



March 2021

S&W Seed Company  
(Nasdaq: SANW)



# Forward-Looking Statements



This presentation contains "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." Forward-looking statements in this release include, but are not limited to: contributions of current and future technology products to our financial performance, including the related underlying projections and assumptions; financial projections, including core revenue and revenue from tech products, and other financial components of our business model highlights; commercialization plans and our ability to leverage our industry experience and customer base to achieve our commercialization plans; pipeline product development and launch timing; potential benefits of our Double Team Sorghum, Improved Quality Alfalfa and Dhurrin-Free Sorghum products and key growth assumptions related to such products; and the execution of our strategic and commercial plans. 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 our research and development efforts may not yield the anticipated benefits; sales of our tech products may be lower than anticipated; our strategic initiatives may not achieve the expected results; global pandemics and other health crises, such as COVID-19, may negatively impact our operations and financial results; and the risks associated with our ability to successfully optimize and commercialize our business. These and other risks are identified in our filings with the Securities and Exchange Commission, including, without limitation, our Annual Report on Form 10-K for the year ended June 30, 2020 and in other filings subsequently made by the Company with the Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management's assumptions and estimates as of such date. We do not undertake any obligation to publicly update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events or otherwise.

# Significant Trait Technology Development and Commercialization Experience

## Mark Wong, S&W Seed Company CEO

- ▶ 40+ years of experience in agriculture as a senior executive
- ▶ Successfully built, operated, and sold multiple seed technology companies to industry leaders across multiple crops, including sorghum, corn, soybeans, and vegetables.
- ▶ **Monsanto**
  - ▶ Served on the Monsanto ag board for four years, helping to write the strategy for gene sale and distribution
- ▶ **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 Technology Company



# Key Highlights

## The Ongoing Transformation of S&W

- ▶ **Launch of proprietary non-GMO trait technology in FY21 anticipated to transform the operating profile of S&W into a high growth, high margin business**
  - ▶ More than 50% of gross profit contribution over next decade expected to come from new tech products
  - ▶ Goal of 48% combined gross margins in FY 2031 contributing to projected \$69 million of adjusted EBITDA
- ▶ **Development of three different non-GMO technologies in three different product lines (grain sorghum, alfalfa, forage sorghum) providing crop and geographic diversification**
  - ▶ Double Team™, Improved Quality Alfalfa (IQ™), Dhurrin-Free Sorghum (DF™)
- ▶ **Unique opportunity to leverage existing business operations, where the company has long standing relationships across many product lines, to introduce new trait technology products**
  - ▶ 40-year operating history; leveraging large existing customer base
- ▶ **Focusing on crops in which the industry has had minimal tech investment over the years providing the opportunity to become market share leader with new product introductions**
  - ▶ Middle market crops expected to be key growth driver in years to come



# Financial Vision

Launch of trait technology products expected to transform S&W with opportunity for significant earnings

## 3 Year Vision (FY24)

**\$130M** Revenue  
Excluding Acquisitions

**\$12M** Revenue from Tech Products  
(Seed + Tech + License)

**35%** Combined Gross  
Profit Margins

**\$13M** Adjusted EBITDA

**10%** Adjusted EBITDA Margins

## 5 Year Vision (FY26)

**\$176M** Revenue  
Excluding Acquisitions

**\$35M** Revenue from Tech Products  
(Seed + Tech + License)

**41%** Combined Gross  
Profit Margins

**\$34M** Adjusted EBITDA

**19%** Adjusted EBITDA Margins

## 10 Year Vision (FY31)

**\$234M** Revenue  
Excluding Acquisitions

**\$70M** Revenue from Tech Products  
(Seed + Tech + License)

**48%** Combined Gross  
Profit Margins

**\$69M** Adjusted EBITDA

**30%** Adjusted EBITDA Margins

Note that further details and assumptions can be found in the Company's presentation filed in December 2020: <https://swseedco.com/wp-content/uploads/2020/12/SANW-Technology-Presentation-Dec-2020.pdf>



# 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



# Core Crop Portfolio

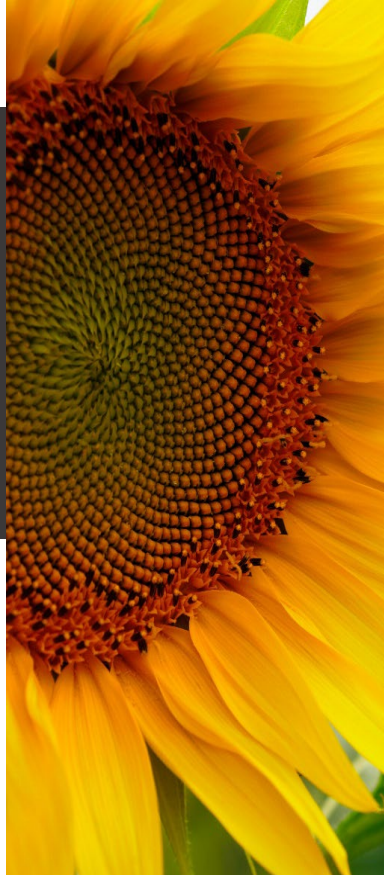
Diversified middle market agricultural platform



