



MAY 23, 2019

EVOLVING BEYOND

S&W Seed Company's
New Alfalfa Licensing
Agreement With Pioneer

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.

Overview of New Licensing Agreement

- ▶ **S&W entered into a new licensing agreement with Corteva Agriscience, Agriculture division of DowDuPont**
 - ▶ Agreement terminates and replaces the December 2014 agreements between S&W and Pioneer Hi-Bred International, Inc., a subsidiary of Corteva Agriscience including elimination of Pioneer's obligation to make minimum purchases of S&W's alfalfa seed products through September 2024
- ▶ **S&W Receives \$70 million**
 - ▶ \$45 million in cash at closing plus \$25 million in payments over regularly scheduled dates concluding in February 2021
- ▶ **Corteva Agriscience Receives:**
 - ▶ A fully pre-paid, exclusive license to produce and distribute certain S&W-owned varieties world-wide (except South America)
 - ▶ Purchased inventory from S&W with a book value of approximately \$25 million
- ▶ **Other Key Terms of Agreement:**
 - ▶ S&W retains ownership of all assets originally acquired in the December 2014 asset purchase transaction between S&W and Pioneer, including alfalfa varieties and germplasm, research and development capabilities, and production facilities
 - ▶ Pioneer's access to S&W's future alfalfa product pipeline has been terminated
 - ▶ Pioneer assumes all grower production contract rights and obligations related to the licensed alfalfa varieties



\$70 M

"This transaction allows S&W to pursue additional high-value growth opportunities consistent with our objective of building a leading integrated middle market agricultural company while retaining our alfalfa operations that are well-positioned for growth in the U.S. and around the world."

Mark Wong, CEO of S&W Seed Company

Proactive S&W Transformation



Mark Wong named CEO of S&W in June 2017

- ▶ Strengthened board of directors with appointment of former Monsanto and Cargill executives

Restructured Organization

- ▶ Don Panter – EVP Americas
- ▶ David Callachor – EVP International
- ▶ Company operates along geographic lines instead of product lines and diversified sales directive to expand shots on goal
- ▶ Hired four key senior managers focused on sales and research

Advanced Trait Technology Development

- ▶ Sorghum herbicide resistance trait
- ▶ Major milestones from Calyxt for alfalfa, a non-GMO approach to alfalfa utilizing proprietary gene editing technology
- ▶ Launched commercialization of sunflower

Intensified Stevia Efforts

- ▶ New commercial collaboration with international consumer products company
- ▶ Moved product development focus to Georgia

Strengthened Balance Sheet

- ▶ Closed \$10.7 M private placement in July 2017
- ▶ Closed \$12.25 M rights offering in December 2017
- ▶ Closed \$27.5 M PIPE with MFP Partners to fund Chromatin acquisition in Fall 2018

Acquired Chromatin Sorghum Assets

- ▶ Complicated receivership proceeding
- ▶ Extensive global sales network with U.S. farmer-dealer network
- ▶ World class R&D and testing program with strong product pipeline
- ▶ Tracking ahead of expectations with positive EBITDA expected in Year 1

Proactive Approach to Pioneer Agreement

Management and Board Objectives

- ▶ Diversify the Company's dependence on single customers
- ▶ Evolve beyond our dependence on certain geographical markets which carry higher political, regulatory, and economic risks
- ▶ Expand into higher value crops and trait technologies (higher margin) organically and through accretive acquisitions
- ▶ Create customer centric organization by moving closer to the end customer
- ▶ Strengthen balance sheet

Evaluation

- ▶ Pioneer distribution agreement was set to expire in 2024 without a clear understanding of go forward pathway
- ▶ Execution of the second component to the agreement (GMO) had not been executed with limited visibility to future outcome
- ▶ Desire by Corteva (Dow and DuPont ag spinout) to integrate the Dow alfalfa assets into DuPont Pioneer

Outcome

- ▶ New agreement essentially accelerates the cashflow of the next five years of minimum contractual obligations
- ▶ Further compensates S&W for the upfront licensing of certain varieties
- ▶ S&W maintains ownership to all intellectual property including alfalfa varieties and germplasm, research and development capabilities, as well as production facilities
- ▶ Allows S&W to deploy capital with higher emphasis on crop diversification and trait technology
- ▶ Strengthens balance sheet

Recap of 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 we anticipate will allow us to become significant players in these crops going forward

Expand Crop Portfolio And Sales Synergies

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

Agreement Bolsters Go Forward Strategy

Drive Trait Improvement

- ▶ Dormant proprietary alfalfa breeding program remains a priority
- ▶ Introduce new next generation proprietary alfalfa and sorghum products to Americas and International markets
- ▶ Combine non-GMO, technologically differentiated digestibility trait with new proprietary alfalfa varieties
- ▶ Drive herbicide resistance in sorghum

