



FPI  
LISTED  
NYSE

## Q2 2019 Supplemental Package

Farmland Partners Inc. (NYSE: FPI) is an internally managed, publicly traded real estate company that owns and seeks to acquire high-quality farmland throughout North America addressing the global demand for food, feed, fiber and fuel.





## Contents

---

Press Release .....	3
Financial Highlights .....	6
Balance Sheet .....	7
Income Statement .....	8
FFO and AFFO Reconciliation .....	10
Debt Summary .....	12
Portfolio Overview .....	13
Recent Acquisition Activity .....	14
Recent Disposition Activity.....	15
NAV Analysis .....	16
Equity Analyst Coverage .....	17
Company Information .....	18
Definitions and Reconciliations .....	19

Some of the statements contained in this presentation, including statements regarding our portfolio development approach, our pending acquisitions, and other investment opportunities, our future growth prospects and targeted returns, farmland investment characteristics and certain trends, constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” or “potential” or the negative of these words or similar words, which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in this presentation reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances, many of which are beyond our control, that may cause actual results to differ significantly from those expressed in any forward-looking statement. While forward-looking statements reflect our good faith beliefs, assumptions and expectations, they are not guarantees of future performance. Furthermore, we expressly disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in the underlying assumptions or factors, new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause our future results to differ significantly from any forward-looking statements, see the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018, and our other filings with the Securities and Exchange Commission.

This presentation contains statistics and other data that has been obtained from or compiled from information made available by third parties. We believe that the information obtained from or compiled by third parties is reliable, but we have not independently verified such information.

---

## Farmland Partners Inc. Reports Second Quarter 2019 Results

DENVER, August 6, 2019 /PRNewswire/ - Farmland Partners Inc. (NYSE: FPI) (the "Company") today reported financial results for the quarter ended June 30, 2019.

### Second Quarter 2019 Highlights

- Reported total operating revenues of \$10.9 million, a 4.1% decrease over the same period in 2018
- Reported year-to-date total operating revenues of \$21.8 million, a 3.5% decrease over the same period in 2018
- Reported operating income of \$4.0 million, a 23.8% decrease over the same period in 2018
- Reported year-to-date operating income of \$8.5 million, a 15.3% decrease over the same period in 2018
- Reported a basic net income to common stockholders of \$0.09 per share
- Reported total net income of \$6.5 million, a 565.1% increase over the same period in 2018
- Reported Adjusted EBITDAre of \$6.5 million, a 16.8% decrease over the same period in 2018
- Reported AFFO per share of -\$0.05
- Completed farm dispositions totaling \$29.7 million
- Repurchased \$12.9 million in shares of common stock at a weighted average price of \$6.49 per share, and \$0.5 million of Series B Participating Preferred Stock at a weighted average price of \$23.68 per share.

"The farm economy is facing headwinds. However, the Company continued to successfully execute on its strategy to opportunistically sell assets at material premiums to purchase price and used those proceeds to repurchase stock and pay down debt. Since we began that process, we have closed on \$67.4 million in asset dispositions at an approximately 20% premium to net book value," said Paul A. Pittman, the Company's CEO.

### Financial Results

For the three months ended June 30, 2019, the Company recorded a net income of \$6.5 million and a basic net income to common stockholders of \$0.09 per share, as compared to a net income of \$1.0 million and a basic net loss to common stockholders of \$0.07 per share for the same period during 2018. For the six months ended June 30, 2019, the Company recorded a net income of \$6.5 million and a basic net loss to common stockholders of \$0.01 per share, as compared to a net income of \$1.5 million and a basic net loss to common stockholders of \$0.15 per share for the same period during 2018. The increase in net income from the prior year is due largely to gains on asset sales.

For the three months ended June 30, 2019, the Company recorded Adjusted Funds from Operations ("AFFO") of -\$1.6 million and AFFO per fully diluted share of -\$0.05, as compared to AFFO of \$0.2 million and AFFO per fully diluted share of \$0.01 for the same period during 2018. For the six months ended June 30, 2019, the Company recorded AFFO of -\$2.6 million and AFFO per fully diluted share of -\$0.08, as compared to AFFO of \$0.2 million and AFFO per fully diluted share of \$0.01 for the same period during 2018. The decline in operating income and AFFO from the prior year is largely due to a decrease in revenues (see discussion in "Operating Results" below), non-recurring legal expenses related to the Rota Fortunae short-and-distort attack on the Company, and increased interest rates.

See "Non-GAAP Financial Measures" for complete definitions of AFFO and Adjusted EBITDAre and the financial tables accompanying this press release for reconciliations of net income to AFFO and Adjusted EBITDAre.

### Operating Results

For the three months ended June 30, 2019, the Company recorded total operating revenues of \$10.9 million, as compared to \$11.4 million for the same period during 2018. For the six months ended June 30, 2019, the Company recorded total operating revenues of \$21.8 million, as compared to \$22.6 million for the same period during 2018. The decline in operating revenues from the prior year is due largely to asset dispositions and secondarily to the poor operating environment in the U.S. agriculture economy.