Alfalfa



Hybrid Sorghum



Hybrid  
Sunflower



Wheat



Pasture  
Products



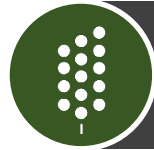
Stevia

# 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





# Business Evolution to Trait Technology Company





# S&W's Ongoing Evolution Into A Non-GMO Seed Trait Technology Company

More than 50% of gross profit contribution expected to come from new technology products over next 10 years

## 1980 - 2020

- ▶ Seed company with minimal trait technology integration
- ▶ Established and expanding crop portfolio
  - ▶ Alfalfa | Sorghum | Sunflower | Wheat | Pasture | Stevia
- ▶ Built large and diversified distribution and production capabilities
  - ▶ Products sold in more than 40 countries around the world
- ▶ Built and acquired R&D platform
  - ▶ Designed to drive innovation in middle market crops



## 2021 and Beyond

- ▶ Non-GMO Trait technology company in middle market crops
  - ▶ Commercialization expected for two traits in 2021; one trait in 2023
- ▶ Create innovation in crops that have historically been under invested
- ▶ Utilize R&D engine to create new value through advanced technology and partnerships with leading biotech companies and universities
  - ▶ Pathways include in-house development, license from third party technology developers, license from land grant universities
- ▶ Leverage large sales and field technical support staff
  - ▶ Goal of helping customers deploy new technology in crop portfolio and increase value on the farm



# Lead Novel Commercial Trait Technology Products

Three novel and proprietary products set to be commercialized



## Double Team™ Sorghum (DT™)

Double Team™ Sorghum (DT™) has non-GMO tolerance to broad spectrum grass herbicide

Anticipated Launch 2021



## Improved Quality Alfalfa (IQ™)

Improved Quality Alfalfa (IQA) is gene-edited to down-regulate lignin synthesis and improve forage digestibility in ruminants

Anticipated Launch 2021



## Dhurrin-Free Sorghum (DF™)

Dhurrin Free Sorghum removes naturally toxic metabolite from stressed forage sorghum resulting in safe, worry-free grazing and hay

Anticipated Launch 2023

Note that further details and assumptions can be found in the Company's presentation filed in December 2020: <https://swseedco.com/wp-content/uploads/2020/12/SANW-Technology-Presentation-Dec-2020.pdf>



## Untreated Sorghum

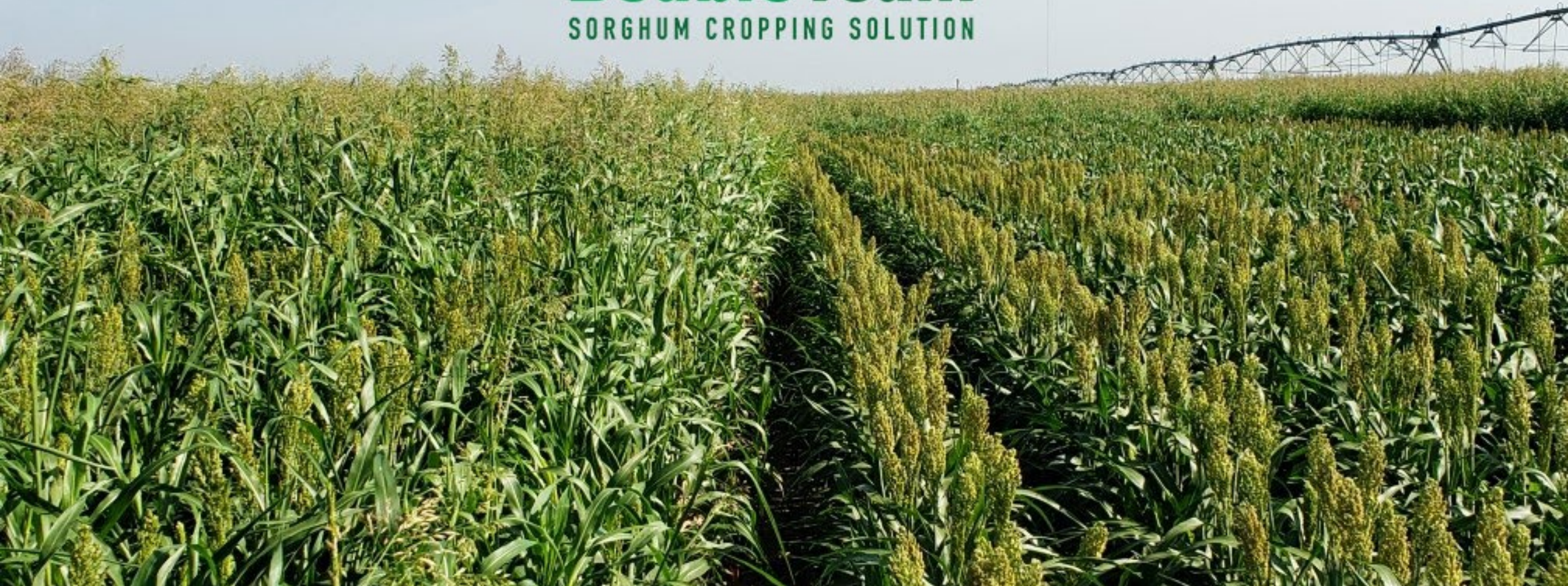
- ▶ Field overrun by grassy weeds
- ▶ Near total yield loss due to weed competition