Create Customer Centric Organization

- ▶ Invest in USA Farmer Dealer Network
- ▶ Acquire stronger distribution assets in key markets
- ▶ Allow customers more direct order placement and improve product information



Expand Sorghum and Sunflower

- ▶ Push new generation of proprietary sorghum hybrids into all markets
- ▶ Invest in eastern European sunflower breeding

Expand Crop Portfolio & Sales Synergies

- ▶ Continue to add crops that can be sold thru existing sales channels
- ▶ Prioritize crops that hold margins in all agricultural market cycles

Diversified Platform to Drive Acquisition Synergies

U.S. Farmer Dealer Network

- ▶ Expansive network across the U.S. which is the cornerstone of most domestic agricultural distribution
- ▶ Only middle-market seed company in the U.S. with such a network
- ▶ S&W dedicated sales force available to leverage farmer dealer network to cross sell additional products



International Distribution Partnerships

- ▶ S&W distributes to six continents
- ▶ In addition to U.S., distribution in approximately 40 countries around the world with emphasis on Australia/Oceania, Europe, Africa, South America and the Middle East

World-Class Research and Development

- ▶ Multi-disciplinary team comprised of breeding, molecular genetics, and greenhouse teams
- ▶ Biotech marker assisted breeding with expansive product pipeline
- ▶ Collaborations with industry leaders involving next generation gene editing technology

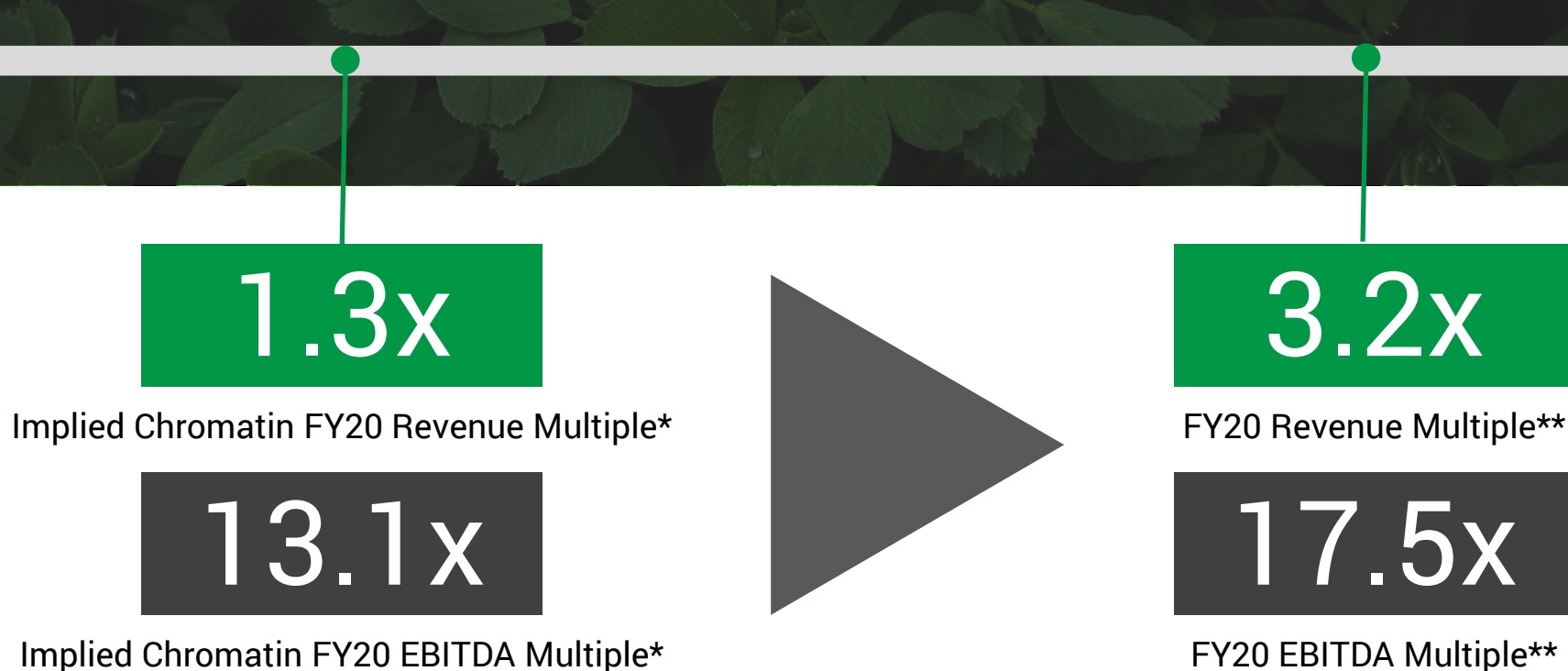
Global Production Capabilities

- ▶ Alfalfa seed production capabilities in California and most of the other states in the Western United States, Canada and Australia
- ▶ Sorghum production and testing capabilities on four continents
- ▶ Sunflower production in Eastern Europe