For the three months ended June 30, 2019, the Company recorded total operating income of \$4.0 million and net operating income ("NOI") of \$8.7 million, as compared to total operating income of \$5.2 million and NOI of \$9.3 million for the same period in 2018. For the six months ended June 30, 2019, the Company recorded total operating income of \$8.5 million and NOI of \$17.7 million, as compared to total operating income of \$10.0 million and NOI of \$18.8 million for the same period in 2018.

See "Non-GAAP Financial Measures" for a complete definition of NOI and the financial table included in this press release for reconciliations of net income to NOI.

[Continued on Next Page]



## Press Release

---

### **Acquisition and Disposition Activity**

During the quarter, the Company completed \$29.7 million in farm dispositions, resulting in a 35.0% gain over gross book value. Subsequent to quarter end, the Company completed additional dispositions for total gross proceeds of \$1.1 million, resulting in a 52.3% gain over gross book value.

### **Balance Sheet**

During the quarter, the Company repurchased 2.0 million shares of common stock at a weighted average price of \$6.49 per share for an aggregate purchase price of \$12.9 million. The Company also repurchased 22,828 shares of the Series B Participating Preferred stock at a weighted average price of \$23.68 per share for an aggregate purchase price of \$0.5 million. Subsequent to quarter end and as of the date of this press release, the Company has repurchased an additional 0.2 million shares of common stock at a weighted average price of \$7.04 per share for an aggregate purchase price of \$1.7 million.

As of June 30, 2019, the Company had 32,240,860 shares of common stock outstanding on a fully diluted basis. As of the date of this press release, the Company had 31,999,588 shares of common stock outstanding on fully diluted basis.

During the quarter the Company repaid \$5.1 million in outstanding debt. Subsequent to the quarter's end, the Company repaid an additional \$1.1 million in outstanding debt.

The Company had total debt outstanding of \$514.0 million at June 30, 2019, compared to total debt outstanding of \$525.3 million at December 31, 2018.

### **Dividend Declarations**

The Company announced that its Board of Directors has declared a quarterly cash dividend of \$0.05 per share of common stock and per Class A Common OP unit. The dividends are payable on October 15, 2019, to stockholders and unit holders of record on October 1, 2019.

The Company also announced today that its Board of Directors has declared a quarterly cash dividend of \$0.3750 per share of Series B Participating Preferred Stock. The dividends are payable on September 30, 2019, to holders of Series B Participating Preferred Stock of record on September 16, 2019.

### **Conference Call Information**

The Company has scheduled a conference call on August 7, 2019 at 11:00 a.m. (Eastern Time) to discuss its financial results for the quarter ended June 30, 2019. The call can be accessed live over the phone toll-free by dialing 1-866-262-6804 (U.S.), or 1-855-669-9657 (Canada), or 1-412-902-4107 (International). Participants can reference the Farmland Partners Inc. Second Quarter 2019 Earnings Call. The conference call will also be available via a live listen-only webcast and can be accessed through the Investor Relations section of the Company's website, [www.farmlandpartners.com](http://www.farmlandpartners.com). A replay of the conference call will be available beginning August 7, 2019 at 1:00 p.m. (Eastern Time) until August 21, 2019 at 11:59 p.m. (Eastern Time), by dialing 1-877-344-7529 (U.S.), or 1-855-669-9658 (Canada), or 1-412-317-0088 (International); passcode: 10133882. A replay of the webcast will also be accessible on the Investor Relations section of the Company's website for a limited time following the event.

### **About Farmland Partners Inc.**

Farmland Partners Inc. is an internally managed real estate company that owns and seeks to acquire high-quality North American farmland and makes loans to farmers secured by farm real estate. As of the date of this release, the Company owns approximately 158,000 acres in 17 states, including Alabama, Arkansas, California, Colorado, Florida, Georgia, Illinois, Kansas, Louisiana, Michigan, Mississippi, Nebraska, North Carolina, South Carolina, South Dakota, Texas and Virginia. We have approximately 26 crop types and over 100 tenants. The Company elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes, commencing with the taxable year ended December 31, 2014.



**Forward-Looking Statements**

This press release includes “forward-looking statements” within the meaning of the federal securities laws, including, without limitation, statements with respect to our outlook, proposed and pending acquisitions and dispositions, the potential impact of trade disputes and recent hurricanes on the Company’s results, financing activities, crop yields and prices and anticipated rental rates. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” or similar expressions or their negatives, as well as statements in future tense. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and our actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: general volatility of the capital markets and the market price of the Company’s common stock or Series B participating preferred stock, changes in the Company’s business strategy, availability, terms and deployment of capital, the Company’s ability to refinance existing indebtedness at or prior to maturity on favorable terms, or at all, availability of qualified personnel, changes in the Company’s industry, interest rates or the general economy, adverse developments related to crop yields or crop prices, the degree and nature of the Company’s competition, the timing, price or amount of repurchases, if any, under the Company’s share repurchase program, the ability to consummate acquisitions under contract and the other factors described in the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018, and our other filings with the Securities and Exchange Commission. Any forward-looking information presented herein is made only as of the date of this press release, and we do not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.



