



NASDAQ: SANW

OCTOBER 2020

# S&W Seed Company

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Corporate Presentation

# 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, 2020 and other filings made by the Company with the Securities and Exchange Commission.



# Key Highlights

## ► Conversion to Multi-Crop Agricultural Company

- Transformed business in 2017 to expand focus from a single crop (alfalfa) to a multi-crop (alfalfa, sorghum, sunflower, wheat, pasture products, stevia) agricultural company with enhanced focus on the U.S. and Australia

## ► Strong Core Revenue Growth

- Core Revenue growth of 58% in FY 2020 (27% excluding Pasture Genetics acquisition)

## ► Improved Balance Sheet

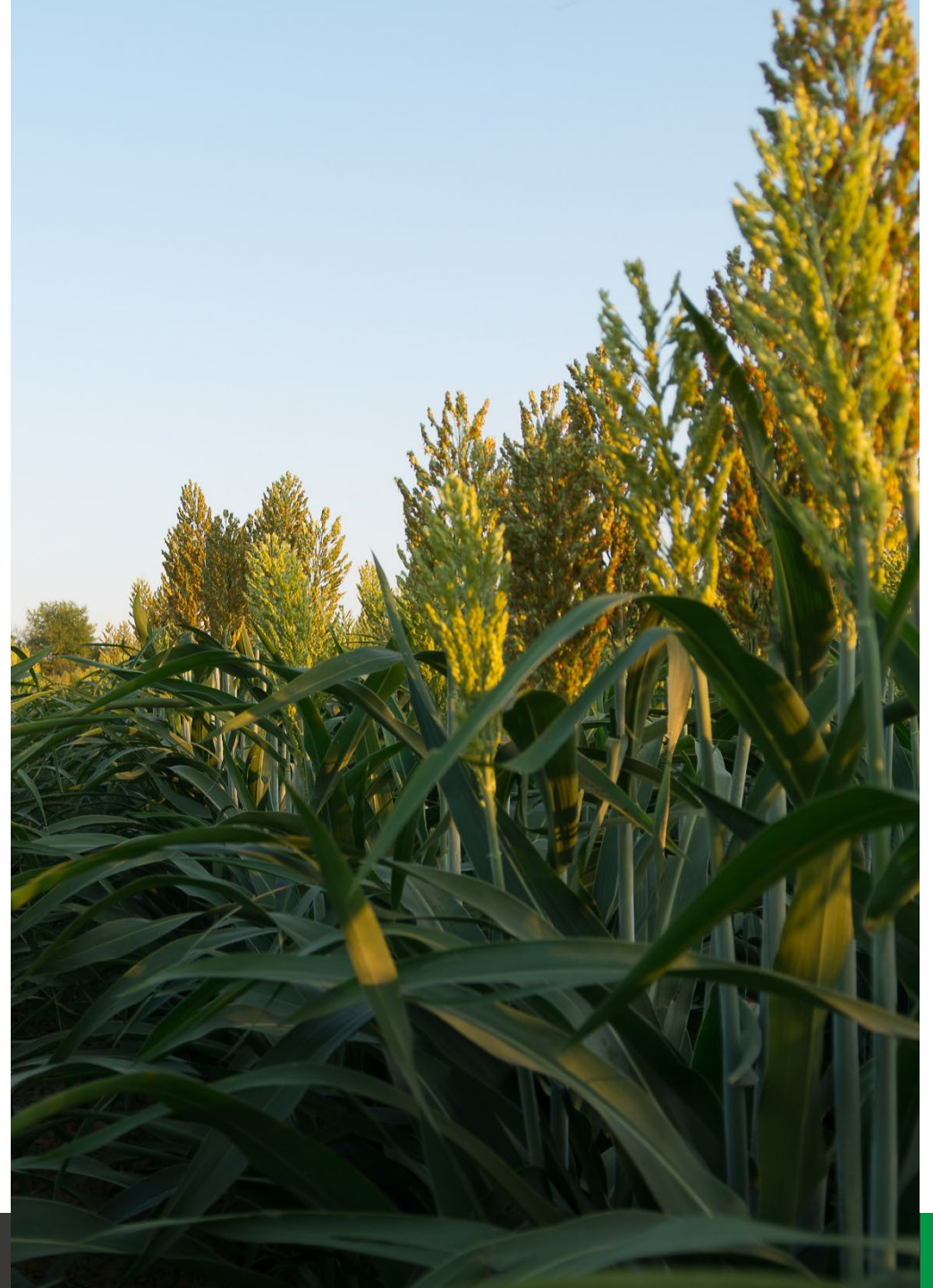
- 2019 sale of alfalfa licensing agreement netted \$70 million of total consideration to pay down debt
- Company has significantly reduced inventory balances to free up working capital

## ► Renewed Focus on High Margin Trait Development

- Signed agreements with industry leaders to bring to market a new weed management system for sorghum growers, development of dhurrin-free sorghum, and improved digestibility of alfalfa

## ► History of Accretive Transactions

- Asset sale of 3.2x sales; asset purchases of 0.7x and 1.3x sales



# Capitalizing on Industry Trends

## Supporting Protein Demand and Healthier Consumer Diets While Focusing On Next Group Of Important Agricultural Crops

- ▶ 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





# S&W Has Created a Powerful and Diversified Agricultural Platform



Management  
Team



Global  
Production



U.S. Farmer  
Dealer Network



Broad Crop  
Portfolio



Research &  
Development



International  
Distribution

# World-Class Management Team

- ▶ **Mark Wong Named New CEO of S&W Seed Company in June 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
  - ▶ **Agracetus**
    - ▶ 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**



**Mark Wong Named New CEO of S&W Seed Company on June 20, 2017**

Commencing Transformation of S&W into a Leading Middle Market Agricultural Company