***Double Team***<sup>™</sup>  
SORGHUM CROPPING SOLUTION

## Treated With Double Team

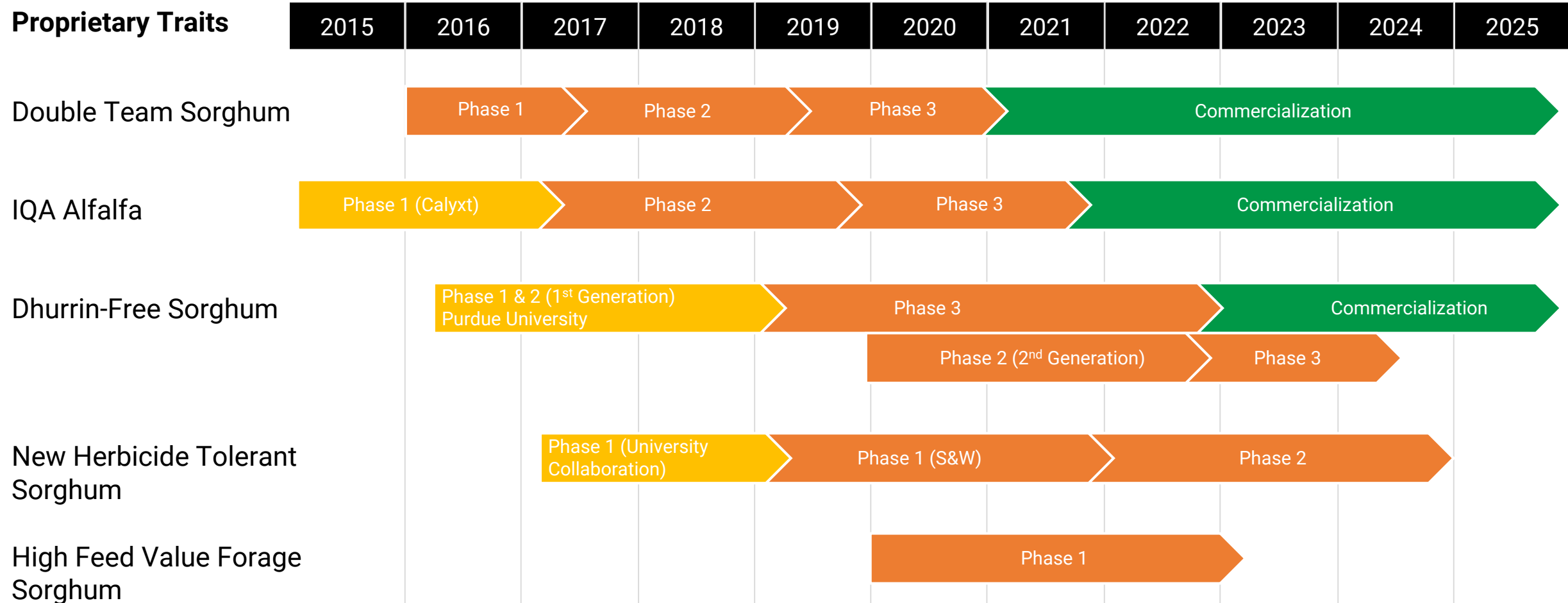
- ▶ Grassy weeds eliminated
- ▶ High return on investment for trait technology





