

## USE OF NON-GAAP FINANCIAL INFORMATION

We utilize “Adjusted EBITDA” as a supplemental measure in our ongoing analysis of short term and long term cash requirement and liquidity needs. Adjusted EBITDA does not represent cash flows from operations as defined by generally accepted accounting principles (“GAAP”), is not a measure derived in accordance with GAAP and should not be considered as an alternative to net income (the most comparable GAAP financial measure to EBITDA). Management uses Adjusted EBITDA as an indicator of our current financial performance. By eliminating the impact of all material non-cash charges as well as items that do not regularly occur, we believe that Adjusted EBITDA provides a more accurate and informative indicator of our cash requirements.

The table below contains a reconciliation of net income (GAAP) and Adjusted EBITDA (Non-GAAP) for the three and twelve months ended December 31, 2018 and December 31, 2017. We do not provide a reconciliation of forward-looking net income (GAAP) to Adjusted EBITDA (non-GAAP). Due to the nature of certain reconciling items, it is not possible to predict with any reliability what future outcomes may be with regard to the expense or income that may ultimately be recognized in future periods. Any forward-looking Adjusted EBITDA information that we may provide from time to time consistently excludes the same items from projected net income that are excluded from actual net income in the table below.

**RiceBran Technologies**  
**Adjusted EBITDA Reconciliation**  
**For the three months ended December 31 (in thousands)**

	2018	2017
Net income (loss)	\$ (2,356)	\$ (1,795)
Interest expense	7	7
Depreciation & amortization	229	186
Unadjusted EBITDA	\$ (2,120)	\$ (1,602)
Add Back Other Items:		
Change in fair value of derivative liabilities	-	138
Other income/expense	(132)	(59)
Share-based compensation	269	169
Acquisition related expenses	132	-
Corporate relocation associated expenses	-	15
Adjusted EBITDA	\$ (1,851)	\$ (1,339)

**RiceBran Technologies**  
**Adjusted EBITDA Reconciliation**  
**For the twelve months ended December 31 (in thousands)**

	2018	2017
Net income (loss)	\$ (8,056)	\$ (15,215)
Interest expense	12	1,623
Depreciation & amortization	773	757
Unadjusted EBITDA	\$ (7,271)	\$ (12,835)
Add Back Other Items:		
Change in fair value of derivative liabilities	-	(670)
Loss on extinguishment of debt	-	8,290
Other income/expense	(168)	(125)
Share-based compensation	886	1,073
Acquisition related expenses	132	-
Corporate relocation associated expenses	-	116
Other	-	92
Adjusted EBITDA	\$ (6,421)	\$ (4,059)