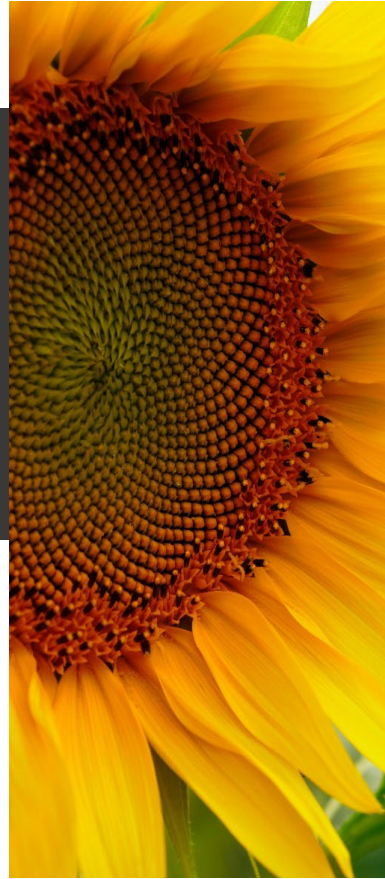
# Expanding Crop Portfolio



Alfalfa



Hybrid Sorghum



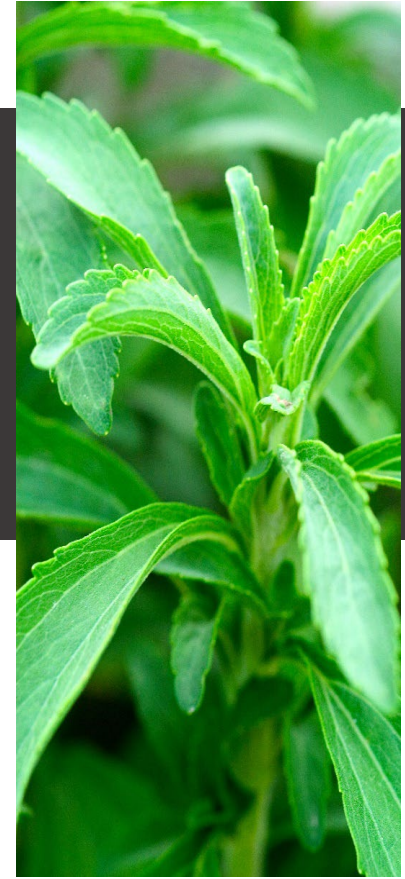
Hybrid  
Sunflower



Wheat



Pasture  
Products



Stevia

# Seed Market Sizes



**\$500**  
million<sup>(1)</sup>

- ▶ **ALFALFA**
- ▶ Approximately 200 million metric tons<sup>(2)</sup>
- ▶ Global alfalfa hay crop production



**\$500**  
million<sup>(1)</sup>

- ▶ **SORGHUM**
- ▶ 60 million metric tons<sup>(3)</sup>
- ▶ Global sorghum crop production



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

- ▶ **SUNFLOWER**
- ▶ 55 million metric tons<sup>(3)</sup>
- ▶ Global sunflower seed crop production



**\$100**  
million<sup>(4)</sup>

- ▶ **PASTURE SEED (Australia)**
- ▶ Estimated value of cereals, alfalfa, clovers, vetch, medic in Australia



**\$70**  
million<sup>(5)</sup>

- ▶ **WHEAT (Australia)**
- ▶ 24.3 million tons in Australia
- ▶ Operates under an End Point Royalty ("EPR") System



**\$565**  
million<sup>(6)</sup>

- ▶ **STEVIA**
- ▶ Est. value of stevia as additive to food/beverage

(1) Management estimates

(2) Management estimates using Reportlinker.com and Research and Markets Alfalfa Hay Global Market Trajectory and Analytics

(3) USDA

(4) Management's estimate using Australia Government Rural Industrial Research and Development Report

(5) EPR market size US\$70 million, assuming 90% compliance and US\$3.19 EPR/T

(6) Management's estimate using Research and Markets Global Stevia Market by Form, By End User, By Distribution Channel, By Region, Industry Analysis and Forecast 2020-2026

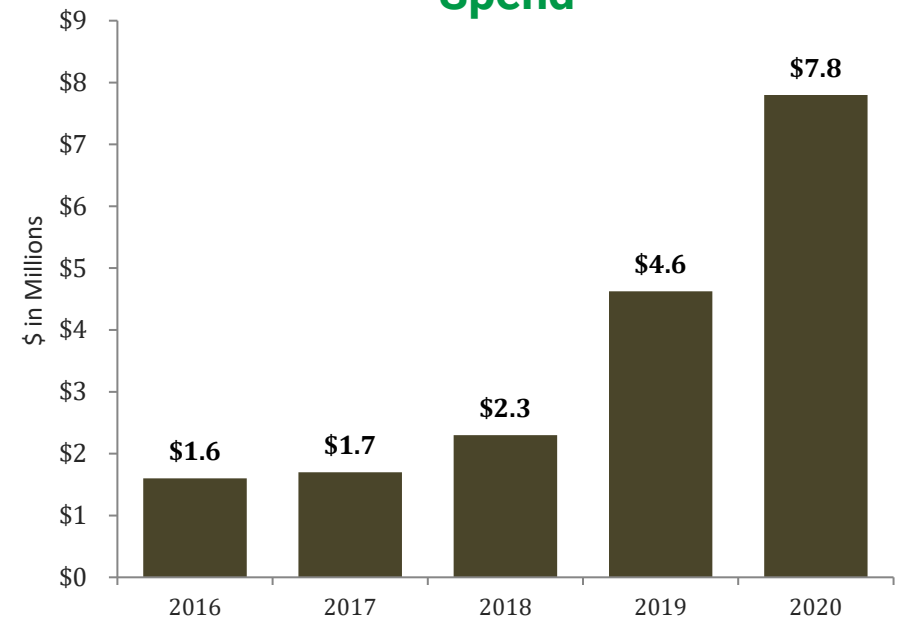


# Transformation to Create a Large and Dynamic Sales Channel to the Farmer

Since 2017, S&W has transformed its sales and marketing strategy to become a more customer-centric organization

- ▶ Created expansive farmer-dealer 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
- ▶ Enhanced S&W dedicated sales force to leverage farmer dealer network to cross sell additional products
- ▶ Acquired leading sales network in Australia through Pasture Genetics acquisition
- ▶ Diversified customer portfolio globally with distribution across six continents
  - ▶ Distribution in approximately 40 countries around the world with emphasis on Australia/Oceania, Europe, Africa, South America and the Middle East
- ▶ Rebranded crop portfolio to emphasize proprietary S&W brands
  - ▶ Alfalfa Partners, Sorghum Partners, Sunflower Partners