(Unaudited)

## Financial Highlights

(\$ in thousands, except share and per share metrics)

Capitalization	6/30/19	6/30/18
Common shares	29,844,349	32,867,817
Common OP units	2,396,511	4,581,979
Fully diluted shares <sup>1</sup>	32,240,860	37,449,796
<b>Common equity market capitalization</b>	<b>\$227,298</b>	<b>\$329,558</b>
Preferred equity – Series A	\$118,755	\$118,755
Preferred equity – Series B	\$145,154	\$144,223
<b>Preferred equity</b>	<b>\$263,909</b>	<b>\$262,978</b>
<b>Total debt outstanding, net of cash</b>	<b>\$490,110</b>	<b>\$507,385</b>
<b>Total capitalization</b>	<b>\$981,317</b>	<b>\$1,099,921</b>
Share price	\$7.05	\$8.80

Financial Highlights	2Q19	2Q18
Revenues	\$10,948	\$11,419
NOI <sup>2</sup>	\$8,760	\$9,310
Adjusted EBITDAre <sup>2</sup>	\$6,540	\$7,802
Fully diluted net income (loss) per share	\$0.08	\$(0.07)
Fully diluted AFFO per share <sup>2</sup>	\$(0.05)	\$0.01

Balance Sheet Highlights	6/30/19	6/30/18
Net debt to gross assets	44.1%	43.9%
Net debt to total capitalization	49.9%	46.1%
Fixed debt	71.2%	64.2%
Floating debt	28.8%	35.8%
Net debt to Adjusted EBITDAre <sup>3</sup>	12.7x	13.8x

- 1) As of August 6, 2019, the Company had 31,999,588 fully diluted shares outstanding.
- 2) For definitions and reconciliations of net operating income (NOI) and Adjusted EBITDAre and for the definition of AFFO, refer to page 19, "Definitions and Reconciliations". For the reconciliation of AFFO, refer to page 9.
- 3) Based on EBITDAre for the trailing 12-month period. Refer to page 22.



(Unaudited)

## Balance Sheet

(\$ in thousands)	June 30, 2019	December 31, 2018
<b>ASSETS</b>		
Land, at cost	\$ 935,486	\$ 957,516
Grain facilities	12,103	12,184
Groundwater	11,473	11,473
Irrigation improvements	53,398	53,458
Drainage improvements	12,311	12,271
Permanent plantings	52,905	52,989
Other	7,827	8,196
Construction in progress	10,217	10,262
Real estate, at cost	1,095,720	1,118,349
Less accumulated depreciation	(21,747)	(18,202)
Total real estate, net	<u>1,073,973</u>	<u>1,100,147</u>
Deposits	-	-
Cash	22,359	16,891
Notes and interest receivable, net	7,753	11,877
Right of Use Asset	135	-
Deferred offering costs	218	218
Deferred financing fees, net	217	261
Accounts receivable, net	4,579	6,136
Inventory	708	341
Prepaid and other assets	1,881	3,638
<b>TOTAL ASSETS</b>	<b><u>\$ 1,111,823</u></b>	<b><u>\$ 1,139,509</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Mortgage notes and bonds payable, net	\$ 512,469	\$ 523,641
Lease Liability	135	-
Dividends and distributions payable	1,613	1,681
Derivative Liability	1,735	865
Accrued interest	4,469	4,296
Accrued property taxes	2,013	1,666
Deferred revenue	5,254	238
Accrued expenses	3,554	3,581
Total liabilities	<u>\$ 531,242</u>	<u>\$ 535,968</u>
Series B Participating Preferred Stock, \$0.01 par value, 100,000,000 shares authorized; 5,973,959 shares issued and outstanding at June 30, 2019, and 6,013,587 December 31, 2018	145,154	143,758
Redeemable non-controlling interests in operating partnership, Series A preferred units	118,755	120,510
<b>EQUITY</b>		
Common stock, \$0.01 par value, 500,000,000 shares authorized; 29,844,349 shares issued and outstanding at June 30, 2019, and 30,594,592 shares issued and outstanding at December 31, 2018	290	300
Additional paid in capital	335,256	332,996
Retained earnings	4,660	4,852
Cumulative dividends	(45,778)	(42,695)
Other Comprehensive Income	(1,735)	(865)
Non-controlling interests in operating partnership	23,979	44,685
Total equity	<u>316,672</u>	<u>339,273</u>
<b>TOTAL LIABILITIES, SERIES B PARTICIPATING PREFERRED STOCK, REDEEMABLE NON-CONTROLLING INTERESTS IN OPERATING PARTNERSHIP AND EQUITY</b>	<b><u>\$ 1,111,823</u></b>	<b><u>\$ 1,139,509</u></b>



(Unaudited)

## Income Statement

(\$ in thousands)

