1,759,233
Foreign currency (gain) loss	(32,987)	7,472	(58,430)	22,030
Change in derivative warrant liabilities	-	341,199	-	(431,300)
Interest expense - amortization of debt discount	68,914	33,100	135,392	67,099
Interest expense	641,479	383,894	1,298,709	731,623
Provision for income taxes	(4,801)	148,702	4,533	200,123
Non-GAAP Adjusted EBITDA	\$ (248,892)	\$ 1,584,817	\$ 1,898,568	\$ 617,395