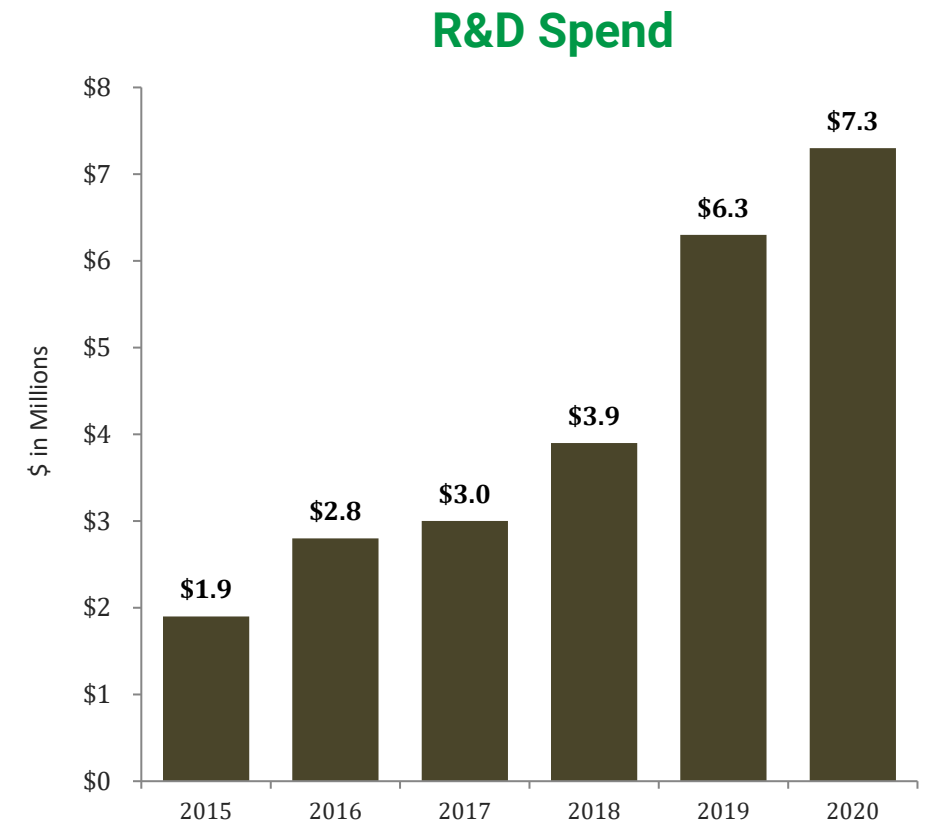
Sales and Marketing Spend



# Purposeful R&D Investment to Become a Proprietary Trait Technology Company

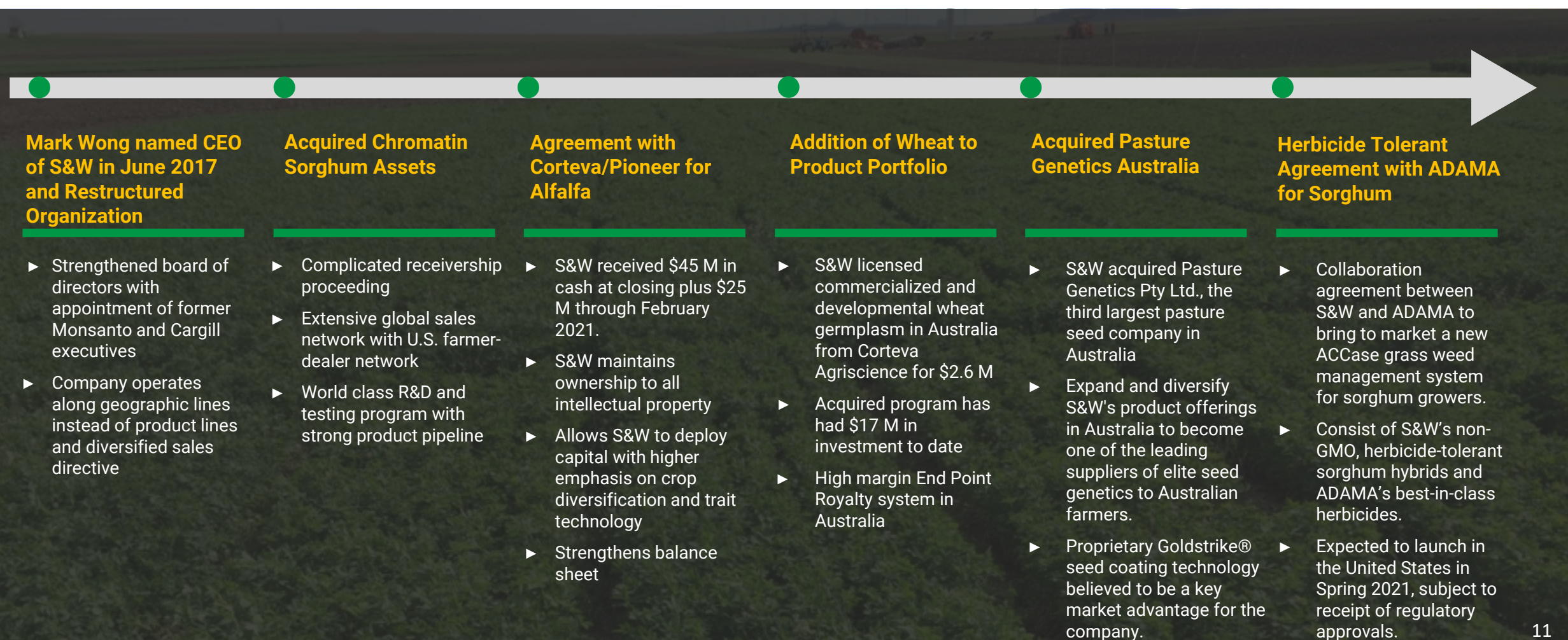
Investments in R&D today expected to materialize in meaningful value contribution in 2023 and beyond

- ▶ R&D efforts to bring to market a new weed management system for sorghum growers, development of dhurrin-free sorghum, and improved productivity of alfalfa
- ▶ 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
- ▶ R&D is critical component of capital allocation strategy
- ▶ Vast majority of Adjusted EBITDA loss attributable to purposeful investment in R&D to drive future revenue growth and gross margin expansion





# Summary of Recent Proactive S&W Initiatives Acquisitions and Transactions





# 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**





# History of Accretive Transactions

Management has demonstrated a strong history of accretive transactions

Acquisition

1.3x

Implied Chromatin Revenue Multiple\*

13.1x

Implied Chromatin EBITDA Multiple\*

Asset Sale

3.2x

Implied FY20 Pioneer Revenue Multiple\*\*

17.5x

FY20 Pioneer EBITDA Multiple\*\*

Acquisition

0.7x

Implied Pasture Genetics FY21 Revenue Multiple\*\*\*

6.8x

Implied Pasture Genetics FY21 EBITDA Multiple\*\*\*

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

\*\*Based on \$70 million of total consideration payable and assuming FY20 \$22 million minimum purchase obligation by Pioneer with an expected EBITDA contribution of \$4 million

\*\*\*Assuming FY21 Pasture Genetics revenue of USD \$20 million and EBITDA contribution of 10%.

Please see Appendix for Non-GAAP information





# Historical Financials

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# Revenue

FY ends June

## ► Core Revenue growth initiatives:

- **Growth** in key home markets of U.S. and Australia
- **Expansion** of sorghum through expanded distribution channels and introduction of new products and traits
- **Launch** of sunflower program in Europe
- **Diversification** away from areas with higher levels of geopolitical risk
- **Integration** of recently acquired Pasture Genetics in Australia
- **Execution** of joint venture operations in South Africa

