

Non-GAAP Reconciliation

For the Quarterly
Earnings Call on
September 27, 2016



Certain Non-GAAP performance measures and corresponding reconciliations to GAAP financial measures for the Company have been provided for the current operating period. Generally a Non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flow that excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles. In order to fully assess the financial operating results management believes that an adjusted EBITDA discussed in the earnings conference call on September 27, 2016 is an appropriate measure of the operations of the Company. However this measure should be considered in addition to, and not a substitute for, or superior to, net income or operating income or other financial performance measures prepared in accordance with GAAP. Please see the attached Non-GAAP Financial Measure and Reconciliation for a complete description of the adjustments made to such amounts.

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Adjusted EBITDA for Fiscal Year 2016 (In USD 000's omitted)

	Year Ended June 30, 2016
Net loss attributable to SES stockholders	\$ (23,072)
Adjustments	
Interest expense, net	379
Depreciation and amortization	869
Impairments	8,613
Stock-based expense	3,317
Net loss attributable to noncontrolling interests	(516)
Adjusted EBITDA	<u>\$ (10,410)</u>

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