	For the Three Months Ended June 30,	
	2019	2018
<b>OPERATING REVENUES:</b>		
Rental income	\$9,698	\$10,057
Tenant reimbursements	466	774
Crop sales	484	331
Other revenue	300	257
Total operating revenues	10,948	11,419
<b>OPERATING EXPENSES</b>		
Depreciation, depletion, and amortization	2,092	2,126
Property operating expenses	2,188	2,109
Acquisition and due diligence costs	1	—
General and administrative expenses	1,419	1,701
Legal and accounting	1,293	284
Other operating expenses	1	11
Total operating expenses	6,994	6,231
<b>OPERATING INCOME</b>	<b>3,954</b>	<b>5,188</b>
<b>OTHER (INCOME) EXPENSE:</b>		
Other income	(111)	(90)
Loss (gain) on disposition of assets	(7,491)	(143)
Interest expense	5,031	4,440
Total other expense	(2,571)	4,207
Net income before income tax expense	6,525	981
Income tax expense	—	—
<b>NET INCOME (LOSS)</b>	<b>6,525</b>	<b>981</b>
Net income attributable to non-controlling interests in operating partnership	(473)	(121)
Net income attributable to the Company	6,052	860
Nonforfeitable distributions allocated to unvested restricted shares	(21)	(41)
Distributions on redeemable non-controlling interests in operating partnership, Series A preferred units and dividends on Series B Participating Preferred Stock	(3,125)	(3,142)
Net income available to common stockholders of Farmland Partners Inc.	2,906	(2,323)





(Unaudited)

## Income Statement

(\$ in thousands)

	For the Six Months Ended June 30,	
	2019	2018
<b>OPERATING REVENUES:</b>		
Rental income	\$19,369	\$19,998
Tenant reimbursements	934	1,542
Crop sales	933	410
Other revenue	600	677
Total operating revenues	21,836	22,627
<b>OPERATING EXPENSES</b>		
Depreciation, depletion, and amortization	4,207	4,256
Property operating expenses	4,120	3,797
Acquisition and due diligence costs	1	141
General and administrative expenses	2,793	3,665
Legal and accounting	2,016	747
Other operating expenses	224	11
Total operating expenses	13,361	12,617
<b>OPERATING INCOME</b>	<b>8,475</b>	<b>10,010</b>
<b>OTHER (INCOME) EXPENSE:</b>		
Other income	(136)	(171)
Loss (gain) on disposition of assets	(7,909)	(135)
Interest expense	9,987	8,832
Total other expense	1,942	8,526
Net income before income tax expense	6,533	1,484
Income tax expense	—	—
<b>NET INCOME (LOSS)</b>	<b>6,533</b>	<b>1,484</b>
Net income attributable to non-controlling interests in operating partnership	(474)	(183)
Net income attributable to the Company	6,059	1,301
Nonforfeitable distributions allocated to unvested restricted shares	(42)	(83)
Distributions on redeemable non-controlling interests in operating partnership, Series A preferred units and dividends on Series B Participating Preferred Stock	(6,251)	(6,283)
Net income available to common stockholders of Farmland Partners Inc.	(234)	(5,065)



(Unaudited)

## FFO and AFFO Reconciliation

(in thousands except per share amounts)

	For the Three Months Ended June 30,	
	2019	2018
Net income (loss)	\$ 6,525	\$ 981
(Gain) loss on disposition of assets	(7,491)	(143)
Depreciation, depletion and amortization	2,092	2,126
FFO	<u>\$ 1,126</u>	<u>\$ 2,964</u>
Stock based compensation	382	398
Real estate related acquisition and due diligence costs	1	—
Dividends on Series B Participating Preferred Stock and distributions on Series A preferred units	(3,125)	(3,142)
AFFO	<u>\$ (1,616)</u>	<u>\$ 220</u>
<b>AFFO per diluted weighted average share data:</b>		
Net income per share available to common stockholders	\$ 0.09	\$ (0.07)
Income available to redeemable non-controlling interest and non-controlling interest in operating partnership	0.10	0.09
Depreciation, depletion and amortization	0.06	0.06
Stock based compensation	0.01	0.01
Real estate related acquisition and due diligence costs	0.00	—
(Gain) loss on disposition of assets	(0.22)	—
Dividends on Series B Participating Preferred Stock and distributions on Series A preferred units	(0.09)	(0.08)
AFFO per diluted weighted average share	<u>\$ (0.05)</u>	<u>\$ 0.01</u>
AFFO weighted average common shares <sup>1</sup>	33,456	37,458

1) As of August 6, 2019, the Company had 31,999,588 fully diluted shares outstanding.