## ► Core Revenue growth of 58% in FY 2020

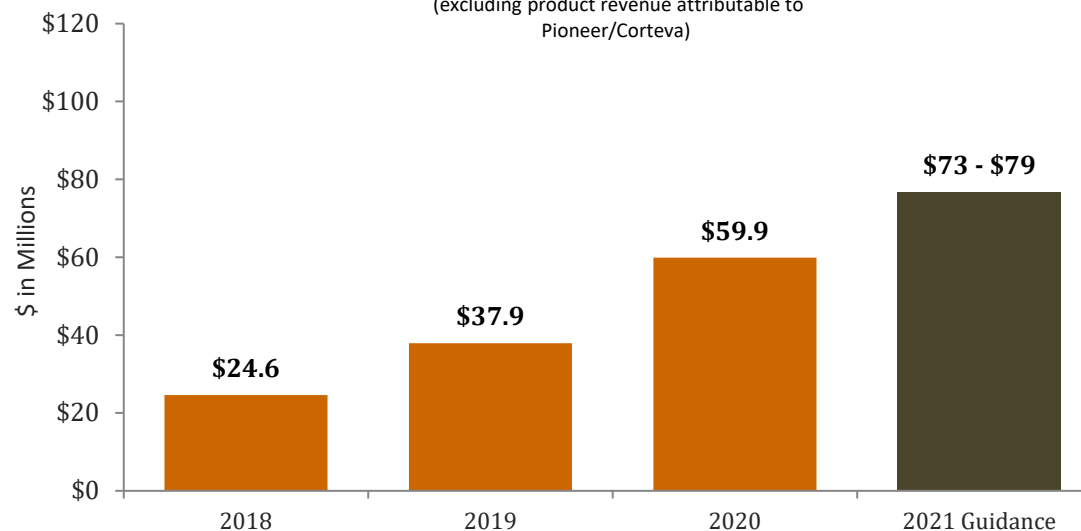
- 27% excluding Pasture Genetics

## ► Management expects Core Revenue growth of 22-32% in FY 2021

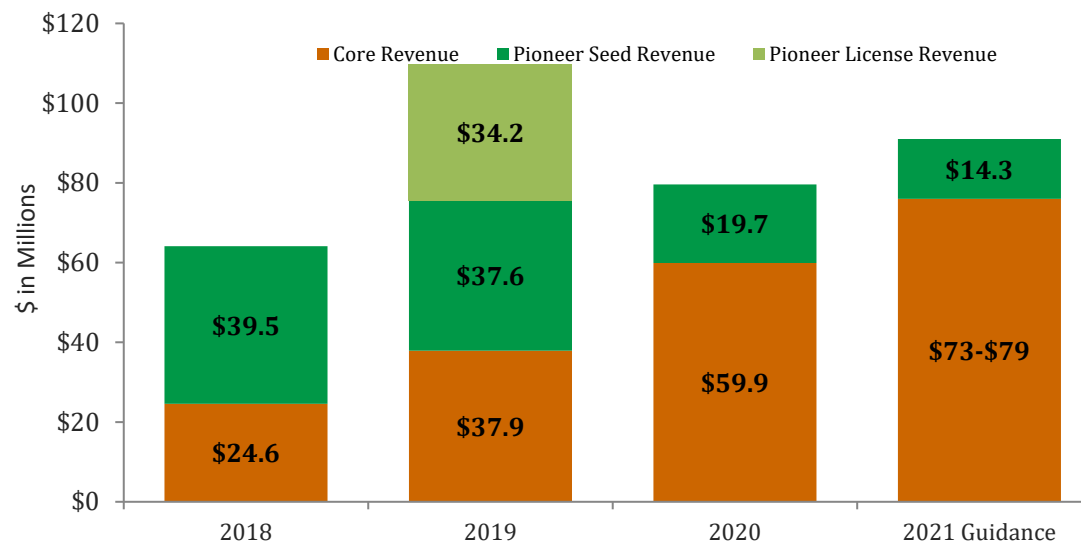
- \$34.2 M licensing revenue in FY 2019 from Pioneer reflects the estimated Adjusted EBITDA S&W would have recognized over the remaining 5 years of the original agreement
  - \$34.0 M of additional seed revenue to Pioneer
    - \$19.7 M in FY 2020; \$14.3 M in FY 2021

## Core Revenue

(excluding product revenue attributable to Pioneer/Corteva)



## Total Revenue



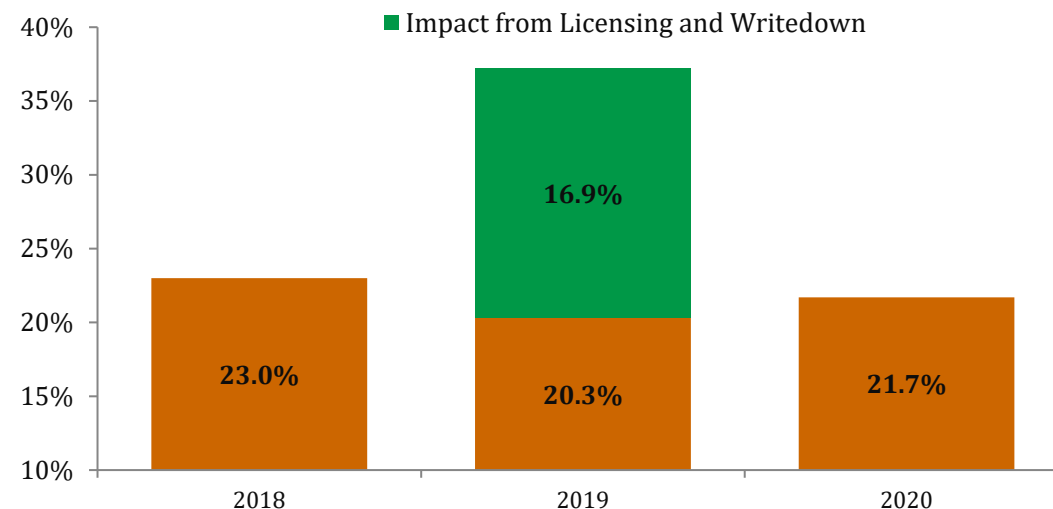
# Selected Financials

FY ends June

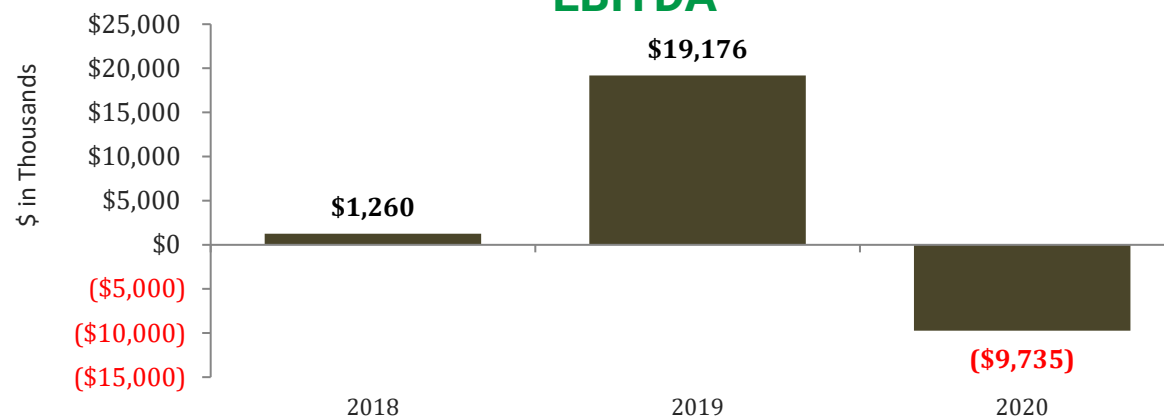
## ► Gross margin and EBITDA expansion initiatives:

- **Growth** in high-margin sorghum sales
- **Launch** of high-margin sunflower sales
- **Expansion** of wheat end point royalty market in Australia
- **Leverage** existing infrastructure through acquisition of Pasture Genetics
- **Lower** COGS through strategic global production plans
- **Incremental** trait and herbicide contribution from collaboration agreement with ADAMA

## Adjusted Gross Margins



## Adjusted EBITDA



Reconciliation of Gross Margins is found included in the appendix to this presentation.  
 FY2019 includes impact from Pioneer licensing agreement offset by inventory writedown.  
 Reconciliation of EBITDA is included in the appendix to this presentation

# Balance Sheet Flexibility for Growth

(\$ in Millions)	6/30/2016	6/30/2017	6/30/18	6/30/19	6/30/20
Cash and cash equivalents	\$6.9	\$0.7	\$4.3	\$3.4	\$4.1
Accounts receivable, net	\$27.6	\$23.2	\$13.9	\$13.4	\$19.0
Inventory	\$21.8	\$31.5	\$60.4	\$71.3	\$63.9
Total assets	\$127.0	\$117.1	\$137.8	\$146.4	\$156.0
Short-term working capital lines	\$16.7	\$27.4	\$32.6	\$10.8	\$27.0
Pioneer note payable and earn-out	\$12.3	\$12.5	\$0.0	\$0.0	\$0.0
Other debt	\$8.2	\$1.4	\$13.5	\$13.3	\$16.1
Total shareholder's equity	\$67.8	\$61.2	\$81.7	\$100.0	\$81.3
Net working capital	\$16.2	\$17.9 <sup>(1)</sup>	\$37.5	\$57.7	\$35.8

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

## Capital Raise Activity

- ▶ 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.