# Proprietary Traits Development and Anticipated Launch Timing

S&W continues to expand its pipeline of trait technology projects



Note that further details and assumptions can be found in the Company's presentation filed in December 2020: <https://swseedco.com/wp-content/uploads/2020/12/SANW-Technology-Presentation-Dec-2020.pdf>





# Financials



# 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

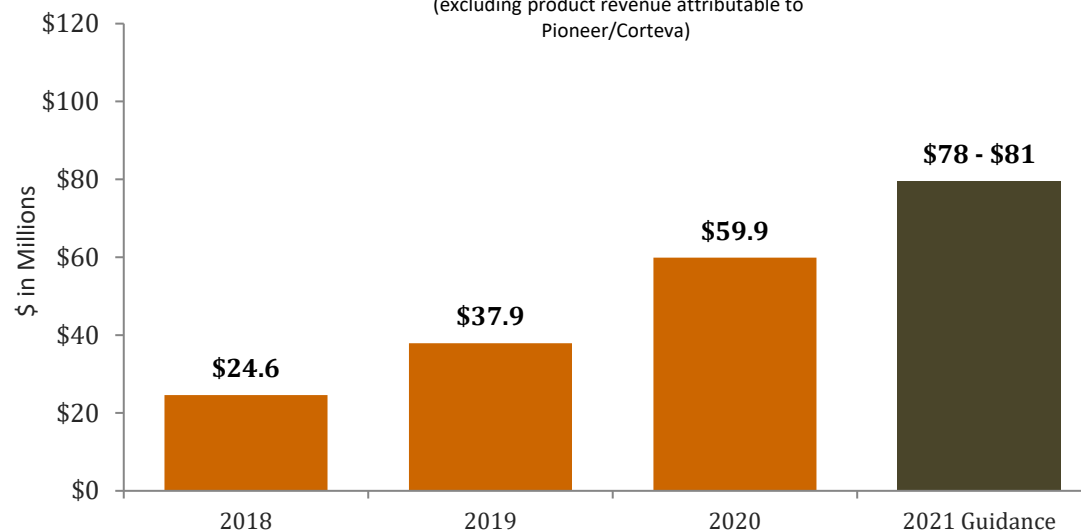
- 27% excluding Pasture Genetics

## ► Management expects Core Revenue growth of 30-35% in FY 2021

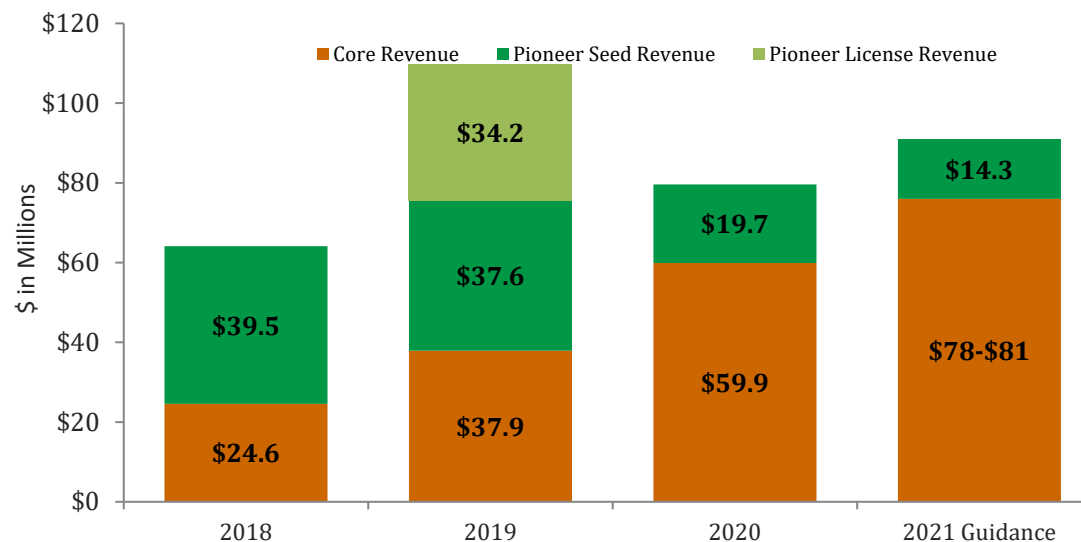
- \$34.2 M licensing revenue in FY 2019 from Pioneer reflects the estimated Adjusted EBITDA S&W would have recognized over the remaining 5 years of the original agreement
  - \$34.0 M of additional seed revenue to Pioneer
    - \$19.7 M in FY 2020; \$14.3 M in FY 2021

## Core Revenue

(excluding product revenue attributable to Pioneer/Corteva)