(Unaudited)

## FFO and AFFO Reconciliation

(in thousands except per share amounts)

	For the Six Months Ended June 30,	
	2019	2018
Net income (loss)	\$ 6,533	\$ 1,484
(Gain) loss on disposition of assets	(7,909)	(135)
Depreciation, depletion and amortization	4,207	4,256
FFO	<u>\$ 2,831</u>	<u>\$ 5,605</u>
Stock based compensation	778	729
Real estate related acquisition and due diligence costs	1	141
Dividends on Series B Participating Preferred Stock and distributions on Series A preferred units	(6,252)	(6,283)
AFFO	<u>\$ (2,642)</u>	<u>\$ 192</u>
<b>AFFO per diluted weighted average share data:</b>		
Net income per share available to common stockholders	\$ (0.01)	\$ (0.15)
Income available to redeemable non-controlling interest and non-controlling interest in operating partnership	0.20	0.20
Depreciation, depletion and amortization	0.12	0.11
Stock based compensation	0.02	0.02
Real estate related acquisition and due diligence costs	0.00	—
(Gain) loss on disposition of assets	(0.23)	—
Dividends on Series B Participating Preferred Stock and distributions on Series A preferred units	(0.18)	(0.17)
AFFO per diluted weighted average share	<u>\$ (0.08)</u>	<u>\$ 0.01</u>
AFFO weighted average common shares <sup>1</sup>	33,907	37,730

1) As of August 6, 2019, the Company had 31,999,588 fully diluted shares outstanding.

## Debt Summary

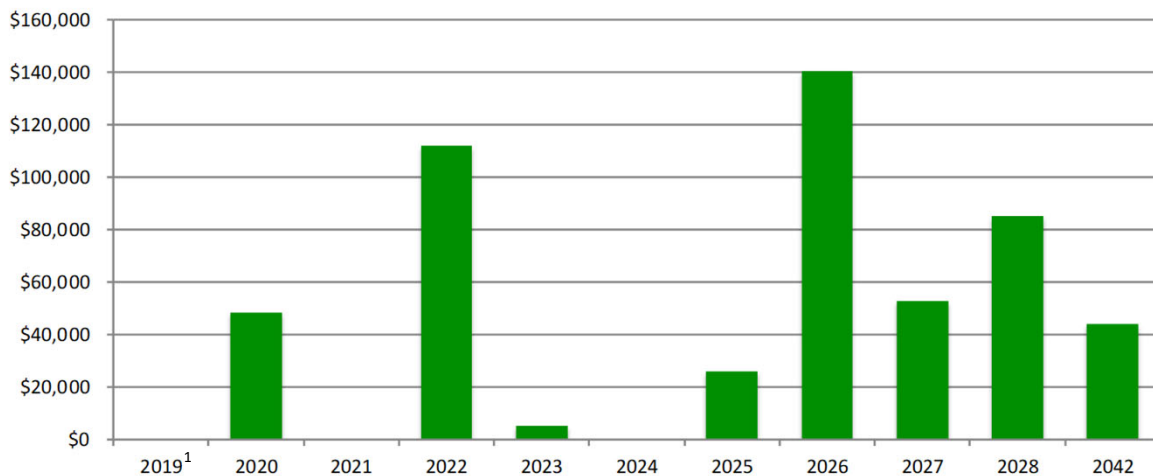
### Debt Composition

Type	Total Outstanding Principal	% of Total	Weighted Average Term	Weighted Average Interest Rate	Weighted Average Interest Rate Duration (Years)
Fixed	\$365,892	71.2%	8.3	3.67%	2.3
Floating	\$148,134	28.8%	3.9	4.00%	0.2
<b>Total</b>	<b>\$514,026</b>	<b>100.0%</b>	<b>7.0</b>	<b>3.77%</b>	<b>1.7</b>

### Debt Maturity Schedule

Year	Balance	% of Total	Weighted Average Interest Rate
2019 <sup>1</sup>	\$0	0%	3.20%
2020	\$48,300	9%	3.22%
2021	\$0	0%	0.00%
2022	\$112,000	22%	3.90%
2023	\$4,975	1%	5.19%
2024	\$0	0%	0.00%
2025	\$26,075	5%	3.69%
2026	\$140,627	27%	3.50%
2027	\$52,690	10%	3.30%
2028	\$85,359	17%	4.39%
2042	\$44,000	9%	4.12%
<b>Total</b>	<b>\$514,026</b>	<b>100%</b>	<b>3.77%</b>

### Debt Maturities by Year

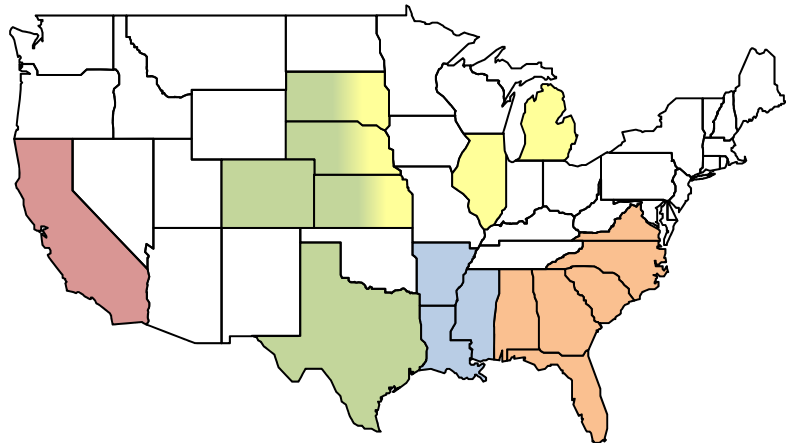


1) Remainder of year only.