## Banking Activity

- ▶ \$25 million asset-based revolving credit facility with CIBC Bank USA
- ▶ AUD \$28 million revolving credit facility for the Company's Australian operations with National Australia Bank ("NAB").
- ▶ Entered into a 3-year extension with Rooster Capital LLC on its \$9.2 million real estate note with a new maturity date is November 30, 2022.

## Key Balance Sheet Items

- ▶ Planted minimal acres of alfalfa production as we continue to work through our existing inventory levels.
- ▶ Inventory levels from June 2020 versus June 2019 are down by nearly \$7.4 million even after taking into account the increase in inventory from the Pasture Genetics acquisition
- ▶ Net Operating Loss Carry Forwards in excess of \$44 million



# Management



**Mark Wong**  
*CEO and Director*



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



**Christine Hatcher**  
*VP of Finance*



**Ernst Topitschnig**  
*Commercial Lead Europe*



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



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



**Andrea McFarlane**  
*Director of Human Resources*



**David Callachor**  
*EVP, International*



**Steve Calhoun**  
*VP of Research and  
Development*



**Danielson Gardner**  
*Business Development  
Lead Americas*



**Don Panter**  
*EVP, Americas*



**Mike Eade**  
*VP of Sales & Marketing -  
Americas*



**Cameron Henley**  
*Commercial Lead MENA*

# Board of Directors



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



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



**Robert Straus**  
*Portfolio Manager  
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*





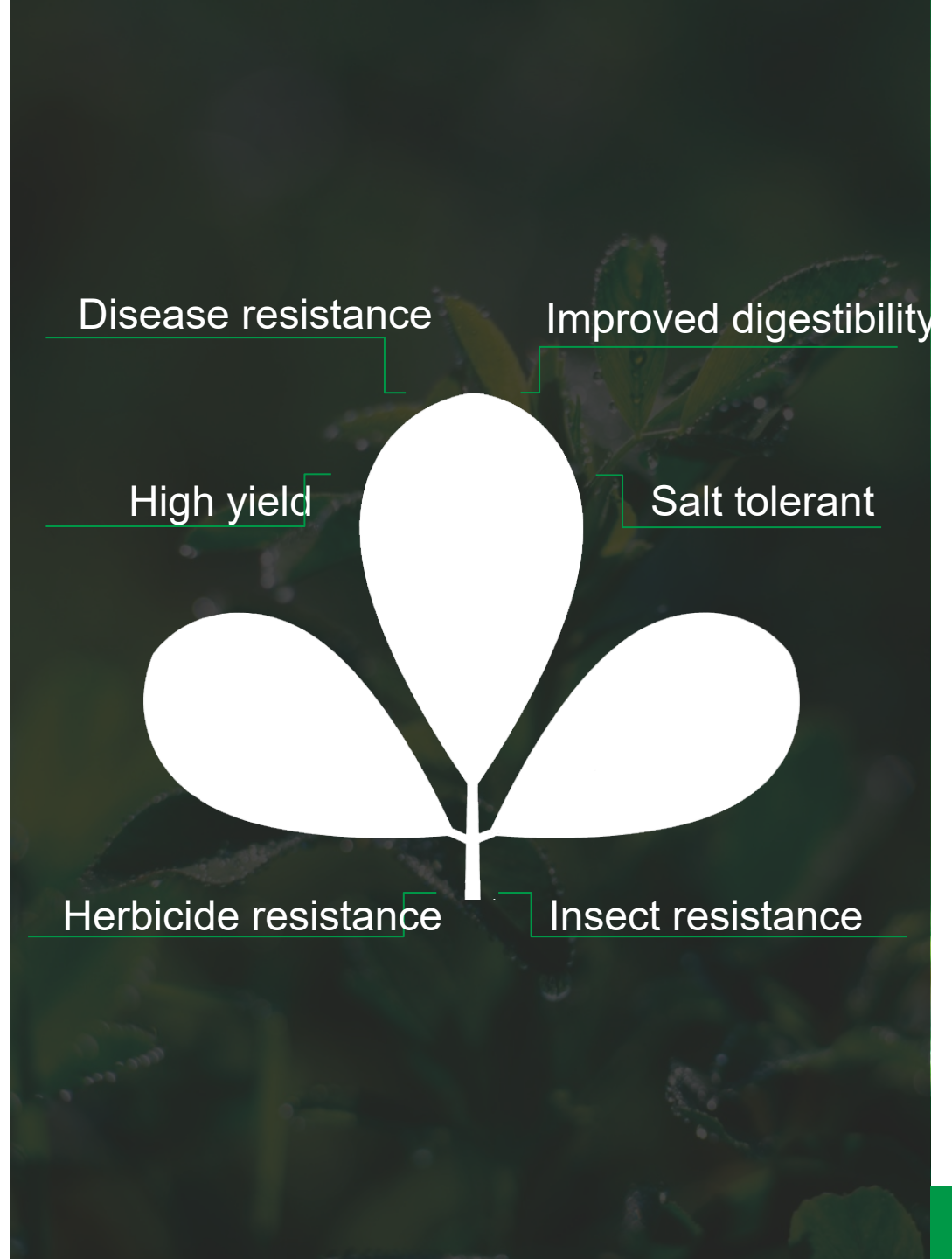
# Crop Portfolio

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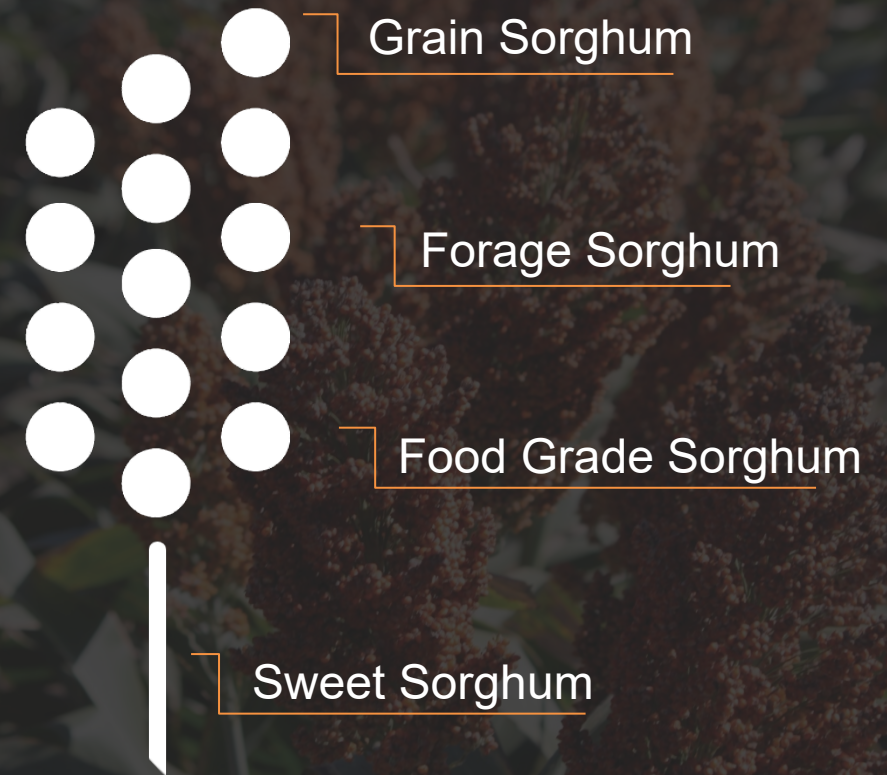
# Alfalfa Portfolio

- ▶ **Market leading proprietary alfalfa seed varieties**
  - ▶ High Yield, Salt Tolerance, Drought Tolerance, Increased Digestibility, Leafhopper Resistance, Stem Nematode Resistance, Aphid Resistance, Tropical Adaptions
- ▶ **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 Portfolio

- ▶ **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.
- ▶ **Leverage Chromatin's sales, production, and R&D infrastructure to accelerate hybrid development**
- ▶ **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)





# 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 is projected at 55 million tons 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.



Disease Resistant

Herbicide Resistant

Linoleic Profiles

Polyunsaturated Profiles

# Wheat Portfolio

- ▶ S&W licensed commercialized and developmental wheat germplasm in Australia from Corteva Agriscience for \$2.6 million.
- ▶ Australia produces around 24.3 million tons of wheat on approximately 30 million acres of production annually.