## Total Revenue



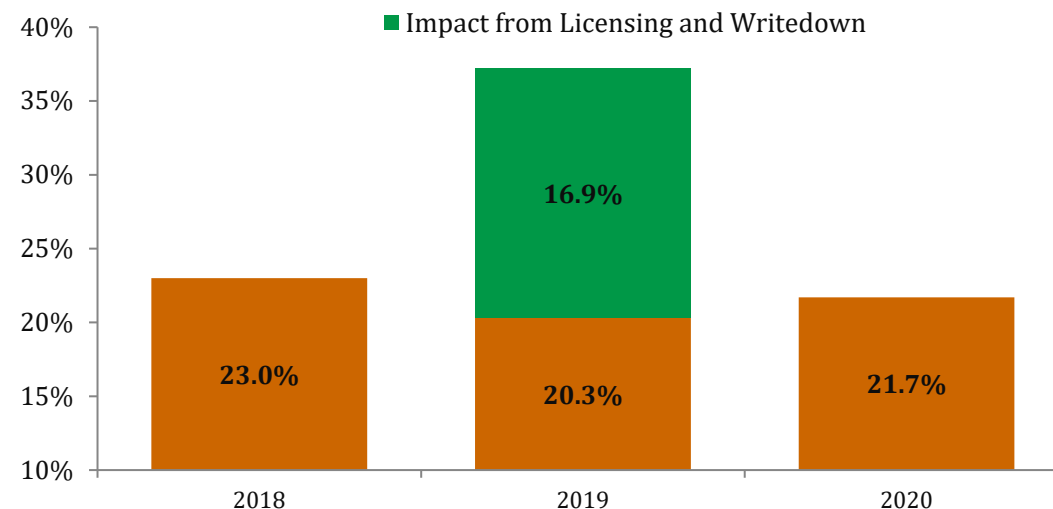
# Selected Financials

FY ends June

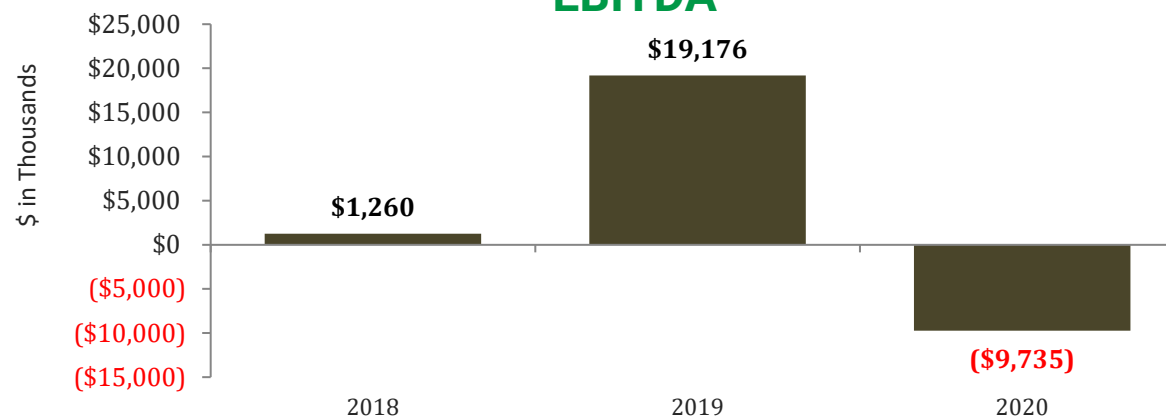
## ► Gross margin and EBITDA expansion initiatives:

- **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

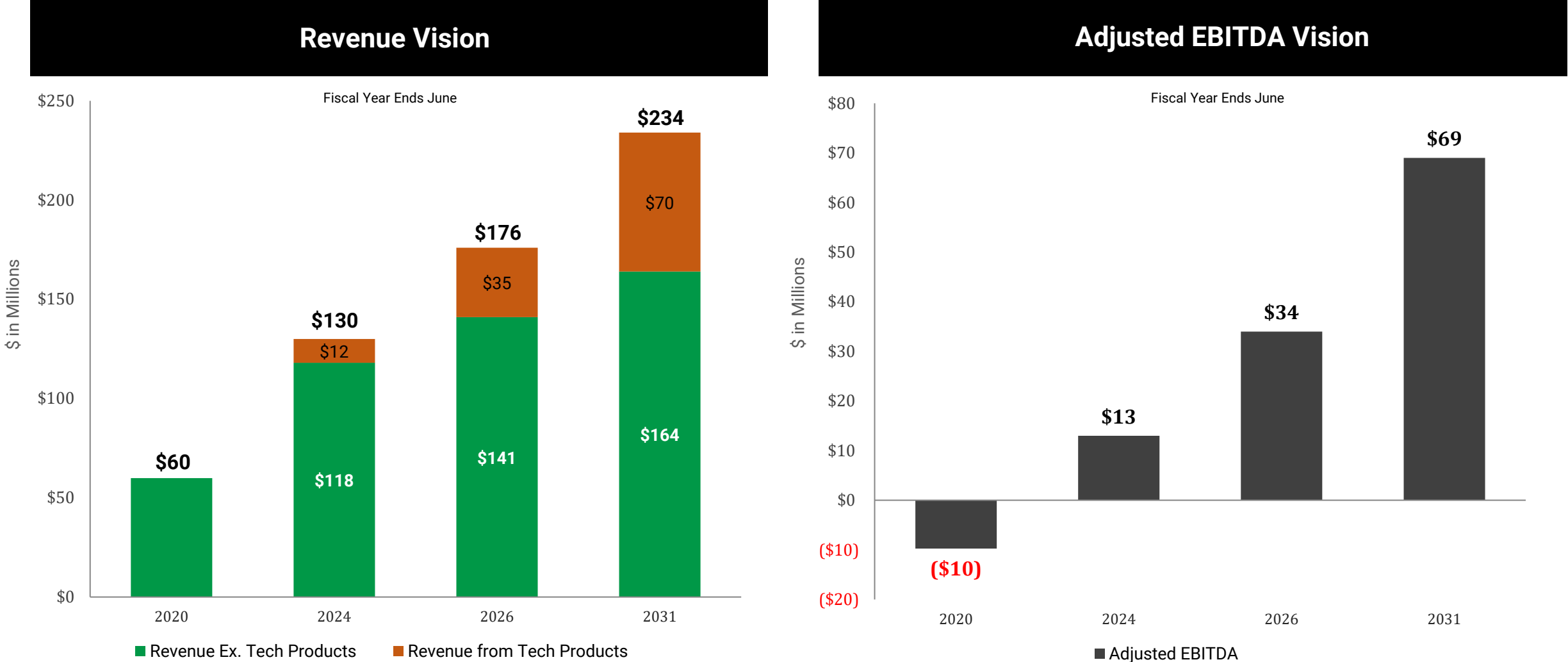


Reconciliation of Gross Margins is found included in the appendix to this presentation.  
FY2019 includes impact from Pioneer licensing agreement offset by inventory writedown.  
Reconciliation of EBITDA is included in the appendix to this presentation



# Total Company Revenue and EBITDA Vision

Significant earnings power through tech products



Note that further details and assumptions can be found in the Company's presentation filed in December 2020: <https://swseedco.com/wp-content/uploads/2020/12/SANW-Technology-Presentation-Dec-2020.pdf>  
2020 revenue excluding product revenue attributable to Pioneer, which the company defines as Core Revenue. Numbers may not equate due to rounding.