History of Accretive Transactions

Management has demonstrated a strong history of accretive transactions

- ▶ Acquired Chromatin assets at 1.3x Revenue and 13.1x EBITDA (November 2018)*
- ▶ New Pioneer transaction implies the following multiples: 3.2x Revenue and 17.5x EBITDA (May 2019)**



*Based on \$26.1 million purchase price (net of \$400,000 disposition of assets post closing) assuming FY20 Chromatin revenue of \$20 million and EBITDA contribution of 10%

**Based on \$70 million of total consideration payable (see slide 12 for detail regarding timing of payments) and assuming FY20 \$22 million minimum purchase obligation by Pioneer with an expected EBITDA contribution of \$4 million

Please see Appendix for Non-GAAP information

Acquisition Growth Strategy

Enhanced financial flexibility allows S&W to pursue additional high-value growth acquisitions consistent with our objective of building a leading integrated middle market agricultural company.

► **Targeting these areas of focus:**

- **Distribution**
- **Products**
- **Technology**
- **Accretive to earnings**
- **Attractive risk/reward**





Financials

S&W Seed Company's new licensing
agreement with Pioneer

Enhanced Balance Sheet

\$70 million in payments from Pioneer significantly strengthens S&W's balance sheet to pursue additional high-value growth opportunities consistent with our objective of building a leading integrated middle market agricultural company

Tangible Book Value Increase

\$45 M

\$45 million in cash paid at closing

- ▶ Increase tangible book value by approximately \$45 million
- ▶ Adds \$45 million in additional net working capital
- ▶ Enables pursuit of accretive acquisitions
- ▶ Allows for debt repayments

Utilization of NOLs

- ▶ Estimated tax gain on transaction
- ▶ Net impact will utilize substantially all of \$38 million federal NOLs, and fully utilize deferred tax assets
- ▶ No cash tax impact

Additional \$25 million of payments at scheduled dates:

September 15, 2019	22.2%	\$ 5,551,371.52
January 15, 2020	22.2%	\$ 5,551,371.52
February 15, 2020	22.2%	\$ 5,551,371.52
September 15, 2020	15.0%	\$ 3,750,926.70
January 15, 2021	10.0%	\$ 2,500,617.80
February 15, 2021	8.4%	\$ 2,100,518.95
	100.0%	\$ 25,006,178.00

New Tangible Book Value

	Total	Per Share*
Tangible Book Value at 3/31/19	\$52.1 M	\$1.57
Proceeds at Closing from Pioneer Agreement	\$45.0 M	\$1.34
Pro Forma Tangible Book Value	\$97.1 M	\$2.91

- ▶ Transaction increases tangible book value by \$1.34 per share
- ▶ In addition to tangible assets, Company continues to bolster intangible value, including germplasm and other intellectual property of \$39.2 M (\$1.18 per share) as of 3/31/19