- ▶ The wheat varieties licensed by S&W are the result of a development investment of approximately US \$17 million, including 9 years of in-house germplasm development and acquisition of HRZ germplasm.
- ▶ The wheat market in Australia operates under an End Point Royalty ("EPR") System in which the wheat variety owner earns a fixed royalty on every ton of grain produced. Under EPR systems, variety owners such as S&W do not produce or hold commercial seed inventories or sell seed. Industry partners increase commercial quantities of planting seed and distribute to growers. Varieties are tracked along the supply chain and, when grain is ultimately delivered to the grain buyer or end user, the EPR is collected and delivered to the variety owner.





# Pasture Portfolio

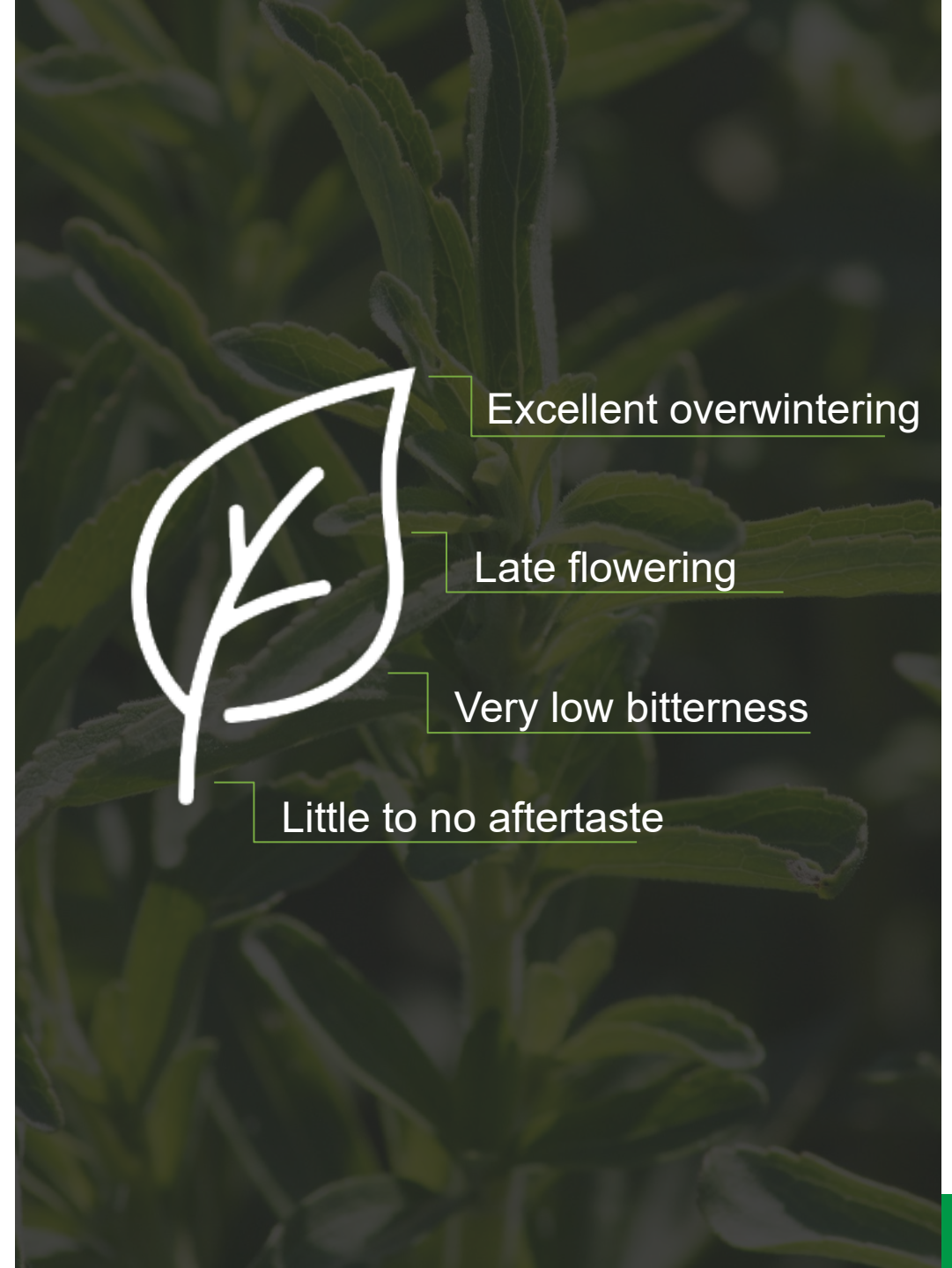
- ▶ **Pasture Genetics is committed to trial, select, market and distribute the most innovative and productive forage seed technology for a sustainable world. It is the largest fully independent and Australian owned forage seed.**
  - ▶ **Major Products**
    - ▶ Alfalfa, Medic, Sub Clovers, Annual Clovers, Vetch, Forage Cereals, Grasses and Pasture Species
  - ▶ **Pasture Genetics products are suited to a range of farming enterprises and practices, including:**
    - ▶ Small to medium cattle farming
    - ▶ Large corporate beef cattle enterprise
    - ▶ Sheep and dairy farming
    - ▶ Silage, hay and chaff production
    - ▶ Grain production and supply
  - ▶ **3rd largest forage seed business in Australia**
    - ▶ Industry size USD \$100 million
    - ▶ Main participants
      - ▶ PGG Wrightsons USD \$30 - \$40 million (24% - 32% market share)
      - ▶ Barenbrug USD \$25-\$30 million (20% -24% market share)
      - ▶ Pasture Genetics USD \$20 million (15% -20% market share)
  - ▶ **Diversified customer base with significant domestic (AUS) penetration**
    - ▶ 80% of revenue is Australian



Proprietary Goldstrike® seed coating technology addressing rhizobia inoculation and extend shelf life

# Stevia Portfolio

- ▶ 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





# Appendix

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# Non-GAAP Financial Measures



## Non-GAAP Financial Measures

In addition to financial results 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 and the accompanying tables: adjusted EBITDA and tangible book value. S&W uses these non-GAAP financial measures internally to facilitate period-to-period comparisons and analysis of its operating performance and liquidity, and believes they are useful to investors as a supplement to GAAP measures in analyzing, trending and benchmarking the performance and value of the Company's business. 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.