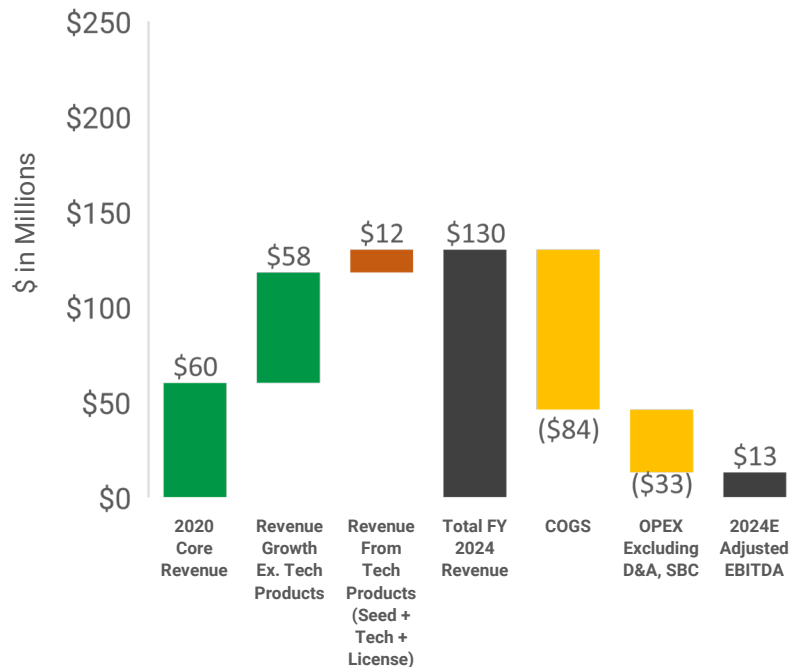


# Revenue and Adjusted EBITDA Vision Bridge

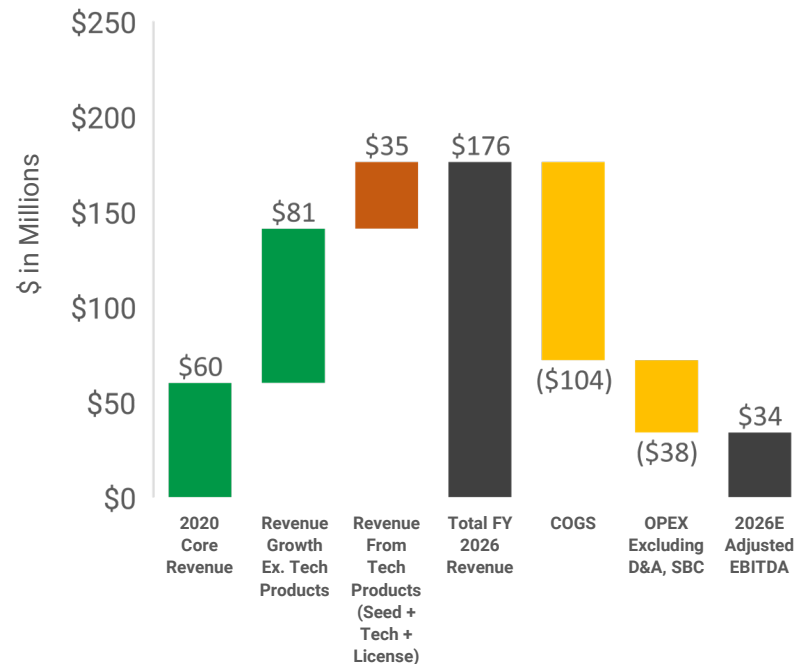
Business model highlights significant leverage with launch of new tech products

Fiscal Year Ends June 30

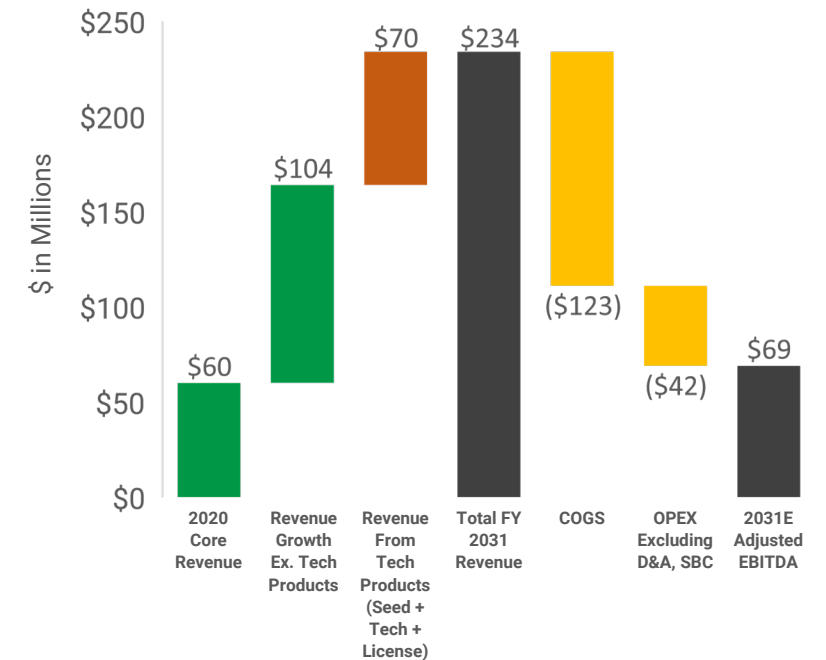
## 3 Year Revenue and Adjusted EBITDA Vision Bridge



## 5 Year Revenue and Adjusted EBITDA Vision Bridge



## 10 Year Revenue and Adjusted EBITDA Vision Bridge



Note: 2020 revenue excluding product revenue attributable to Pioneer, which the company defines as core revenue. Numbers may not equate due to rounding.

Note that further details and assumptions can be found in the Company's presentation filed in December 2020: <https://swseedco.com/wp-content/uploads/2020/12/SANW-Technology-Presentation-Dec-2020.pdf>

The following is intended to provide a guide as to the potential financial opportunity for the Company. While subject to risk and uncertainty, and the Company's performance as compared to various estimates and assumptions, we believe the following provides useful insight into management's view regarding the potential growth opportunities for the Company's business, and how management intends to measure the success of its planned commercial launch of the Company's three lead trait technology products.

