

S&W Adds Wheat Program to Expand Australian Market Presence

S&W licenses commercialized and developmental wheat germplasm in Australia from Corteva Agriscience

Wheat is the largest grain crop in Australia with approximately 30 million acres planted each year

S&W anticipates numerous synergies across sales, marketing, R&D, and breeding

SACRAMENTO, Calif., Aug. 20, 2019 — S&W Seed Company (Nasdaq: SANW) today announced the expansion of its Australian agriculture market presence through the addition of elite wheat germplasm to its portfolio of products. Under its exclusive, prepaid license from Corteva Agriscience, S&W will immediately offer a number of commercialized varieties to the Australian market. S&W will also continue a breeding program for varieties which S&W believes have the potential to offer a number of benefits to Australian wheat growers as compared to existing commercial varieties, including superior disease resistance, superior yields and grain quality to suit the diverse Australian conditions. The addition of wheat to the S&W portfolio, which also includes sorghum, alfalfa and sunflower, advances S&W's strategic objective to become one of the leading suppliers of elite seed genetics to Australian farmers.



The license has an initial term of 15 years. S&W will own any new distinct wheat varieties generated from its breeding program.

Mark Wong, President & CEO of S&W Seed Company, commented, "S&W has significantly expanded its presence in the Australian market with a goal to become a one-stop supplier of elite seed genetics to Australian farmers. We believe the addition of a wheat program in Australia enhances our crop portfolio with excellent synergies to our existing business. We expect that the ability for our field-based sales teams to now have more opportunities to visit key customers will further build brand awareness and loyalty across our expanding crop portfolio of sorghum, alfalfa, sunflower and now wheat."

Australia produces around 24.3 million tons of wheat on approximately 30 million acres of production annually. Wheat is Australia's largest grain crop with a gross value reported at

over US \$4 billion. Up to 70% is exported into Southeast Asian countries.

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. The applicable EPR varies by variety, but typically ranges from US \$2 to US \$4 per metric ton. 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.

Nicholas Willey, who joined S&W in 2018, was previously the lead Northern Wheat Breeder for the Dow AgroSciences wheat program tasked with designing, implementing and executing breeding and selection plans to deliver high yielding, disease resistant wheat varieties. Willey will oversee the Australian wheat program for S&W.

S&W will immediately take on a number of commercialized varieties in the market, including “DS Bennett,” a winter, white grained, dual purpose variety with excellent grain recovery offering long grazing potential, and opportunity for hay. Additionally, S&W licensed “DS Pascal,” a longer season spring wheat suited to Southern Western Australia, Victoria and Southern New South Wales with numerous market leading characteristics, including pre-harvest sprouting tolerance, powdery mildew resistance, excellent standability, and a strong disease profile with excellent stripe rust resistance and yellow leaf spot tolerance. New elite varieties in the breeding pipeline are currently entered in National Variety Trials and are slated for release in April 2020. The program aims to deliver varieties to all wheat growing regions that fit diverse agronomic systems and increase the bottom line of Australian growers.

S&W anticipates receiving an EPR on approximately 230,000 metric tons of wheat grain delivered in FY20 with plans to grow market share year over year. The program is expected to be EBITDA break-even in FY20 and contribute positive EBITDA in FY21 and beyond.

About S&W Seed Company

Founded in 1980, S&W Seed Company is a global agricultural company headquartered in Sacramento, California. S&W’s vision is to be the world’s preferred proprietary seed Company which supplies a range of forage and specialty crop products that supports the growing global demand for animal proteins and healthier consumer diets. S&W is a global leader in alfalfa seed and sorghum hybrid, with significant research and development, production and distribution capabilities. S&W also provides hybrid sunflower and is utilizing its research and breeding expertise to develop and produce stevia, the all-natural, zero calorie sweetener for the food and beverage industry. For more information, please visit www.swseedco.com.

Non-GAAP Financial Measures

This press release includes S&W’s expectations regarding the wheat program’s impact on

EBITDA, which is a non-GAAP financial measure. S&W uses this non-GAAP financial measure internally to facilitate analysis of its operating performance and liquidity, and believes it is 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, this measure is not intended to be a substitute for financial measures reported in accordance with GAAP. This measure may be different from non-GAAP financial measures used by other companies, even when similar terms are used to identify such measures.

Safe Harbor Statement

This release 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, plans for breeding developmental varieties and expectations of their potential to offer differentiated characteristics compared to existing commercial varieties; our growth position in the Australian market; expected synergies from the addition of a wheat program;; our ability to execute our long-term objective of becoming a leading supplier of elite crops in Australia; the benefits of the transaction to our sale's team ability to expand our operations; the impact of the new license on aspects of our business such as customer loyalty and brand awareness; the future market opportunity for "DS Bennett", "DS Pascal" and other seed varieties; expected timing of future elite crop varieties; anticipated EPR received by us in fiscal 2020 and our plans to grow market share year over year; expected financial performance of the wheat program, including expected break-even and positive contribution to EBITDA; and statements regarding the advancement of our strategic 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 risk that the integration of the Chromatin acquisition may not provide the anticipated benefits; our shift to customer centric strategies and the realignment of our organization across geographic lines may not meet our expectations; our strategic initiatives may not achieve the expected results; and 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, 2018 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.

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