Adjusted EBITDA is a non-GAAP financial measure that we define as GAAP net income (loss), adjusted to exclude non-recurring transaction costs, depreciation and amortization, non-cash stock-based compensation, foreign currency (gain) loss, change in derivative warrant liabilities, reduction of anticipated loss on sub-leased land, interest expense – amortization of debt discount, interest expense, and provision (benefit) for income taxes. We believe that the use of adjusted EBITDA is useful to investors and other users of the Company's financial statements in evaluating our operating performance because it provides them with an additional tool to compare business performance across companies and across periods. We use adjusted EBITDA in conjunction with traditional GAAP operating performance measures as part of our overall assessment of our performance, for planning purposes, including the preparation of our annual operating budget, to evaluate the effectiveness of our business strategies and to communicate with our board of directors concerning our financial performance. Management does not place undue reliance on adjusted EBITDA as its only measure of operating performance. Adjusted EBITDA should not be considered as a substitute for other measures of financial performance reported in accordance with GAAP.



# Non-GAAP Adjusted EBITDA

	Fiscal Year Ended June 30,							
	2013	2014	2015	2016	2017	2018	2019	2020
<b>Net Income</b>	(\$2,516)	\$373.1	(\$3,163.1)	\$365.2	(\$11,822.0)	(\$4,725.1)	\$ (9,305.2)	\$ (19,674.3)
Non-recurring cost of revenue charges	2,333.1	-	265.9	259.6	-	-	-	-
Separation costs	-	-	-	-	674.6	-	-	-
Restructuring charges	-	-	-	-	-	-	202.2	-
Reserve for uncollectable sublease income	-	-	-	-	223.2	-	-	-
Non-recurring acquisition related expenses	486.2	-	1,290.9	267.4	-	66.2	1,196.5	793.0
Depreciation and amortization	694.6	1,265.7	2,179.6	3,185.1	3,325.7	3,439.3	4,128.5	5,036.5
Impairment Charges	-	-	500.2	-	319.0	-	17,900.6	-
Non-cash stock-based compensation	1,053.9	872.7	896.9	1,190.1	1,409.4	748.5	694.6	1,168.0
Foreign currency (gain) loss	263.9	(51.6)	159.8	(226.5)	1.4	(12.6)	(99.5)	98.6
Change in derivative warrant liabilities	-	-	1,396.0	(1,903.9)	(1,517.5)	(431.3)	-	-
Change in estimated value of assets held for sale	-	-	-	-	-	-	1,521.9	92.9
Reduction of anticipated loss on sublease land	-	-	-	-	-	-	(141.4)	-
Change in contingent consideration obligations	-	-	74.0	55.1	231.6	-	-	(302.1)
Gain on sale of marketable securities	-	-	-	(123.0)	-	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	-	140.6
Loss on equity method Investment	-	-	-	294.2	144.8	-	-	-
Interest expense – amortization of debt discount	-	52.6	2,934.2	3,899.7	1,176.0	169.0	340.8	555.0
Interest expense – convertible debt and other	226.9	600.7	1,831.1	2,086.0	1,324.9	1,863.3	2,886.1	1,970.9
Income tax expense (benefit)	(1,343.1)	87.1	(846.0)	(2,403.4)	7,627.7	143.0	(148.7)	386.0
<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>	<b>\$19,176.4</b>	<b>\$ (9,735.0)</b>

# FY 2013 Non-GAAP Adjustments



S&W SEED COMPANY  
(A NEVADA CORPORATION)  
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%	2,333,123	5,928,160 15.9%
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)
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)
Diluted	\$ (0.08)		\$ (0.05)	\$ (0.10)	\$ (0.29)		\$ (0.08)
Weighted average number of common shares outstanding:							
Basic	11,405,120		11,405,120	6,222,222	8,770,975		8,770,975
Diluted	11,405,120		11,405,120	6,330,390	8,770,975		8,770,975



# 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		
	GAAP	NON-GAAP Adjustments	NON-GAAP Adjusted	GAAP	NON-GAAP Adjustments	NON-GAAP 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	50,232,848	-	50,232,848	77,653,048	(250,568)	77,394,080
Gross profit	10,140,964	-	10,140,964	18,390,808	250,568	18,650,174
Operating expenses						
Selling, general and administrative expenses	11,794,028	(837,329)	10,956,697	10,397,883	(287,353)	10,130,510
Research and development expenses	3,032,112	-	3,032,112	2,764,368	-	2,764,368
Depreciation and amortization	3,325,743	-	3,325,743	3,185,126	-	3,185,126
Disposal of property, plant and equipment loss (gain)	78,538	(60,488)	18,070	(153)	-	(153)
Impairment charges	319,001	(319,001)	-	-	-	-
Total operating expenses	18,549,420	(1,216,798)	17,332,622	18,347,194	(287,353)	18,079,841
Income (loss) from operations	(2,408,456)	1,216,798	(1,191,658)	2,043,414	528,919	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)	-	55,082	(55,082)	-
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)	1,878,348	(2,517,991)	(2,038,152)	2,749,009	710,857
Provision (benefit) for income taxes	7,627,705	(8,348,088)	(718,383)	(2,403,379)	2,880,947	277,568
Net (loss) income	\$ (11,822,042)	10,022,434	\$ (1,799,608)	\$ 385,227	68,062	\$ 433,289
Net (loss) income per common share:						
Basic	\$ (0.87)		\$ (0.10)	\$ 0.02		\$ 0.03
Diluted	\$ (0.87)		\$ (0.10)	\$ 0.02		\$ 0.03
Weighted average number of common shares outstanding:						
Basic	17,718,057		17,718,057	14,936,311		14,936,311
Diluted	17,718,057		17,718,057	14,936,311		14,936,311