# Balance Sheet Flexibility for Growth

(\$ in Millions)	6/30/2017	6/30/18	6/30/19	6/30/20	12/31/20
Cash and cash equivalents	\$0.7	\$4.3	\$3.4	\$4.1	\$2.9
Accounts receivable, net	\$23.2	\$13.9	\$13.4	\$19.0	\$12.9
Inventory	\$31.5	\$60.4	\$71.3	\$63.9	\$72.0
Total assets	\$117.1	\$137.8	\$146.4	\$156.0	\$156.1
Short-term working capital lines	\$27.4	\$32.6	\$10.8	\$27.0	\$35.5
Pioneer note payable and earn-out	\$12.5	\$0.0	\$0.0	\$0.0	\$0.0
Other debt	\$1.4	\$13.5	\$13.3	\$16.1	\$15.4
Total shareholder's equity	\$61.2	\$81.7	\$100.0	\$81.3	\$68.5
Net working capital	\$17.9 <sup>(1)</sup>	\$37.5	\$57.7	\$35.8	\$25.4

(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





# Summary





# Shareholder Value Generation



## Right Products

- Launch of trait technology products expected to transform S&W into a high growth, high margin business with multiple licensing and tech trait capabilities



## Right Markets

- Customer and market surveys indicate grower demand/adoption is expected to be strong for lead products and could help to generate annual adjusted EBITDA contribution of \$69M in FY 2031



## Right Team

- S&W boasts one of the industry's most accomplished management teams and board of directors in bringing to market high value trait technologies



# Seed Trait Technology Management Team



**Mark Wong**  
*CEO and Director*

- ▶ Created first GMO sunflower
- ▶ Successful creation of Roundup Ready soybeans
- ▶ Developed Monsanto insect and herbicide gene stacks in cotton
- ▶ Developed Syngenta insect and herbicide gene stacks in cotton



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

- ▶ Technical development BXN and Roundup Ready cotton
- ▶ Development Round up Ready Flex and Bollguard II Cotton
- ▶ Development Glytol and Liberty Link cotton
- ▶ Technical development CMS Hybrid Rice



**Don Panter**  
*EVP, Americas*

- ▶ Lead plant breeding scientist at Calgene for commercialization of GMO herbicide-resistance and insecticidal traits in cotton
- ▶ CTO for Stoneville / Emergent Genetics led integration and commercialization of GMO seed products from both in-house and in-licensed traits including herbicide resistance traits BXN and Roundup Ready, and insecticidal Bt traits from Calgene, Monsanto and Syngenta; led out-licensing efforts to license in-house traits to outside collaborators / competitors



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

- ▶ Commercial launch of Imi Corn
- ▶ Development of Balance GT gene business
- ▶ Development of Roundup Ready corn and additional stacked traits corn and soybeans



**Cameron Henley**  
*Commercial Lead MENA*

- ▶ Developed novel endophytes
- ▶ Non-GMO embryo rescue Raphanobrassica



**David Callachor**  
*EVP, International*

- ▶ 20 years of experience in the agriculture industry, including extensive international experience in hybrid seeds, traits and new technologies
- ▶ Limagrain Group Sales Manager for South East Asia
- ▶ National Farm Services Manager for Landmark, an Agrium Company, in Australia, where he managed all technology and service offerings in the field for the Landmark farm services business



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

- ▶ Development of Roundup Ready Alfalfa
- ▶ Technical of development CMS Hybrid Alfalfa
- ▶ Technical of development CMS hybrid soybeans

# Expanded Management



**Mark Wong**  
*CEO and Director*



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



**Jacob Kurzawa**  
*Corporate Controller*



**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**  
*Former Executive Officer,  
Global  
Commercial/Operations,  
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**  
*Former Chairman of Cargill Asia  
Pacific and Lead Cargill's Agriculture  
Supply Chain (retired)*



**David Fischhoff**  
*Former Senior  
Executive R&D,  
Monsanto Company  
(retired)*



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





# Appendix



# Non-GAAP Financial Measures



## Non-GAAP Financial Measures

In addition to financial measures included in this presentation that are calculated 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: adjusted EBITDA; adjusted EBITDA margins; and Operating Expense, excluding depreciation, amortization, and stock-based compensation. 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 contingent consideration liability, 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 and adjusted operating expense 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 these non-GAAP measures 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. The Company has not reconciled adjusted EBITDA to net income (loss) or adjusted operating expense to GAAP operating expense because the Company has not provided assumptions for the other line items that are reconciling items, including depreciation, amortization, interest expense and stock-based compensation, among others. As these items are out of the Company's control and cannot be reasonably predicted, the Company is unable to provide such an outlook. Accordingly, reconciliation of these non-GAAP measures to their most directly comparable GAAP measures is not available without unreasonable effort.

# 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 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	(86,222)	-	(86,222)	(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>