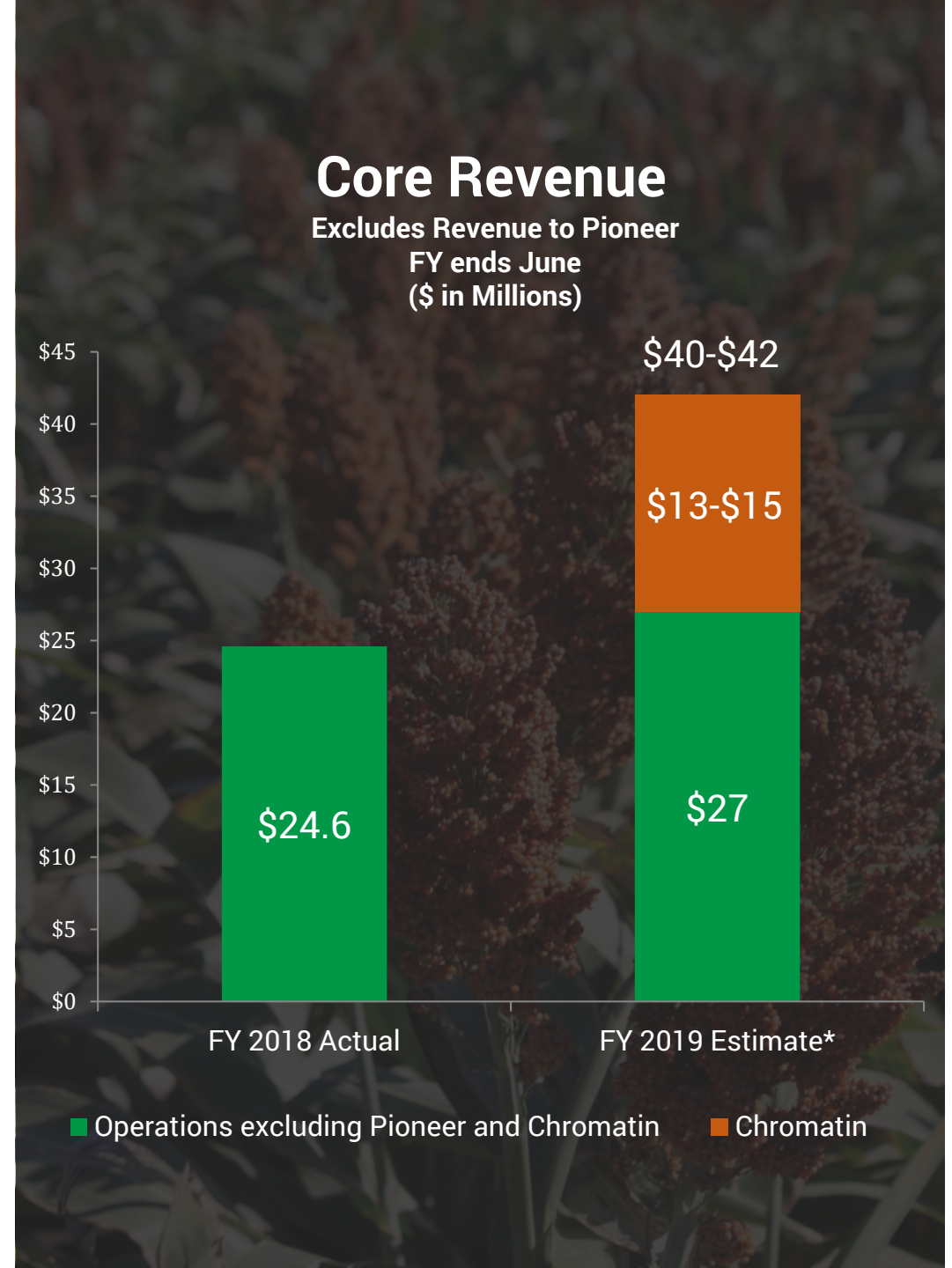
* Based on 33.3 M shares outstanding as of 3/31/19
Please see Appendix for Non-GAAP information

Core Revenue Growth

Core Revenue for S&W has been growing as Company's implementation of strategic plan begins to gain traction

- ▶ Expecting 10% organic growth in FY 2019 (excluding Chromatin and Pioneer)
 - ▶ Company expects further organic growth in FY 2020
- ▶ \$13 - \$15 M revenue contribution from Chromatin in FY 2019
 - ▶ \$17 – \$20 M revenue contribution expected from Chromatin in FY 2020
- ▶ Company expects to efficiently deploy proceeds from transaction to complete accretive acquisitions to expand growth in FY 2020 and beyond