# 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



# FY 2019 Non-GAAP Adjustments



S&W SEED COMPANY CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)						
	Year Ended June 30, 2019			Year Ended June 30, 2018		
	GAAP	NON-GAAP Adjustments	NON-GAAP Adjusted	GAAP	NON-GAAP Adjustments	NON-GAAP Adjusted
Revenue						
Product and other	\$ 75,507,078	-	\$ 75,507,078	\$ 64,085,510	-	\$ 64,085,510
Licensing	34,215,433	-	34,215,433	-	-	-
Total revenue	109,722,511	-	109,722,511	64,085,510	-	64,085,510
Cost of revenue						
Product and other	69,014,490	-	69,014,490	49,332,052	-	49,332,052
Total cost of revenue	69,014,490	-	69,014,490	49,332,052	-	49,332,052
Gross profit	40,708,021	-	40,708,021	14,753,458	-	14,753,458
Operating expenses						
Selling, general and administrative expenses	17,488,071	(1,388,719)	16,087,352	10,503,020	(68,160)	10,438,860
Research and development expenses	6,272,758	-	6,272,758	3,887,723	-	3,887,723
Depreciation and amortization	4,128,546	-	4,128,546	3,439,287	-	3,439,287
Gain on disposal of property, plant and equipment	(88,222)	-	(88,222)	(82,680)	-	(82,680)
Goodwill impairment charges	11,865,811	(11,865,811)	-	-	-	-
Intangible asset impairment charges	6,034,792	(6,034,792)	-	-	-	-
Total operating expenses	45,701,756	(19,299,322)	26,402,434	17,747,050	(68,160)	17,680,890
Income (loss) from operations	(4,993,735)	19,299,322	14,305,587	(2,993,592)	68,160	(2,927,432)
Other expense						
Foreign currency gain	(99,467)	-	(99,467)	(12,584)	-	(12,584)
Change in derivative warrant liabilities	-	-	-	(431,300)	431,300	-
Change in estimated value of assets held for sale	1,521,855	(1,521,855)	-	-	-	-
Reduction of anticipated loss on sub-lease land	(141,373)	141,373	-	-	-	-
Interest expense - amortization of debt discount	340,847	(340,847)	-	169,045	(169,045)	-
Interest expense - convertible debt and other	2,886,077	-	2,886,077	1,863,288	-	1,863,288
Income (loss) before income taxes	(9,501,674)	21,020,851	11,518,977	(4,582,041)	(198,095)	(4,778,136)
Provision (benefit) for income taxes	(148,747)	-	(148,747)	143,049	-	143,049
Net income (loss)	\$ (9,352,927)	21,020,851	\$ 11,667,724	\$ (4,725,090)	(198,095)	\$ (4,921,185)
Net loss attributed to noncontrolling interests	(47,885)	-	(47,885)	-	-	-
Net income (loss) attributable to S&W Seed Company	\$ (9,305,242)	\$ 21,020,851	\$ 11,715,409	\$ (4,725,090)	(198,095)	\$ (4,921,185)
Net income (loss) per common share:						
Basic	\$ (0.31)		\$ 0.39	\$ (0.21)		\$ (0.22)
Diluted	\$ (0.31)		\$ 0.39	\$ (0.21)		\$ (0.22)
Weighted average number of common shares outstanding:						
Basic	30,102,158		30,102,158	22,481,491		22,481,491
Diluted	30,102,158		30,149,995	22,481,491		22,481,491

# YTD 2020 Non-GAAP Adjustments



**S&W SEED COMPANY**  
**ITEMIZED RECONCILIATION BETWEEN GROSS PROFIT AND NON-GAAP ADJUSTED GROSS PROFIT**  
**(UNAUDITED)**

	Three Months Ended June 30,		Years Ended June 30,	
	2020	2019	2020	2019
Gross profit	\$ 3,244,259	\$ 25,773,654	\$ 14,934,262	\$ 40,708,021
License revenue	—	(34,215,433)	—	(34,215,433)
Inventory write-downs	868,673	8,822,103	2,347,824	8,822,103
Non-GAAP Adjusted Gross Profit	<u>\$ 4,112,932</u>	<u>\$ 380,324</u>	<u>\$ 17,282,086</u>	<u>\$ 15,314,691</u>
Non-GAAP Adjusted Gross Margin	<u>15.9%</u>	<u>3.0%</u>	<u>21.7%</u>	<u>20.3%</u>

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

	Three Months Ended June 30,		Years Ended June 30,	
	2020	2019	2020	2019
Net Loss attributable to S&W Seed Company	\$ (4,802,229)	\$ (3,218,215)	\$ (18,674,324)	\$ (9,305,242)
Non-recurring transaction costs	207,447	53,823	792,993	1,196,476
Restructuring charges	-	202,243	-	202,243
Goodwill impairment charges	-	11,865,811	-	11,865,811
Intangible asset impairment charges	-	6,034,792	-	6,034,792
Reduction of anticipated loss on sub-lease land	-	-	-	(141,373)
Change in estimated value of assets held for sale	-	1,521,855	92,931	1,521,855
Change in contingent consideration	(302,139)	-	(302,139)	-
Loss on extinguishment of debt	-	-	140,638	-
Interest expense - amortization of debt discount	161,114	102,093	555,049	340,847
Non-GAAP Adjusted Net Loss	<u>\$ (4,735,807)</u>	<u>\$ 16,562,402</u>	<u>\$ (18,394,852)</u>	<u>\$ 11,715,409</u>
Non-GAAP Adjusted Net loss attributable to S&W Seed Company per common share:				
Basic	<u>\$ (0.14)</u>	<u>\$ 0.50</u>	<u>\$ (0.55)</u>	<u>\$ 0.39</u>
Diluted	<u>\$ (0.14)</u>	<u>\$ 0.50</u>	<u>\$ (0.55)</u>	<u>\$ 0.39</u>
Weighted average number of common shares outstanding:				
Basic	<u>33,423,894</u>	<u>33,278,218</u>	<u>33,348,283</u>	<u>30,102,158</u>
Diluted	<u>33,423,894</u>	<u>33,278,218</u>	<u>33,348,283</u>	<u>30,102,158</u>

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

	Three Months Ended June 30,		Years Ended June 30,	
	2020	2019	2020	2019
Net loss attributable to S&W Seed Company	\$ (4,802,229)	\$ (3,218,215)	\$ (18,674,324)	\$ (9,305,242)
Non-recurring transaction costs	207,447	53,823	792,993	1,196,476
Restructuring charges	-	202,243	-	202,243
Non-cash stock based compensation	373,760	160,976	1,167,951	694,610
Depreciation and amortization	1,416,229	1,066,775	5,036,464	4,128,546
Goodwill impairment charges	—	11,865,811	—	11,865,811
Intangible asset impairment charges	—	6,034,792	—	6,034,792
Foreign currency loss (gain)	31,221	(45,829)	98,620	(99,467)
Change in estimated value of assets held for sale	-	1,521,855	92,931	1,521,855
Change in contingent consideration	(302,139)	-	(302,139)	-
Loss on extinguishment of debt	-	-	140,638	-
Reduction of anticipated loss on sub-lease land	-	-	-	(141,373)
Interest expense - amortization of debt discount	161,114	102,093	555,049	340,847
Interest expense	588,202	628,700	1,970,882	2,886,077
Provision for income taxes	<u>368,744</u>	<u>(70,869)</u>	<u>385,968</u>	<u>(148,747)</u>
Non-GAAP Adjusted EBITDA	<u>\$ (1,957,651)</u>	<u>\$ 18,502,155</u>	<u>\$ (9,734,967)</u>	<u>\$ 19,176,428</u>