

S&W Seed Company Improves Production Efficiencies Through Plant Consolidation

- S&W consolidates U.S. alfalfa seed production facilities to Nampa, Idaho following the sale of its Five Points, California seed processing facility
- Relocation of alfalfa seed production to more cost-effective regions expected to reduce product costs and expand gross margins

LONGMONT, Colo., Jan. 25, 2021 — S&W Seed Company (Nasdaq: SANW), a global agricultural technology company, today announced the consolidation of the Company's U.S. alfalfa seed production operations, resulting in the sale of its Five Points, California seed processing facility for \$2.25 million. Moving forward, all U.S. seed production operations will be consolidated in the Company's two mechanized facilities in Nampa, Idaho and New Deal, Texas. S&W anticipates approximately \$1 million in annualized cost synergies from the consolidation, which is expected to improve gross margins in alfalfa seed. The \$2.25 million in gross proceeds from the sale will be used to pay-off long-term debt associated with the Five Points facility.



“Our supply chain team has been evaluating strategies to improve our cost of goods (COGS) structure for producing and packaging our seed products. Among the many strategies we considered, the relocation of seed production from more expensive regions such as California to more cost-effective regions was highlighted as one of the best ways to effect immediate impact on achieving our goals for reducing COGS and improving gross margins,” commented Mark Wong, CEO of S&W Seed Company. “The sale of our California facility will reduce our overall production costs, anticipated to be approximately \$1 million on an annualized basis, and further allows us to improve our capital structure through the pay-off of long-term debt associated with the facility.”

In addition to the two U.S.-based production facilities, S&W also maintains production operations in Australia.

All full-time plant personnel have been offered employment by the acquiring entity. The sale of the Five Points facility is expected to result in a one-time gain on disposal of fixed assets of approximately \$1.25 million. The transaction closed on January 21, 2021.

About S&W Seed Company

Founded in 1980, S&W Seed Company is a global agricultural seed technology company headquartered in Longmont, Colorado. 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 proprietary alfalfa, sorghum and pasture seeds, with significant research and development, production and distribution capabilities. S&W's product portfolio also includes hybrid sunflower and wheat and the company 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 regarding: anticipated synergies, reduction of COGS, and improved gross margins resulting from the Five Points, California facility; and the expected one-time gain resulting from the disposal of fixed assets. 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 future acquisitions may not yield the anticipated benefits; sales during the high-volume selling season may be lower than expected; the realignment of our organization across geographic lines and to benefit from a multi-crop portfolio may not meet our expectations; 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.

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