*Based on management's expectations as of May 22, 2019

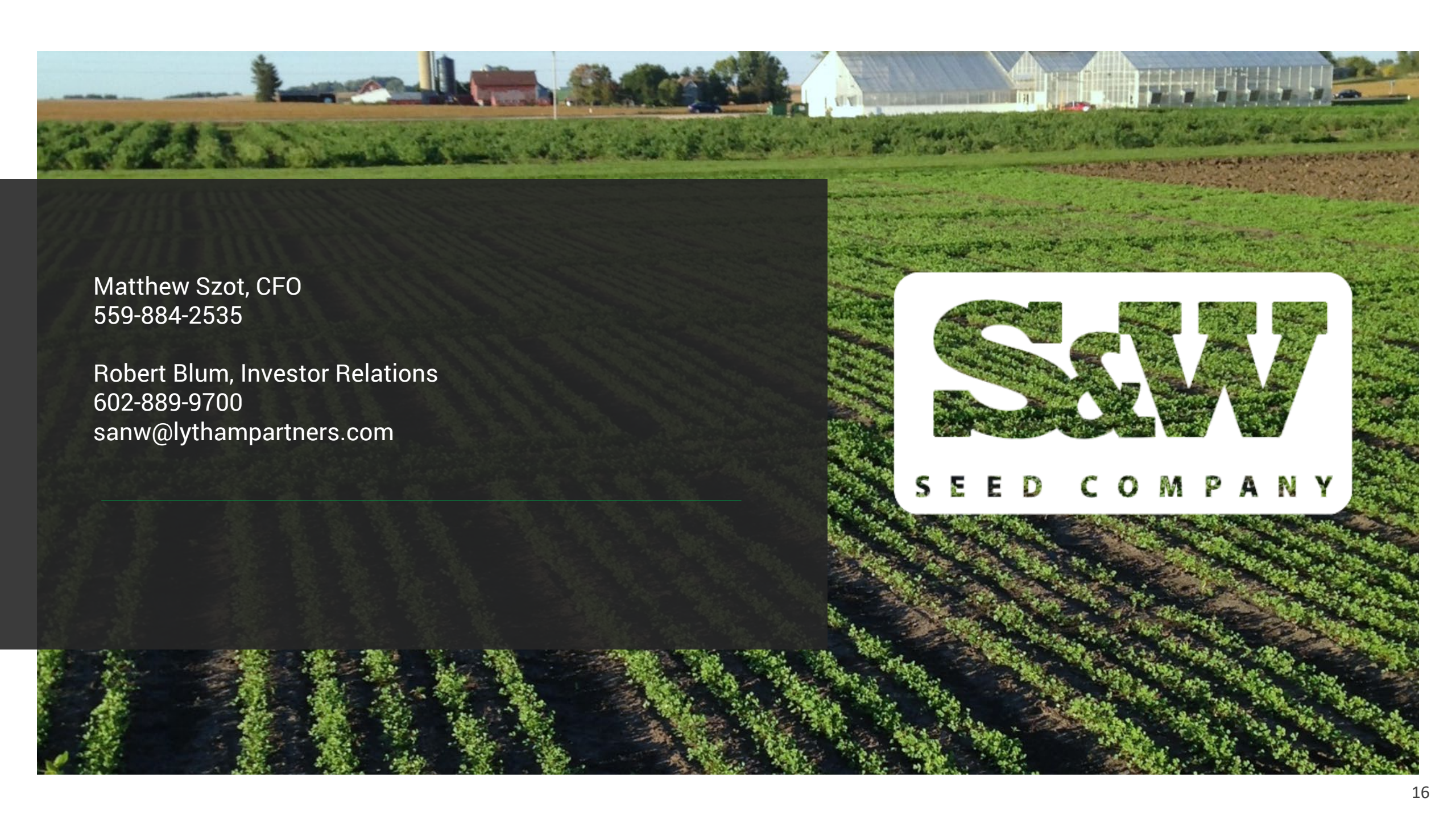


Summary

- ▶ \$70 million in payments to S&W improves our financial position and strategic flexibility at a time when we believe there are a number of attractive potential acquisitions in the seed industry
- ▶ Agreement has no impact to go forward strategic plans and allows S&W to maintain its leadership position in alfalfa with greater opportunity to capture value for next generation traits
- ▶ Proactive decision making eliminates any uncertainty surrounding relationship with Pioneer, and provides S&W clear pathway to build operations into the future

“Over the past few years, S&W has significantly transformed itself from a pure play alfalfa seed company into a fully integrated, multi-crop seed development, production and distribution company with strong positions in sorghum, sunflower and alfalfa. We have realigned our sales organization, acquired a highly leverageable U.S. farmer-dealer network, continued to drive efficiencies in our production processes, and accelerated development of next generation trait technologies. This agreement allows us to continue and potentially accelerate our strategic transformation.”

Mark Wong, CEO of S&W Seed Company



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Appendix

Non-GAAP Financial Measures

In addition to financial measures reported in accordance with accounting principles generally accepted in the United States of America ("GAAP"), the Company has provided the following non-GAAP financial measures in this presentation: EBITDA and tangible book value. S&W uses these non-GAAP financial measures internally to facilitate analysis of its operating performance and liquidity, and believes they are useful to investors as a supplement to GAAP measures in analyzing the performance and value of the Company's business and its recently-completed transactions. However, these measures are not intended to be a substitute for those reported in accordance with GAAP. These measures may be different from non-GAAP financial measures used by other companies, even when similar terms are used to identify such measures.

S&W has not reconciled its implied EBITDA multiples for fiscal 2020 to net income (loss) because S&W does not provide an outlook for the other line items that are reconciling items between net income (loss) and EBITDA. As items that impact net income (loss) cannot be reasonably predicted, S&W is unable to provide such an outlook.