## Portfolio Overview

As of 12/31/2018

Region	% of Total Cost Basis
Corn Belt	33%
West Coast	27%
Southeast	22%
Delta + South	10%
High Plains	8%



Region	Actual % of 2018 Rental Revenue
Corn Belt	29%
West Coast	37%
Southeast	20%
Delta & South	8%
High Plains	6%

Region	% of Tillable Acres
Corn Belt	29%
West Coast	7%
Southeast	26%
Delta & South	18%
High Plains	20%

Crop Type	Actual % of 2018 Rental Revenues
Row Crops	57%
Specialty & Permanent Crops	42%
Livestock Facilities	1%

	Actual % of 2018 Rental Revenues
Fixed	76%
Variable	24%



(Unaudited)

## Recent Acquisition Activity

(\$ in thousands)

### LTM Acquisition Activity, at Cost

	Total Acres	Purchase Price
Corn Belt	632	\$5,871
Delta & South	0	0
High Plains	0	0
Southeast	126	454
West Coast	0	0
<b>Total</b>	<b>758</b>	<b>\$6,325</b>

### 2019 2Q Acquisition Activity, at Cost

No acquisitions closed

### 2019 1Q Acquisition Activity, at Cost

No acquisitions closed

### 2018 4Q Acquisition Activity, at Cost

	Total Acres	Purchase Price
Southeast	126	\$454
<b>Total</b>	<b>126</b>	<b>\$454</b>

### 2018 3Q Acquisition Activity, at Cost

	Total Acres	Purchase Price
Corn Belt	632	\$5,871
<b>Total</b>	<b>632</b>	<b>\$5,871</b>



(Unaudited)

## Recent Disposition Activity

(\$ in thousands)

### Disposition Activity

	Gross Sales Proceeds	Depreciation	Net Book Value	Gain	Unlevered IRR <sup>1</sup>	Levered IRR <sup>1</sup>
2Q18 Dispositions	\$2,000	\$87	\$1,823	\$214	9.5%	12.5%
3Q18 Dispositions	\$29,941	\$34	\$27,190	\$2,909	10.7%	18.7%
4Q18 Dispositions	\$0	\$0	\$0	\$0	0.0%	0.0%
1Q19 Dispositions	\$4,724	\$6	\$4,273	\$418	6.1%	10.1%
2Q19 Dispositions	\$29,678	\$172	\$20,331	\$7,181	23.5%	37.6%
<b>Total</b>	<b>\$66,343</b>	<b>\$299</b>	<b>\$53,617</b>	<b>\$10,722</b>	<b>16.0%</b>	<b>26.3%</b>

1) Internal Rate of Return ("IRR") calculations are preliminary based on management's current estimates and are subject to change.

### Gross Cap Rate Guidance

Region	% of Trailing 12-Month Revenues	Market Cap Rate Based on Gross Rental Income	Intra-Regional Variation ( + / - )
Corn Belt	28%	2.80%	0.40%
West Coast	34%	6.00%	1.00%
Southeast	22%	4.40%	0.50%
Delta + South	9%	3.30%	0.50%
High Plains	7%	4.00%	0.75%
<b>Weighted Average</b>		<b>4.37%</b>	

### Key NAV Components

(\$ and shares in thousands)

Farmland Gross Asset Value	Trailing 12 Months Ended June 30, 2019
<b>Total operating revenues<sup>1</sup></b>	<b>\$55,279</b>
Crop sales <sup>1</sup>	(934)
Other revenue <sup>1</sup>	(1,239)

Selected Balance Sheet Information	As of 6/30/19
------------------------------------	---------------

#### Other tangible assets

Development properties	13,430
Construction in progress	10,217
Cash	22,359
Notes and interest receivable, net	7,753
Accounts receivable, net	4,579
Inventory	708
Prepaid and other assets	1,881
	<b>60,927</b>

<b>Total liabilities</b>	<b>531,242</b>
--------------------------	----------------

Preferred equity – Series A	118,755
Preferred equity – Series B	145,154
Mark-to-market adjustment for preferred equity <sup>2</sup>	(17,588)

<b>Net preferred equity</b>	<b>246,321</b>
-----------------------------	----------------

<b>Fully Diluted Shares Outstanding at 6/30/2019</b>	<b>32,241</b>
--	---------------

<b>Fully Diluted Shares Outstanding at 8/06/2019</b>	<b>32,000</b>
--	---------------

1) For the calculation of trailing 12-month total operating revenue, crops sales, and other revenue, refer to page 22.

2) Assumes market coupon for Company's Series A preferred equity is currently 6.00% versus the 3.00% coupon in place.





