

**RiceBran Technologies**  
**Notes to Consolidated Financial Statements**

The purchase price for Golden Ridge was subject to adjustment if the estimated working capital with respect to the assets purchased and the liabilities assumed at the time of closing was different than the actual closing working capital, as defined in the purchase agreement. We revised our preliminary estimate of the working capital adjustment as indicated in the table below. The following table summarizes the purchase price allocation as of closing and as revised (in thousands, except share and per share amounts).

	Estimated at Acquisition and as of December 31, 2018	Adjustments	Final as of December 31, 2019
1,666,667 shares of common stock, at fair value of \$3.00 per share at closing	\$ 5,000	\$ -	\$ 5,000
Golden Ridge financial liabilities paid for the seller	2,661	-	2,661
Cash	250	-	250
Note payable to seller	609	-	609
Working capital adjustment to purchase price	(1,147)	584	(563)
Total fair value of consideration transferred	<u>7,373</u>	<u>584</u>	<u>7,957</u>
 Cash	 409	 (63)	 346
Accounts receivable	1,587	87	1,674
Inventories	103	-	103
Property and equipment	5,092	-	5,092
Accounts payable	(222)	110	(112)
Commodities payable	(2,559)	432	(2,127)
Accrued liabilities	(12)	12	-
Lease liabilities	(104)	-	(104)
Equipment notes payable	(99)	6	(93)
Net recognized amounts of identifiable assets acquired and liabilities assumed	<u>4,195</u>	<u>584</u>	<u>4,779</u>
Goodwill	<u>\$ 3,178</u>	<u>\$ -</u>	<u>\$ 3,178</u>

The 1,666,667 shares issued at closing of our purchase of Golden Ridge included 380,952 shares that were deposited in an escrow account to be used to satisfy any indemnification obligations of the seller that may arise. As of December 31, 2018, the 380,952 shares remained in escrow. In July 2019, we reached an agreement to settle the \$0.6 million working capital adjustment receivable and other claims with the sellers of Golden Ridge. As a result, (i) 340,000 shares of common stock held in the escrow account (\$1.0 million fair value as of both the settlement date and the November 28, 2018, acquisition date) were returned to us and retired, (ii) the remaining \$0.4 million note payable we owed to a seller was cancelled and (iii) certain open grain purchase contracts with entities related to a seller were terminated. We recorded a gain on the noncash settlement of \$0.8 million in the third quarter of 2019, which is included in other income. In connection with the foregoing, a settlement agreement was entered into among the parties. All shares of common stock were distributed and the escrow agreement was terminated.

The fair value of trade receivables for Golden Ridge at acquisition was \$1.6 million, which was \$0.1 million less than the value of gross trade receivables. Goodwill was primarily attributed to intangible assets that do not qualify for separate recognition and synergies generated by Golden Ridge's integration with our other operations. Between December 31, 2018, and June 30, 2019, information was discovered requiring adjustments to the opening balance sheet of Golden Ridge. The adjustments resulted primarily from an overstatement of the opening balances of commodities payable and accounts payable at December 31, 2018. These balances were adjusted in the June 30, 2019, financial statements. The impact of the adjustments to our prior period financial statements is not considered significant. No additional adjustments have been made to the opening balances after June 30, 2019.

Our revenues for 2019 and 2018 includes \$7.6 million and \$0.9 million related to the acquired Golden Ridge business. Our net loss for 2019 and 2018 includes \$2.8 million and \$0.2 million, respectively, related to the acquired Golden Ridge business. The following table provides unaudited pro forma information for 2018 as if the acquisition had occurred January 1, 2017.

Revenues (in thousands)	\$ 30,289
Loss from continuing operations (in thousands)	\$ (10,601)
Loss per share - continuing operations	\$ (0.45)
Weighted average number of common shares outstanding - basic and diluted	23,615,131

No adjustments have been made in the pro forma information for synergies that are resulting or planned from the Golden Ridge acquisition. The unaudited proforma information is not indicative of the results that may have been achieved had the companies been combined as of January 1, 2017, or of our future operating results.