

S&W Seed Company Enters Stalking Horse Bid for Chromatin Sorghum Assets

— MFP Partners and S&W enter securities purchase agreement to fund potential asset purchase

SACRAMENTO, Calif., Sept. 5, 2018 — **S&W Seed Company** (Nasdaq: SANW) today announced that it has entered a stalking horse bid of \$23.0 million to purchase substantially all of the assets of Chromatin, Inc., a U.S.-based sorghum operator, which entered into receivership earlier this year. If successful with the bid, S&W anticipates the transaction would close in October 2018.



To assist in funding the potential acquisition and provide additional working capital, S&W has entered into a Securities Purchase Agreement with MFP Partners, L.P., S&W's largest shareholder, providing total proceeds of approximately \$27.5 million.

S&W will discuss further details of the process and potential attributes of the transaction during its regularly scheduled year-end financial results conference call to occur later this month.

Asset Purchase Agreement

On September 5, 2018, S&W entered into an Asset Purchase Agreement with Novo Advisors, solely in its capacity as the receiver for, and on behalf of, Chromatin in a receivership action pending in the United States District Court for the Northern District of Illinois. Pursuant to the Asset Purchase Agreement, S&W agreed to purchase substantially all of Chromatin's assets, as well as assume certain of its contracts, for a purchase price of \$23.0 million.

Pursuant to the court-approved sale procedures, other parties have an opportunity to submit a competing bid by September 7, 2018 (or such later date as the Receiver and Chromatin's bank may agree) and, if a qualified competing bid is submitted, an auction would be held on September 13, 2018. A court hearing to consider approval of the Asset Purchase Agreement and the related asset acquisition or, if an auction is held, the winning bid at the auction, is

scheduled for September 17, 2018.

The closing of the transaction is contingent upon, among other things, (a) the outcome of this sale process, (b) the entry of a sale order by the United States District Court for the Northern District of Illinois, (c) the written consent of Chromatin's bank and all other all other holders of any liens and security interests on the purchased assets, and (d) Novo obtaining executed written consents to the assignment of certain contracts.

Securities Purchase Agreement

On September 5, 2018, the Company entered into a Securities Purchase Agreement with MFP, pursuant to which the Company concurrently sold 1,607,717 shares of common stock to MFP at a purchase price of \$3.11 per share, and agreed to sell to MFP 7,235 shares of a newly designated Series A Convertible Preferred Stock for a purchase price of \$3,100 per share at a subsequent closing, each in a private placement. The preferred shares are convertible into shares of common stock at a conversion price of \$3.11 per share. The sale of the shares of preferred stock is contingent upon, among other things, the entry of the sale order and the other conditions to the closing of the Chromatin transaction having been satisfied or reasonably expected to be satisfied. The Company expects to use the proceeds from the financing to purchase the Chromatin assets and for working capital purposes.

The shares of preferred stock will carry no voting rights and will be automatically converted into shares of common stock upon the Company's receipt of stockholder approval of the issuance of the common stock upon conversion of the preferred stock. The Company has agreed to use its reasonable best efforts, promptly following the entry of the sale order, to solicit this stockholder approval. In connection with the stockholder approval requirement, on September 5, 2018 S&W entered into a Voting Agreement with the holders of a majority of the outstanding shares of its common stock, pursuant to which these holders agreed to vote their shares in favor of the issuance of the foregoing shares of common stock.

This release is neither an offer to sell nor a solicitation of an offer to buy any securities of S&W Seed Company.

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, with significant research and development, production and distribution capabilities. S&W's capabilities span the world's alfalfa seed production regions, with operations in the Western United States, including the San Joaquin and Imperial Valleys of California, Australia, and Canada, and S&W sells its seed products in more than 30 countries around the globe. S&W also provides hybrid sorghum and 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.

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, statements concerning the aggregate purchase price of the Chromatin assets, the outcome of the proposed asset purchase and related sale procedures, timing of the transaction and related closing, proceeds of the stock sale to MFP Partners, L.P., use of the proceeds of the foregoing sale and the advancement of our strategic initiatives. 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 the asset purchase may not be completed, the United States District Court for the Northern District of Illinois may not approve the asset purchase agreement and related transaction, we may be out-bid by another party, the second closing of the stock sale may not be completed, 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 fiscal year ended June 30, 2017, and in our other filings subsequently made 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. 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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