## Equity Analyst Coverage

---

### **B. Riley FBR**

---

Craig Kucera  
540.277.3366  
craigkucera@brileyfbr.com

### **Janney Montgomery Scott LLC**

---

Robert Stevenson  
646.840.3217  
robstevenson@janney.com

### **Raymond James**

---

Collin Mings  
727.567.2585  
collin.mings@raymondjames.com

### **Robert W. Baird & Co.**

---

David B. Rodgers, CFA  
216.737.7341  
drodgers@rwbaird.com



## Company Information

---

### ABOUT US

---

Farmland Partners Inc. (NYSE: FPI) is a publicly traded real estate investment trust (REIT) that manages and seeks to acquire both high-quality farmland and land with excellent agricultural development potential located throughout North America. The company was founded by farmers, and its management team has hands-on farm operations experience. One of our primary goals is to align ourselves with top-quality operators in various parts of the United States in an effort to build a diverse portfolio of agricultural assets across the spectrum of crops. This diversification, combined with stable rental income generation and potential value appreciation, provides an attractive risk-adjusted return over time.

### MANAGEMENT

---

**Paul A. Pittman**  
Executive Chairman and Chief Executive Officer

**Luca Fabbri**  
Chief Financial Officer and Treasurer

### CONTACT

---

4600 S. Syracuse St, Suite 1450  
Denver, CO 80237  
(720) 452-3100



## Definitions and Reconciliations

---

### Non-GAAP Financial Measures

The Company considers the following non-GAAP measures as useful to investors as key supplemental measures of its performance: FFO, AFFO, EBITDAre and Adjusted EBITDAre. These non-GAAP financial measures should be considered along with, but not as alternatives to, net income or loss as a measure of the Company's operating performance. FFO, AFFO, EBITDAre and Adjusted EBITDAre, as calculated by the Company, may not be comparable to other companies that do not define such terms exactly as the Company.

#### **FFO**

The Company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. NAREIT defines FFO as net income (loss) (calculated in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, plus real estate related depreciation, depletion and amortization (excluding amortization of deferred financing costs), and after adjustments for unconsolidated partnerships and joint ventures. Management presents FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the Company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from sales of depreciable operating properties, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. The Company also believes that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs. However, other equity REITs may not calculate FFO in accordance with the NAREIT definition as the Company does, and, accordingly, the Company's FFO may not be comparable to such other REITs' FFO.

#### **AFFO**

The Company calculates AFFO by adjusting FFO to exclude the income and expenses that the Company believes are not reflective of the sustainability of the Company's ongoing operating performance, including, but not limited to, real estate related acquisition and due diligence costs and stock-based compensation.

Changes in GAAP accounting and reporting rules that were put in effect after the establishment of NAREIT's definition of FFO in 1999 result in the inclusion of a number of items in FFO that do not correlate with the sustainability of the Company's operating performance. Therefore, in addition to FFO, the Company presents AFFO and AFFO per share, fully diluted, both of which are non-GAAP measures. Management considers AFFO a useful supplemental performance metric for investors as it is more indicative of the Company's operational performance than FFO. AFFO is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of the Company's operating performance. Even AFFO, however, does not properly capture the timing of cash receipts, especially in connection with full-year rent payments under lease agreements entered into in connection with newly acquired farms. Management considers AFFO per share, fully diluted to be a supplemental metric to GAAP earnings per share. AFFO per share, fully diluted provides additional insight into how the Company's operating performance could be allocated to potential shares outstanding at a specific point in time. Management believes that AFFO is a widely recognized measure of the operations of REITs, and presenting AFFO will enable investors to assess the Company's performance in comparison to other REITs. However, other REITs may use different methodologies for calculating AFFO and AFFO per share, fully diluted and, accordingly, the Company's AFFO and AFFO per share, fully diluted may not always be comparable to AFFO and AFFO per share amounts calculated by other REITs. AFFO and AFFO per share, fully diluted should not be considered as an alternative to net income (loss) or earnings per share (determined in accordance with GAAP) as an indication of financial performance, or as an alternative to net income (loss) earnings per share (determined in accordance with GAAP) as a measure of the Company's liquidity, nor are they indicative of funds available to fund the Company's cash needs, including its ability to make distributions.

[Continued on Next Page]

---



## Definitions and Reconciliations

### **EBITDAre and Adjusted EBITDAre**

The Company calculates Earnings Before Interest Taxes Depreciation and Amortization for real estate ("EBITDAre") in accordance with the standards established by NAREIT in its September 2017 White Paper. NAREIT defines EBITDAre as net income (calculated in accordance with GAAP) excluding interest expense, income tax, depreciation and amortization, gains or losses on disposition of depreciated property (including gains or losses on change of control), impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity's pro rata share of EBITDAre of unconsolidated affiliates. EBITDAre is a key financial measure used to evaluate the Company's operating performance but should not be construed as an alternative to operating income, cash flows from operating activities or net income, in each case as determined in accordance with GAAP. The Company believes that EBITDAre is a useful performance measure commonly reported and will be widely used by analysts and investors in the Company's industry. However, while EBITDAre is a performance measure widely used across the Company's industry, the Company does not believe that it correctly captures the Company's business operating performance because it includes non-cash expenses and recurring adjustments that are necessary to better understand the Company's business operating performance. Therefore, in addition to EBITDAre, management uses Adjusted EBITDAre, a non-GAAP measure.

The Company calculates Adjusted EBITDAre by adjusting EBITDAre for certain items such as stock-based compensation and real estate related acquisition and due diligence costs that the Company considers necessary to understand its operating performance. The Company believes that Adjusted EBITDAre provides useful supplemental information to investors regarding the Company's ongoing operating performance that, when considered with net income and EBITDAre, is beneficial to an investor's understanding of the Company's operating performance. However, EBITDAre and Adjusted EBITDAre have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP.

In prior periods, the Company has presented EBITDA and Adjusted EBITDA. In accordance with NAREIT's recommendation, beginning with the Company's reported results for the three months ended June 30, 2019, the Company is reporting EBITDAre and Adjusted EBITDAre in place of EBITDA and Adjusted EBITDA.

	For the Three Months Ended June 30,	
	2019	2018
<i>(in thousands)</i>		
Net income (loss)	\$ 6,525	\$ 981
Interest expense	5,031	4,440
Depreciation, depletion and amortization	2,092	2,126
(Gain) loss on disposal of assets	(7,491)	(143)
EBITDAre	\$ 6,157	\$ 7,404
Stock based compensation	382	398
Real estate related acquisition and due diligence costs	1	—
Adjusted EBITDAre	\$ 6,540	\$ 7,802



## Definitions and Reconciliations

### Net Operating Income

The Company calculates net operating income (NOI) as total operating revenues (rental income, tenant reimbursements, crop sales and other revenue) less property operating expenses (direct property expenses and real estate taxes). Since NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expenses, other non-property income and losses and extraordinary items, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating farmland real estate, providing a perspective on operations not immediately apparent from net income. However, net operating income should not be viewed as an alternative measure of our financial performance since it does not reflect general and administrative expenses, interest expense, depreciation and amortization costs, other non-property income and losses.

	For the Three Months Ended June 30,	
	2019	2018
<i>(in thousands except per share amounts)</i>		
Total operating revenues	\$ 10,948	\$ 11,419
Property operating expenses	2,188	2,109
<b>Net operating income (NOI)</b>	<b>\$ 8,760</b>	<b>\$ 9,310</b>

	For the Three Months Ended June 30,	
	2019	2018
<i>(in thousands except per share amounts)</i>		
NET INCOME	\$ 6,525	\$ 981
Depreciation, depletion, and amortization	2,092	2,126
Acquisition and due diligence costs	1	-
General and administrative costs	1,419	1,701
Legal and accounting	1,293	284
Other operating expenses	1	11
Other income	(111)	(90)
Loss (gain) on disposition of assets	(7,491)	(143)
Interest expense	5,031	4,440
<b>Net Operating Income (NOI)</b>	<b>\$ 8,760</b>	<b>\$ 9,310</b>



(Unaudited)

## Definitions and Reconciliations

### Trailing 12-Month Calculations

Below are the calculations of several operating metrics for the trailing 12-month period ended June 30, 2019.

	Trailing 12-Month Period	Quarter Ended June 30, 2019	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018	Quarter Ended September 30, 2018
<b>Total operating revenues</b>	<b>\$ 53,106</b>	<b>\$10,164</b>	<b>\$10,139</b>	<b>\$20,603</b>	<b>\$12,200</b>
Crop sales	934	484	450	0	0
Other revenue	1,239	300	300	290	349
Depreciation and depletion	8,495	2,092	2,115	2,134	2,154
Property operating expenses	8,156	2,188	1,932	2,534	1,502
Acquisition and due diligence costs	41	1	0	6	34
General and administrative expenses	6,605	1,419	1,374	2,124	1,688
Legal and accounting	3,598	1,293	723	566	1,016
Other operating expenses	223	1	222	0	0
<b>Total operating expenses</b>	<b>27,118</b>	<b>6,994</b>	<b>6,366</b>	<b>7,364</b>	<b>6,394</b>
<b>Operating income</b>	<b>\$ 28,161</b>	<b>3,954</b>	<b>4,523</b>	<b>13,529</b>	<b>6,155</b>

	Trailing 12-Month Period	Quarter Ended June 30, 2019	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018	Quarter Ended September 30, 2018
Net income (loss)	\$ 19,090	6,525	9	8,399	4,157
Interest expense	19,954	5,031	4,956	4,966	5,001
Depreciation and depletion	8,495	2,092	2,115	2,134	2,154
(Gain) loss on sale of assets	(10,655)	(7,491)	(418)	204	(2,950)
<b>EBITDAre</b>	<b>36,884</b>	<b>6,157</b>	<b>6,662</b>	<b>15,703</b>	<b>8,362</b>
Stock-based compensation	1,702	382	396	518	406
Real estate related acquisition and due diligence costs	41	1	0	6	34
<b>Adjusted EBITDAre</b>	<b>\$ 38,627</b>	<b>6,540</b>	<b>7,058</b>	<b>16,227</b>	<b>8,802</b>